

December 9, 2020

To,
BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

Scrip Code: 532641

To,
National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G – Block,
BKC, Bandra (East),
Mumbai – 400 051.

Scrip Symbol: NDL

Dear Sir,

Sub.: Annual Report for the year 2019-20

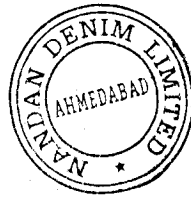
With reference to the captioned subject, please find enclosed Annual Report of Nandan Denim Limited for the year 2019-20.

You are requested to kindly take the same on record.

Thanking You,

Yours sincerely,
For NANDAN DENIM LIMITED


Company Secretary



Nandan Denim Limited
(CIN:L51909GJ1994PLC022719)

Registered Office

Survey No. 198/1 & 203/2, Saijpur-Gopalpur, Pirana Road, Piplaj, Ahmedabad - 382 405
Ph.: +91 9879200199 Website : www.nandandenim.com Email : nandan@chiripalgroup.com

Corporate Office

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



New Beginnings –
**Emerging
Stronger**

Nandan Denim Ltd.
Annual Report 2019-20

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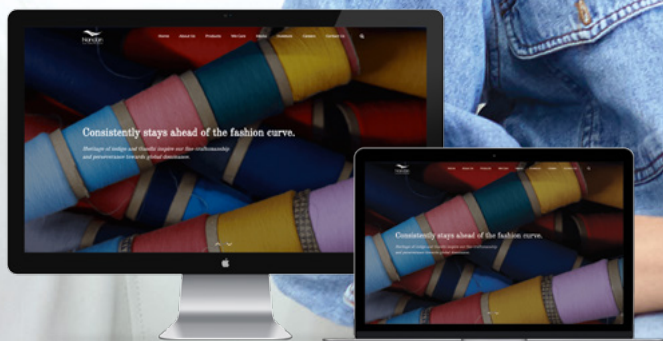
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For additional information about the company log on to www.nandanenim.com

Experience makes man wiser and we never fail to learn from our shortcomings!

For the choice to shape our future lies in our efforts to carve a distinctive identity.

What distinguishes us is our resilience in the face of crisis and our resolve to envision change. Encouraging new ideas, mustering the courage to aim for greater goals and a distinct ability to innovate, we remain motivated to emerge stronger and welcome new beginnings.

Overcoming challenges and adopting novel perspectives, we know - the best time for new beginnings is now!



Scan the QR
Code for further
information

Chiripal Group at a glance



Chiripal Group is one of the leading manufacturers and exporters of Textile and BOPP Film products in India with a group turnover of more than Rs. 6000 crore.

We started operations in 1972 with a few power looms, and over the years have evolved into a multifaceted textile conglomerate producing fiber to apparel under one roof. Our extensive experience of over four decades enabled us to create a sustainable business empire spanning across varied fields ranging from Petrochemicals, Chemicals and Infrastructure to Spinning, Weaving,

Knitting, Fabric Processing, BOPP Film manufacturing and Educational Initiatives. Our quest for innovation and excellence enables us to set new benchmarks across operational verticals. Banking on the expertise of our team of devoted employees and our state-of-the-art facilities, we have established a significant presence for our businesses in domestic as well as international markets.



Company portfolio

Group Company	Line of Business	Details
Nandan Denim Ltd.	Textile	The Company is India's largest denim fabric manufacturer, engaged in the manufacturing of denims, cotton fabrics and yarn.
Chiripal Industries Ltd. (Fabric Division)		The Company has diverse operations comprising of Process Division, Woven Fabrics Division, Knitting Division, Polar Fleece Division, Flock Division, Cotton Hosiery Division, Embroidery Division and Chemical Division.
Vishal Fabrics Ltd.		One of the leading textile fabrics processing and manufacturing companies producing a wide range of products for men, women and kids.
Chiripal Industries Ltd. (Petrochemical Unit)		Yarn & Petrochemicals
CIL Nova Petrochemicals Ltd.		One of the leading producers of POY, FOY, PTY, and DTY yarns. The Company's extensive experience in processing various fabric enhances its ability to meet high quality standards and successfully expand its presence in the international markets.
Chiripal Poly Films Ltd.		Packaging Solutions
Vraj Integrated Textile Park Ltd.	Textile Park	Chiripal Group's dream project, Vraj Integrated Textile Park has been designed as a modern textile hub. It offers comprehensive and integrated textile manufacturing solutions for various manufacturing processes and helps to deliver excellent quality products at highly competitive rates.
Shanti Educational Initiatives Ltd.	Education	One of the fastest growing education companies, it plans, builds and manages educational institutions from play school to grade 12.

Company Overview

A modern and versatile denim manufacturing company, Nandan Denim is India's largest supplier of denims. With a manufacturing capacity of 110 MMPA, it is also the world's fourth largest integrated denim fabric maker.



Vision

TO
BE
NO.1

Incorporated in 1994, we started off as a textile trading company and forayed into denim manufacturing in 2004. Today, we manufacture and deliver denim fabric, yarn / dyed yarn, cotton fabric and shirting fabric for

some of the most renowned brands in India and abroad. Headquartered in Ahmedabad, we have a strong pan-India network and have expanded our footprints to over 27 countries around the globe.

Mission

To have Nandan on every table

To develop Nandan into a fashion brand

Smooth transitioning from manufacturing to service provider

Values



Passion Towards Work



Work for Excellence



Ethical



Respect for Diverse View



Care for the Environment



Collaborative and Relationship Driven

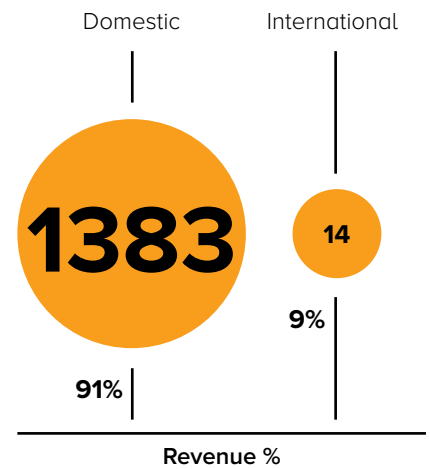


Fashion Perspective



Segment	Revenue %
● Denim	82.7
● Shirt	78.7
● Yarn	524.4
● Others	93.50

Region



1524.30

Revenue from operations in FY 2019-20

1.06

Debt-equity ratio



Nandan's diverse portfolio

Over the years, we have built a robust and diverse portfolio of products to satisfy a growing client base. With a constant focus on delivering unique products, we continue to build capacities, improve operational efficiency and adopt technology to capitalize on emerging opportunities and offer products that are attuned to changing fashion trends.

Denim

Nandan denim is renowned and acclaimed for its exceptional quality and extensive variety. Our state-of-the-art manufacturing facility empowers us to utilize innovative production techniques to design customized products for our global clientele. The advanced facilities make our processes more productive and our people more efficient, enabling us to provide unparalleled products year after year.

1,100 LMPA

Installed Capacity

~60%

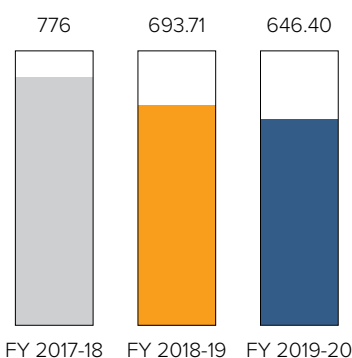
Capacity Utilization

Product Portfolio

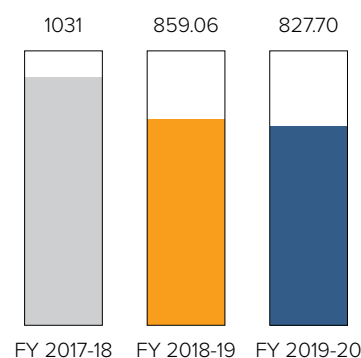
- ▶ Regular basic denims
- ▶ Knit denim
- ▶ Lightweight denim
- ▶ Feather touch denim
- ▶ Printed denims



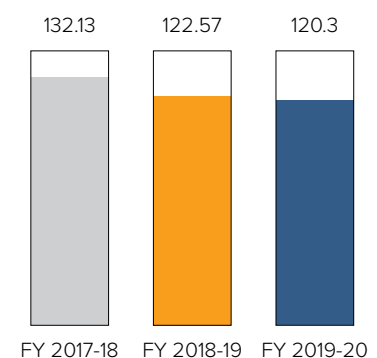
Production (LMPA)



Revenue (Rs. in crore)



Realisation (Rs. / mt)



Shirting

At Nandan, we offer premium quality shirting fabric in a wide variety of designs, textures and blends, ranging from basics and fancy to textured fabric. Our modern weaving facility, coupled with advanced processing machines help us to deliver fashionable and contemporary products that meet the demands of new-age customers.

100 LMPA

Installed Capacity

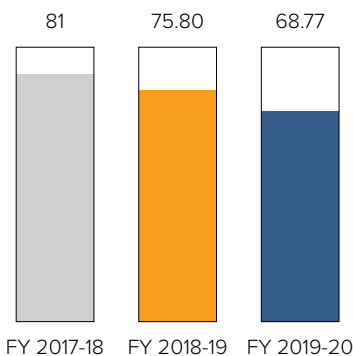
~69%

Capacity Utilization

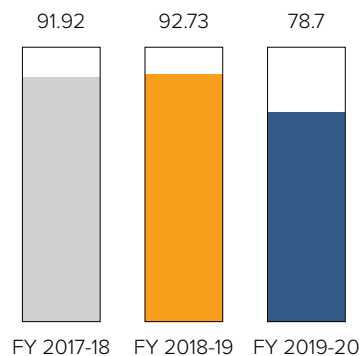
Product Portfolio

- ▶ Basic
- ▶ Smart Casuals
- ▶ Textured
- ▶ Indigoes
- ▶ Fancy

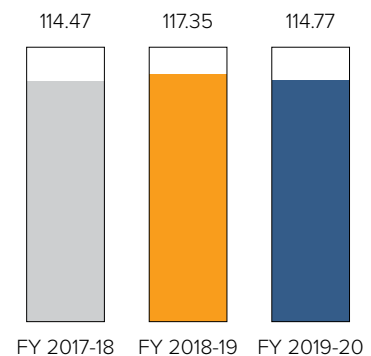
Production (LMPA)



Revenue (Rs. in crore)



Realisation (Rs. / mt)



Yarn

At Nandan, we deliver high quality dyed yarn in various blends and thread counts for the hosiery & weaving segment. The advanced infrastructure of our yarn dyeing plant helps to develop different shades of packaged yarn and it can successfully deliver yarn within 48-72 hrs. In addition, we have a sophisticated laboratory for colour matching, utilizing X-rite Colori-7 - a colour matching lightbox using X-rite Spectra Light QC (III).

141 TPD

Installed Capacity

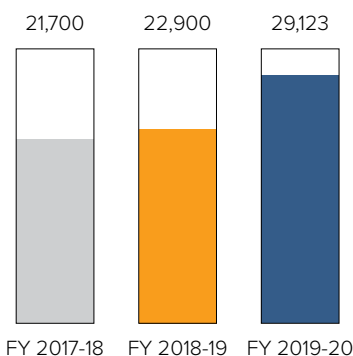
~75%

Capacity Utilization

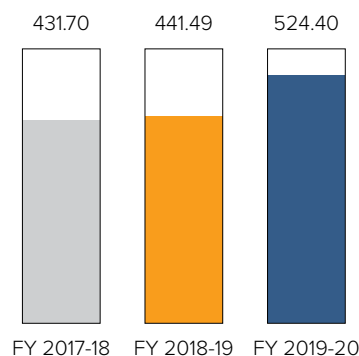
Product Portfolio

- ▶ 100% Cotton
- ▶ Blended
- ▶ Special Open End
- ▶ Organic Cotton
- ▶ Core-Spun
- ▶ 100% dyed

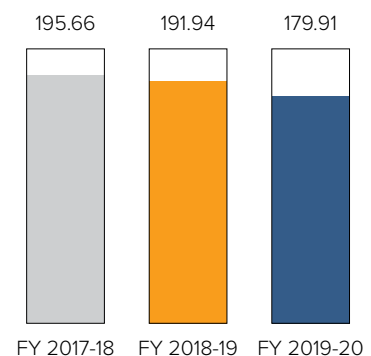
Production (TPD)



Revenue (Rs. in crore)



Realisation (Rs. / kg)



Chairman's message



We have implemented adequate fire safety procedures, emergency response systems and trained employees to deal with such accidents, to ensure complete compliance to fire safety norms.”

Dear Shareholders,

The fiscal 2019-20 witnessed significant challenges as the global as well as the Indian economy continued to be affected by several macroeconomic factors. Amidst a challenging environment, your company continues to grow, backed by a robust business model and its strategic ability to navigate through troubled times. To retain our competitive advantage and consistently deliver value to all our stakeholders, we continue to focus on investments for research and development, technological enhancement and quality improvement to sustain profit margins and increase operational efficiency.

Rising trade barriers, increasing geopolitical tensions and the trade war between U.S. and China had a significant impact on global economic growth. Along with this, a sharp deterioration in manufacturing activity and global trade, higher tariffs and prolonged uncertainties around trade policies slowed investment and dampened demand for capital goods. Growth also plummeted due to country-specific factors in several emerging market economies and on account of structural forces such as low productivity and aging demographics in advanced economies.

Its effects trickled down to the Indian economy as well. Various domestic factors like declining consumer demand, slowdown in the Indian manufacturing sector, turbulence in non-banking financial institutions and reduction in investments further aggravated the situation. Adding fuel to the fire, towards the end of March 2020, the COVID-19 pandemic

unleashed unforeseen troubles. It further escalated the challenges for the global as well as the Indian economy, as it took a heavy toll of human lives, stopped businesses and resulted in massive jobs losses and pay cuts around the world. The Indian government imposed a nationwide lockdown and industries across sectors suffered heavy losses due to prolonged periods of inactivity.

To revive growth, favourable fiscal policies were introduced by the government and a stimulus package worth Rs. 20 lakh crores was announced recently. With policy support from the government and gradual resumption of business, the Indian economy is expected to bounce back stronger with a projected GDP growth of 6% in 2021.

Industry Overview

The textile industry plays a crucial role in the Indian economy, contributing approximately 5% to India's GDP and comprises 13% of the country's total exports. In the global textile and apparel sector, India ranks 2nd in terms of export.

However, the textile industry was severely hit by the end of FY 2019-20 due to the COVID-19 pandemic. Factories had to close temporarily due to the countrywide lockdowns and it led to massive lay-offs. Exports suffered a heavy blow as borders were shut and supply and production came to a halt. In the domestic market, demand for textile declined further during the crisis as people focused more on essential products and services.

With favourable policy support from the government, the industry

is expected to bounce back in the near future. Rising income levels, increased penetration of organised retail, favourable demographics and abundant raw material supply are some of the major factors that are likely to initiate growth in the textile sector. Moreover, the government has announced export promotion policies for the textiles sector and has also allowed 100% FDI, opening up new avenues of growth for the Indian textile industry.

A slowdown in the Chinese economy has rendered the cost of textile production in China high, and local textile manufacturers are therefore, losing the advantage of lower production cost. This has provided multiple opportunities for the Indian textile industry to make a mark in global markets, especially in the European Union and the United States. As Indian companies continue to leverage their advantages to capitalize on emerging prospects, the textile industry is looking forward to witness robust growth in the coming years.

Performance Review

Nandan Denim's unrefuted strengths and sustained market leadership allows us to consistently deliver strong financial performances, even amidst challenging circumstances, proving our determination to grow and succeed despite hurdles. During FY 2019-20, your company registered a revenue growth of Rs. 1,524.26 crores, as compared to Rs. 1456.04 crores in the previous year. We also recorded a healthy EBITDA of XX and our PAT stood at XX. Increasing expenses, especially with regards to higher cost of materials affected our PAT in the year under review.

During the year, a massive fire broke out at our manufacturing unit in Piplej. The unfortunate incident resulted in substantial damage and to prevent such instances in future, we have considerably shored up our security standards. We have implemented adequate fire safety procedures, emergency response systems and trained employees to deal with such accidents, to ensure complete compliance to fire safety norms.

Looking ahead

As we move forward, we acknowledge the challenges on our way and realize the need to be resilient to sustainably grow our business in the post pandemic era. In order to emerge stronger, we are evolving to adapt to the 'new normal'. We are also developing strategies to optimize resources and improve our operational efficiency, focusing on higher investments in R&D to constantly offer innovative products that fulfil the demands of a dynamic business.

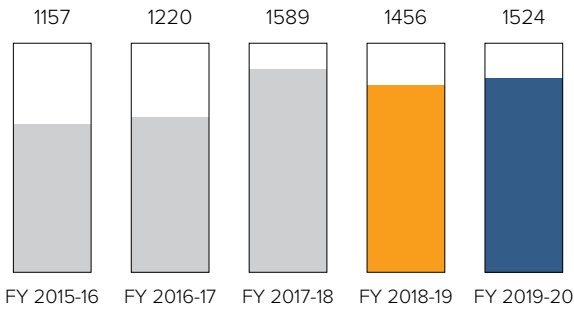
In conclusion, I would like to express my gratitude towards the Board, the Management and all our employees for their invaluable contribution to the success of Nandan Denim Limited. I am also sincerely thankful to all our shareholders for their continued support and trust in our abilities as we continue to explore possibilities to grow and expand further.

Regards,

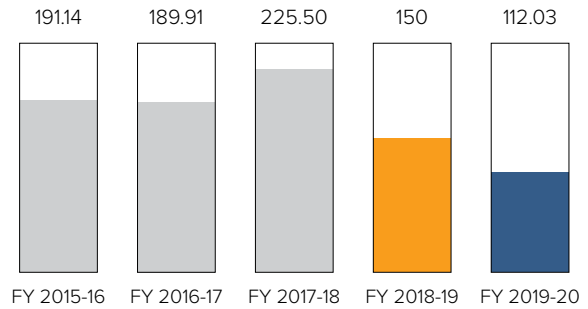
Vedprakash Chiripal
Chairman

Nandan's Performance Parameters

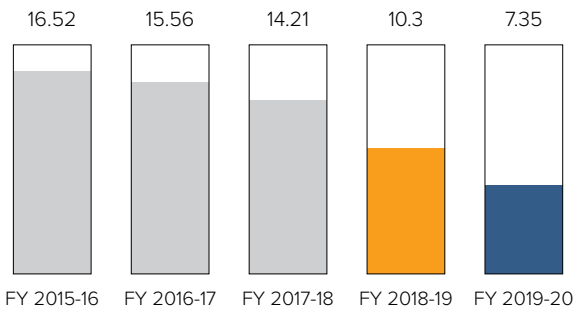
Revenue from operations (Rs. in crores)



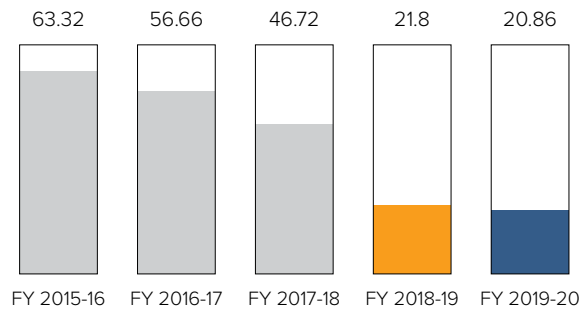
EBITDA (Rs. in crores)



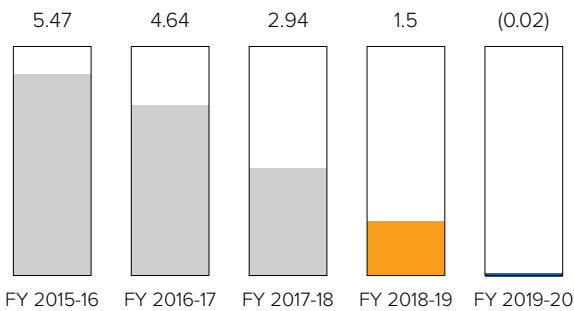
EBITDA Margin (in %)



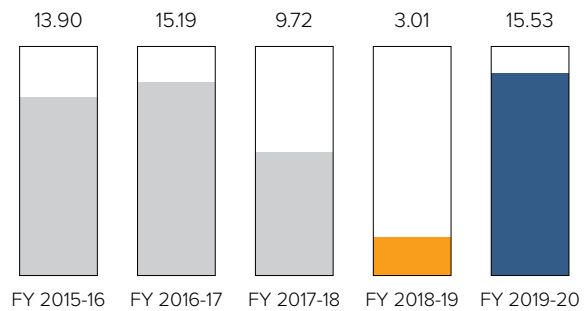
PAT (Rs. in crores)



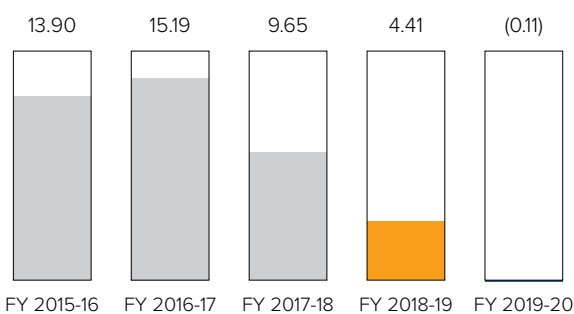
PAT Margin (in %)



Cash & Cash equivalent (Rs. In crores)



EPS (Rs.)



Our Expansive Footprint



Countries we are present in

Australia	Madagascar
Bangladesh	Morocco
Chile	Panama
China	Peru
Columbia	Philippines
Dubai- UAE	Portugal
Egypt	South Africa
Greece	South Korea
Guatemala	Sri Lanka
Honduras	Thailand
Hong Kong	Turkey
India	USA
Indonesia	Uzbekistan
Lesotho	Venezuela

Brand with a difference

Our unwavering commitment to deliver stylish and contemporary products encourages us to constantly reinvent and reposition our brand. With a remarkable pool of marquee clients, we remain motivated to offer the latest trends, designs and colours, while keeping an impeccable focus on maintaining the highest quality standards.



Ultra Smooth



Superior Stretch



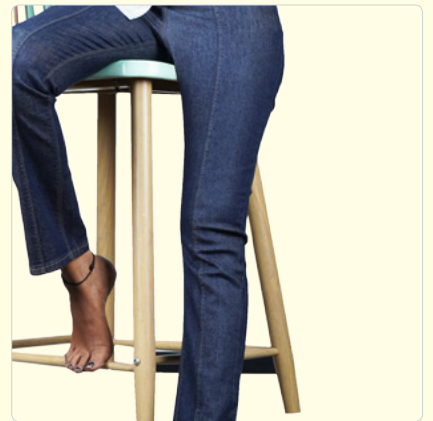
Maximum Comfort



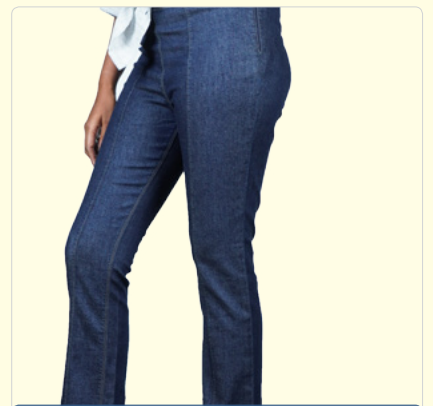
Super Soft



Soft finishes with subtle wash effects and comfortable drape



Feels like a dream



Smooth finish that feels light and cozy

Sustainability at core Fostering Viable Change

We are proud to drive positive environmental and social change within our organization and in the world around us. We recognize that as our company grows, so do our responsibilities. We, therefore, aspire to invest in sound environmental and social initiatives to responsibly lead change.

Water Management

As a basic necessity, we believe it is our collective responsibility to preserve water resources. To ensure our ecological well-being, we strive to ensure optimum utilization of water in our facilities. At Nandan Denim, we

remain committed to prevent water wastage and have implemented water management systems that maximize its utility. We have installed an Effluent Treatment Plant (ETP) and a Reverse Osmosis (RO) Plant

to reuse and recycle water. Waste water generated in our offices and manufacturing facilities is treated in a sewage treatment plant and reused for gardening.



Energy Management

To ensure sustainability across our operations, we are dedicated to reduce our energy footprints. Efficient energy utilization has not only helped to reduce operational costs but, has also improved our identity as a carbon neutral company. Recognizing the importance of energy management, we have implemented the following steps:

- ▶ Reuse of condensate recovery as process water
- ▶ Use of LED lights
- ▶ Creation of a greenbelt with over 25,000 trees
- ▶ Implementation of IMS (combination of QMS / EMS / OSHAS) systems are underway
- ▶ Consideration for implementing solar energy



Social, Health & Safety

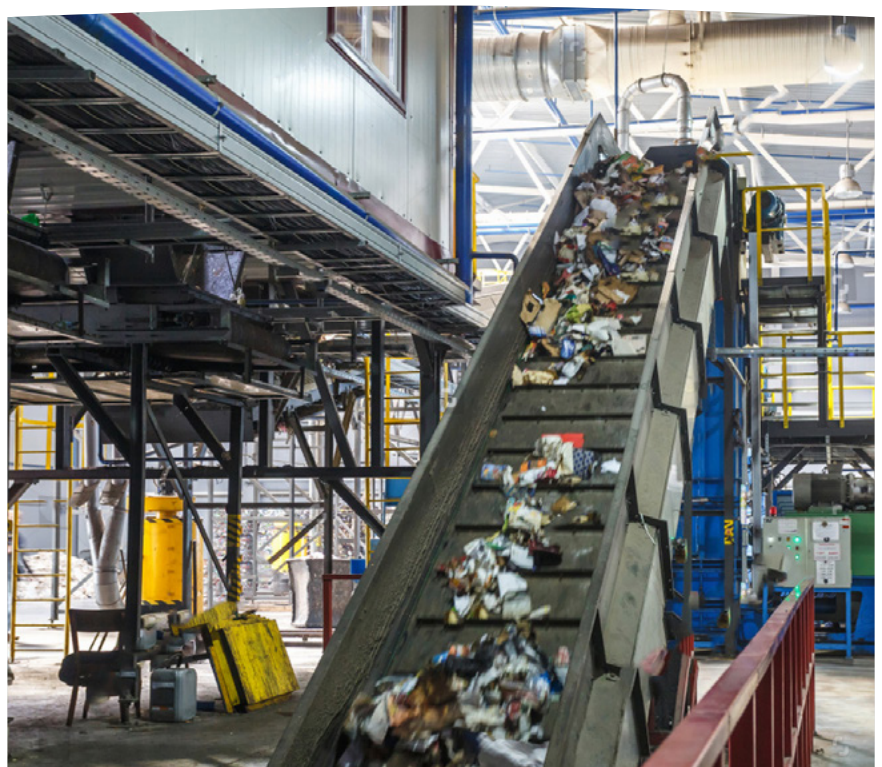
For us, the health and safety of our workforce along with the communities in which we operate, is a priority. We aim to foster an effective health and safety culture across the organization and aspire to achieve 'zero fatality' rates through implementation of adequate health and safety measures. We also do not tolerate the use of child labour within our facilities and maintain zero tolerance towards suppliers who fail to abide by this practice. To ensure maximum safety of our factory workers, we have provided protective clothing, helmets, goggles and other Personal Protective Equipment (PPE) to prevent injuries and untoward incidents.



Waste Management

Waste management is crucial for achieving our sustainability goals. It reduces the impact of our operations on the environment and the people around us. We continue to promote the concepts of recycle and reuse to further strengthen our waste

management efforts. The denim waste generated in our manufacturing facilities is recycled through garninget function. To help reduce waste from our operations, we emphasize on strengthening our waste management policies further.



Building a spirited team

At Nandan, we are driven by the desire to provide our people a challenging, enriching and fulfilling working environment, ideally suited to maximise their potential and realize our organizational objectives. Our diverse and inclusive work culture nurtures all-round development and allows employees to learn and grow in a dynamic workplace.

We like to call our people 'members', and invite them to decide their role in Nandan's growth story. Our members are our pride and our sustainable growth rests on an empowering work culture that encourages them to take complete ownership of their work and make a difference to the business ecosystem.

[More information to be given]

[More information to be given]

Board of Directors



Mr. Vedprakash D. Chiripal
Chairman

The Chairman of the Company and the soul of Chiripal Group of Industries, he has more than four decades of business experience.

Under his leadership, the group emerged as a leading conglomerate. His journey has been marked by his extraordinary vision and zeal to succeed.



Mr. Jyotiprasad Chiripal
Managing Director

The Managing Director of the Company and younger brother of Mr. Vedprakash Chiripal, he is a Commerce graduate with more than 40 years of business experience in fabric, yarn business and knitted apparels. His expertise is in finance, production, marketing and new customer development for various group companies of Chiripal Group.



Mr. T. S. Bhattacharya
Independent Director

Mr. Bhattacharya has retired as the Managing Director of State Bank of India. Armed with an MBA and Master of Science in Nuclear Physics, and over 35 years of experience in the Banking industry, he also serves as a Director to other major companies such as Jindal Stainless Limited, IDFC Securities Limited, IDFC AMC Trustee Company Limited, etc.

to be updated



Ms. Pratima Ram
Independent Director

Having graduated from the University of Virginia, USA and Bangalore University, she is a banker with three decades of rich experience in corporate, international and investment banking and has held positions like Chief General Manager and Country Head of United States operations of State Bank of India and CEO of the South African operations of the Bank.



Mr. Giraj Mohan Sharma
Independent Director

A seasoned management professional of three decades of varied experience, Mr. Sharma is the Founder-Director of a Brand & Strategy Consulting boutique – BehindTheMoon Consultants. He has been working towards facilitating and strengthening of brands by guiding companies on strategically working around their brand's identity and values.



Mr. P.K. Sharma
Whole Time Director

With a career in textile industry spanning more than thirty years, he has worked with Denim and Terry Towel manufacturing Companies in the past. He is associated with Nandan Denim Limited for more than three years.

Corporate Information

Nandan Denim Limited

CIN: L51909GJ1994PLC022719

GST: 24AAACN5327L1ZG

LEI: 335800W54W5SGHLKY444

Board of Directors

Mr. Vedprakash Chiripal

Chairman

Mr. Jyotiprasad Chiripal

Managing Director

Mr. Suresh Chand Maheshwari

Whole Time Director (w.e.f.

February 12, 2020 and upto

August 20, 2020)

Mr. Jaiprakash Chiripal

Additional Director

(w.e.f. February 9, 2019 and upto

June 29, 2019)

Mr. Tara Sankar Bhattacharya

Independent Director

Mr. Joy Christian

Whole Time Director

(w.e.f. September 30, 2020 and

upto December 9, 2020)

Mrs. Pratima Ram

Independent Director

(upto August 20, 2020)

Mr. Giraj Mohan Sharma

Independent Director

Mr. Prakashkumar Sharma

Whole Time Director

(upto August 20, 2020)

Ms. Falguni Vasavada

Independent Director

(w.e.f. November 4, 2020)

Chief Executive Officer

Mr. Deepak Chiripal

Chief Financial Officer

Mr. Ashok Bothra

Company Secretary

Ms. Purvee Roy

Bankers

Bank of India

Bank of Maharashtra

Canara Bank

Central Bank of India

Dena Bank

IDBI Bank

Karnataka Bank

Lakshmi Vilas Bank

Oriental Bank of Commerce

Saraswat Co. Op. Bank

State Bank of India

Union Bank of India

United Bank of India

UCO Bank

Statutory Auditor

M/s. Samir M. Shah & Associates,

Chartered Accountants

Cost Auditor

M/s. A.G. Tulsian & Co.,

Cost Accountants

Secretarial Auditor

M/s. Sandip Sheth & Associates

Company Secretaries

Registered Office

Survey No. 198/1 & 203/2,

Sajipur – Gopalpur,

Pirana Road, Piplej,

Ahmedabad, Gujarat– 382 405

Corporate Office

'Chiripal House',

Near Shivrangani Cross Roads,

Satellite, Ahmedabad,

Gujarat – 380 015

Tel.: 079 26734660/2/3,

Fax: 079 26768656

Email: cs.ndl@chiripalgroup.com

Registrar & Transfer Agent

Datamatics Business Solutions Limited

Plot No. B5, Part B Cross Lane,

MIDC, Andheri (E), Mumbai

Maharashtra – 400 093

Tel.: 022 66712001-06,

Fax: 022 66712011

Email: investorqry@dfssl.com

MANAGEMENT DISCUSSION AND ANALYSIS



1. INDIAN ECONOMY SCENARIO

The Indian economy witnessed a decline in the growth rate, with a GDP of 4.2% in FY 2019-20. Many global factors like the trade war between the U.S. and China, affected the economy of India adversely. Certain domestic factors such as demonetisation, introduction of the new Goods and Services Tax, as well as the slowdown of manufacturing and construction industry, also contributed to the decline of the economy. Despite the headwinds faced by the country, the long term growth perspective of the Indian economy is positive due to its young population and corresponding low dependency ratio, healthy savings and investment rates, and its increasing integration with the global economy. In FY 2019, India was placed at 5th rank in terms of its nominal GDP and 3rd in terms of Purchasing Power Parity (PPP). It is considered as the fastest-growing emerging economy in the world.

In the beginning of 2020, the spread of COVID-19 began and affected economies worldwide. India was also adversely affected due to this and had to impose a lockdown in the entire country. This resulted in a further slowdown of the economy as businesses came to a standstill. The GDP declined to 3.1% in the last quarter of the FY 2019-2020, i.e., January-March, showing the impact of the first week of lockdown that began in March.

Projections made for the Indian economy for FY 2020-21 shows that the GDP will settle at 1.9%, which implies that the economy is headed towards a further decline in growth rate owing to COVID-19. The Indian government is taking measures to recuperate the economy as soon as the pandemic subsides. Government of India has allowed businesses to resume in phases, starting with the most essential services to the least required. The GOI has also introduced new policies and a stimulus package worth Rs. 20 lakh crore. The Indian economy is expected to bounce back in FY 2021-22 with a projected GDP of 7.4%. Government policies and investments will play a major role in this revival.

2. GLOBAL TEXTILE INDUSTRY

Global Textile Industry is an ever-growing market, with major contribution coming from US, China, the European Union & India. The growth is on the back of capacity expansion, growing demand and increasing consumption of natural fibres in the production of textile & apparels. China leads the textile and apparel market with exports of approx. 40% in the world¹, followed by India.

The global textile market size was valued at \$961.5 billion in 2019². The rising demand for organic Denims is picking up slowly, and manufacturers are shifting from inorganic jeans to organic jeans made from organic

cotton. Change in corporate dressing, from formal to casual wear, is also contributing to the growth in demand for denims.

2.1 Major Trends in Textile & Apparel Industry:

1. Emergence of new garmenting hubs: Increase in labour and raw material cost has brought a shift in global textile industry, forcing companies to shift their base from developed countries to developing countries like India, Ethiopia, Myanmar, Vietnam and Cambodia. These developing countries offer cheap labour and good quality raw material at lower prices.
2. Increasing importance of Industry 4.0: Textile 4.0 is a fourth industrial revolution focusing on automation of industry. This automation can be achieved by data exchange, robotics, the internet of things, cloud computing and through various other measures. This automation will result in lower operating cost with customary processes and improved quality standards.
3. Development of new trade Alliances: Trade alliances and Free Trade Agreement (FTA) are some measures by various governments to connect markets. Through this the exchange of technologies will become easier. These alliances will ultimately lead to increase in flow of FDI, improved infrastructure and more job opportunities helping economies to grow.
4. Shift towards Sustainable Fashion: With rising awareness about climate change, consumers prefer brands that adopt sustainable business practices. As a result, the textile industry has been witnessing a shift towards sustainable processes right from manufacturing of products to selling them. This shift will not only enable them to reduce their footprints on the environment but also offer sustainable fashion solutions.

About 4.4%

CAGR Growth in the Denim jeans market from CY2019-2024

44%

of the growth will originate from APAC region

2.2 Outlook:

Global textile industry is estimated to exhibit a CAGR of 4.3% from 2020 to 2027³ owing to the increased demand for apparels, especially in developing countries such as China, India, Mexico, and Bangladesh.

Asia Pacific region (APAC) will be the growth driver, which will contribute around 44% to the industry, followed by

US, the EU and Latin America⁴. China is a key market for denim jeans in APAC region, and considered to be growing faster when compared to other countries in the same region. To keep up the pace of a growing industry, it is necessary to adopt sustainable measures to cut operating costs and increase the economies of scale.

¹UN Comtrade CY2018

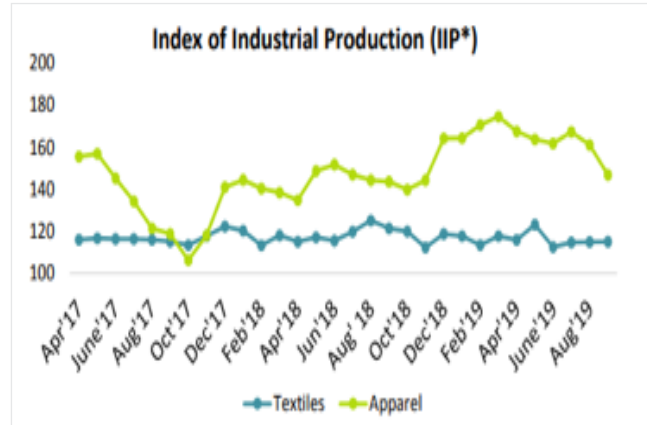
²https://www.inkworldmagazine.com/contents/view_breaking-news/2020-02-19/global-textile-market-to-register-cagr-of-43-from-2020-to-2027-grand-view-research/#:~:text=The%20global%20textile%20market%20size%20was%20valued%20at%20%24961.5%20billion,according%20to%20Grand%20View%20Research.

³https://www.inkworldmagazine.com/contents/view_breaking-news/2020-02-19/global-textile-market-to-register-cagr-of-43-from-2020-to-2027-grand-view-research/#:~:text=The%20global%20textile%20market%20size%20was%20valued%20at%20%24961.5%20billion,according%20to%20Grand%20View%20Research.

⁴Technavio

3. Indian Textile Industry:

Indian economy has a rich textile heritage with thousands of firms and skilled craftsmen associated with the industry. Around 50 million people are associated with the industry at the moment. The textile industry accounts for 5% of India’s GDP and 13% of the country’s export earnings⁵ till Nov-2019. The textile industry has seen moderate growth, despite slowdown in the manufacturing sector. Average IIP for apparel increased significantly, by 11% in first half of FY20 as compared to the first half of FY19, while that of textiles showed a decrease of 2% (Figure 3)⁶.



India ranks second in global export of textile and apparel sector⁷. India’s exports of textile & apparel have shown a decline of 9% in first half of FY20 as compared to first half of FY19, mainly due to geopolitical tensions. EU and USA are the largest markets for India’s textile

and apparels, accounting for 50% of the market share. The share of USA, in India’s export of textile & apparel sector has increased by 2% in the first half of FY20 as compared to the first half of FY19, while that of China has declined by 3% (Figure 4)⁸.

Category	Q1	Q1	%	Q2	Q2	%	H1	H1	%
	FY19	FY20		change	FY19		FY20	change	
Fibre	857	381	-56%	541	284	-47%	1,398	665	-52%
Filament	352	299	-15%	335	288	-14%	686	587	-15%
Yarn	1,298	886	-32%	1,241	762	-39%	2,359	1,648	-35%
Fabric	1,147	1,189	4%	1,182	1,253	6%	2,329	2,442	5%
Apparel	4,050	4,172	3%	3,673	3,708	1%	7,723	7,880	2%
Home Textile	1,294	1,327	3%	1,438	1,382	-4%	2,732	2,709	-1%
Others	491	449	-9%	527	473	-10%	1,017	922	-9%
Total	9,488	8,703	-8%	8,937	8,150	-9%	18,424	16,853	-9%



Initiatives taken by government to promote textile industries in the Union Budget 2019-20 are given below-

- Govt. of India allocated around Rs. 4831.48 crore (US\$ 691.29 million) to the Ministry of Textiles out of which Rs. 1300 crore were allotted to Skill development through “Scheme for Capacity Building in Textile Sector” (SCBTS).
- Rs 700 crore (US\$ 100.15 million) have been allocated for the Amended Technology Upgradation Fund Scheme (ATUFS). Ministry of Textiles allotted Rs. 5 crore to eligible companies as a subsidy to upgrade their manufacturing technology in Aug-2019.
- The government has allocated Rs 159.08 crore (US\$ 22.76 million) towards schemes for powerloom units. To increase the production of Knitwear sector, Ministry of textiles allotted Rs. 2 crore to new &

⁵Confederation of Indian Industries (CII)

⁶Reserve Bank of India, Economic Advisor, Govt. of India

⁷UN Comtrade

⁸DGCI&S

existing industries, in order to uplift production & provide employment to workers. (Source: Ministry of Textiles – June 2019)

- The National Handloom Development Programme will get Rs 456.80 crore (US\$ 65.35 million) and the Integrated Processing Development Scheme will get Rs 3.50 crore (US\$ 0.50 million)

4. Indian Denim industry:

Denim has always been the most versatile and favourite fabric for all age groups in India. The increasing influence of western culture on the clothing style of the youth and present work culture has made denim an important part of the wardrobe.

India's installed capacity for denim fabric manufacturing is estimated to be around 1,700 million metres with an additional 300 million metres manufacturing capacity in the pipeline (July 2019)⁹. The domestic demand for denim fabrics is estimated at 800 million metres, while the remaining 200 million metres is exported. CY 2019-20 recorded a growth at 14% in this industry. It is further projected to grow at a CAGR of 11% to reach US\$ 6.22 billion by 2023 (Figure 5)⁷.

Indian Denim Apparel Market (US\$ Billions)



4.1 Trends in Denim Industry:

Denim wear has dominated the garment space for a long time. With innovation & trends set by the fashion industry it is good to have a look at the product trends in the denim industry.

- Fits:** Nineties Denim is making its way in the market as a vintage trend concept, and attracting a lot of eyeballs, especially from the youth segment. A looser fit – varying from baggy, high-waisted jeans, oversized and slightly ill-fitted are making a comeback in the market. The sale of straight leg jeans is also gaining momentum and it could be the future of denims in the years to come.



- Colours:** The classic blue wash & greys are making a comeback. White is also making its mark in the denim sector as searches for white denim rose 42% since the beginning of March 2019 as per Global Fashion Search Platform, Lyst. The monochromatic trend is gaining momentum. The wide acceptance of the same has encouraged brands to continue it for the future as well

- Design:** Denim design and patterns like ruffled trims, embroidered patches, knots, cigarette hem ankle length, jeans with slits etc. are catching the youth's attention. The popularity of athleisure wear has influenced street wear in the last few years and denim has started following the same trend by incorporating side stripes, ribbons & pin-tucks etc. to lend a sporty chic feel to the pieces.

- Fashion Trends:** The one trend that has been going on for ages now is denim on denim. One can easily carry a casual look while wearing their favourite denim with a denim shirt. This trend ensures that the consumption of denim will grow at a higher rate in the coming years. In a report by Edited, the outerwear category in denim has grown 101% in the last two years. The printed and embroidered denims are appealing to the youth. Designs like slangs, flora & fauna are being used with denim jeans, jackets etc. The culottes are gaining a lot of popularity among the working population as smart casuals like denim is strongly holding up as a part of corporate wear.

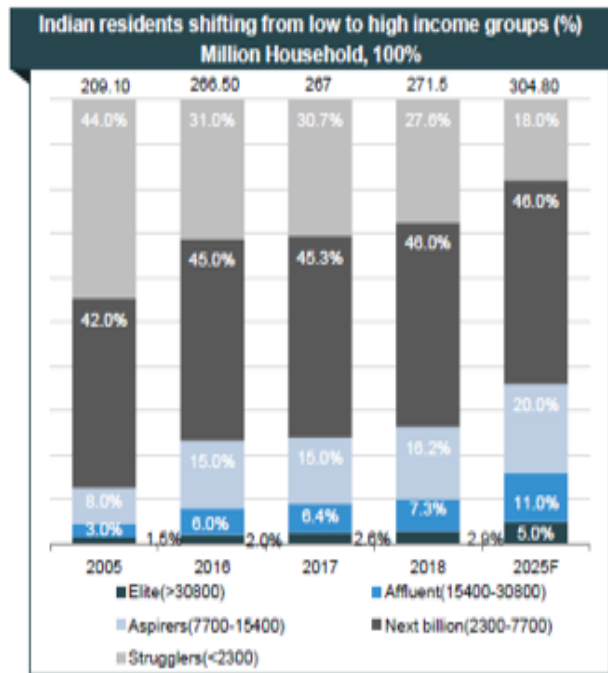
- Fabric:** Denim fabric is primarily made up of cotton but in the last decade or so, the demand for stretch and soft handle denim is growing exponentially. People are looking for feel good factor in their denim, so

⁹Wazir advisors: Conference Theme Paper on Denims

comfortable and stretchable fabrics are taking centre stage. Mills continue to invest in elastic fabrications, be it stretch in the warp, bi-stretch or hyper-stretch. The use of blended fabric with Lycra, modal & tencel in denim will grow rapidly in the coming times.

4.2 Outlook:

Indian textile industry is expected to become a US \$ 300bn industry by 2025 and will create 35 million new job opportunities⁹. This growth can be achieved by converging on higher exports value added products, through modernisation of technology and implementation of sustainable business practices. Ministry of Textile is said to be formulating a new policy that will enable the textile industry to compete with global players, through fully integrated manufacturing and exporting hubs. Growing urbanization and rising per capita income will fuel the consumer spending and India will achieve the target of becoming approx. US \$300bn industry (Figure 6)¹⁰.



5. COMPANY OVERVIEW

5.1 ABOUT US

Nandan Denim, based in Ahmedabad, is the largest denim supplier in India. It is also a trusted supplier to partners in 27+ countries. The Company is a part of the professionally managed Chiripal Group, with presence across diverse business fields such as spinning, weaving, knitting, fabric processing, chemicals, infrastructure, Packaging, educational institutions amongst others to the group business. Commencing its operations in 1994 with textile trading business, Nandan Denim forayed

into manufacturing in 2004. Over time, the company has diversified its business into shirting and other fabrics as well. The company’s constant investment in technology, R&D and product innovation helps the company stay ahead of the fashion curve and is a major reason behind its success and continued growth in the industry. The company focuses on capturing the changing tastes of customers across geographies, economies, colour or race in real time. Therefore, delivering supreme quality products in full and on time.



¹⁰IBEF: Textile Industry

5.2 SWOT ANALYSIS

Strengths:



NDL is an established and prominent player in the affordable branded denim space.

Significant backward integration helps in better working capital management and timely delivery of products.

Quick delivery of products

Weakness:



There is currently an overcapacity in the domestic denim space.

Fluctuating raw material prices can have a significant impact on gross margins.

Opportunity:



Though exports contribute only ~10%, the company already made inroads into 27 countries and also boasts of prestigious brands. Their presence and association with brands can help in the long run, when they decide to increase their exports, if the margin profile improves.

Indian Denim industry is expected to grow further in the coming years which will give NDL added advantage due to fully integrated operations.

Threats:



Change in trends and preferences of consumers.

Threat from unorganized sector.

5.3 CUSTOMER ORIENTED ORGANISATION

NDL makes constant efforts to include the diversity in people around the globe by creating products that would meet every customer's wishes. Customers are also offered delivery services, and NDL makes sure that the products are delivered on time regardless of any procurement hassles. The company believes in working with passion to honor every commitment made to its customers. It also prioritizes regular product innovation to give customers the best experience. Quality and variety has always been one of the major focuses of NDL.

5.4 IN HOUSE MANUFACTURING AMENITIES

NDL has the largest vertically integrated production facility right from manufacturing Yarn to Fabric under

one roof. It has the advantage of in house manufacturing which gives the company an edge, and better control over the quality of products. The company crafts high quality fiber into yarn which is used to produce fine fabrics with utmost care and precise techniques. NDL has in house-manufacturing facilities at its plants located at Piplej and Bareja in Ahmedabad. The in-house research and development team constantly works on improving the quality of products and adding new features and variations to them.

5.5 PRODUCT MIX

The product mix of NDL includes fabrics like denim, shirting, yarn amongst others. It comprises of 100% cotton, special open end yarn, core spun yarn and 100% dyed yarns. The net revenue of the company for FY20 was xx

CAPACITY	FY17	FY18	FY19	FY20
Spinning (TPD)	141	141	141	141
Yarn dyeing (TPD)	10	10	10	10
Fabric (MMPA)				
Denim	110	110	110	110
Shirting	10	10	10	10

6. PRODUCTS

6.1 DENIMS



NDL is the largest supplier of denims in India. Its a versatile denim manufacturing company with various product lines like Core Classics, Reinvented Classics, Novelty, Structured, Knit Denim, Innovation, Light Weight Denim, Blends, Feather Touch, Stretch Tech and Prints. The company is dedicated to innovation and technology in service of creating new kinds of denim to meet current needs and desires. The net sales of denims stood at FY 20 at 828 cr. It has a XX percent share in the total revenue of the company.

6.2 SHIRTING



The company is also involved in the production of shirt fabrics. Its variations include Basics, Smart Casuals, Casuals, Textured, Indigoes, Sulphur, Fancy and Blends. High quality cotton fabric, which is manufactured in-house, is used to make these shirts. The technique of blending

multiple other types of fabrics like tencel, viscose, modal, linen etc. with cotton to create new kinds of shirts is also used to give an enriched look to the shirts. Having an in-house dyeing facility also gives NDL the advantage to have larger number of shades in products like its shirt fabrics. The net sales of shirts stood at 78 cr. in FY 20.

6.3 YARN



NDL offers high quality dyed yarn in various blend & count for hosiery & weaving segment. The yarn dyeing plant has a complete infrastructure to develop any shade in packaged yarn as per customer's requirement within 48-72 hrs. The art weaving facilities worth 10 MPPA with latest high speed looms with dobby attachments using air jets and rapier technology give an edge to the quality of yarn produced by the company. With that, it also ensures the production of the best plain, twill, dobby, oxford, chambray, fila fil, herringbone, basket weave and pin-point oxford, to name a few fabrics. The Large package size of 1200-1300 grams results in fewer cone changes on the knitting/warping/leading to higher knitting/warping/ efficiency and less wastage. The company keeps on working on these aspects of production to improve efficiency and effectiveness.

7. FINANCIAL PERFORMANCE

Particulars	FY 2020	FY 2019	YoY Change (Amt. in crores)
Revenue from operations	1,52,426.49	1,45,604.63	6,821.86
PAT	-29.20	2,086.32	-2,115.52
EBITDA	11,203.57	14905.35	-3,701.78
Debtors Turnover (days)	76.43	68.70	7.73
Inventory Turnover (days)	41.94	60.67	-18.73
Interest Coverage Ratio (in times)	2.60	5.52	-2.92
Current Ratio (in times)	1.40	1.36	0.04
Debt/Equity Ratio (in times)	1.06	1.23	-0.17
EBITDA Margin (%)	7.35%	10.24%	-2.89%
Net Profit Margin (%)	-0.02%	1.43%	-1.45%
Return on Net Worth (%)	-0.11%	4.60%	-4.71%

8. INNOVATION AND DESIGN

NDL offers a dynamic product basket by bridging the gap between functionality and fashion aspect of denim involving extensive research & development and product innovations. The company focuses on analysis and forecasting the next fashion trend to stay ahead of the fashion curve. Owing to these steadfast efforts of the company in terms of innovation and versatility, NDL has multiple ranges in denims as well as shirt fabrics in terms of colors, textures, print designs and to suit classic as well as modern trends. It also invests in latest technology to compete with the global market and provide customers

with the newest fashion in the industry. NDL is driven by its values to strive for excellence by everlasting innovation and diverse product collection, inspired by latest fashion perspectives.

9. PREDOMINANT QUALITY

NDL, backed with its infrastructure, technology and in-house manufacturing facilities, offers products with unbeatable quality. Special rewinding machines are used to ensure proper waxing during the production of

yarn. The finished product undergoes stringent quality measures in order to achieve uniform quality structure for all the products. Before getting dispatched, each set of fabric undergoes quality check through international AATC and ASTM test methods. These methods check the tensile strength, washing speed, shrinkage, weight and movement, followed by a chemical test. Using latest technology as well as production techniques based on research ensures high quality.

10. STEPS TOWARDS SUSTAINABILITY

NDL puts continuous efforts to protect the environment and has achieved sustainability. It is proudly a zero liquid discharge company. The textile industry has high usage of water as it is used for cleaning the raw material and for many flushing steps during the whole production. The company takes the issue of water management seriously and that is why it reuses and recycles water by employing Effluent Treatment Plant (ETP) and Reverse Osmosis (RO) Plant. It also ensures treatment of wastewater with responsibility through Sewage Treatment Plant (STP) and reuses the same for gardening purposes.

NDL is a carbon neutral company as well. A major step in this was the plantation of its own greenbelt with over 25000 trees. Many other measures include usage of LEDs for department lighting, plans of implementation of solar panel systems, reuse of condensate recovery as process water etc.

Sustainable development is at the core of the company which is why NDL meets all necessary chemical compliances.

The company also manages its waste by recycling its denim. It has its own Caustic Recovery Plant (CRP) to reuse and process caustic. NDL constantly upgrades its waste management policies after closely examining its entire denim manufacturing process to further minimize any wastes that it may be generating.

11. EXPORTS

NDL is recognized globally and is a trusted supplier to over 27 countries. It has ties to major U.S. retailers. It supplies jeans, denim and other garments to more

than 20 global brands including U.S. companies such as Target, Ann Taylor, Mango and Wrangler, Walmart and H&M.

13. OUTLOOK

The Indian textile industry at large, as well as the denim industry in specific, is expected to grow further in the coming years. The global industry also has a promising future. This implies growth opportunities for Nandan Denim Limited, in the domestic as well as global market. Owing to the growth in demand of apparels, especially from developing countries, as well as rise in income, the demand for denim has significantly increased and will continue to grow. Over the last 4-5 years, denim demand has increased steadily and several Indian denim players, including NDL, have increased their capacity under the prevailing government incentive scheme. The industry has become more competitive in these terms. However, the recent outbreak of Covid-19 pandemic has significantly impacted the industry as well as the Company. The situation has caused temporary slowdown and is estimated to bounce back once the situation gets normalized. The Company's values that focus on constant evolution and product innovation will help it in maintaining its strong standing in the industry and will eventually help in growing further in the future.

14 Disclaimer

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.



NANDAN DENIM LIMITED

CIN: L51909GJ1994PLC022719

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

Corporate Office: Chiripal House, Near Shivranjani Cross Roads, Satellite, Ahmedabad – 380 015

Website: www.nandanenim.com, **Email:** cs.ndl@chiripalgroup.com

Tel No.: 079 – 26734660/2/3

NOTICE

Notice is hereby given that the TWENTY SIXTH ANNUAL GENERAL MEETING of the Members of Nandan Denim Limited will be held on Thursday, December 31, 2020 at 03:00 p.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statement of the Company for the Financial Year ended March 31, 2020 together with Report of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Standalone Audited Financial Statement of the Company for the financial year ended March 31, 2020 together with Report of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint a Director in place of Mr. Jyotiprasad Chiripal (DIN: 00155695), who retires by rotation and being eligible, offers himself for reappointment as a Director and in this regard, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Jyotiprasad Chiripal (DIN: 00155695), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

3. **To re-appoint Mr. Giraj Mohan Sharma as an Independent Non-Executive Director of the Company and in this regard, pass with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment

thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Giraj Mohan Sharma (DIN: 01215950), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from September 29, 2020 to September 28, 2025, as recommended by the Nomination and Remuneration Committee and Board, who shall not be liable to retire by rotation.”

4. **To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2021 and in this regard, pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of an amount, not exceeding Rs. 3.00 lakhs (Rupees Three Lakh Only) plus taxes and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit payable to M/s A.G. Tulsian & Co., Cost Accountants (Firm Registration Number: 100629) who were appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audit relating to cost records of the Company under the Companies (Cost Records and Audit) Rules, 2015 for the financial year ending March 31, 2021.”

“RESOLVED FURTHER THAT the Board of Directors and / or the Company Secretary be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution.”

5. To approve availing of financial assistance having an option available to the lenders for conversion of such financial assistance into equity shares of the Company upon occurrence of certain events: and in their regards, passed with or without modification(s), the following resolution as special resolution

“RESOLVED FURTHER THAT pursuant to section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, and applicable provisions, if any, of the Companies Act, 1956 and in accordance with the Memorandum of Association and Articles of Association of the Company and all other applicable regulations as amended from time to time, and subject to all such approval(s), consent(s), permission(s), sanction(s), if any, of appropriate statutory, governmental and other authorities and departments in this regard and subject to such condition(s) and modification(s) as may be prescribed or imposed, while granting such approval(s), consent(s), permission(s), sanction(s), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the “Board”, which term shall be deemed to include any committee(s) constituted / to be constituted by the Board to exercise its powers including powers conferred by this resolution, to the extent permitted by law), on the terms and conditions contained in the Financing Documents, such terms and conditions to provide, inter alia, for an option to the Lenders to convert the whole or part of the outstanding of the Additional Facilities (whether then due or payable or not), into fully paid up equity shares of the Company at par or book value, whichever is lower and in the manner specified in a notice in writing to be given by the Lenders to the Company (hereinafter referred to as the “Notice of Conversion”) and in accordance with the following conditions:

- (i) The conversion right reserved as aforesaid may be exercised by the Lenders on one or more occasions during the term of the Additional Facilities;
- (ii) On receipt of the Notice of Conversion, the Company shall, allot and issue the requisite number of fully paid up equity shares to the respective Lenders or any other person identified by the Lenders, as from the date of conversion and the Lenders shall accept the same in satisfaction of the part of the loans so converted;
- (iii) The part of the Additional Facilities so converted shall cease to carry interest as from the date of conversion and the loan shall stand correspondingly reduced. Upon such conversion, the repayment installments of the loan payable after the date of conversion as per the Financing Documents shall stand reduced proportionately by the amounts of the loan so converted. The equity shares

so allotted and issued to the Lenders or such other person identified by the Lenders shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said shares shall rank *pari passu* with the existing equity shares of the Company in all respects. The Company shall, at all times, maintain sufficient un-issued authorised equity shares for the above purpose;

- (iv) In the event that the Lenders exercise the conversion right aforesaid, the Company shall at its cost get the equity shares, issued to the Lenders or such other person identified by the Lenders as a result of the conversion, listed with such stock exchanges as may be prescribed by the Lenders or such other person identified by the Lenders and for the said purpose the Company shall take all such steps as may be necessary to the satisfaction of the Lenders or such other person identified by the Lenders, to ensure that the equity shares are listed as required by the Lenders or such other person identified by the Lenders; and
- (v) The loans shall be converted into equity shares at a price to be determined in accordance with the applicable laws at the time of such conversion.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise the terms and conditions for raising the Additional Facilities, from time to time, with an option to convert the Additional Facilities including existing into equity shares of the Company anytime during the term of the Additional Facilities, on the terms specified in the Financing Documents, including upon happening of an event of default by the Company in terms of the loan arrangements.”

“RESOLVED FURTHER THAT on receipt of the Notice of Conversion, the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary and shall allot and issue requisite number of fully paid up equity shares in the Company to such Lenders.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to issue, offer and allot from time to time to the Lenders such number of equity shares for conversion of the outstanding portion of the loans as may be desired by the Lenders.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to accept such modifications and to accept such terms and conditions as may be imposed or required by the Lenders arising from or incidental to the

aforesaid terms providing for such option and to do all such acts and things as may be necessary to give effect to this resolution.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board, be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable as may be required to create, offer, issue and allot the aforesaid shares, to dematerialise the shares of the Company and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection or incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“**RESOLVED FURTHER THAT** the Board be and is hereby also authorised to delegate all or any of the powers herein conferred by this resolution to any committee of directors or any person/s as it may in its absolute discretion deem fit in order to give effect to this resolution.”

6. To appoint Ms. Falguni Vasavada as an Independent Non-Executive Director of the Company and in this regard, pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Ms. Falguni Vasavada (DIN: 08921942), a non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from November 4, 2020 up to November 3, 2025.”

By order of the Board of Directors
For Nandan Denim Limited

December 9, 2020
Ahmedabad

Purvee Roy
Company Secretary
Mem. No. F8978

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs vide its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 ('MCA Circulars') permitted holding of Annual General Meeting ("AGM" or "meeting") through VC / OAVM, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company for FY 20 is being held through VC / OAVM. The detailed procedure for participation in the meeting through VC / OAVM is as per Note No. 7 of the Notice of AGM.
2. In accordance with the provisions of Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014 read with the said MCA Circulars, the Annual Report of the Company is being sent through email only to the members whose email address are registered with the Company/Depositories, as the case may be. Member(s) however, are entitled to receive Annual Report in physical form, free of cost, on receipt of written request for the same. Members may also note that the Annual Report for the financial year 2020 together with the Notice of 26th Annual General Meeting is also available on the website of the Company.
3. Since the AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
5. Members of the Company who are Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Corporate Members intending to authorize their representatives to participate and vote through e-voting on their behalf at the meeting are requested to send a certified copy of the Board Resolution / Authorization Letter to the Company.
6. The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 Members on a first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of business to be transacted at the Annual General Meeting (AGM), as set out in Item Nos. 3,4 and 5 above and the relevant details of the Directors seeking re-appointment under Item No. 2 above as required by Regulation 26(4) and 36(3) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements), Regulations, 2015 and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed hereto.
8. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names, are requested to send the share certificates to the RTA, for consolidation of such multiple folios into a single folio.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as, name of Bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.
10. Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, December 26, 2020 till Thursday, December 31, 2020 (both days inclusive).
11. Pursuant to Sections 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to Investor Education and Protection Fund ("IEPF") established by the Central Government. During the year, the Company has transferred amount to the Investor Education and Protection Fund of the Central Government. The shareholders who have not claimed their dividend for the financial year 2013 and all subsequent years are requested to claim their dividend as early as possible, failing which it would be transferred to IEPF as per the (tentative) dates mentioned below and no claim shall lie against the Company for the said amount of unclaimed dividend so transferred. The details of unclaimed dividends are available on the Company's

website and Ministry of Corporate Affairs website at www.mca.gov.in.

Financial Year	Final Dividend/ Interim Dividend	Tentative Date for transfer to IEPF
2012-13	Final	04-11-2020
2013-14	Interim	12-04-2021
2013-14	Final	21-11-2021
2014-15	Interim	11-04-2022
2014-15	Final	05-12-2022
2015-16	1st Interim	19-03-2023
2015-16	2nd Interim	16-04-2023
2016-17	Final	05-11-2024
2017-18	Final	05-11-2025

Further, pursuant to the provisions of Section 124 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), shares on which dividend has not been paid or claimed for seven consecutive years or more have been transferred to Demat Account of IEPF.

12. Members are requested to note that the Company's shares are under compulsory electronic trading for all investors. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience. Members whose shares are in electronic mode are requested to inform change of address and updates of bank account(s) to their respective Depository Participants. Members are encouraged to use the Electronic Clearing Services (ECS) for receiving dividends.

In accordance with the amendments to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 vide Cir. No. LIST/COMP/15/2018 dated July 05, 2018, effective from December 5, 2018, the Securities and Exchange Board of India (SEBI) has revised the provisions relating to transfer of listed securities and has decided that requests for affecting transfer of listed securities shall not be processed unless the securities are held in dematerialized form with a Depository [National Securities Depository Limited and Central Depository Services (India) Limited]. This measure is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities only in demat form will improve ease, facilitate convenience and safety of transactions for investors.

Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.

13. Transfer of Unclaimed Dividend Accounts to the Investor Education and Protection Fund (IEPF):
- A. Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and

Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of 7 (seven) years. Further, according to the Rules, shares in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

- B. During the financial year 2019-20, the Company has transferred amount of unclaimed dividends to IEPF and corresponding shares thereto.
- C. The shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

The details of unclaimed dividends are available on the Company's website under the heading 'Unpaid Dividend'.

14. Brief Profile of Director(s) seeking re-appointment at the ensuing Annual General Meeting of the Company as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed and forms integral part of the Notice
15. As per Securities and Exchange Board of India (SEBI) norms, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/transposition of shares. Members holding shares in dematerialized mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrar and Transfer Agent. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from December 1, 2015), for registration of transfer of shares, the transferee(s) as well as transferor(s) are required to furnish a copy of their PAN card to Company's Registrar and Share Transfer Agent.
16. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, securities of listed Company can only be transferred in dematerialized form with effect from April 1, 2019. In view of the above, members are advised to dematerialize shares held by them in physical form.
17. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the meeting

so that the information required may be made available at the meeting. The Company has connectivity from the CDSL & NSDL and equity shares of the Company may also be held in electronic form with any DP, with whom the members/ investors are having their depository account. The ISIN for the Equity Shares of the Company is INE875G01030. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact Company's Registrar and Share Transfer Agent for assistance in this regard.

18. Documents open for inspection:

All documents referred to in the Notice along with the Statutory Registers maintained by the Company as per the Act will be available for inspection in electronic mode upto the date of AGM of the Company and will also be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to cs.ndl@chiripalgroup.com;

19. In compliance with MCA Circulars and SEBI Circular dated May 12, 2020, Notice of AGM along with the Annual Report for the financial year 2019-20 are being sent only through electronic mode to those members whose email addresses are registered with the Company / DPs. Members may note that the Notice and Annual Report will also be available on the Company's website i.e. www.nandandenim.com, websites of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com

respectively and on the website of Central Depository Services Limited (CDSL) at www.evotingindia.com.

Members, who have not registered their email ids so far, are requested to register their email ids with their depository for receiving all communications including Annual Report, Notices, etc. from the Company electronically by updating their information with respective depositories.

20. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
21. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the meeting so that the information required may be made available at the meeting.
22. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form; the nomination form may be filed with the respective Depository Participant.
23. Since the AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

CDSL e-Voting System – For Remote e-voting and e-voting during AGM/EGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
 2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
 3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
 4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
 5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
 6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.nandanddenim.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
 7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:
- (i) The voting period begins on December 27, 2020 - 9.00 am and ends on December 30, 2020 - 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of December 24, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on "Shareholders" module.
 - (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasiasing yourlogin credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip / communicated by mail indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote,

provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Nandan Denim Limited> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account Statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 48 hours days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs.ndl@chiripalgroup.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 48 hours days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs.ndl@chiripalgroup.com. These queries will be replied to by the Company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
 2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
 3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
 4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs.ndl@chiripalgroup.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

- The e-voting period commences on, Sunday, December 27, 2020 at 9.00 a.m. (IST) and ends on, Wednesday, December 30, 2020 at 05.00 p.m. (IST). The remote e-voting module will be disabled by CSDL for voting thereafter. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off Date of Thursday, December 24, 2020 may cast their vote electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company.
- CS Keyur Shah, of M/s. Keyur J. Shah & Associates, Company Secretaries (Membership Number: FCS 9559; CP No. 8814)

(Address: 408, Chitrarath Complex, Opp. Municipal Market, Off C.G. Road, Navrangpura, Ahmedabad - 380009, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-voting process.

- The Scrutinizer shall, within a period not exceeding 48 hours from the conclusion of the Annual General Meeting, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any and submit forth with to the Chairman of the Company.
- The results shall be declared by the Chairperson or a person so authorized by him in writing on receipt of consolidated report from Scrutinizer. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.nandanenim.com and on the website of CDSL [https:// www.evotingindia.co.in](https://www.evotingindia.co.in) within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
- The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to the same being passed with requisite majority.

Contact Details

Company	: Nandan Denim Limited Corporate Office : ‘Chiripal House’, Near Shivranjani Cross Roads, Satellite, Ahmedabad – 380 015.
CIN	: L51909GJ1994PLC022719
Email ID	: cs.ndl@chiripalgroup.com
Registrar and Transfer Agent	: Datamatics Business Solutions Limited Plot No. B-5, Part B, Cross Lane, MIDC, Andheri (east), Mumbai – 400 093
Phone	: 022-66712151-2156
E-voting Agency	: Central Depository Services (India) Limited
Email ID	: helpdesk.evoting@cdslindia.com
Scrutinizer	: CS Keyur Shah, Practicing Company Secretary
Email ID	: cs.keyurshah@gmail.com

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)

The following explanatory statement sets out all material facts relating to the Special Business mentioned in the Notice:

Item No. 3:

Mr. Giraj Mohan Sharma (DIN: 01215950) is an Independent Non-Executive Director of the Company and member of the Audit Committee and Corporate Social Responsibility Committee of the Board of Directors of the Company. He joined the Board of Directors of the Company in November, 2014. Pursuant to the Act, Mr. Sharma, was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term upto September 28, 2020, by the Members of the Company in the 21st AGM held on September 29, 2015. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and approval by the Board at their meeting held on September 5, 2020 and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Sharma, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for another term of five consecutive years from September 29, 2020 upto September 28, 2025.

Mr. Sharma does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In the opinion of the Board, Mr. Sharma fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of the Listing Regulations for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Sharma as an Independent Non-Executive Director setting out terms and conditions would be available for inspection electronically without any fee by the members during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sharma as an Independent Director. Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Mr. Sharma as an Independent Director for another term of five consecutive years with effect from September 29, 2020 to September 28, 2025, for the approval by the shareholders of the Company.

This explanatory statement together with the accompanying Notice of the Annual General Meeting may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) of Institute of Company Secretaries of India.

Except Mr. Giraj Mohan Sharma, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said Special Resolution, save and except as shareholder and to the extent of their shareholding in the Company.

The Board accordingly recommends the resolution as set out in Item No. 3 of the Notice for the approval of the members.

Item No. 4:

The Board of Directors at their meeting held on September 5, 2020, on the recommendation of the Audit Committee, had approved the appointment and remuneration of M/s A.G. Tulsian & Co., Cost Accountants, Ahmedabad (Firm Registration Number: 100629) as Cost Auditor to conduct the audit of the cost accounting records maintained by the Company in respect of textiles and related products for the financial year ending March 31, 2021 at a remuneration not exceeding Rs. 3.00 lacs (Rupees Three Lakhs Only) excluding taxes and reimbursement of out of pocket expenses at actuals, if any, in connection with the audit.

M/s A. G. Tulsian & Co., Cost Accountants (Firm Registration Number: 100629) have confirmed that they hold a valid certificate of practice under sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and / or re-enactment(s) for the time being in force), the remuneration payable to Cost Auditor has to be ratified by the members of the Company.

Accordingly, ratification by members is sought to the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company, if required, for the financial year ending March 31, 2021.

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

The Board accordingly recommends the resolution as set out in Item No. 4 of the Notice for the approval of the members.

Item No. 5:

Section 62(1)(c) of the Companies Act, 2013, inter-alia, provides that where at any time, a Company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered to any person, if it is authorized by a special resolution either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed. Further, Section 62(3) of the Companies Act, 2013, provides that nothing in Section 62 shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the company; provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

In terms of the provisions of section 180(1)(a) and section 180(1)(c) of the Companies Act, 2013, the shareholders of the Company have already accorded approval to the Board of Directors of the Company to borrow money / moneys up to an amount of Rs. 2500.00 crores (Rupees Two Thousand Five Hundred Crores only) and to create charges on the Company's properties for securing the borrowing within the above limits and working capital facilities availed or to be availed by passing a special resolution at the Annual General Meeting of the Company held on 15th September, 2014. For the purposes of such Borrowings, the Company may, from time to time, be required to execute financing documents, which provides for an enabling option to the Lenders, to convert the whole or any part of such outstanding Financial Assistance (comprising loans, debentures or any other financial assistance categorized as loans), into fully paid up Equity Shares of the Company;

- (i) upon occurrence of a default in payment of Interest or repayment of any Instalment or Interest thereon or any combination thereof, subject to an appropriate notice of default and a cure period for the said default as may be agreed to; and /or
- (ii) in accordance with the rights conferred on the Lenders pursuant to any regulations of Reserve Bank of India as modified from time to time.

Such conversion, in the events as mentioned above, will be at a price in accordance with the relevant guidelines of the Securities Exchange Board of India and such other law as may be applicable.

In line with the regulatory changes in the recent past, the changes in the Companies Act and in line with the various directives issued by Reserve Bank of India, from time to time, the Company has been advised to pass special resolution under section 62(3) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder to enable the banks and financial institutions lenders (hereinafter referred to as the "Lenders") to convert the Facilities together with the outstanding loans or any other financial assistance (hereinafter referred to as the "Loans"), in foreign currency or Indian Rupee, already availed from the lenders or as may be availed from the Lenders, from time to time, at their option, into equity shares of the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable laws at the time of such conversion.

Accordingly, the Board recommends the resolution as set out in Item No. 5 to enable the Lenders, in terms of the lending arrangements, entered or to be entered and as may be specified under the Financing Documents already executed or to be executed in respect of the Loans availed or to be availed, at their option, to convert the whole or part of their respective Loans into equity shares of the Company, upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable law at the time of such conversion.

Since decision of raising the financial assistances or agreeing to terms and conditions for raising the financial assistances (including option to convert loan into equity) are required to be taken on quick basis, especially keeping in view the interest of the Company, it may not be feasible for the Company to seek shareholders consent each and every time, in view of the timings and the expenses involved, hence this resolution.

Pursuant to provisions of section 62(3) of the Companies Act, 2013, this resolution requires approval of the shareholders by way of passing of a special resolution. Hence, the Board recommended the said enabling resolution for the approval of shareholders.

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

The Board accordingly recommends the resolution set out in Item No. 5 of the Notice for the approval of the shareholders.

Ms. Falguni Vasavada is an Independent Director of the Company. She was appointed by the Board through circular resolution on November 4, 2020. As per relevant

regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stipulating the conditions for the appointment of Independent Directors by a Listed Company, it is proposed to appoint Ms. Falguni Vasavada as Independent Director under the Companies Act and Listing Regulations to hold office for 5 (five) consecutive years for a term from November 4, 2020 to November 3, 2025. Ms. Falguni Vasavada is not disqualified from being appointed as Directors in terms of section 164 of the Act and have given her consent to act Director. The Company has also received declaration from Ms. Falguni Vasavada that she meets with the criteria of independence as prescribed both under the Companies Act and Listing Regulations. In the opinion of the Board, Ms. Falguni Vasavada fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Ms. Falguni Vasavada is independent of the management.

This explanatory statement together with the accompanying Notice of the Annual General Meeting may also be regarded

as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) of Institute of Company Secretaries of India.

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

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

By order of the Board of Directors
For Nandan Denim Limited

Purvee Roy

Company Secretary
Mem. No. F8978

December 9, 2020
Ahmedabad

ANNEXURE TO THE NOTICE DATED SEPTEMBER 5, 2020

DETAILS OF DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Particulars	Mr. Jyotiprasad Chiripal	Mr. Giraj Mohan Sharma	Ms. Falguni Vasavada
Age	67 years	58 years	46 years
Qualifications	Bachelor of Commerce	Mathematics Graduate from University of Delhi	Double gold medalist with over two decades of teaching experience in the area of Marketing and Advertising
Experience (including expertise in specific functional are) / Brief Resume	Mr. Jyotiprasad Chiripal holds a Bachelors degree in Commerce from Gujarat University. He was initially dealing with the finance & production functions of various companies of Chiripal Group. He obtained detailed knowledge and understanding of the functioning of the Company during his stint under various capacities. His expertise in the business of fabric, yarn and knitted apparels along with entrepreneurial acumen and leadership qualities guided the Group for more than four decades. In 2017, he joined as Managing Director of Nandan Denim Limited. During his tenure with the Company, his constant endeavor wasto excelandsustain the position of the Company as a successful organization with best governance standards. With his in depth knowledge of Company's functioning, he brings immense value in enhancing Board effectiveness.	Mr. Giraj Mohan Sharma is a Mathematics Graduate from University of Delhi and dropped out of his M.Sc. (Maths)to get into Marketing. He spent fifteen years in the industry before he set up BehindTheMoon - twelve of these years with Onida (a leading Indian Brand for consumer durables) and was Head of Marketing & Sales before he quit. He also spent a couple of years with Indian Express. Mr. Sharma is the Founder-Director of the Brand & Strategic Consulting boutique – BehindTheMoon Consultants. BehindTheMoon has been working towards facilitating companies to strengthen their Brands by working strategically around their Brand's Identity and Values. BehindTheMoon is a sixteen year old firm and has done some interesting work for companies such as L&T (IDPL), Star TV, Mother Dairy and Panasonic among others. Other than consulting on Brand Strategy and Distribution – BehindTheMoon offers consulting on Moment of Truth where Giraj is considered an evangelist.	Dr. Falguni Vasavada is Professor & Chair, Strategic Marketing Area at MICA. She is a double gold medalist with over two decades of teaching experience in the area of Marketing and Advertising. She has trained corporate professionals and mentored young entrepreneurs in areas like Advertising, Marketing, Consumer Understanding, Branding, Social Media. She has published in International Journals and presented papers in national and international conferences and is involved in international joint research projects in the area of advertising. She is a visiting faculty at management institutes of repute in India and overseas. Her teaching, research and consultancy interests are in the area of Advertising, Branding, and Social Media. She is a TEDx speaker & is frequently invited to speak at reputed forums/panels/ roundtables. She Speaks on Advertising, Branding, Marketing, Social Media, Personal Branding, Gender Equality, Body Positivity, Women Empowerment, Work Life Balance, Happiness as a Lifestyle and Motivation. She blogs on body positivity, women empowerment, gender etc.
Terms and Conditions of Appointment / Re-appointment	As per resolution passed by the shareholders of the Company on the twenty third Annual General Meeting held on September 29, 2017, Mr. Jyotiprasad Chiripal has been appointed as a Director liable to retire by rotation.	As per terms and conditions mentioned in letter of appointment provided by Nandan Denim Limited. His re-appointment is as Non-Executive Independent Director.	As per terms and conditions mentioned in letter of appointment provided by Nandan Denim Limited. Her appointment is as Non-Executive Independent Director.

Particulars	Mr. Jyotiprasad Chiripal	Mr. Giraj Mohan Sharma	Ms. Falguni Vasavada
Date of first appointment on the Board	01.06.2017	11.11.2014	04.11.2020
Shareholding in the Company as on March 31, 2020	6,30,000 equity shares	NIL	NIL
Relationship with other Directors / Key Managerial Personnel	Brother of Vedprakash Chiripal (Chairman) Father of Deepak Chiripal (CEO)	Not related to any Director or Key Managerial Personnel	Not related to any Director or Key Managerial Personnel
Number of meetings of the Board attended during the year	3 (three) Board Meetings	4 (four) Board Meetings	N.A.
Directorships of other Boards as on March 31, 2020	CIL Nova Petrochemicals Limited Chiripal Industries Limited Chiripal Poly Films Limited Chiripal Infrastructure Limited Chiripal Energy Limited Picasso Flexibles Limited Chiripal Industrial Park Limited Shanti Innovation and Research Foundation (Section 8 Company) Shanti Academic Zemex Petrochemicals Private Limited	Salesmart Skill Development Private Limited B.T. Moon Consultants Private Limited	NIL
Membership / Chairmanship of Committees of other Boards as on March 31, 2020	CIL Nova Petrochemicals Limited • Audit Committee – Member • Nomination & Remuneration Committee – Member • Stakeholders Relationship Committee – Member • Corporate Social Responsibility Committee – Member Chiripal Poly Films Limited • Nomination & Remuneration Committee – Member Chiripal Industries Limited • Corporate Social Responsibility Committee – Member • Audit Committee – Member • Nomination & Remuneration Committee – Member	NIL	NIL

BOARDS' REPORT

To
The Members

The Directors have pleasure in submitting their 26th Report together with the Audited Statements of Accounts of your Company for the year ended March 31, 2020.

OPERATIONAL & FINANCIAL HIGHLIGHTS

The Management Discussion & Analysis Report for Financial Year 2019-20 is part of the Annual Report and explains the operating and financial performance of the business for the year.

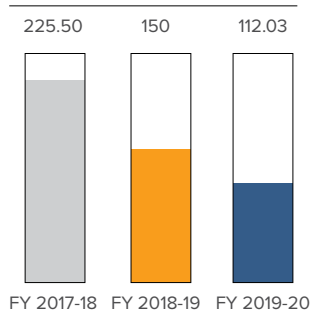
Summary of the financial results of the Company for the year under review is as under:

(Rs. In Cr.)

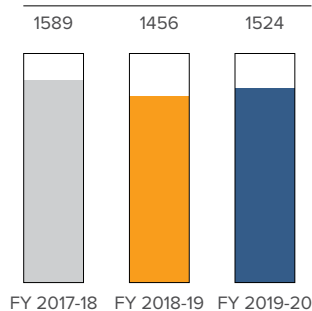
Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Revenue from Operations	1524.26	1456.05
Earnings Before Interest, Taxes, Depreciation and Amortisation	112.03	163.23
Less: Finance Cost	43.04	27.00
Less: Depreciation and Amortisation Cost	87.70	104.41
Profit Before Tax	(7.20)	31.82
Less: Tax Expense	(6.69)	9.74
Profit After Tax	(0.51)	22.08
Other Comprehensive Income	0.22	(0.30)
Total Comprehensive Income	(0.29)	21.77
Tax on Dividend	-	-

COMPANY'S PERFORMANCE REVIEW

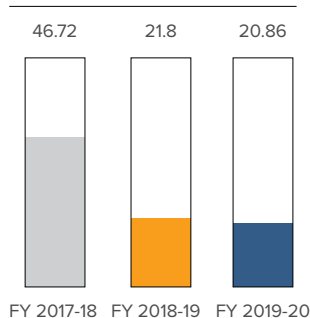
EBITDA (₹ in crores)



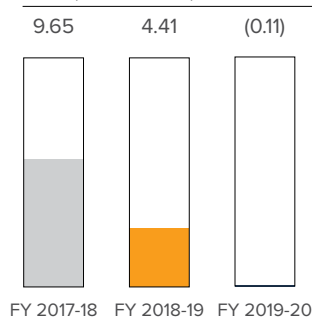
Revenue (₹ in crores)



PAT (₹ in crores)



EPS (₹ in crores)



The business environment for the textile industry remained sluggish during the financial year 2019-20, contributed by lower consumption, liquidity issue and lower lending by the financial institutions and also due to Pandemic COVID19 in last quarter. Despite being tough situation, the Company has achieved aggregate income of Rs. 1548.63 crores marginally lower than that of previous financial year And Profit before Tax of Rs. 1469.31 crores.

Material consumption as a percentage to revenue from operations increased to 73.35% as against 69.83% in the previous year.

Employee cost as a percentage to revenue from operations decreased to 5.12% (Rs. 79.27 cr.) against 5.63% (Rs. 82.73 cr.) in the previous year.

Other expense as a percentage to revenue from operations increased to 13.55% (Rs. 209.84 cr.) against 13.49% (Rs. 198.27 cr.) in the previous year.

The Profit/(Loss) Before Tax (PBT) for the current year is Rs. (7.20) cr. against Rs. 31.82 cr. in the previous year. The Profit After Tax (PAT) declined to Rs. (0.29) cr. against Rs. 21.77 cr. in previous year.

The finance cost (interest) for the current year is Rs. 43.04 cr. as compared to Rs. 27 cr. in the previous year which is higher as compared to previous year due to recognition of subsidy pertaining to January 2017 - March 2018.

DIVIDEND

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), the Board has approved and adopted a Dividend Distribution Policy. The policy details various considerations based on which the Board may recommend or declare Dividend, your Company's dividend track record, usage of retained earnings for corporate actions, etc. The policy can be accessed on the Company's website at <https://nandandenim.com/wp-content/uploads/2018/03/Dividend-Distribution-Policy.pdf>

In ordinary circumstances, the Board of Directors considers recommending dividend on interim / annual basis. Board usually considers the Company's profitability, cash needs for working capital, capital expenditure and other relevant factors while recommending dividend for any financial year. However, in the event where the Company's profits are inadequate or the Company suffers losses, the Board may consider recommending a lower dividend rate or may not recommend dividend. Keeping in view the loss incurred during the year, future outlook, investment plans, long term interest and working capital needs, the Company has not recommended any dividend for the year 2019-20. The decision has been taken mainly to provide financial flexibility for the future in the current circumstances.

TRANSFER TO RESERVES:

Your Company does not propose to transfer any amount to general reserve.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 124 and Section 125 of the Companies Act, 2013, unclaimed or unpaid Final Dividend relating to the financial year 2012-13 was due for remittance on 04-11-2020, which has not been claimed by shareholders of the Company. Shareholders are required to lodge their claims with the Company's RTA for unclaimed dividend. Pursuant to the provisions of Investor Education and Protection Fund, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company <https://nandandenim.com/dividend>, as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

Nandan Denim Limited did not have any Subsidiary, Joint Venture or Associate Company for the year ended March 31, 2020.

FINANCIAL STATEMENTS

In compliance with MCA circulars and SEBI circular dated May 12, 2020, Annual Report for the year 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositories. Notice and Annual Report is also available on the Company's website www.nandandenim.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

COMPLIANCE WITH SECRETARIAL STANDARD

The Company has complied with Secretarial Standard on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government from time to time.

CREDIT RATING

During the year, following changes took place in the Credit Rating of the Company:

- In June 2019, ICRA revised the long term rating to ICRA A- (Outlook – Negative) and short term rating to ICRA A2+ (Outlook – Negative) from A & A1 respectively due to financial performance.
- In February 2020, Brickwork Ratings downgraded the long term rating of the Company to BWR A- (credit watch with negative implications) and short term rating remain unchanged at BWR A1. This was mainly due to the fire accident at the Company's Piplej unit and temporary closure thereafter.
- In February 2020, ICRA downgraded its long term rating to ICRA BBB+ and short term rating to ICRA A2 due to drop in profitability and fire accident.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

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

CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS

As required under Regulation 34 of the Listing Regulations, a Cash Flow Statement is part of the Annual Report. The Company does not have any subsidiaries and hence not required to publish Consolidated Financial Statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors retiring by rotation

Mr. Jyotiprasad Chiripal (DIN: 00155695), Managing Director of the Company, aged 67 years, retires by rotation as a Director at the conclusion of this Annual General Meeting pursuant to the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and being eligible as offered himself for re-appointment. Appropriate resolution for his re-appointment being placed for your approval at the ensuing AGM.

In accordance with the provisions of the Act read with the Rules issued thereunder, the Listing Regulations and the Articles of Association of the Company, Additional Directors and Independent Directors are not liable to retire by rotation.

Key Managerial Personnel

As required under Section 203 of the Companies Act, 2013, the Company has noted that Mr. Jyotiprasad Chiripal – Managing Director, Mr. Deepak Chiripal – Chief Executive Officer, Mr. Ashok Bothra - Chief Financial Officer and Ms. Purvee Roy - Company Secretary are the Key Managerial Personnel of the Company.

Re-appointment of Independent Director

Mr. Giraj Mohan Sharma (DIN:01215950), Independent Director, not liable to retire by rotation, (whose tenure was liable to expire on September 29, 2020) is being re-appointed for a second term pursuant to applicable provisions of the Act read with the Rules issued thereunder and SEBI Listing Regulations. The Board of Directors at their meeting held on September 5, 2020, has approved re-appointment of Mr. Giraj Mohan Sharma for another term of five years, subject to approval of shareholders. It is proposed to re-appoint Mr. Giraj Mohan Sharma upto September 28, 2025.

The aforementioned appointment is based on outcome of performance evaluation exercise, experience and contributions made by Mr. Giraj Mohan Sharma in his previous tenure.

Change in Directorate

- i. Resignation of Mr. Jaiprakash Chiripal (DIN: 00155430) on the Board of Directors of the Company

The Board of Directors at their meeting held on February 8, 2019, based on recommendations of the Nomination & Remuneration Committee, approved the appointment of Mr. Jaiprakash Chiripal as a Non Executive Promoter Director. Mr. Jaiprakash D. Chiripal, has over 30 years of experience in textile and packaging industry. He is instrumental in setting up of BOPP Project of Chiripal Group. He is actively involved in Production, Marketing, Human Resource Development of various Companies of the Group. He plays a key role in expansion and implementation of projects. He has over three decades of experience in driving the diversified growth of Group's business. His strength is technology, people management and execution. As the Managing Director of Chiripal Poly Films, he has positioned the Company as third largest player in the flexible packaging market contributing to significant turnover and bottom line of Group's business in a short span of time. He is a core strategist and his guidance and knowledge will play a significant role in overall growth of Nandan Denim Limited.

Later on, he resigned from the position of Director from close of business hours on June 29, 2019 in order to comply with applicable regulations.

- ii. Appointment and Resignation of Mr. Suresh Chand Maheshwari (DIN: 08375164)

The Board of Directors at their meeting held on February 12, 2020, based on recommendations of the Nomination & Remuneration Committee, approved the appointment of Mr. Suresh Chand Maheshwari as a Whole Time Director. Mr. Maheshwari is a qualified Chartered Accountant with more than 35 years of experience. During his career spanning more than 3 decades, he has worked with Companies like Modern Group, Nandan Exim Limited (now Nandan Denim Limited), Maral Overseas amongst others.

He resigned from the close of business hours on May 11, 2020. His appointment was done mainly to comply with applicable regulations and hence he resigned thereafter.

- iii. Resignation of Mr. Prakashkumar Sharma (DIN:06639254)

Mr. Prakashkumar Sharma was appointed as Executive Whole Time Director w.e.f. June 1, 2017. Mr. Sharma has done his Bachelor of Science and Post Graduate Diploma from Association of Textiles along with Diploma in Industrial Safety. He has wide experience spanning thirty years in textile industry. He was earlier associated with Denim and Terry Towel manufacturing Companies.

He resigned w.e.f. August 20, 2020 citing health reasons. Though he continues as plant head.

- iv. Resignation of Ms. Pratima Ram (DIN: 03518633)

Ms. Pratima Ram was appointed as Non-Executive Independent Director on November 11, 2014. She is an

experienced banker with three decades in corporate, international and investment banking. She has worked in India, USA and South Africa and held position of Chief General Manager and Country Head of United States operations of SBI. She was also CEO of the South African operations of the Bank.

Ms. Ram desired to focus on Companies related to finance, being her core strength. She resigned w.e.f. August 20, 2020.

(v) Appointment and Resignation of Mr. Joy Christian (DIN: 03600352)

Mr. Joy Christian was appointed as Additional Director on September 30, 2020. He is Graduate in Science, Bachelor of Law, Bachelor in Theology, Post Graduate Diploma in IRPM and Gold Medalist in Masters of Social Work (M.S.W) from M S University, Baroda. He is certified Lead Auditor for ISO, Six Sigma Green Belt for Lean Management, Leadership Trainer from Haggai Institute, (USA) and Thematic Apperception Test Analyst. He has 32 years of work experience in Human Resource Management and Business Operations. His forte lies in Talent Acquisition and Retention, Employee Engagement, Human Relations management, Organization Behavior & Organization Development, Transformational Leadership and Turnaround Management.

He resigned w.e.f. December 9, 2020 due to other professional commitments.

(vi) Appointment of Dr. Falguni Vasavada (DIN: 08921942)

Dr. Falguni Vasavada was appointed as Non-Executive Independent Director on November 4, 2020, based on the recommendations of the Nomination & Remuneration Committee. Dr. Falguni Vasavada is Professor & Chair, Strategic Marketing Area at MICA. She is a double gold medalist with over two decades of teaching experience in the area of Marketing and Advertising. She has trained corporate professionals and mentored young entrepreneurs in areas like Advertising, Marketing, Consumer Understanding, Branding, Social Media. She has published in International Journals and presented papers in national and international conferences and is involved in international joint research projects in the area of advertising. She is a visiting faculty at management institutes of repute in India and overseas. Her teaching, research and consultancy interests are in the area of Advertising, Branding, and Social Media.

Declaration of Independence

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16 of the Listing

Regulations [including any statutory modification(s) or re-enactment(s) for the time being in force] so as to qualify themselves to be appointed as Independent Directors.

FAMILIARIZATION PROGRAMMES

The Company has adopted a familiarization policy for Independent Directors. The policy as well as the details with regard to no. of hours and details of imparting the training to the Independent Directors of the Company are available on the Company's website <https://nandandenim.com/wp-content/uploads/2018/07/FamilirisationProgramme-for-Independent-Directors.pdf>.

The Independent Directors have yet to clear their proficiency test as per MCA guidelines.

Independent Directors Data Bank

The Company has received confirmations from Independent Directors confirming that they have registered their names in the Independent Directors' Data Bank.

Nomination and Remuneration Policy

The Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of Companies Act, 2013 read with Rules issued thereunder and the Listing Regulations.

The salient features of the Policy are set out in the Corporate Governance Report which forms part of this Annual Report. The Policy is also available on the website of the Company at <https://nandandenim.com/policies/>.

Policy on Director's Appointment and Remuneration Policy

The Nomination and Remuneration Committee (NRC) has approved the following criteria and process for identification / appointment of Directors:

Criteria for Appointment:

- i. Proposed Director ("Person") shall meet all statutory requirements and should:
 - possess the highest ethics, integrity and values
 - not have direct / indirect conflict with present or potential business / operations of the Company
 - have the balance and maturity of judgment
 - be willing to devote sufficient time and energy
 - have demonstrated leadership and vision at senior levels, and have the ability to articulate a clear direction for the Company
 - have relevant experience with respect to Company's business (in exceptional circumstances, specialisation / expertise in unrelated areas may also be considered)

- have appropriate comprehension to understand or be able to acquire that understanding relating to corporate functioning concerning the scale, complexity of business and specific market and environment factors affecting the functioning of the Company
- ii. The appointment shall be in compliance with the Board Diversity Policy of the Company

Process for Identification / Appointment of Directors:

- a. Board members may (formally or informally) suggest any potential person to the Chairperson of the Company meeting the above criteria. If the Chairperson deems fit, necessary recommendation shall be made by him to the NRC.
- b. Chairperson of the Company can himself also refer any potential person meeting the above criteria to the NRC.
- c. NRC will process the matter and recommend such proposal to the Board.
- d. Board will consider such proposal on merit and decide suitably.

Board Evaluation

The Company's Board has formulated the criteria for performance evaluation of the Directors as a whole which broadly covers the Board role, Board / Committee membership, practice, procedure and collaboration.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, Independent Directors at their meeting, without the participation of the Non-Independent Directors and Management, considered/evaluated the Boards' performance, performance of the Chairman and other Non-Independent Directors.

In line with the SEBI Guidance note on Board Evaluation, a Board effectiveness assessment questionnaire was designed for the performance evaluation of the Board, its Committees, Chairman and individual Directors and in accordance with the criteria set and covering various aspects of performance including structure of the Board, meetings of the Board, functions of the Board, role and responsibilities of the Board, governance and compliance, evaluation of risks, grievance redressal for investors, conflict of interest, stakeholder value and responsibility, relationship among Directors, Director competency, Board procedures, processes, functioning and effectiveness. The said questionnaire was circulated to all the Directors for the annual performance evaluation.

The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the

relevant Directors). There were a few suggestions for improving the performance of the Board viz. apprising the Board of the latest developments from time to time from governance prospective.

Key Managerial Personnel

As per the provisions of sections 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to Key Managerial Personnel, the following officials were the 'Key Managerial Personnel' for the year 2019-20:

- Mr. Jyotiprasad Chiripal – Managing Director
- Mr. Deepak Chiripal – Chief Executive Officer
- Mr. Prakashkumar Sharma – Whole-Time Director
- Mr. Suresh Chand Maheshwari – Whole-Time Director
- Mr. Ashok Bothra – Chief Financial Officer
- Ms. Purvee Roy – Company Secretary

Disclosure relating to remuneration of Directors, Key Managerial Personnel and Particulars of Employees

The remuneration paid to the Directors is in accordance with the Nomination & Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations [including any statutory modification(s) or re-enactment(s) thereof for the time being in force]. The salient features of the Nomination & Remuneration Committee have been outlined in the Corporate Governance which forms part of this Report.

Remuneration of Directors, Key Managerial Personnel and Particulars of Employees

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with section 178 of the Act and regulation 19 of the SEBI Listing Regulations [including any statutory modification(s) or re-enactment(s) thereof for the time being in force].

The information required under section 197 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] in respect of Directors / employees of the Company is set out in Annexure F to this Report.

The information in respect of employees of the Company required pursuant to rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 will be provided upon request. In terms of Section 136 of the Companies Act 2013, the Report and Accounts are being sent to the Members and other entitled thereto, excluding the aforesaid Annexure which is available for inspection

by the Members during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. In any member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Performance Evaluation:

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for evaluating the performance of Individual Directors, Committees of the Board and the Board as a whole.

The parameters for the performance evaluation of the Board, inter alia, include performance of the Board on deciding long term strategy, rating the composition and mix of Board members, discharging of governance and fiduciary duties, handling critical and dissenting suggestions, etc.

The parameters for the performance evaluation of the Directors include attendance, effective participation in meetings of the Board, domain knowledge, vision, strategy, etc.

The Chairperson(s) of the respective Committees based on feedback received from the Committee members on the outcome of performance evaluation exercise of the Committee, shares a report to the Board.

The details of the evaluation process are set out in the Corporate Governance Report which forms a part of this Annual Report.

ENVIRONMENT AND POLLUTION CONTROL

Nandan Denim Limited strives to maintain good standards of environmental care and ensures that increasing level of operations do not adversely impact standards of health and environment. To combat pollution and strengthen the area ecology, considerable emphasis is placed on trees. All manufacturing facilities possess the required environmental clearance from the respective Pollution Control Boards and do comply with the relevant statutory provisions.

The Company is well aware of its responsibility towards a better and cleaner environment. Our efforts in environment management go well beyond mere compliance with statutory requirements.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

Human Resources

Framing the human resource/employee relationship helps maintain perspective on the Company's ultimate goal: to help employees do their best at their jobs. It is a function within an organisation concentrated on recruiting, managing and directing people who work in it. Human Resource Management deals with issues related to compensation,

performance management, organisation development, safety, wellness, benefits, employee motivation, training and others.

Your Company attaches significant importance to continuous up gradation of Human Resources for achieving the highest levels of efficiency, customer satisfaction and growth. As part of the overall HR Strategy, training programmes have been organized for employees at various levels through both internal and external faculties during the year under review, thereby strengthening employee engagement and learning. This has helped to ensure that learning is not time bound and location bound, at the same time employees have access to the information.

A team of around 3,000 passionate & motivated individuals drive Nandan Denim Limited. Your Company has taken various initiatives to engage the employees using digital and technology platforms.

Industrial Relations

The industrial relations during the year under review continued to be cordial. The Directors place on record their sincere appreciation for the services rendered by employees at all levels.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136(1) of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given into this report.

DISCLOSURE REQUIREMENTS

- Details of the familiarization programme of the Independent Directors are available on the website of the Company;
- The Code of practices and procedures for fair disclosure of unpublished price sensitive information and code of

conduct for prevention of insider trading have also been uploaded on the Company's website;

- The Company does not have any scheme or provision of money for the purchase of its own shares by employees/Directors or by trustees for the benefit of employees/Directors;
- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

INSIDER TRADING POLICY

As required under the Insider Trading Policy Regulations of SEBI and amendments thereto, your Directors have framed Insider Trading Regulations and Code of Internal Procedures and Conducts for Regulating, Monitoring and Reporting of Trading by Insider as well as Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The same is also posted on the website of the Company at <https://nandandenim.com/policies/>.

BOARD MEETINGS

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

During the financial year 2019-20, four board meetings were held on May 25, 2019; August 12, 2019; November 13, 2019 and February 12, 2020 respectively. The gap between two Board Meetings did not exceed 120 days and a meeting was held in every quarter.

The details of the meetings of the Board of Directors and its Committees, convened during the financial year 2019-20 are given in the Corporate Governance Report which forms a part of this Report. Further, the Board of Directors also confirms compliance and adherence of the Secretarial Standard – 1 as issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs, with regards to Board Meeting.

BOARD COMMITTEES

Your Company has six Committees of the Board, namely:

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

- Management Committee
- Finance & Investment Committee

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

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Directors of the Company confirm that:

- in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable Accounting Standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the Profit and Loss of the Company for the financial year ended March 31, 2020;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a 'going concern' basis;
- proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis as stipulated as per Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is presented in a separate section forming part of this Annual Report. It speaks about the overall industry structure, global and domestic economic scenarios, developments in business operations / performance of the Company's business and other material developments during the financial year 2019-20.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees given and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014, as on March 31, 2020, are set out in the Financial Statements of the Company.

CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for Effective Management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders. Corporate governance is the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as, the board, managers, shareholders and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the Company objectives are set, and the means of attaining those objectives and monitoring performance. The concept of corporate governance hinges on total transparency, integrity and accountability of the management and the Board of Directors.

The Company is committed to maintaining good standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by Securities and Exchange Board of India (SEBI). Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a separate section titled 'Report on Corporate Governance' has been included in this Report which also contains certain disclosures required under the Companies Act, 2013. The Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also published in this Annual Report.

SHARE CAPITAL

The paid up Equity Share Capital of the Company as on March 31, 2020 was Rs. 48.05 crores divided into 4,80,49,056 Equity Shares of Rs. 10 each fully paid. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

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

The shares are actively traded on BSE and NSE and have never been suspended from trading.

AUDIT COMMITTEE

The Company has in place an Audit Committee in terms of requirements of the Act read with rules framed thereunder and Listing Regulations. The details relating to the Audit Committee are given in the Corporate Governance Report forming part of this report. The recommendations of Audit Committee were duly accepted by the Board of Directors.

AUDITORS

Statutory Auditor

In terms of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], M/s Samir M. Shah & Associates, Chartered Accountants, Ahmedabad [Firm Registration No. 122377W] were appointed as Statutory Auditors of the Company for a term of five consecutive years, from the conclusion of the 23rd Annual General Meeting until the conclusion of 28th Annual General Meeting of the Company to be held in the calendar year 2022, subject to annual ratification by members at every Annual General Meeting, on such remuneration as maybe decided by the Audit Committee of the Board. However, pursuant to Section 40 of the Companies (Amendment) Act, 2017 (i.e. Section 139 of the Companies Act, 2013) which was notified w.e.f. May 7, 2018, ratification of appointment of Statutory Auditors by the members at every AGM is no longer required. Accordingly, ratification resolution is not being taken up at the ensuing Annual General Meeting of the Company.

The Statutory Auditors have confirmed their eligibility and qualifications required under Section 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Auditors' Report for the financial year ended March 31, 2020 does not contain any qualification, reservation or adverse remark. As regards the comments made in the Auditors' Report, the Board is of the opinion that they are self-explanatory and does not require further clarification.

Cost Auditor

In terms of Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 (as amended), it is stated that the cost accounts and records are made and maintained by the Company as specified by Central Government.

The Board of Directors of the Company, on the recommendations made by the Audit Committee at its meeting

held on September 5, 2020 have approved the appointment of M/s. A. G. Tulsian & Co., Cost Accountants, Ahmedabad [Firm Registration No. 100629] as the Cost Auditor of your Company for the financial year 2020-21 to conduct the audit of the cost records of your Company. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of ensuing Annual General Meeting. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment within the meaning of the said Act.

Your Company has received consent from M/s. A. G. Tulsian & Co., Cost Accountants, to act as Cost Auditor for conducting audit of cost records for the financial year 2020-21 along with a certificate confirming their independence and arm's length relationship.

Secretarial Auditor

M/s Sandip Sheth & Associates, Company Secretaries, Ahmedabad (Firm Registration Number: P2001GJ041000) were appointed as Secretarial Auditors of the Company for the financial year 2019-20 pursuant to Section 204 of the Companies Act, 2013. Later, M/s J. D. Khatnani & Associates was appointed to conduct audit for the period 2019-20. The draft of the Secretarial Audit Report were placed at the meeting and later submitted by them in the prescribed form MR- 3 attached as "Annexure- E" to this Report.

As prescribed under section 204(1) of the Act, the Company has received the Secretarial Audit Report. The observations made therein and the corresponding explanations are given below:

Company has Filed & Complied on Belated Basis with Various Regulations including Regulation 34, Regulation 31, Regulation 13(3) for the Quarter March 2020 as per SEBI (Listing Obligations and Disclosure Requirement) However, the same is been complied along with Payment of Fine Imposed for particular Regulations.

There was delay in filing due to current scenario and nation-wide lockdown imposed by the Government. However, the Company will be careful in future.

Company has made total Contribution towards CSR Activities of Rs. 50 Lakhs during the year against its liability to make contribution of Rs. 56.46 Lakhs.

The Company had made contribution of Rs. 50.00 lakh towards CSR during 2019-20. The remaining amount of Rs. 6.46 Lakh was planned to be spent in the month of March 2020. However due to global pandemic, it could not be executed. The Company shall, therefore, be spending the remaining amount during the year 2020-21.

M/s J. D. Khatnani & Associates, Company Secretaries have been appointed to conduct the Secretarial Audit of the Company for the financial year 2020-21. They have confirmed that they are eligible for the said appointment.

Auditors' certificate on corporate governance

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors' Certificate on corporate governance is enclosed as part of Board's report. The Auditors' Certificate for fiscal 2020 does not contain any qualification, reservation or adverse remark.

Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government

The Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

DISCLOSURE UNDER SCHEDULE V(F) OF THE SEBI (LODR) REGULATIONS, 2015

The Company does not have any Unclaimed Shares issued in physical form pursuant to Public Issue / Rights Issue.

RELATED PARTY TRANSACTIONS

During the financial year 2019-20, your Company has entered into transactions with related parties as defined under section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, all of which are in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules issued thereunder and the Listing Regulations. Approval for related party transactions to be entered in the financial year 2020-21 had already been taken in the Annual General Meeting conducted on September 13, 2019.

All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approval was granted by the Audit Committee for related party transactions which are of repetitive nature, entered in the ordinary course of business and are on arm's length basis in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations.

The details of the related party transactions as per Indian Accounting Standard 24 are set out in Note 34 to the Financial Statements forming part of this report.

Form AOC – 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as "Annexure G".

The Company's Policy on dealing with Related Party Transactions can be accessed on the Company's website at <https://nandandenim.com/policies/>.

POLICIES OF THE COMPANY

The Company is committed to good corporate governance and has consistently maintained its organizational culture as a remarkable confluence of high standards of professionalism and building shareholder equity with principles of fairness, integrity and ethics. The Board of Directors of the Company have from time to time framed and approved various Policies as required by the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations. These Policies and Codes are reviewed by the Board and are updated, as and when required.

Some of the key policies adopted by the Company are as follows:

Sr. No.	Name of Policy
1	Dividend Distribution Policy
2	Policy on Determination of materiality of events/ information
3	Code of Conduct for Board Members and Senior Management Personnel
4	Policy on Archival of Information
5	Code of Conduct for Employees
6	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
7	Code of Conduct to Regulate, Monitor and Report trading by Insiders
8	Policy on Related Party Transactions
9	Whistle Blower Policy
10	Corporate Social Responsibility Policy
11	Nomination and Remuneration Policy
12	Sexual Harassment Policy

The above mentioned policies and code are available on the website of the Company.

DETAILS OF INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

Nandan Denim Limited has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with

Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956 to the extent applicable. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.

The Company operates in SAP, an ERP system and has many of its accounting records stored in an electronic form and backed up periodically. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account. The Company has automated processes to ensure accurate and timely updation of various master data in the underlying ERP system.

The management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary.

For all amendments to Accounting Standards and the new standards notified, the Company carries out a detailed analysis and presents the impact on accounting policies of the Group, the impact on financial results, including revised disclosures to the Audit Committee. The approach and changes in policies are also validated with the statutory auditors. The Company takes steps to make these amendments as part of the underlying ERP systems to the extent possible.

Your Company has a code of conduct applicable to all its employees along with a Whistle Blower Policy which requires employees to update accounting information accurately and in a timely manner. Any non – compliance noticed is to be reported and acted upon in line with the Whistle Blower Policy.

The Company gets its standalone accounts audited every quarter by its Statutory Auditors.

RISK MANAGEMENT

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

CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior management which is available on Company's website

https://nandandenim.com/wp-content/uploads/2018/07/CodeofConductforPreventionofInsiderTrading_final.pdf. All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

INSURANCE

All properties and insurable interests of the Company including buildings, plant & machinery and stocks have been adequately insured.

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

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Prevention of Sexual Harassment of Women at Workplace Act") and Rules framed there under and an Internal Complaints Committee (ICC) has also been set up to redress complaints received regarding sexual harassment at three places i.e. Corporate Office, Piplej Plant and Bareja Plant.

The Company believes in zero tolerance towards Sexual Harassment at workplace and maintains itself as a safe and non – discriminatory organization. The ICC members have been trained in handling and resolving complaints and also meet at regular intervals.

During the financial year 2019-20, no cases in the nature of sexual harassment were reported at any workplace of Nandan Denim Limited.

CORPORATE SOCIAL RESPONSIBILITY

During the financial year ended March 31, 2020, the Company incurred CSR expenditure of Rs. 50.00 lakh (Rupees Fifty Lakh Only). The CSR initiatives of the Company is mainly under the thrust area of education. The Company recognizes its obligations to act responsibly, ethically and with integrity in its dealings with employees, community, customers and the environment as a whole. We know that corporate responsibility is essential to our current and future success as a business. The Company believes it has the greatest opportunity to drive values through CSR initiatives in areas pertaining to Health and Education and is committed to improving the quality of life in communities. The Company had provided an amount of Rs. 50.00 lakh to a registered trust in May 2019 for educational activities. The remaining amount of Rs. 6.46 lakh was planned to be spent in the month of March 2020. However due to global pandemic, it could not be executed. The Company shall, therefore, be spending the remaining amount during the year 2020-21.

The Company's CSR Policy statement and Annual Report on the CSR activities undertaken during the financial year ended March 31, 2020, in accordance with section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in "Annexure C" to this Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return as on March 31, 2020 in Form MGT – 9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, available on the website of the Company.

DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of section 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Chapter V of the Companies Act, 2013.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Company has in place an Audit Committee in terms of requirements of the applicable provisions of the Companies Act, 2013, Rules made there under and Listing (Obligations and Disclosure Requirements) Regulations, 2015. The details of the composition of the Audit Committee, terms of reference and meetings held are provided in the Corporate Governance Report which forms part of this Report.

The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Act and Regulation 22 of the Listing Regulations.

The Company has developed an in-house system which can be used to, inter alia, report any instances of financial irregularities, breach of code of conduct, abuse of authority, disclosure of financial / price sensitive information, unethical / unfair actions concerning company vendors /suppliers, mala-fide manipulation of Company records, discrimination to the Code of Conduct in an anonymous manner.

The Policy also provides protection to the employees and business associates who report unethical practices and irregularities. Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy. The Whistle Blower Policy of the Company can be accessed at website of the Company at www.nandandenim.com

MATERIAL CHANGES AND COMMITMENTS

Material changes and commitments affecting the financial position of the Company between the beginning of financial year and date of this report are given below:

Fire Accident:

A fire broke out on February 8, 2020 in Shirting Section (Part of Weaving Division) at the Piplej Unit of the Company. The fire was brought under control after joint efforts of Internal Fire Brigade Team, AMC Fire Brigade Team, and other employees of the Company.

It may be noted that Shirting section contributed ~6% to total turnover of the Company and will not impact much on overall financials of the Company. The Company is having fully integrated manufacturing facility at Piplej location i.e. Spinning, Weaving, Processing, Finishing for Denim fabric. Apart from this, Company is having Yarn dyeing facility at Piplej Unit and Spinning facility at Bareja which are operating at their full capacity. Spinning plant at Bareja consumes Cotton (Raw material) of approx. ~Rs. 75 Lac per day.

Global Pandemic (COVID-19):

The outbreak of Corona Virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Nandan Denim Limited (NDL) has been monitoring the COVID-19 outbreak since early February and had invoked its Risk Management Framework quite early to minimize the impact on its business and stakeholders. The World Health Organization (WHO) declared coronavirus a pandemic due to widespread of the outbreak. The situation arising out of this outbreak is unprecedented and dynamic. NDL has a well-defined policy in place keeping in view safety & health of employees and business commitments.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

The State Government had issued closure notice to our Piplej unit owing to the fire that took place on February 8, 2020 and claimed 7 lives. Post fire incident, measures suggested by Government were implemented and factory was allowed to re-open.

Apart from above, there have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

ANNEXURES

Following statements/reports/certificates are set out as Annexures to the Directors' Report:

- Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo
- Certificate pertaining to Disqualification of Directors
- Details of CSR activities and spends under Section 135 of the Companies Act, 2013.
- Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013.
- Annual Secretarial Compliance Report
- Information as per Section 197
- Form AOC – 2

APPRECIATIONS

The Board of Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. Further, the Board sincerely conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board of Directors

Falguni Vasavada
Director
(DIN: 08921942)

Jyotiprasad Chiripal
Managing Director
(DIN: 00155695)

Place: Ahmedabad
Date: December 9, 2020

ANNEXURE A TO BOARDS REPORT

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Particulars pursuant to Section 134 of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY:

Energy conservation measures taken:-

1. Installed inverter in Sec J-K & Shirting H-Plant Supply & Return Air Fan Motor
2. Installed Air Flow Controller At Comp No.10 SPG, Sec J-K & Power plant Air Line
3. STP treated Water re used on Finishing & Flat Finishing machine
4. Installed Water Flow Meter on every machine for monitoring water consumption

B. ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY:

1. Investment in Wvg (Sec B to F) H-Plant Return Air Fan inverter
2. Investment in SPG Phase-1 H-Plant Supply & Return Air Fan inverter
3. Investment on clarifier tank to re use of finishing machine drain water
4. Investment on air booster in SPG
5. Investment in Power plant to Fabric-div pipe line to re use PP CT Blow down treated water & MGF Back Wash treated Water on process machine
6. Investment in PNLD for compressor air no loss moisture drain

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

1. With implementation of above measure we will reduce approximately Rs. 65 Lakh
2. Better efficiency
3. High productivity
4. Reduction in cost of production

D. TECHNOLOGY:

i. Research & Development (R & D)

Company has in house R&D facilities in Piplej plant . Two major activities are in R&D.

- a. Product Re-engineering
- b. Product innovations
 1. Sustainable product range with sustainable fibres like Tencel / Rayon/ Exell
 2. New product design for saving water.
 3. New weave design for fashion segments.
 4. Super stretch denims as per upcoming fashion trends.
 5. Special finish

ii. Benefits derived as a result of the above R & D

1. Higher sales turnover.
2. Product acceptance has increased.
3. Customer retention with price increase.
4. Image / Branding of the Company has increased.
5. Penetration in all customer segments.

iii. Future Plan of Action

As Innovations is a continuous process for growth of a Company, more and more work is going on in this area. More focus are on:

1. More new weave design.
2. New sustainable fibre blend.
3. New chemical finish like fabric dyeing and coating.

E. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Efforts made towards Technology Absorption, Adaptation and Innovation:

1. New spinning machines for special fibre blends.
2. New finishing range for better fabric dimensions.

Benefits derived:

1. Higher sales turn over
2. Better sales realizations.
3. Addition of new customers.
4. More penetrations in export market.
5. Addition of value added product

F. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a. The Company has taken various steps to increase the exports of the products during the year.

- b. Foreign exchange earnings and outgo during the year:

Particulars	(Rs. In Cr.)	
	31.03.2020	31.03.2019
Foreign Exchange Earnings	139.66	136.12
Foreign Exchange Outgo	51.53	67.40

Total Foreign Exchange used and earned: As per notes on accounts

ANNEXURE B TO BOARDS REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
NANDAN DENIM LIMITED
(L51909GJ1994PLC022719)
AHMEDABAD

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of NANDAN DENIM LIMITED having CIN L51909GJ1994PLC022719 and having registered office at Survey No. 198/1, 203/2, Saijpur, Gopalpur Pirana Road, Piplej, Ahmedabad -382405 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	DIN	Name	Designation	Date of appointment
1	00155695	Mr. Jyotiprasad Devkinandan Chiripal	Managing Director	29/05/2017
2	00290454	Mr. Vedprakash Devkinandan Chiripal	Director	11/08/2003
3	00157305	Mr. Tara Sankar Bhattacharya	Independent Director	06/02/2013
4	01215950	Mr. Giraj Mohan Sharma	Independent Director	11/11/2014
5	03518633	Ms. Pratima Ram	Independent Director	11/11/2014
6	06639254	Mr. Prakashkumar Sharma	Whole-Time Director	29/05/2017
7	08375164	Mr. Suresh Chand Maheshwari	Whole-Time Director	12/02/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **Geeta Serwani and Associates**
Practicing Company Secretary

Date: September 1, 2020
Place: Ahmedabad

Geeta Serwani
Proprietor
Memb No. F8991
COP 8842

ANNEXURE C TO BOARDS REPORT

CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects and programs:

The Company has adopted a Corporate Social Responsibility ("CSR") Policy in accordance with the applicable provisions of Companies Act, 2013 and allied rules (hereinafter referred as "the Act"). This Policy is a guideline for Company's CSR activities intended to support local communities on a variety of socially desirable activities with a view to enable high impact and ensure measurable outcomes of the funds deployed towards such activities. The Company believes that economic value and social value are interlinked. A firm creates economic value by creating social value.

The Company's focus area is education. The Company's participation focuses on operations where it can contribute meaningfully by using core competency which develops solutions. In the area of education, the Company continues to focus on the core indicators of the educational cycle viz. enrolment, retention, improved learning outcome, life skills and providing support for education. The Company aims at making a positive impact on society through educational development directly through its registered trusts namely 'Chiripal Charitable Trust' which is having an established track record of more than thirty years.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013.

The Policy is available on the website at <http://www.nandandenim.com/Pdf/CorporateSocialResponsibilityPolicy.pdf>

2. CSR Committee:

The CSR Committee has been entrusted with responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as

specified in Schedule VII to the Companies Act, 2013; recommending to the Board the amount of expenditure to be incurred; monitoring the implementation of framework of CSR Policy and ensuring that implementation of the project and programme is in compliance with the CSR Policy of the Company.

3. Composition of the CSR Committee as on March 31, 2020:

In accordance with the provisions of section 135 of Companies Act, 2013 read with Rule 5 of Companies (CSR Policy) Rules, 2014, the Company has constituted its CSR Committee, which presently comprises of three Directors.

- Mr. Giraj Mohan Sharma – Chairman (Non Executive Independent Director)
- Mr. Jyotiprasad Chiripal – Member (Executive Promoter Director)
- Mr. Vedprakash Chiripal – Member (Non Executive Promoter Director)

Ms. Purvee Roy acts as Secretary to the CSR Committee.

4. Average Net Profit of the Company for the last three financial years:

Rs. 28.23 cr.

5. Prescribed CSR Expenditure (Two percent of the amount as in item no. 4 above):

Rs. 56.65 lakh (Rupees Fifty Six Lakh and Sixty Five Thousand Only)

6. Details of CSR spent for the financial year:

- a. Total amount spent for the financial year: Rs. 50.00 lakh
- b. Amount unspent, if any: Rs. 6.65 lakh
- c. Manner in which amount spent in the financial year is detailed below:

The CSR activities / projects are implemented in accordance with the provisions of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014:

(Rs. in lakh)

Sr. No.	CSR Projects / Activities Identified	Sector in which the Project is covered	Location where project is undertaken Local area (District, State)	Amount outlay (budget) Project or Program wise 2017-18	Amount spent on the Projects or Programs		Cumulative Expenditure upto the reporting period	Amount spent directly or through implementing agency
					Direct Expenditure	Overheads		
1	<ul style="list-style-type: none"> • Developing infrastructure of schools by upgrading school buildings, providing classroom setup like benches, desks and boards, among others and helping in setting up of libraries and science laboratories and other related activities; • Promoting education by providing educational resources for students as computer & study material, student books & periodicals, teaching aids, computer hardware & software for smart classes, workshops on self-defense and enhancing soft skills; • Socializing the importance of education for children and community leaders; • Granting scholarship for higher education, etc. 	Education	Ahmedabad	50.00	50.00	0.00	50.00	Directly

7. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Boards Report:

The remaining amount of Rs. 6.65 Lakh was planned to be spent in the month of March 2020. However due to global pandemic, it could not be executed. The Company shall, therefore, be spending the remaining amount during the year 2020-21.

8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objective and Policy of the Company:

The CSR projects were designed, implemented and periodically reviewed in accordance with the CSR Policy of the Company framed pursuant to the provisions of the Companies Act, 2013 and rules made thereunder.

ANNEXURE D TO BOARDS REPORT

SECRETARIAL COMPLIANCE REPORT OF

M/s. NANDAN DENIM LIMITED

CIN - L51909GJ1994PLC022719

FOR THE YEAR ENDED MARCH 31, 2020

I Geeta Serwani, Proprietor of M/s. Geeta Serwani and Associates, Company Secretary, Hyderabad has examined:

- (a) all the documents and records made available to us and explanation provided by M/s NANDAN DENIM LIMITED(CIN - L51909GJ1994PLC022719) listed entity.
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2020 (Review period) in respect of compliance with the provisions of:
- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable during the period under review.**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable during the period under review.**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable during the period under review.**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable during the period under review.**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder; and based on the above examination,

I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	SEBI (LODR) Regulations, 2015 – Regulation No. 34	Delay in submission of annual report for year ended on March 31, 2019	Fine was imposed by National Stock Exchange and Bombay Stock Exchange for delay in submission of Annual Report . Later the fine was withdrawn by the exchanges and the amount was returned / adjusted.
2	SEBI (LODR) Regulations, 2015 – Regulation No. 31	Late- submission of shareholding pattern for the quarter ended on March 31, 2020 *	Fine was imposed by National Stock Exchange and Bombay Stock Exchange for delay in submission shareholding pattern within the period prescribed

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
3	SEBI (LODR) Regulations, 2015 – Regulation No. 13 (3)	Late-Submission of Statement on Investor Complaints for the Quarter ended March 31, 2020*	Fine was imposed by National Stock Exchange and Bombay Stock Exchange for delay in submission statement on shareholder complaints within the period prescribed

* The delay was mainly due to nation wide lockdown imposed by Government and reasons beyond control considering the COVID19 pandemic.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder: -

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL				

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any.	Comments of the Practicing Company Secretary on the actions taken by the listed entity.
No Comments are offered since no observations made in previous report				

For, **Geeta Serwani and Associates**
Practicing Company Secretary

Geeta Serwani
Proprietor
FCS: 8991
COP 8842

UDIN: F008991B000542359

Date: July 31, 2020

ANNEXURE E TO BOARDS REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014]

To,
The Members,
NANDAN DENIM LIMITED
CIN: L51909GJ1994PLC022719

I/we have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices followed by **NANDAN DENIM LIMITED** (Hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and on that basis; we are expressing our opinion thereon.

Based on my/our verification of the records of **NANDAN DENIM LIMITED**, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the Company has, during the audit period covering **the financial year ended on March 31, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliances mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and record maintained by **NANDAN DENIM LIMITED (CIN: L51909GJ1994PLC022719)** for the financial year ended on **31.03.2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under; **Few E-Forms were filed with required late filing fees as per the provisions of the Companies Act, 2013.**
- (ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and

External Commercial Borrowings: **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**

- (v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011; **(COMPLIED WITH ANNUAL DISCLOSURE OF SHAREHOLDING AS PER REGULATION NO. 30 OF THE REGULATIONS)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(NO ESOS OR ESOPS WERE ISSUED DURING THE YEAR UNDER REVIEW)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **NOT APPLICABLE FOR THE YEAR**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**

(vi) As stated in the **Annexure – A** – all the laws, rules, regulations are applicable specifically to the Company.

(vii) No Other Observations **Except Two Fire broke out taken place at the factory of the Company on February 2020 and August 2020 respectively. The Company has informed Stock Exchanges also, Concerned Departments and Statutory Authorities. And intimation for Changes in Board of Directors informed to the Stock exchanges Under Regulation 30 of SEBI (LODR), 2015.**

No other major corporate events occurred during the year and various compliances made by the Company with applicable Laws, Rules, Regulations, Listing Agreements etc.

I/We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and as applicable to the Company have been adopted by passing requisite Board Resolutions and are complied with.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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

I/We further report that

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executives Directors, Independent Directors and Woman Director. However, one Director was appointed as Whole Time Director (Change of Status) w.e.f. February 12, 2020. As a result, the Company was required to appoint one more independent Director. However, after the closure of the Financial Year, the Company on 11/05/2020 has complied with Proper Balance of Board of Directors as per Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) 2015 on resignation of the Director from the post of Whole Time Director.

Our Observations:

1. Company has filed & complied on Belated Basis with various regulations including Regulation 34, Regulation

31, Regulation 13(3) for the March Quarter 2020 as per SEBI (Listing Obligations and Disclosure Requirement) However, the same is been Complied along with Payment of Fine Imposed for the Particulars Regulations.

2. Company has made total Contribution towards CSR Activities of Rs.50 Lakhs during the year against its liability to make contribution of Rs. 56.46 Lakhs.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I/We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I/We further report that during the audit period the Company has not made any

- (I) Public/ Right/Preferential issue of shares/ debentures/ sweat equity, etc.
- (II) Redemption/ buy-back of securities
- (III) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (IV) Foreign technical collaborations

FOR J D KHATNANI & ASSOCIATES
PRACTICING COMPANY SECRETARIES

Place: Ahmedabad

Date: December 10, 2020

UDIN: A050727B001462676

(JAY D. KHATNANI)

PROPRIETOR

ACS: 50727, COP: 18421

ANNEXURE – A

Securities Laws

1. All Price Sensitive Information was informed to the stock exchanges from time to time.
2. All investors complain directly received by the RTA & Company is recorded on the same date of receipts and all are resolved.

Labour Laws

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour/ Bonded labour in any of its establishments.
3. Provisions with relate to compliances of PF / Gratuity Act are applicable to Company.
4. The Company is regular in filing return of PF dues.
5. The Company is making payment of Gratuity to their Employees regularly when they become due and payable except dues which are under dispute.
- 6.

Environmental Laws

1. The company is not discharging the contaminated water at the public drains / rivers.
2. The company has been disposing the hazardous waste as per applicable rules.

Taxation Laws

1. The company follows provisions of the taxation and Income Tax Act, 1961 and filing the returns with Income tax department and all other necessary departments, however, in few instances company has filed the returns with the authorities with delay payment charges / interest.
2. The company normally making payment of TDS, GST and other statutory payment with appropriate Authorities well in time except few instances with delay payment charges / interest.

FOR J D KHATNANI & ASSOCIATES
PRACTICING COMPANY SECRETARIES

Place: Ahmedabad
Date: December 10, 2020
UDIN: A050727B001462676

(JAY D. KHATNANI)
PROPRIETOR
ACS: 50727, COP: 18421

ANNEXURE – B

To

The Members,

NANDAN DENIM LIMITED

CIN: L51909GJ1994PLC022719

SURVEY NO 198/1 203/2

SAIJPUR GOPALPUR PIRANA ROAD,

PIPLEJ AHMEDABAD 382405 GUJARAT

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures and compliances done are on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied on Management Representation Letter provided by the Company before issuing this Report to the Company.

FOR J D KHATNANI & ASSOCIATES
PRACTICING COMPANY SECRETARIES

Place: Ahmedabad

Date: December 10, 2020

UDIN: A050727B001462676

(JAY D. KHATNANI)
PROPRIETOR
ACS: 50727, COP: 18421

ANNEXURE F TO BOARDS REPORT

Information required under section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration) Rules, 2014

A. Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2019-20 is as follows:

Name of Director(s)	Total Remuneration	(Rs. in lakhs)
		Ratio of Remuneration of Director to the Median Remuneration *
Mr. Vedprakash Chiripal	NIL	-
Mr. Jyotiprasad Chiripal	72.00	33.38
Mr. Tara Sankar Bhattacharya	1.50	0.70
Mr. Suresh Maheshwari	8.61	3.99
Ms. Pratima Ram	2.00	0.93
Mr. Giraj Mohan Sharma	2.00	0.93
Mr. Prakashkumar Sharma	17.89	8.29

Notes:

- *Median remuneration for the financial year 2019-20 is Rs. 2,15,730/-.
- The aforesaid details are calculated on the basis of remuneration for the financial year 2019-20.
- The remuneration to Directors includes sitting fees paid to them. The sitting fees mentioned is based on the number of meetings held and attended during the financial year 2019-20.
- Mr. Jaiprakash Chiripal was appointed as Non-Executive Promoter Director w.e.f. February 9, 2019 and resigned on June 29, 2019.
- Ms. Pratima Ram and Mr. Prakashkumar Sharma resigned w.e.f. August 20, 2020.
- Mr. Suresh Chand Maheshwari was appointed as Whole Time Director w.e.f. February 12, 2020 and resigned on May 11, 2020.

B. Details of percentage increase in the remuneration of each Director, CFO & Company Secretary in the financial year 2019-20 are as follows:

Name of Director(s)	Remuneration (in lakhs)		Increase / (Decrease) %
	2019-20	2018-19	
Mr. Vedprakash Chiripal	NIL	NIL	-
Mr. Jyotiprasad Chiripal**	72.00	144.00	-
Mr. Tara Sankar Bhattacharya	1.50	1.60	(6.00)
Ms. Pratima Ram	2.00	2.10	5.00
Mr. Giraj Mohan Sharma	2.00	2.00	-
Mr. Prakashkumar Sharma	17.89	17.00	5.23
Mr. Suresh Chand Maheshwari*	8.61	-	-

Name of Key Managerial Personnel	Remuneration (in lakhs)		Increase / (Decrease) %
	2019-20	2018-19	
Mr. Deepak Chiripal	92.05	92.05	-
Mr. Ashok Bothra	23.54	24.74	(5.00)
Ms. Purvee Roy	10.71	10.17	5.31

Notes:

- *Percentage increase in remuneration is not reported as they were holding Directorship for the part of financial year, thus remuneration is proportionately adjusted. **Mr Jyotiprasad Chiripal has drawn remuneration only for part of the year.
- The remuneration to Directors is within the overall limits approved by the shareholders of the Company.
- The remuneration to Directors includes sitting fees paid to them. The sitting fees mentioned is based on the number of meetings held and attended during the financial year 2019-20.
- The remuneration of key Managerial Personnel is based on actual presence.

C. Percentage increase in the median remuneration of all employees in the financial year 2019-20:

92.50%

D. Number of permanent employees on the rolls of the Company as on March 31, 2020: 2719**E. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average increase for Key Managerial Personnel is ~1% and for other employees was about 7%.

F. Affirmation that the remuneration is as per the Nomination & Remuneration Policy of the Company:

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Nomination & Remuneration Policy of the Company.

ANNEXURE G TO BOARDS REPORT

FORM NO. AOC 2

[Pursuant to Clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Company (Accounts) Rules, 2014]

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

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

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

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

Name(s) of the related party / parties and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any
Chiripal Industries Limited	• Purchase, sale, supply of				
Nova Textiles Private Limited	goods or materials				
Vishal Fabrics Limited	• Selling or otherwise disposing			25.05.2019	
Chiripal Poly Films Limited	of or buying property of any			12.08.2019	
Shanti Exports Private Limited	kind or any capital asset	-	At market price	13.11.2019	-
Chiripal Textile Mills Private Limited	• Giving on rent or leasing of property of any kind			12.02.2020	
Nandan Terry Private Limited	• Availing or rendering of services including job work				
	• Purchase or sale of investment				

All related party transactions are in the ordinary course of business and on arm's length basis which are approved by Audit Committee of the Company.

CORPORATE GOVERNANCE REPORT

Nandan Denim Limited is committed towards adoption of best corporate governance practices beyond compliance of law. The Company has a good legacy of fair, transparent and ethical governance practices. We continuously strive for betterment of our corporate governance mechanisms so as to improve efficiency, transparency and accountability of our operations and systems. This culture inspires trust among all stakeholders and strengthens the Board and management accountability.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as applicable, with regard to corporate governance.

A report on compliance with the Corporate Governance provisions as prescribed under the SEBI Listing Regulations is given below:

• BOARD OF DIRECTORS AND ITS COMPOSITION

As on March 31, 2020, the strength of the Board was seven Directors. Of the seven Directors, four (i.e. 57% percent) are Non-Executive Directors out of which three are Independent Directors. The Board Members consists of persons with professional expertise and experience in various fields of Textile, Marketing, Finance, Management, Accountancy, etc. The Chairman of the Board is Non-Executive Promoter Director.

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an Independent Director on more than seven Listed Companies. Necessary disclosures regarding Committee positions in other Public Companies as on March 31, 2020 has been made by the Directors. None of the Directors are related

to each other except Vedprakash Chiripal, Jyotiprasad Chiripal and Jaiprakash Chiripal.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under the SEBI Listing Regulations and that they are independent of management.

The meetings of the Board of Directors are generally held at the Corporate Office. Meetings are scheduled well in advance. The Board meets at regular intervals to review the quarterly performance and the financial results of the Company. The Members of the Board have access to all information on the Company and are free to recommend inclusion of any matter in the agenda for discussion. Senior Management persons are also invited to attend the Board meetings and provide clarifications as and when required. Four Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held respectively on May 25, 2019; August 12, 2019; November 13, 2019; February 12, 2020.

The necessary quorum was present for all the meetings.

The details of attendance of Directors at Board Meetings either in person or through video conference during the financial year 2019-20 and at the Annual General Meeting (AGM) of the Company are as reproduced below:

Particulars	Board Meeting			Annual General Meeting	
	2019			2020	2019
	May 25	August 12	November 13	February 12	September 13
Mr. Vedprakash Chiripal	Yes	Yes	Yes	Yes [#]	No
Mr. Jyotiprasad Chiripal	Yes	Yes	Yes	No	Yes
Mr. Tara Sankar Bhattacharya	Yes	No	Yes	Yes	No
Ms. Pratima Ram	Yes	Yes	Yes	Yes	No
Mr. Giraj Mohan Sharma	Yes	Yes	Yes	Yes	No
Mr. Prakashkumar Sharma	Yes	No	Yes	No	Yes
Mr. Jaiprakash Chiripal	Yes	NA*	NA*	NA*	NA*

* NA – Not Applicable

[#] Mr. Vedprakash Chiripal attended the Board Meeting through video conferencing.

Note:

Mr. Jaiprakash Chiripal was appointed as Non-Executive Non Independent Director w.e.f. February 9, 2019 and resigned w.e.f. June 29, 2019.

Mr. Suresh Chand Maheshwari was appointed as Whole Time Director w.e.f. February 12, 2020 and resigned w.e.f. May 11, 2020.

Ms. Pratima Ram and Mr. Prakashkumar Sharma resigned w.e.f. August 20, 2020.

During FY 2020, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

Scheduling and selection of agenda items for Board Meetings:

Dates of Board Meeting are decided well in advance. The Board Meetings are convened by giving appropriate notice after obtaining the approval of the Chairman, the Managing Director and the CEO. The Board meets at least once a quarter to review the results and other items on the agenda. Whenever necessary, additional meetings are held. In case of matters requiring urgent approval of the Board, resolutions are passed through circulation. The Company also provides video conferencing facility to its Directors to enable them to participate in the discussions held at the meetings, when it may not be possible for them to be physically present for the meeting.

The agenda of the Board Meetings is drafted by the Company Secretary along with explanatory notes in consultation with the Managing Director and CEO and these are distributed in advance to the Directors. All departments in the Company are advised to plan their functions well in advance with regard to matters requiring discussion or approval in the Board / Committee Meetings.

In the path of digitalization and with a view to ensure its commitment to Go Green Initiative of the Government, the Company circulates to its Directors, notes for Board / Committee Meetings through an electronic platform.

All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of SEBI Listing Regulations.

The Company Secretary attends all the Meetings of the Board and its Committees and is, *inter alia*, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the Members for their comments in accordance with the Secretarial Standards. Thereafter, the minutes are entered in Minutes Book within thirty days of conclusion of Meetings, subsequent to incorporation of comments, if any, received from Directors.

The Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Secretarial Standards and SEBI Listing Regulations with respect to convening and holding the Meetings of the Board of Directors, its Committees and General Meetings of the shareholders of the Company.

Responsibilities of the Board of Directors:

The Board has a variety of matters related to the operations of the Company for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources and reporting to Shareholders.

The Board of Directors ensures that their other responsibilities do not materially impact their responsibility as Directors of the Company. The Company has not entered into any materially significant transactions with its Directors or their relatives, etc. which affects the interest of the Company.

Role of Independent Directors:

The Independent Directors play an important role in deliberations at the Board Meetings and bring to the Company their wide experience in the fields of Textile, Technology, Management, Finance, Accountancy, etc.

Schedule IV of the Companies Act, 2013 and Secretarial Standard – 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of Non Independent Directors.

Meeting of Independent Directors:

During the financial year 2019-20, the Independent Directors met on February 12, 2020 and *inter alia*, reviewed performance of Non Independent Directors, the Board as a whole, Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting was attended by all the Independent Directors. Mr. Tara Sankar Bhattacharya, who is an Independent Director, was the Chairman of the meeting of Independent Directors. The Independent Directors discussed matters pertaining to the Company's affairs and functioning of the Board and presented their views to the Executive Director for appropriate action.

Tenure of Board of Directors:

As per the provisions under section 152 of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time, every year one third (1/3) of the total strength of the Board, is liable to retire by rotation. The Directors, who are required to retire every year and if eligible, they qualify for re-appointment.

Non-Executive Directors with materially significant, pecuniary or business relationship with the Company:

There has been no pecuniary or business relationship between the Non-Executive Directors and the Company, except for the sitting fees payable to them annually in accordance with the applicable laws and with the approval of shareholders. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.

Directorship and Membership of Committees and Shareholding of Directors:

Board Membership

The names and categories of the Directors on the Board, name of other listed entities in which the Director is a Director and the number of Directorships and Committee Chairmanships / Memberships held by them in other Public Limited Companies as on March 31, 2020 are given herein below. Other Directorships do not include Directorships of Private Limited

Companies, Foreign Companies and Companies registered under Section 8 of the Act. Further, none of them is a member of more than ten Committees or Chairman of more than five Committees across all the Public Companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of Director	Nature of Directorship	Relationship with each other	Directorships held in Listed Companies	Directorships held in other Public Companies	Committee		No. of Shares Held in the Company
					Membership	Chairmanship	
Mr. Vedprakash Chiripal	Non Executive Promoter Director - Chairman	Brother of Jyotiprasad Chiripal	-	2	1	0	23,48,462 (4.89%)
Mr. Jyotiprasad Chiripal	Managing Director	Brother of Vedprakash Chiripal	CIL Nova Petrochemicals Limited	6	3	0	6,30,000 (1.31%)
Mr. Tara Sankar Bhattacharya	Non Executive Independent Director	-	1) Jindal Stainless Limited	6	4	1	NIL
			2) Surya Roshni Limited				NIL
			3) Uflex Limited				NIL
			4) Arshiya Limited				NIL
Ms. Pratima Ram	Non Executive Independent Director	-	1) Havells India Limited	3	6	0	NIL
			2) Suzlon Energy Limited				NIL
			3) Deccan Gold Mines Limited				NIL
			4) Minda Corporation Limited				NIL
Mr. Giraj Mohan Sharma	Non Executive Independent Director	-	-	0	4	1	NIL
Mr. P.K. Sharma	Whole-Time Director	-	-	0	0	0	NIL
Mr. Suresh Chand Maheshwari	Whole-Time Director	-	-	0	0	0	NIL

Note:

Mr. Jaiprakash Chiripal was appointed as Non Executive Non Independent Director w.e.f. February 9, 2019 and resigned w.e.f. June 29, 2019.

Mr. Suresh Chand Maheshwari was appointed as Whole Time Director w.e.f. February 12, 2020 and resigned w.e.f. May 11, 2020.

Changes in Board Structure

During the year under review, based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors approved the appointment of Mr. Suresh Chand Maheshwari as Whole Time Director of the Company w.e.f. February 12, 2020.

Mr. Jaiprakash Chiripal resigned w.e.f. June 29, 2019. Mr. Suresh Chand Maheshwari stepped down as Whole Time Director w.e.f. May 11, 2020. Further, Ms. Pratima Ram and Mr. Prakashkumar Sharma resigned w.e.f. August 20, 2020.

Mr. Jay Christian was appointed as Additional Director w.e.f. September 30, 2020 and resigned on December 9, 2020. Dr. Falguni Vasavada, on the recommendation of Nomination and Remuneration Committee, was appointed as Non-Executive Independent Director on November 4, 2020.

The Board, at their meeting held on September 5, 2020, approved the re-appointment of Mr. Giraj Mohan Sharma as Independent Director for tenure of five years commencing from September 29, 2020 till September 28, 2025. The said re-appointment has been placed before the shareholders for their approval at the ensuing 26th Annual General Meeting of the Company.

The appointments and re-appointments were made keeping in mind proximity to seventy five years of age, in compliance with the requirements of SEBI Listing Regulations.

Declarations:

The Independent Directors have submitted declaration(s) that they meet the criteria of Independence laid down under the Companies Act, 2013 and SEBI Listing Regulations.

The Board of Directors, based on the declaration(s) received from the Independent Directors, verified the disclosures and confirmed that the Independent Directors fulfil the conditions of independence specified in SEBI Listing Regulations. Based on the intimations / disclosures received from the Directors, none of the Directors of the Company hold Memberships / Chairmanships in excess of the prescribed limits.

Familiarisation Programme:

At the time of appointing a Director, a formal letter of appointment is given to the Board Members, which inter alia explains the role, function, duties and responsibilities expected from them as a Director of the Company. The Director is also explained in detail, the compliances required from him under the Companies Act, SEBI Listing Regulations and other relevant regulations. The Board Members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Quarterly updates on important changes in the regulatory environment is presented to the Board by the functional heads. Apart from this, the statutory auditors present to the Audit Committee / Board, on regular intervals, on important regulatory changes while presenting the financial results.

List of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business (es) and sector(s)

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes.
Global Business	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks, and a board perspective on global market opportunities.
Leadership	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organisations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.
Board Service and Governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation

While all the Board members possess the skills identified, their area of core expertise is given below:

Name of Director	Area of Expertise
Mr. Vedprakash Chiripal	- Leadership / Operational Experience - Strategic Planning - Industry Experience - Finance & Risk Management - Corporate Governance
Mr. Jyotiprasad Chiripal	- Leadership / Operational Experience - Industry Experience - Research & Development - Innovation - Finance
Mr. Tara Sankar Bhattacharya	- Finance - Strategic Planning - Production
Ms. Pratima Ram	- Finance - Strategic Planning - Production - Legal & Risk Management
Mr. Giraj Mohan Sharma	- Finance - Strategic Planning - Production - Corporate Governance - Marketing
Mr. Prakashkumar Sharma	- Production - Marketing - Global Business - Strategic Planning
Mr. Suresh Chand Maheshwari	- Production - Marketing - Strategic Planning

Board of Directors hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified in LODR regulations and are independent of the management.

The details of familiarisation programme are put up on the website of the Company at <https://nandandenim.com/wp-content/uploads/2020/08/Familiarization-Policy-Familiarization-Programme-for-Directors.pdf>.

• COMMITTEES OF THE BOARD

The Board has constituted various Committees with specific terms of reference in line with the provisions of SEBI Listing Regulations; Companies Act, 2013 and Rules issued thereunder. The Board periodically reviews the composition and terms of reference of its Committees in order to comply with any amendments / modifications to the provisions relating to composition of Committees. During the year, the Board of Directors have, inter alia, revised the terms of reference of Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee of the Board of Directors of the Company in view of the amendments to SEBI Listing Regulations by way of notification of Securities Exchange Board of India (Listing Obligations and

Disclosure Requirements) (Amendment) Regulations, 2018 and amendments to the Companies Act, 2013.

The Company presently has six Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Management Committee and Finance & Investment Committee.

Audit Committee

The Company has an adequately qualified Audit Committee and its composition meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015. The quorum of the said Audit Committee Meetings is 2 (Two) members or one third (1/3) of the members of the Audit Committee, whichever is greater, with at least two Independent Directors. The Audit Committee met four times during the financial year 2019-20. The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2019-20 are detailed below:

During the year under review, four meetings of the Audit Committee were held on May 25, 2019; August 12, 2019; November 13, 2019 and February 12, 2020 respectively.

Name of Director	Category	Number of Audit Committee Meetings attended during the year
Mr. Tara Sankar Bhattacharya	Chairperson – Independent Director	3
Ms. Pratima Ram	Member – Independent Director	4
Mr. Giraj Mohan Sharma	Member – Independent Director	4
Mr. Jyotiprasad Chiripal	Member - Executive Promoter Director	3

The Company Secretary acts as the Secretary to the Committee.

The Managing Director, Chief Executive Officer and Chief Financial Officer are invitees to the meetings of the Committee. All the members of the Audit Committee are financially literate and have accounting and related financial management expertise.

The terms of reference of Audit Committee, as approved by the Board and amended from time to time, includes the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Reviewing with the management quarterly, half-yearly, nine months and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report as per Sec 134(3)(c) of the Companies Act, 2013;
 - b. Changes in the Accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
 - c. Compliance with listing and other legal requirements relating to financial statements;
 - d. Disclosure of any related party transactions; and
 - e. Modified opinion(s) in the draft audit report, if any.

6. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board
 - a. qualifications and experience of the individual/firm proposed to be considered for appointment as auditor;
 - b. whether such qualifications and experience are commensurate with the size and requirements of the Company; and
 - c. giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
7. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;
8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
12. 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;
13. Reviewing the appointment, removal and terms of remuneration of the Internal Auditors of the Company;
14. Formulating in consultation with the Internal Auditors, the scope, functioning, periodicity and methodology for conducting the internal audit;
15. Evaluating the internal financial controls and risk management policies system of the Company;

16. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
17. Review of internal audit reports relating to internal control weaknesses and discuss with internal auditors any significant findings and follow-up thereon;
18. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
19. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the Company by its officers/employees;
20. Approval or any subsequent modification of transactions of the company with related parties;
21. Reviewing the statements of significant related party transactions submitted by the management;
22. Reviewing and scrutinizing the inter-corporate loans and investments;
23. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy and overseeing the functioning of the same;
24. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
25. Approving the auditors (appointed under the Companies Act, 2013) to render any service other than consulting and specialized services along with approval of payment to statutory auditors for the same;
26. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
27. Review the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;
29. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
30. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
32. Review and approve, policy on materiality of related party transactions and also dealing with related party transactions;
33. Review compliance with provisions of Securities Exchange Board of India (Prevention of Insider Trading) Regulation, 2015 (including any amendment or modification from time to time) at least once in a financial year and shall verify that the systems for internal controls for ensuring compliance to these Regulations, are adequate and are operating effectively; and
34. Such other activities as the Board of Directors may determine from time to time.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee met four times during the financial year 2019-20. The composition of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2019-20 are detailed below:

During the year under review, four meetings of the Stakeholders Relationship Committee were held on May 25, 2019; August 12, 2019; November 13, 2019 and February 12, 2020 respectively.

Name of Director	Category	Number of Stakeholders Relationship Committee Meetings attended during the year
Mr. Giraj Mohan Sharma	Chairperson – Non Executive Independent Director	4
Ms. Pratima Ram	Member - Non Executive Independent Director	4
Mr. Vedprakash Chiripal	Member – Non Executive Promoter Director	4

The Company Secretary acts as the Secretary to the Committee.

The Managing Director, Chief Executive Officer and Chief Financial Officer are invitees to the meetings of the Committee.

Ms. Purvee Roy, Company Secretary, is the Compliance Officer in accordance with Regulation 6 of Listing Regulations.

The terms of reference of Stakeholders Relationship Committee, as approved by the Board and amended from time to time, includes the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc;
2. Review of measures taken for effective exercise of voting rights by shareholders;

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. Review of matters relating to unclaimed equity shares and dividend transferred to Investor Education and Protection Fund (IEPF) pursuant to the IEPF Rules.
6. Such other activities as the Board of Directors may determine from time to time.

Details relating to the number of complaints received and redressed during the financial year 2019-20 are asunder:

Nature of complaints received	Number of complaints received	Number of complaints redressed	Number of pending complaints
Non-receipt of dividend	32	32	0
Non-receipt of Annual Report	11	11	0
Dematerialization of securities	0	0	0
Others	0	0	0
Total	43	43	0

Nature of complaints in the category "Others" include transfer of shares, transmission of shares, change in signatures, loss of shares and non-receipt of shares after split, etc.

the Corporate Social Responsibility Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2019-20 are detailed below:

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee met two times during the financial year 2019-20. The composition of

During the year under review, two meetings of the Corporate Social Responsibility Committee were held on May 25, 2019 and February 12, 2020 respectively.

Name of Director	Category	Number of Corporate Social Responsibility Committee Meetings attended during the year
Mr. Giraj Mohan Sharma	Chairman – Non Executive Independent Director	2
Mr. Jyotiprasad Chiripal	Member – Executive Promoter Director	1
Mr. Vedprakash Chiripal	Member – Non Executive Promoter Director	2

The Company Secretary acts as the Secretary to the Committee.

The Managing Director, Chief Executive Officer and Chief Financial Officer are invitees to the meetings of the Committee.

The terms of reference of Corporate Social Responsibility Committee, as approved by the Board and amended from time to time, includes the following:

1. Recommend the amount of expenditure to be incurred on the activities;

2. Monitor implementation and adherence to the CSR Policy of the Company from time to time;
3. Prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company; and
4. Such other activities as the Board of Directors may determine from time to time.

The details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Section in the Annual

Report. The CSR Policy of the Company has been uploaded on the Company's website and can be accessed at: <https://nandandenim.com/wp-content/uploads/2018/03/CorporateSocialResponsibilityPolicy.pdf>.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee met two times during the financial year 2019-20. The composition of

the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2019-20 are detailed below:

During the year under review, two meetings of the Nomination and Remuneration Committee were held on August 12, 2019 and February 12, 2020 respectively.

Name of Director	Category	Number of Nomination & Remuneration Committee Meetings attended during the year
Mr. Tara Sankar Bhattacharya	Chairperson – Independent Director	1
Mr. Vedprakash Chiripal	Member – Non Executive Promoter Director	2
Mr. Giraj Mohan Sharma	Member – Independent Director	2

The Company Secretary acts as the Secretary to the Committee.

The Managing Director, Chief Executive Officer and Chief Financial Officer are invitees to the meetings of the Committee.

The terms of reference of Nomination and Remuneration Committee, as approved by the Board and amended from time to time, includes the following:

1. Formulate a criteria for determining qualifications, positive attributes and independence of a director;
2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
3. Devise a policy on Board Diversity;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
5. Specify methodology for effective evaluation of performance of Board/Committees of the Board and review the terms of appointment of Independent Directors on the basis of the report of performance evaluation of the Independent Directors;
6. Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company;
7. Recommend to the board all remuneration, in whatever form, payable to senior management; and
8. Such other activities as the Board of Directors may determine from time to time.

During the year under review, the Board of Directors amended the Nomination and Remuneration Policy to bring

it in line with the amendments to Section 178 of Companies Act, 2013 and Listing Regulations. The Nomination and Remuneration Policy of the Company has been uploaded on the Company's website and can be accessed at:

The salient features of the Nomination and Remuneration Policy and changes therein, are as follows:

The Nomination and Remuneration Policy of the Company has been formulated in accordance with the Companies Act, 2013 and SEBI Listing Regulations and outlines the role of the Nomination and Remuneration Committee, inter alia, for determining the criteria for Board membership, approve, recommend compensation packages and policies for Directors and Senior Management and lay down the effective manner of performance evaluation of the Board, its Committees and individual Directors. In accordance with the Policy, the responsibilities of Nomination and Remuneration Committee, inter alia, include:

- a. Formulation of criteria and its review on an on-going basis, for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director, based on the qualities, including independence for Independent Directors, and such expertise which may be beneficial for the Company and essential for it to operate in changing business environment. Identification of persons as potential candidates, who are qualified to be appointed as Directors and recommend their re – appointment, if any, to the Board after taking into consideration the performance of a Director.
- b. The Nomination & Remuneration Committee, inter alia, has been entrusted with the responsibility of evaluating the performance of every Director, Committees of the Board and the Board. The Committee also evaluates the performance of Managing Director against the Key Performance Indicators set at the beginning of the financial year.

c. Remuneration of Directors, Senior Management and other employees:

- i. Compensation to Managing Director or Executive Director: The Committee shall approve compensation package of the Managing Director or Executive Director(s). The Committee ensures that the compensation packages are in accordance with applicable law, in line with the Company's objectives, shareholders' interests, with industry standards and have an adequate balance between fixed and variable component, subject to approval of the Board.
- ii. Compensation to Senior Management: The Nomination & Remuneration Committee shall review performance of the senior management of the Company, i.e., the members of the Executive/ Operating Council of the Company (which includes Key Managerial Personnel), as presented by the Managing Director & CEO. The Committee shall ensure that the remuneration to the Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- iii. Remuneration to Non-Executive Directors: The Nomination & Remuneration Committee shall recommend to the Board for its approval, commission payable to the Non-Executive Directors, including Independent Directors, after reviewing payments made by similar sized, successful companies.

The Nomination and Remuneration Committee considers and recommends commission payable to Directors after taking into account their contribution to the decision making at meetings of the Board/ Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of Corporate Governance and Board effectiveness.

- iv. Remuneration to other employees: Focus on productivity and pay for performance have been the cornerstone of the Company's overall remuneration policy. The Company regularly benchmarks the compensation levels and employee benefits in the market and makes necessary changes to remain consistent with the industry standards. The Committee shall review the Company's policy on performance management and rewards for employees from time to time. The remuneration structure of employees is designed on principles of fairness, transparency and internal and external parity.

MANAGEMENT COMMITTEE

The Management Committee has been constituted by the Board to carry out a number of significant responsibilities.

During the year under review, no meeting of the Management Committee was held. The constitution and number of meetings attended by the Members of the Committee are given below:

Name of Director	Category	Management Committee Meetings attended during the year
Mr. Jyotiprasad Chiripal	Chairman - Executive Director	0
Mr. Tara Sankar Bhattacharya	Member – Independent Director	0
Ms. Pratima Ram	Member – Independent Director	0
Mr. Giraj Mohan Sharma	Member – Independent Director	0

The Company Secretary acts as the Secretary to the Committee.

The Chief Executive Officer and Chief Financial Officer are invitees to the meetings of the Committee.

Terms of Reference:

The terms of reference are set out below:

- 1. Ensuring that the Company is well run and delivering the outcomes for which it has been set up;
- 2. Setting strategic direction to guide and direct the activities of the organisation;

- 3. Ensuring the effective management of the organization and its activities;
- 4. Monitoring the activities of the Company to ensure they are in consistence with the founding principles, objects and values;
- 5. To take important decisions concerning the activities of the Company.
- 6. Carrying out any other function as is mentioned in the terms of reference of the Management Committee by the Board from time to time.

The Company Secretary acts as the Secretary to the Committee. The Chief Executive Officer and Chief Financial Officer are invitees to the Meetings of the Committee.

FINANCE AND INVESTMENT COMMITTEE

The Finance and Investment Committee has been constituted for aligning the use of resources (financial, workforce and assets) with the strategic direction of the organisation and support the Board of Directors in meeting its fiduciary duties.

During the year under review, no meeting of the Finance and Investment Committee was held. The constitution and number of meetings attended by the Members of the Committee are given below:

Name of Director	Category	Number of Nomination & Remuneration Committee Meetings attended during the year
Mr. Jyotiprasad Chiripal	Chairman - Executive Director	0
Mr. Vedprakash Chiripal	Member – Independent Director	0
Mr. Tara Sankar Bhattacharya	Member – Independent Director	0

The Company Secretary acts as the Secretary to the Committee.

The Chief Executive Officer and Chief Financial Officer are invitees to the meetings of the Committee.

Terms of Reference:

The terms of reference are set out below:

- Review the Company's financial policies, risk assessment and minimisation procedures, strategies and capital structure, working capital and cash flow management, and make such reports and recommendations to the Board with respect thereto, as it may deem advisable;
- Review banking arrangements and cash management;
- Exercise all powers to borrow money (otherwise than by issue of debentures) within limits approved by the Board, and take necessary actions connected therewith, including refinancing for optimisation of borrowing costs;
- Give guarantees / issue letters of comfort / providing securities within the limits approved by the Board;
- Borrow money by way of loan and / or issue and allot bonds / notes denominated in one or more foreign currencies in international markets for the purpose of refinancing the existing debt, capital expenditure, general corporate purposes, including working capital requirements and possible strategic investments within the limits approved by the Board;
- Provide corporate guarantee / performance guarantee by the Company within the limits approved by the Board;
- Approve opening and operation of Investment Management Accounts with foreign banks and appoint them as agents, establishment of representative / sales offices in or outside India;
- Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable;

9. Other transactions or financial issues that the Board may desire to have them reviewed by the Committee such as:

- Forex Derivative Transactions
- OTC Trades Note outstanding borrowings, inter corporate investments, loans and guarantees
- Note status report and hedging activities on commodity and forex products

10. Delegate authorities from time to time to the executives / authorised persons to implement the Committee's decisions;

11. Approve reinvestment of funds generated from the investment portfolio.

12. Monitor investment portfolio performance and report performance to the Board of Directors.

13. Ensure that competent and professional advice on investment matters is obtained.

14. To appoint fund advisors and investment managers through a competitive process.

15. Consider, approve and evaluate significant investment appraisal proposals.

16. Review current investments and future investments, including the policy, risks, and performance of the Company's funds.

17. Such other activities as the Board of Directors may determine from time to time.

The Company Secretary acts as the Secretary to the Committee. The Chief Executive Officer and Chief Financial Officer are invitees to the Meetings of the Committee.

Remuneration of Directors

The remuneration of the Executive Directors is decided by the Board based on the recommendations of the Nomination and Remuneration Committee of the Company, within the limits fixed and approved by the shareholders at the

general meeting. The remuneration of the Non-Executive Directors comprises of sitting fees and commission, if any. The Non-Executive Independent Directors are paid sitting fees of Rs. 50,000/- for each meeting of the Board, Audit Committee, Stakeholders Relationship Committee,

Nomination and Remuneration Committee and Corporate Social Responsibility Committee attended by them and reimbursement of expenses towards attending the meetings.

The remuneration paid / payable to each Director for the financial year ended March 31, 2020 is as under:

Name of Director	Tenure upto	No. of equity shares held by Directors as on March 31, 2020	Remuneration for the financial year ended March 31, 2020 (Rs. In lakh)		
			Sitting Fees	Salary and Perquisites	Total
Mr. Vedprakash Chiripal	NA	23,48,462	-	-	-
Mr. Jyotiprasad Chiripal	31.05.2022	6,30,000	-	72.00	72.00
Mr. Tara Sankar Bhattacharya	13.09.2022	-	1.50	-	1.50
Ms. Pratima Ram	28.09.2020	-	2.00	-	2.00
Mr. Giraj Mohan Sharma	28.09.2020	-	2.00	-	2.00
Mr. Prakashkumar Sharma	31.05.2022	-	-	17.89	17.89

Notes:

1. Mr. Jaiprakash Chiripal held position of Non-Executive Non-Independent Director w.e.f. February 9, 2019 and upto June 29, 2019; Mr. Suresh Chand Maheshwari was appointed as Whole Time Director w.e.f. February 12, 2019 and stepped down as Whole Time Director w.e.f. May 11, 2020. Further, Ms. Pratima Ram and Mr. Prakashkumar Sharma resigned w.e.f. August 20, 2020.
2. No commission has been paid to Executive and Non-Executive Directors (including Independent Directors) during the year ended March 31, 2020;
3. There is no provision for payment of severance fees and no performance linked incentives are paid to any Director. The tenure of office of the Managing Director / Executive Director is for five years from their respective dates of appointments. The notice period of Managing Director / Executive Director is governed by service rules of the Company;
4. None of the Directors hold any stock options and convertible instruments in the Company;
5. The Non-Executive Directors on the Company's Board, apart from receiving sitting fees do not have any other pecuniary relationship or transactions vis-à-vis the Company. The details of remuneration paid to Directors have also been disclosed under the heading 'Related Party Disclosures' of Notes to Financial Statement.

The other details about Independent Directors, Remuneration Policy, Performance Evaluation Criteria and Remuneration of Directors have also been provided in the Board's Report forming part of this Annual Report.

DISCLOSURES:

Related Party Transactions:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on arm's length basis. There were materially significant transactions with the related parties during the financial year that may have potential conflict with the interests of the Company at large and for that Company has already sought approval of members under requisite provisions of the Companies Act, 2013 and LODR. Related party transactions have been disclosed in Note 36 to the financial statements. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for its review.

Material Subsidiaries: The Company does not have a material subsidiary as defined under Regulation 16(1)(c) SEBI (LODR) Regulations, 2015.

PERFORMANCE EVALUATION CRITERIA

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of Directors. In accordance with the provisions of SEBI Listing Regulations and the Act, the performance evaluation of the individual Directors shall be done by the entire Board of Directors, subject to the condition that the Director who is subject to evaluation should not participate. The criteria for performance evaluation covers parameters such as decision taken in the interest of the organization objectively; assisting the Company in implementing the Corporate

Governance; monitoring performance of organization based on agreed goals & financial performance; fulfilment of the independence criteria as prescribed and their independence from the management; and active participation in the affairs of the Company as Board / Committee Members.

CEO / CFO CERTIFICATION

As required under Regulation 17 of the Listing Regulations, the CEO / CFO certificate for the financial year 2019-20 signed by Mr. Deepak Chiripal, CEO and Mr. Ashok Bothra, CFO, was placed before the Board of Directors of the Company at their meeting held on December 9, 2020 and is annexed to this Report.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

As required by Schedule V of the Listing Regulations, the Auditors Certificate on Corporate Governance is annexed to this Report.

GENERAL BODY MEETINGS

Details of last three AGM and summary of Special Resolutions passed therein, if any, are as under:

Financial Year	Day and Date	Time	Location	No. of Special Resolutions set out at the AGM
2018-19	Friday, September 13, 2019	10.30 p.m.	H.T. Parekh Convention Center, AMA, ATIRA, Panjarapole, Ahmedabad – 380 015	2
2017-18	Saturday, September 29, 2018	2.30 p.m.	H.T. Parekh Convention Center, AMA, ATIRA, Panjarapole, Ahmedabad – 380 015	1
2016-17	Friday, September 29, 2017	3.00 p.m.	H.T. Parekh Convention Center, AMA, ATIRA, Panjarapole, Ahmedabad – 380 015	4

OTHER DISCLOSURES:

VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy and an effective Vigil Mechanism system to provide a formal mechanism.

WEBSITE:

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website (www.nandandenim.com). A separate section on 'Investors' on the website contains details relating to the financial results declared by the Company, Annual Reports, Presentations made by Company to investors, Press Releases, Shareholding Patterns and such other material information which is relevant to shareholders.

COMPLIANCE WITH REGULATION 26(6)

In accordance with the provisions of Regulation 26(6) of the SEBI Listing Regulations, the Key Managerial Personnel, Director(s) and Promoter(s) of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

DETAILS OF NON COMPLIANCE BY THE COMPANY, PENALTIES, STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGE OR SEBI OR ANY STATUTORY AUTHORITY ON ANY MATTER RELATED TO CAPITAL MARKETS DURING THE LAST THREE YEARS

The Company has complied with all the requirements of the Stock Exchanges and SEBI on matters relating to Capital Markets. There were no penalties imposed or strictures passed against the Company by SEBI or any statutory authority in this regard, during the last three years except that, stock exchanges had imposed penalty for delay in submission of Annual Report for the year ended March 31, 2019 which was later on withdrawn by the exchanges. Penalty was also imposed for delayed filing of Shareholding Pattern and Statement on Investor Complaints which was mainly due to nationwide lock-down imposed by the Government and reasons beyond control considering the COVID-19 pandemic.

DETAILS OF PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONAL PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A) OF THE LISTING REGULATIONS

The Company has not raised funds through preferential allotment or qualified institutional placement.

LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD ARE AS UNDER:

During the year, following changes took place in the Credit Rating of the Company:

- In June 2019, ICRA revised the long term rating to ICRA A- (Outlook – Negative) and short term rating to ICRA A2+ (Outlook – Negative) due to financial performance.
- In February 2020, Brickwork Ratings downgraded the long term rating of the Company to BWR A- (credit watch with negative implications) and short term rating remain unchanged at BWR A1. This was mainly due to the fire accident at the Company’s Piplej unit and temporary closure thereafter.
- In February 2020, ICRA downgraded its long term rating to ICRA BBB+ and short term rating to ICRA A2 due to drop in profitability and fire accident.

SECRETARIAL COMPLIANCE REPORT

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 read with Regulation 24(A) of the SEBI Listing Regulations, directed listed entities to conduct Annual Secretarial Compliance Audit from Practising Company Secretary of all applicable SEBI Regulations and circulars / guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report by Practising Company Secretaries under Form MR-3 and is required to be submitted to Stock Exchanges within 60 days of the end of financial year.

The Company had engaged the services of Ms. Geeta Serwani (CP No. 8842), Practising Company Secretary for providing this certification.

The Company is publishing the said Secretarial Compliance Report, on voluntary basis and the same has been annexed as Annexureto the Board’s Report forming part of this Annual Report.

CERTIFICATE FROM PRACTISING COMPANY SECRETARY

Certificate as required under Part C of Schedule V of Listing Regulations, received from Ms. Geeta Serwani (CP No. 8842), Proprietor of M/s Geeta Serwani & Associates, Practising Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority was

placed before the Board of Directors at their meeting held on December 9, 2020.

SUBSIDIARY COMPANY/IES:

The Company does not have any Subsidiary Company in terms of Regulation 16 of SEBI Listing Regulations.

DISCLOSURE RELATING TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place, an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2019-20 are as under:

Financial Year	Day and Date
Filed during the year	NIL
Disposed of during the year	NIL
Pending at the end of year	NIL

CODE OF CONDUCT:

The Company has adopted a Code of Conduct for all employees including the members of the Board and Senior Management Personnel. All members of the Board and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the financial year 2019-20. The declaration to this effect signed by Mr. Jyotiprasad Chiripal – Managing Director and Mr. Deepak Chiripal – Chief Executive Officer of the Company forms part of this Report.

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS:

SEBI notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were effective from April 1, 2019.

Pursuant to the amendment, the Company has adopted a Code of Conduct to regulate, monitor and report trading by Designated Persons (Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading Regulations).

The Code of Conduct to regulate, monitor and report trading by Designated Persons, Code of Fair Disclosure & Conduct and Whistle Blower Policy have been uploaded on website of the Company and can be assessed through the following link:

RESIGNATION OF INDEPENDENT DIRECTORS:

Ms. Pratima Ram (DIN:03518633), Independent Director, resigned w.e.f. August 20, 2020 i.e. before the expiry of her tenure.

Ms. Ram desires to focus on Companies related to finance, being her core strength. There is no other material reason for her resignation.

ADOPTION OF DISCRETIONARY REQUIREMENTS

The Company has complied with all mandatory requirements of Regulation 34 of the SEBI Listing Regulations. The Company has adopted the following discretionary requirements of the SEBI Listing Regulations:

1. Maintenance of the Chairman's Office – The Company maintains the office of Non-Executive Chairman and provides for reimbursement of expenses incurred in performance of his duties.
2. Shareholders Rights – Yearly financial statements /Annual Reports are sent electronically to all shareholders possessing email ids every year. The same is also uploaded on the Company's website www.nandandenim.com.
3. Modified opinion(s) in Audit Report – The Auditors have expressed an unmodified opinion on the financial statements of the Company.
4. Separate posts of Chairman and CEO – Separate persons have been appointed by the Company for the post of Chairman and CEO.
5. Reporting of Internal Auditors – The Internal Auditors of the Company report directly to the Audit Committee.

MEANS OF COMMUNICATION:

Quarterly Results

The financial results for the quarter / half year / nine months / year would generally be published as under:

Quarter / Half Year / Year	In the month of
Quarter ending June 30	September 2020*
Quarter and Half Year ending September 30	November 2020
Quarter and Nine Months ending December 31	February 2021
Quarter and Year ending March 31	May 2021

* The date of Board Meeting for the quarter ending June 30 has been mentioned after considering the notification issued by SEBI with regard to extension of date to hold Board Meeting considering the COVID-19 pandemic.

Quarterly / half yearly / nine months / annual results, notices and information relating to General Meetings, etc. are published in leading English newspapers viz. Indian Express, Business Standard, etc. and Gujarati newspapers viz. Financial Express, Jai Hind, etc. They are also notified to the stock exchanges as required under the Listing Regulations.

The quarterly / half yearly / annual financial results and other communication to shareholders and stock exchanges, inter alia, presentations to institutional investors & analysts, press releases, etc. are made available in the Company's website www.nandandenim.com under 'Investors' section.

Annual Report

Annual Report for FY 2019-20, containing inter alia, salient features of the audited financial statements, Directors Report (including Management Discussion & Analysis and Corporate Governance Report) was sent via email to all shareholders who had registered their email ids with their depository participants and through courier to all shareholders who had not registered their email ids for the purpose of receiving documents / communication from the Company in electronic mode.

Communication to shareholders on email

Documents like Notices, Annual Report, ECS advices for dividends, etc. are sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA). This helps in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit. The Company proposes to send documents like Shareholders Meeting Notice/ other Notices, Audited Financial Statements, Directors' Report, Auditor's Report or any other document, to its members in electronic form at the email address provided by them and/or made available to the Company by their depositories. Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/ updated with their depositories for future correspondence.

News Releases and Presentations

Official news releases and media releases are sent to stock exchanges and are put up on Company's website.

Website

The Company's website (www.nandandenim.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available.

NEAPS (NSE Electronic Application Processing System) and BSE Corporate Compliance & Listing Centre

NEAPS is a web based application designed by NSE for corporates. All periodicals and other compliance filings are filed electronically on NEAPS. BSE's Listing Centre is a web based application designed for corporates. All periodical and other compliance filings are filed electronically on the Listing Centre.

SCORES (SEBI Complaints Redressal System)

SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through

this system, a shareholder can lodge complaint against a Company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

Exclusive email ID for investors

The Company has designated an email id cs.ndl@chiripalgroup.com exclusively for investor servicing, and the same is prominently displayed on the Company's website www.nandandenim.com.

Investor Relations

Investor Relations (IR) at Nandan Denim is aimed at two way communication of information and insights between the Company and the investment community. This process enables a full appreciation of the Company's business activities, strategy and prospects and allows the market to make an informed judgement about the Company.

Updates on investor relations are available on the website of the Company www.nandandenim.com.

Reminder to Investors

Reminders are sent to shareholders for KYC updation/ dematerialisation of shares/ updating PAN and Bank Account details and claiming unpaid / unclaimed dividends.

Payment of Listing Fees

Annual Listing Fees for the financial year 2020-21 has been paid by the Company to BSE and NSE.

Payment of Depository Fees

Annual Custody / Issuer Fee for the year 2020-21 has been paid by the Company to Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL).

Fees paid to Statutory Auditor

Fees for all services paid by the Company to Statutory Auditors of the Company during the year ended March 31, 2020 is as follows:

Particulars	Amount in lakhs (excluding taxes)
Audit Fees	5.00
Limited Renew Report and Certifications	1.50
Fees paid to network entities	NIL
Total	6.50

GENERAL SHAREHOLDER INFORMATION

The Company is registered in Gujarat, India. The Corporate Identification Number (CIN) allotted by Ministry of Corporate Affairs (MCA) is L51909GJ1994PLC022719.

Annual General Meeting

Thursday, December 31, 2020 at 3:00 pm through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting

Financial Year

April 1, 2019 to March 31, 2020

Dividend

No dividend has been recommended for the year 2019-20.

Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Saturday, December 26, 2020 to Thursday, December 31, 2020 (both days inclusive) for the purpose of 26th Annual General Meeting.

Electronic Clearing Service:

The Company provides the facility of payment of dividend to the shareholders by directly crediting the dividend amount to the shareholder's Bank Account. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their Bank Account through the Banks' Automated Clearing House ("ACH") and / or any other permitted mode for credit of dividend.

Members holding shares in physical form are requested to register and / or update their banking details with the Registrar and Transfer Agent and those holding shares in electronic form shall update their details with their Depository Participant to enable credit of the dividend to their Bank Account electronically and / or any other permitted mode for credit of dividend.

Particulars of Dividend remaining unclaimed:

In terms of section 124 of The Companies Act, 2013, amounts transferred to the Unpaid Dividend Account of the Company, which remain unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund (the Fund) established by the Central Government.

Brief particulars of dividend amount remaining unclaimed are given below:

Financial Year	Type of Dividend	Declared at the AGM / Board Meeting held on	Balance in the Unpaid Dividend Account as on 31.03.2020
Final Dividend – 2013	1.20	29-08-2013	685919.60
Interim Dividend – 2014	0.60	04-02-2014	409659.40
Final Dividend – 2014	0.60	15-09-2014	363193.00
Interim Dividend – 2015	0.60	03-02-2015	438915.40
Final Dividend – 2015	1.00	29-09-2015	883405.00
1st Interim Dividend – 2016	0.80	12-02-2016	437714.60
2nd Interim Dividend – 2016	0.80	11-03-2016	463367.40
Final Dividend - 2017	1.60	29-09-2017	805196.80
Final Dividend - 2018	0.80	29-09-2018	420480.80

Details of the unclaimed dividend pertaining to the years 2013 to 2018 is hosted on Company's website. No dividend was declared for the year 2018-19.

Members can claim the unpaid dividend from the Company before transfer to the Investor Education and Protection Fund. As per the prevailing statutory provisions, the unpaid dividend once transferred to the said Fund cannot be claimed.

Shareholders who have not encashed their Demand Drafts / Dividend Warrants / Multi City Cheques are requested to immediately send their request for issue of duplicate Demand Drafts / Dividend Warrants / Multi City Cheques.

Listing of shares and stock code:

The Company's equity shares are listed at the following Stock Exchanges and Listing Fees for the year 2019-20 has been paid to the Stock Exchanges:

Name and address of the Stock Exchange	Stock Code
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001	532641
National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra, Mumbai 400 051	NDL

Bloomberg Code: NAND:IN

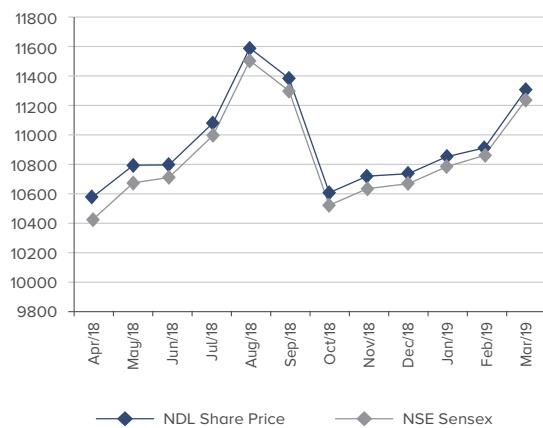
Reuters Code: NANE:NS

The International Securities Identification Number (ISIN) for the Company's Shares is INE 875G01030

BSE and NSE Share Price

Month	Share Price BSE			Share Price NSE		
	High	Low	Volume	High	Low	Volume
Apr, 2019	55.00	47.35	37,543	55.00	47.35	37,543
May, 2019	54.15	41.20	85,940	54.15	41.20	85,940
Jun, 2019	47.50	37.20	39,144	47.50	37.20	39,144
Jul, 2019	41.20	26.60	77,300	41.20	26.60	77,300
Aug, 2019	33.10	23.40	52,657	33.10	23.40	52,657
Sep, 2019	41.00	27.50	41,500	41.00	27.50	41,500
Oct, 2019	38.35	26.00	1,13,330	38.35	26.00	1,13,330
Nov, 2019	39.95	26.05	45,053	39.95	26.05	45,053
Dec, 2019	32.70	25.90	1,13,302	32.70	25.90	1,13,302
Jan, 2020	39.30	26.75	64,156	39.30	26.75	64,156
Feb, 2020	33.20	18.70	1,81,890	33.20	18.70	1,81,890
Mar, 2020	21.70	12.50	1,08,180	21.70	12.50	1,08,180

Closing Price of the Company's Shares on March 31, 2020 on Bombay Stock Exchange (BSE) and on National Stock Exchange (NSE) are 15.40 and 14.95 respectively.



Details of securities suspended:

Not applicable

Registrar and Share Transfer Agent (RTA):

Nandan Denim Limited has appointed Datamatics Business Solutions Limited as its RTA for both segments i.e. physical and electronic.

Datamatics Business Solutions Limited.

Plot No. B-5, Part B, Cross Lane, MIDC, Andheri (East), Mumbai, Maharashtra – 400 093

Tel.: 022 - 66712001-06

Fax: 022 – 66712011

Email: investorqry@dfssl.com

As required under Regulation 7(3) of the Listing Regulations, the Company has filed a Certificate issued by RTA & Compliance Officer of the Company certifying that all activities in relation to both physical and electronic share transfer facility are maintained by RTA registered with SEBI i.e. Datamatics Business Solutions Limited.

Share Transfer System

The Company's shares being in the compulsory demat list, are transferable through the depository system. However, shares held in physical form are processed by the Registrar & Share Transfer Agent (RTA) in co-ordination with the Company and the share certificates are returned within fifteen days from the date of receipt of the transfer by the Company provided that the transfer documents are complete in all respects.

Nomination facility

Pursuant to the provisions of Section 72 of the Companies Act, 2013, and Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014, Members may file Nomination in respect of their shareholdings. Members holding shares in Physical Form willing to avail this facility may submit to the Company the prescribed Form SH-13 and any change or variation in the nomination in prescribed Form SH-14.

Requirement of Permanent Account Number (PAN)

Members who hold shares in the physical form are advised that in terms of the Listing Regulations for transfer, transmissions, etc. of shares, a copy of the PAN card along with other necessary documents shall be submitted to the Company/RTA.

SHAREHOLDING PATTERN (AS ON MARCH 31, 2020)

PARTICULARS	NO. OF SHARES	%
Promoter & Promoter Group	31102147	64.73
Foreign Portfolio Investors	354599	0.53
Financial Institutions/Banks	678	0.00
Central Government / State Government	90849	0.19
Resident Individuals	12267116	25.54
Others	4333667	9.02
TOTAL	48049056	100.00

DISTRIBUTION OF SHAREHOLDING

Sr. No.	Shares Range		Shares	% To Capital	No. Of Holders	% To No. Of Holders
	From	To				
1	1	500	3187117	6.63	26613	87.97
2	501	1000	1463956	3.05	1849	6.11
3	1001	2000	1382932	2.88	922	3.05
4	2001	3000	715053	1.49	282	0.93
5	3001	4000	572763	1.19	159	0.53
6	4001	5000	452505	0.94	96	0.32
7	5001	10000	1429561	2.98	192	0.64
8	10001	50000	2083507	4.34	106	0.35
9	50001	9999999999	36761662	76.51	35	0.12
TOTAL			48049056	100.00	30254	100.00

SHARES IN PHYSICAL AND ELECTRONIC MODE

Particulars	Position as on March 31, 2019		Position as on March 31, 2020		Net Change during 2019-20	
	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding
Physical	14066	0.03	10332	0.02	(3734)	0.01
Demat:						
NSDL	26903575	55.99	26736810	55.64	(166765)	(0.34)
CDSL	21131415	43.98	21301914	44.33	170499	0.35
Sub-total	48034990	99.97	48038724	99.98	3734	0.01
Total	48049056	100.00	48049056	100.00	-	-

To facilitate trading in demat form, in India, there are two depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Nandan has entered into agreement with both these depositories. Shareholders can open their accounts with any of the Depository Participant registered with these depositories.

As on March 31, 2020, 99.98% shares of the Company were held in dematerialized form.

The equity shares of the Company are frequently traded at BSE Limited and National Stock Exchange of India Limited.

Members still holding physical share certificates are requested to dematerialize their shares by approaching any of the Depository Participants registered with the Securities and Exchange Board of India (SEBI).

Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity

None

Commodity price risk and hedging activities

Not Applicable

Foreign exchange risk and hedging activities

The Company is exposed to foreign exchange risk on account of import of various raw materials used in its production and technology products imported and sold, and other important export transactions. To reduce this risk the Company constantly evaluates its business plan and opportunities for localization for reducing this risk in the long-term. Hedging is also used as a tool to manage the foreign exchange risk.

Plant Locations

Survey No. 198/1 & 203/2,
Saijpur – Gopalpur, Pirana Road,
Piplej, Ahmedabad, Gujarat – 382 405
Plot No. 4 & 5,
Vraj Integrated Textile Park Limited
National Highway No. 8,
Bidaj, Gujarat – 387 420

Investor Service Centre

Company Secretary
Nandan Denim Limited
Corporate Office
Chiripal House
Near Shivranjani Cross Roads,
Satellite, Ahmedabad – 380 015
Tel: (079) 26473366

Monday to Saturday: 10.00 a.m. to 07.00 p.m. (except holidays)

Designated e-mail ID for redressal of investor complaints:
cs.ndl@chiripalgroup.com

Shareholders may also contact the Registrar & Share Transfer Agent of the Company.

CEO/CFO Certificate

A certificate from the Chief Executive Officer and the Chief Financial Officer on the financial statements and other

matters of the Company for the financial year ended March 31, 2020, pursuant to regulation 17(8) of the Listing Regulations read with Part B of Schedule II thereof, was placed before the Board at its meeting held on December 9, 2020.

Code of Conduct

The Code of Conduct for Board Members and Senior Management is available at the website of the Company. The Certificate by the CEO / MD of the Company concerning compliance with the Code of Conduct for Directors and Senior Management has been attached as part of this Report.

Reconciliation of Share Capital

During the year under review, an audit was carried out at the end of every quarter by a qualified Practising Company Secretary for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL. The report for every quarter upon reconciliation of capital was submitted to the stock exchanges and was also placed before the Board of Directors at their meetings.

Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account

Not Applicable

Compliance with Secretarial Standards

The Institute of Company Secretaries of India (ICSI), a Statutory Body, has issued Secretarial Standards on various aspects of corporate laws and practices. The Company is adhering to the standards issued by ICSI.

Governance Process

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision making at the meetings. The Company Secretary is primarily responsible to assist and advice the Board in conduct of affairs of the Company and to ensure compliance with applicable statutory requirements and Secretarial Standards. The Company Secretary is an interface between the management and regulatory authorities for governance matters.

CODE OF CONDUCT

The Company has in place a comprehensive Code of Conduct ('the Code') applicable to the Board Members and Senior Management Personnel. The Code is applicable to Non-Executive Directors including Independent Directors, to such extent as may be applicable to them, depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence.

A copy of the Code has been put up on the Company's website and can be accessed at www.nandandenim.com. The Code has been circulated to Board Members and Senior Management Personnel, and its compliance is affirmed by them annually.

A declaration signed by the Company's Managing Director and CEO is published in this Report.

DECLARATION BY MANAGING DIRECTOR AND CEO PURSUANT TO SCHEDULE V(D) OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As required by Schedule V(D) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, this is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code is available on the Company's website.

We confirm that the Company has obtained from all the Members of the Board and Senior Management Personnel, a declaration of compliance with the Code of Conduct in respect of the financial year ended March 31, 2020.

Place: Ahmedabad
Date: December 9, 2020

Jyotiprasad Chiripal
Managing Director

Deepak Chiripal
CEO

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Nandan Denim Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated June 1, 2019.
2. We, Samir M. Shah & Associates, Chartered Accountants, the Statutory Auditors of Nandan Denim Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of

India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI Listing Regulations during the year ended March 31, 2019.
9. We 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, **M/s Samir M. Shah & Associates**
Chartered Accountants
(FRN: 122377W)

Place: Ahmedabad
Date: December 9, 2020

Samir Shah
Partner
(Mem. No. 111052)

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To

The Board of Directors

Nandan Denim Limited

We hereby certify that on the basis of the review of the financial statement and cash flow statement for the financial year ended March 31, 2020 and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
2. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

- (i) significant changes, if any, in the internal control over financial reporting during the year;
- (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Ahmedabad

Date: December 9, 2020

Deepak Chiripal

CEO

Ashok Bothra

CFO

Independent Auditors' Report

To,
The Members of
Nandan Denim Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the financial statements of **Nandan Denim Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, and its Loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that

the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. Impact of COVID-19

As described in Note 43 to the Financial Statement, the extent to which the COVID-19 pandemic will impact the company's operations and financial performance is dependent on future developments, which are highly uncertain.

Impact due to fire at Piplej Plant of the Company on February 8, 2020

As described in Note 40 to the Financial Statement, there was a major fire at the factory premises of the Company on 08/02/2020, resulting in loss of Human lives and Assets of the Company. Since the assets destroyed were fully insured, the Company has recognised the loss of property, plant and equipment and inventory in the statement of Profit & Loss and has also recognised income from insurance claim separately in the Statement of Profit and Loss.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

6. Key audit matter identified in our audit is on assessment of revenue recognition as follows:

Key audit matter	How our audit addressed the key audit matter
<p>Revenue Recognition</p> <p>Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer, usually on delivery of goods. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year end therefore revenue recognition has been identified as a key audit matter</p>	<ol style="list-style-type: none"> 1. Our audit procedures included reading the Company's revenue recognition accounting policies to assess compliance with Ind AS 115 "Revenue from contracts with customers". 2. We performed test of controls of management's process of recognizing the revenue from sales of goods and placed specific attention on the timing of revenue recognition as per the sales terms with the customers. 3. We performed test of details of the sales transactions testing based on a representative sampling of the sales orders to test that the related revenues and trade receivables are recorded appropriately taking into consideration the terms and conditions of the sale orders, including the shipping terms. 4. We also performed sales cut off procedures by agreeing deliveries occurring around the year end to supporting documentation to establish that sales and corresponding trade receivables are properly recorded in the correct period.

Information other than the Financial Statements and Auditors' Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and as may be legally advised.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act

with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for our resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS Specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in the financial statements- Refer Note -32 to the Financial Statement;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For, Samir M. Shah & Associates
Chartered Accountants,
[Firm Regd. No. 122377W]

(S. M. Shah)
Partner

Place : Ahmedabad
Date : 28/07/2020

[M. No. 111052]

UDIN: 20111052AAAAKV4814

Annexure “A” to the Independent Auditors’ Report

of even date on the Financial Statements of Nandan Denim Limited

Referred to in paragraph 16 of our Report of even date to the Members of **NANDAN DENIM LIMITED** for the year ended **March 31, 2020**.

1. In respect of Fixed Assets :

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

2. In respect of Inventories :

As per the information and explanations given to us, inventories were physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on such physical verification.

- 3. As regards the loans , the Company has not granted any loans , secured or unsecured during the year under audit, to the Companies firms and other parties covered in the register maintained under section 189 of the Companies Act , 2013 and therefore, the clauses (iii) (a) to (c) of the Companies (Auditor’s Report) Order, 2016 are not applicable.

4. Loans, Investments and guarantees:

In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Companies Act,2013 in respect of loans, investments, guarantees and security.

5. Acceptance of Deposits:

During the year, the Company has not accepted any deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act,2013 and the rules framed there under are not applicable to the Company. Therefore clause (v) of Companies (Auditor’s Report) Order, 2016 is not applicable.

6. Cost Records:

Pursuant to the rules made by the central government of India, the Company is required to maintain cost records as specified under section 148(1) of the Act.

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

7. In respect of Statutory Dues :

- (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income tax, Value added tax, Central Sales Tax, Goods and Service Tax, service tax, customs duty, excise duty, cess and any other statutory dues with the appropriate authorities applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues of income tax, service tax, customs duty, excise duty, value added tax, central sales tax or cess which have not been deposited on March 31, 2020 on account of disputes and the forum where the dispute is pending are as under:

Name of the Statute	Nature of the Dues	Financial Year	Amount (₹ in lakhs)	Forum where dispute is pending
Income Tax Act,1961	Income Tax Demand & Interest	2011-12	11.84	Commissioner of Income Tax (Appeals)
	Income Tax Demand & Interest	2014-15	663.86	Commissioner of Income Tax (Appeals)
	Income Tax Demand & Interest	2015-16	396.12	Commissioner of Income Tax (Appeals)
Value Added Tax	Value Added Tax Demand	2010-11	27.16	Joint Commissioner (Appeals)
	Value Added Tax Interest & Penalty	2010-11	40.02	Joint Commissioner (Appeals)
ESIC Act	ESIC Demand	2013-14	26.04	ESIC Court

8. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to Banks or financial institutions. The Company has no debenture holder or any Government borrowing during the year.
9. According to the information and explanations given to us, the Company had not raised any money by way of public issue during the year. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, in our opinion, the term loans taken during the year were applied for the purpose for which they were obtained.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officer or employees has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations given to us, the Company had paid managerial remuneration which is in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of The Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the provisions of special statute applicable to chit funds and nidhi / mutual benefit funds / societies are not applicable to the Company. Hence, Clause 3(xii) of the Company's (Auditor's Report) Order, 2016 is not applicable.
13. In our opinion and according to the information and explanations given to us, the transactions entered by the Company with related parties are in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 and details thereof are properly disclosed in the financial statements as required by the applicable accounting standard.
14. During the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, clause (xiv) of the Company's (Auditor's Report) Order, 2016 is not applicable.
15. The Company had not entered in to any non-cash transactions with the directors or persons connected with him during the year, hence section 192 of the Companies Act, 2013 is not applicable, hence clause (xv) of Company's (Auditor's Report) Order, 2016 is not applicable.
16. According to information and explanation given to us, the Company is not required to register under section 45-IA of Reserve Bank of India Act, 1934, hence, clause (xvi) of Company's (Auditor's Report) Order, 2016 is not applicable.

For, Samir M. Shah & Associates
Chartered Accountants,
[Firm Regd. No. 122377W]

(S. M. Shah)
Partner

Place : Ahmedabad
Date : 28/07/2020

[M. No. 111052]
UDIN: 20111052AAA KV4814

Annexure “B” to the Independent Auditors’ Report

Referred to in paragraph 16(f) of “**Report on Other Legal and Regulatory Requirements**” of our Report of even date to the Members of **Nandan Denim Limited** for the year ended **March 31, 2020**.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Nandan Denim Limited as of March 31, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020,

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Samir M. Shah & Associates
Chartered Accountants,
[Firm Regd. No. 122377W]

(S. M. Shah)
Partner

Place : Ahmedabad
Date : 28/07/2020

[M. No. 111052]

UDIN: 20111052AAAAKV4814

Balance Sheet

as at March 31, 2020

(₹ in lakhs)

Particulars	Note Reference	As at 31/03/2020	As at 31/03/2019
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	58,397.73	63,186.92
(b) Capital Work-in-Progress	3	Nil	1,494.27
(c) Intangible Assets	4	15.73	48.49
(d) Financial Assets			
(i) Investments	5	120.73	128.81
(ii) Others Financial Assets	6	134.55	164.40
(e) Other Non-Current assets	7	509.72	552.07
(2) Current Assets			
(a) Inventories	8	16,311.41	21,710.40
(b) Financial Assets			
(i) Trade Receivables	9	31,919.10	27,405.00
(ii) Cash and cash Equivalents	10	1,553.74	301.09
(iii) Other Bank Balances	11	1,050.11	1,572.78
(iv) Others Financial Assets	6	8,417.79	6,217.49
(c) Other Current Assets	7	2,830.31	3,597.75
TOTAL ASSETS		1,21,260.91	1,26,379.47
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	4,804.91	4,804.91
(b) Other Equity	13	44,230.88	44,260.08
TOTAL EQUITY		49,035.79	49,064.99
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	26,343.71	30,418.62
(ii) Other Financial Liabilities	15	19.27	19.27
(b) Provisions	16	Nil	Nil
(c) Deferred Tax Liabilities (Net)	17	1,524.87	2,203.36
(d) Other Non-Current Liabilities	18	Nil	Nil
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	21,062.77	22,757.27
(ii) Trade Payables	19		
(a) Due to Micro & Small Enterprises		67.99	Nil
(b) Due to Other than Micro & Small Enterprises		13,052.93	10,891.26
(iii) Other Financial Liabilities	15	8,843.54	10,052.85
(b) Other Current Liabilities	18	1,034.37	319.06
(c) Provisions	16	258.90	276.78
(d) Current Tax Liabilities (Net)	20	16.77	376.01
TOTAL LIABILITIES		72,225.12	77,314.48
TOTAL EQUITY AND LIABILITIES		1,21,260.91	1,26,379.47
Statement of Significant Accounting Policies	2		

As per our report of even date attached herewith.

For and on Behalf of the Board

For, **Samir M Shah & Associates**

Chartered Accountants

(Firm Regd. No. 122377W)

(S M Shah)

Partner

(M.No. 111502)

UDIN: 20111052AAAAKV4814

Vedprakash Chiripal

(Chairman)

(DIN: 00290454)

Jyotiprasad Chiripal

(Managing Director)

(DIN: 00155695)

Deepak Chiripal

(Chief Executive Officer)

Date : 28/07/2020

Place: Ahmedabad

Ashok Bothra

(Chief Financial Officer)

Purvee Roy

(Company Secretary)

Date : 28/07/2020

Place: Ahmedabad

Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in lakhs)

Particulars	Note Reference	Year Ended 31/03/2020	Year Ended 31/03/2019
(A) CONTINUING OPERATIONS			
I INCOME			
(1) Revenue from Operations	21	1,52,426.49	1,45,604.63
(2) Other Income	22	2,437.41	1,326.33
TOTAL INCOME		1,54,863.91	1,46,930.96
II EXPENSES			
(1) Cost of materials consumed	23	1,05,821.53	97,664.97
(2) Purchases of Stock-in-Trade	24	2,453.10	3,695.81
(3) Changes in inventories of Finished Goods, Stock- in-Trade and Work-in-Progress	25	5,322.02	1,237.40
(4) Employee Benefit expenses	26	7,927.73	8,273.73
(5) Finance Costs	27	4,304.33	2,700.16
(6) Depreciation and Amortisation expenses	3,4	8,770.04	10,440.61
(7) Other Expenses	28	20,984.68	19,827.37
TOTAL EXPENSES		1,55,583.43	1,43,840.06
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS FOR THE YEAR		(719.52)	3,090.91
III EXCEPTIONAL ITEMS			
PROFIT/(LOSS) BEFORE TAX FOR THE YEAR		(719.52)	3,090.91
IV TAX EXPENSE			
(1) Current Tax	29	147.98	905.24
(2) Deferred Tax	29	(690.06)	206.94
(3) Short/(Excess) Provision of Income Tax of earlier year	29	(126.70)	(137.94)
TOTAL TAX EXPENSE		(668.78)	974.24
PROFIT/(LOSS) AFTER TAX FOR THE YEAR		(50.74)	2,116.66
V OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to Profit or Loss (Net of Taxes)			
(a) Remeasurements of Defined Benefit Plans		33.11	(46.64)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		(11.57)	16.30
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		21.54	(30.34)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(29.20)	2,086.32
VI EARNINGS PER EQUITY SHARE OF ₹ 10/- EACH FULLY PAIDUP			
(a) Basic in ₹	30	(0.11)	4.41
(b) Diluted in ₹	30	(0.11)	4.41

As per our report of even date attached herewith.

For and on Behalf of the Board

For, **Samir M Shah & Associates**Chartered Accountants
(Firm Regd. No. 122377W)**(S M Shah)**Partner
(M.No. 111502)
UDIN: 20111052AAAAKV4814**Vedprakash Chiripal**(Chairman)
(DIN: 00290454)**Jyotiprasad Chiripal**(Managing Director)
(DIN: 00155695)**Deepak Chiripal**

(Chief Executive Officer)

Date : 28/07/2020

Place: Ahmedabad

Ashok Bothra

(Chief Financial Officer)

Purvee Roy

(Company Secretary)

Date : 28/07/2020

Place: Ahmedabad

Statement of Changes in Equity for the year ended March 31, 2020

A) Equity Share Capital

Particulars	₹ in Lakhs
Balance as at 31/03/2018	4,804.91
Changes during the year	Nil
Balance as at 31/03/2019	4,804.91
Changes during the year	Nil
Balance as at 31/03/2020	4,804.91

B) Other Equity

Particulars	Reserves and Surplus			TOTAL
	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 31/03/2018	8,378.33	755.40	33,503.44	42,637.17
Profit for the year	Nil	Nil	2,116.66	2,116.66
Other Comprehensive Income for the year (Net of Tax)	Nil	Nil	(30.34)	(30.34)
Total Comprehensive Income for the year	Nil	Nil	2,086.32	2,086.32
Transactions with owners in their capacity as owners:				
Dividend	Nil	Nil	(384.39)	(384.39)
Tax on Dividend	Nil	Nil	(79.01)	(79.01)
Balance as at 31/03/2019	8,378.33	755.40	35,126.35	44,260.08
Profit for the year	Nil	Nil	(50.74)	(50.74)
Other Comprehensive Income for the year (Net of Tax)	Nil	Nil	21.54	21.54
Total Comprehensive Income for the year	Nil	Nil	(29.20)	(29.20)
Transactions with owners in their capacity as owners:				
Dividend	Nil	Nil	Nil	Nil
Tax on Dividend	Nil	Nil	Nil	Nil
Balance as at 31/03/2020	8,378.33	755.40	35,097.15	44,230.88

As per our report of even date attached herewith.

For and on Behalf of the Board

For, **Samir M Shah & Associates**

Chartered Accountants
(Firm Regd. No. 122377W)

(S M Shah)

Partner
(M.No. 111502)
UDIN: 20111052AAAAKV4814

Date : 28/07/2020
Place: Ahmedabad

Vedprakash Chiripal

(Chairman)
(DIN: 00290454)

Ashok Bothra

(Chief Financial Officer)

Date : 28/07/2020
Place: Ahmedabad

Jyotiprasad Chiripal

(Managing Director)
(DIN: 00155695)

Purvee Roy

(Company Secretary)

Deepak Chiripal

(Chief Executive Officer)

Statement of Cash Flows

for the year ended March 31, 2020

(₹ in lakhs)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Cash flow from operating activities		
Profit before Tax from Continuing operations	(719.52)	3,090.91
Profit before income tax including discontinued operations		
Adjustments for		
Depreciation	8,770.04	10,440.61
Provision/(Reversal) for Doubtful debts	279.40	620.53
Bad Debt Written Off	78.75	Nil
Fair Value (gain)/ Loss on Forward Contract	68.93	(78.14)
Finance Charges	4,304.33	2,700.16
Provision/(Reversal) for doubtful Advances	678.88	85.71
Loss on Sale of Property, Plant & Equipment	8.75	Nil
(Profit)/Loss From Sale Of Investments	Nil	(0.48)
Net Loss on fair value changes on Investments classified as FVPL	8.09	34.74
Interest Received	(88.95)	(83.59)
EPCG Grant Income of Property Plant and Equipment	(425.15)	(1,047.54)
Dividend Income	(0.04)	(0.02)
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
Increase/(decrease) in Trade Payable	2,229.66	(5,720.04)
Increase/(decrease) in short-term Provision	15.23	105.99
Increase/(decrease) in other current liability	715.31	66.87
Increase/(decrease) in other current Financial liability	1,124.39	422.29
Increase/(decrease) in other Non Current Financial liability	(0.00)	0.26
Decrease/(increase) in Trade receivable	(4,872.25)	(780.16)
Decrease/(increase) in Inventories	5,399.00	3,039.66
Decrease/(increase) in other Current assets	88.56	(4,136.26)
Decrease/(increase) in other Non Current Financial assets	(6.07)	(39.72)
Decrease/(increase) in other Current Financial assets	(1,689.45)	(5.00)
Decrease/(increase) in other non-current assets	2.72	(83.42)
Cash generated from operations	15,970.61	8,633.35
Income taxes paid	(501.82)	(707.19)
Net cash inflow from operating activities	15,468.79	7,926.16
Cash flows from investing activities		
Purchase of Fixed Assets (Incl. WIP)	(2,483.46)	(1,946.62)
Sale of Fixed Assets	45.39	Nil
Purchase of non-current Investments	Nil	(140.29)
Sale of non-current Investments	(0.00)	126.14
Margin Money Deposit(Net)	551.29	(672.50)
Interest Received	78.65	71.59
Dividend Income	0.04	0.02
Net cash outflow from investing activities	(1,808.09)	(2,561.66)

Statement of Cash Flows

for the year ended March 31, 2020

(₹ in lakhs)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Cash flows from financing activities		
Long Term Borrowing Taken during the year	Nil	37.90
Long Term Borrowing Paid during the year	(6,193.31)	(6,788.25)
Increase in Short Term Borrowing (Net)	(1,973.85)	3,052.31
Interest paid	(4,240.88)	(2,667.57)
Dividend paid (Incl. Dividend Distribution Tax)	Nil	(463.41)
cash flows from financing activities	(12,408.05)	(6,829.02)
Net increase (decrease) in cash and cash equivalents	1,252.65	(1,464.52)
Cash and cash equivalents at the beginning of the financial year	301.09	1,765.61
Cash and cash equivalents at end of the year	1,553.74	301.09
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following:	As At	As At
	31-03-2020	31-03-2019
	₹	₹
Cash and cash equivalents (note 10)	1,553.74	301.09
Fixed deposits with less than 3 month from date of origination	Nil	Nil
Balances per statement of cash flows	1,553.74	301.09

As per our report of even date attached herewith.

For and on Behalf of the Board

For, **Samir M Shah & Associates**

Chartered Accountants
(Firm Regd. No. 122377W)

(S M Shah)

Partner
(M.No. 111502)
UDIN: 20111052AAAAKV4814

Date : 28/07/2020

Place: Ahmedabad

Vedprakash Chiripal

(Chairman)
(DIN: 00290454)

Ashok Bothra

(Chief Financial Officer)

Date : 28/07/2020

Place: Ahmedabad

Jyotiprasad Chiripal

(Managing Director)
(DIN: 00155695)

Purvee Roy

(Company Secretary)

Deepak Chiripal

(Chief Executive Officer)

Notes to Financial Statements

for the year ended March 31, 2020

Note: 1

1.1 Company Overview

Nandan Denim Limited is a public limited Company incorporated and domiciled in India and its shares are publicly traded on the National Stock Exchange of India Ltd ('NSE') and BSE Limited ('BSE'), in India. The registered office of the Company is situated at Survey No. 198/1 & 203/2 Saijpur-Gopalpur, Pirana Road, Piplej, Ahmedabad-382405-Gujarat.

The Company is principally engaged in the manufacturing and Sale of fabrics including Denim, Yarn and Shirting. The Company has manufacturing facilities located at Pipalej and Bareja, Gujarat.

These financial statements presented in Indian Rupee with figures rounded off to nearest lakhs except otherwise indicated were approved and adopted by Board of Directors of the Company in their meeting held on July 28, 2020.

1.2 Basis of Preparation of Accounts

These individual financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS is prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company retains the presentation and classification of items in the financial statements from one period to the next.

1.3 Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving

complex and subjective judgements and the use of assumptions in financial statements have been specified in Note 1.4 below. Accounting estimates could change from period to period. Actual results could differ from estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in financial statements in the period in which the changes are made and, if material, their effects are disclosed in these notes to the individual financial statements.

1.4 Critical Accounting Estimates and Judgement used in application of Accounting Policies

a. Income Taxes

Significant judgements are involved in determining the provision for Income Taxes, including amount expected to be paid / recovered for uncertain tax positions. (Also refer Note 17 and 29)

b. Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technology. (Refer Note 3)

c. Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on empirical evidence available without under cost or effort, existing market conditions as well as forward looking estimates at the end of each reporting period. (Refer Note 9 and 31.3)

d. Defined Benefit Plan

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations is determined using actuarial

Notes to Financial Statements for the year ended March 31, 2020

valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note 26, 26.1 and 26.2)

e. Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments. (Refer Note 31.3)

Note 2

2.1 Significant Accounting Policies

2.1.1 Income Recognition

Revenue from Contacts with Customers

2.1.1.a Sale of Goods

The company manufactures Denim Cloth, Shirting Cloth and Yarn and trades Cotton and Coal. The company also render job work service. Revenue from the sale of goods is recognized at a point in time when the control of the products has transferred which generally coincides with dispatch of products to customers in case of domestic sales and on the basis of bill of lading in the case of export sales.

Revenue from the sale of goods is recognised when the control of the product is transferred, the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

- The Company has a present right to payment for the asset.
- The Company has transferred physical possession of the asset, whereby the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset or to restrict the access of other entities to those benefits.

The time taken from entering into order and sale is less than 12 months and the normal credit period offered to customers is also less than 12 months. The company offers trade Discount, Quantity Discount, cash Discount, Discount for Shortage or quality issue discount which are factored while determining transaction price. Revenue is recognised such that significant reversal is not highly probable. The reconciliation between the contract price and revenue recognised is given in note 21.

When the consideration is received, before the Company transfers goods to the customer, the Company shall present the consideration as a contract liability.

2.1.1.b Rendering of Service

Revenue from divisible service contracts:

- service contracts are recognised over a period of time determined using the percentage completion method, synchronized to the billing schedules agreed by the customers, identical with others in similar business and
- the revenue relating to supplies are measured in line with policy set out in 2.1.1.a

In respect of indivisible contracts, the revenues are recognised over a period of time, measured as per (i) above.

When the consideration is received, before the Company transfers goods to the customer, the Company shall present the consideration as a contract liability and when the services rendered by the Company exceed the payment, a contract asset is recognised excluding any amount presented as receivable.

2.1.2 Dividend Income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the

Notes to Financial Statements

for the year ended March 31, 2020

economic benefits will flow to the Company and the amount of income can be measured reliably).

2.1.3 Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal amount outstanding and at the effective interest rate. Effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.1.4 Export Incentives

Export entitlements are recognized in the Statement of Profit and Loss 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. (Refer Note 2.1.10)

2.1.5 Subsidy

Subsidy under Textiles Upgradation Fund Scheme (TUFS), Gujarat Textile Policy or any other subsidy and claims in respect of insurance are recognized when there is reasonable certainty regarding the realization of the same. (Refer Note 2.1.10)

2.1.6 Inventories

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

Inventories are written down to net realizable value item by item except where it is appropriate to group similar or related items. When a decline in the price of materials, indicates that the cost of the finished products exceeds net realizable value, the materials are written down to their replacement cost. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed

economic circumstances, the amount of the write-down is reversed so that the new carrying amount is the lower of the cost and the revised net realizable value. Inventories are recognised as expense in the period in which the related revenue is recognised.

2.1.7 Property, Plant and Equipment

2.1.7.a Recognition of Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment is recognised as an asset if and only, if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Freehold land is carried at cost less accumulated impairment losses. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of an item of property, plant and equipment comprises:

- Its purchase price, all costs including financial costs till commencement of commercial production are capitalized to the cost of qualifying assets. Goods & Service Tax credit, if any, are accounted for by reducing the cost of capital goods;
- Any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

2.1.7.b Depreciation of Property, Plant and Equipment

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately on straight-line method. Parts of plant and equipment that are technically advised to be replaced at prescribed intervals / periods of operation, insurance spares and cost of inspection / overhauling are depreciated separately based on their specific useful life provided these are of significant amounts. The depreciation charge for each period is recognised in profit or loss unless

Notes to Financial Statements for the year ended March 31, 2020

it is included in the carrying amount of another asset. Depreciable amount of an item of property, plant and equipment is arrived at after deducting estimated residual value. The depreciable amount of an asset is allocated on a systematic basis over its useful life as disclosed in Note 3. The Company reviews the residual value and useful life at each financial year-end and, if expectations differ from previous estimates, the residual value and useful lives are changed prospectively and accounted for as a change in accounting estimate. Depreciation commences when the item of property, plant and equipment is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognized. The Company review the depreciation method at each financial year-end and if, there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted as a change in accounting estimate on prospective basis.

2.1.7.c Compensation for Impairment

The Company recognises compensation from third parties for items of property, plant and equipment that were impaired, lost or given up in profit or loss when the compensation becomes receivable.

2.1.7.d Derecognition of Property, Plant and Equipment

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss from the derecognition of an item of property, plant and equipment is recognised in profit or loss when the item is derecognized.

2.1.8 Leases

As a Lessee

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an

identified asset, the company assesses whether: (i) the contract involves the use of an identified asset (ii) the company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and (iii) the company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-to-use assets and lease liabilities for short-term lease that

Notes to Financial Statements

for the year ended March 31, 2020

have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an operating expense as per the terms of the lease.

As a Lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

2.1.9 Employee Benefits

2.1.9.a Short-term Employee Benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. Short-term employee benefits include salaries, wages, social security contributions, bonus, paid annual leave etc. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2.1.9.b Post-employment Benefits

Post-employment benefits are benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment. Post-employment benefits are identified under defined contribution plans and defined benefit plans.

2.1.9.b.i Defined Contribution Plans

Post-employment benefits are identified under defined contribution plans if the Company has no obligation other than to contribute a fixed amount of money to a fund. Employees may contribute to the fund along with the Company. Contributions to the Employees' Regional Provident Fund and Superannuation Fund are recognised as defined contribution plan.

Such contribution are recognised as liability and expenses during the period in which the employees perform the services. Any excess contributions to the fund are recognised as an asset.

2.1.9.b.ii Defined Benefit Plans

Post-employment benefits are identified under defined benefit plans if the Company is obligated to provide a defined return on contributions to the fund over and above its contributions to the fund. Such contributions to the fund may also include contributions by the employees. Post-employment benefits in the form of Gratuity are considered as defined benefit plan and determined on actuarial valuation using the projected unit credit method at the balance sheet date. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is recognised in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Gratuity is funded through a trust for which a policy with SBI Life Insurance Corporation of India has been taken.

2.1.9.c Other long-term employment benefits

Employee Benefits that are neither short-term employee benefit nor post-employment benefit nor termination benefits are other long-term employee benefits. Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can be either availed or encashed subject to a restriction on the maximum number of accumulation leave. The Company determines the liability for such accumulated leaves using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

2.1.10 Government Grants

Assistance by government in the form of transfers of resources to the Company in return for past or future compliance with certain conditions relating to operating activities of the entity other than those which cannot reasonably have a value placed upon them or those that cannot be distinguished from normal trading transactions of the Company are termed as government grants. All

Notes to Financial Statements for the year ended March 31, 2020

government grants are identified as either relating to assets or relating to income. Government grants whose primary condition is that a Company qualifying for them should purchase, construct or otherwise acquire long-term assets are identified as grants related to assets. Grants other than those related to assets are identified as related to income. Government grants are recognised when there is a reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. A forgivable loan from government is treated as a government grant when there is a reasonable assurance that the entity will meet the terms for forgiveness of the loan. The Company recognises Government grants in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet as deferred income. Deferred income is recognised in profit or loss on the basis the related assets are depreciated or amortised if they are related to asset or under other income when the grant becomes receivable. Grants related to income are presented in profit or loss under other income. Grants received in advance before fulfilment of conditions are recognised as Other Liability classified into current or non-current, as appropriate in the circumstances of the case.

2.1.11 Foreign currency transactions and translations

Functional currency of the Company is Indian rupee. The financial statements have been presented under its functional currency. Any transaction that is denominated in a currency other than the functional currency is regarded as foreign currency transaction. All foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. In case of consideration received or paid in advance, the exchange rate prevailing on the date of receipt or payment of advance is considered when subsequently the related asset is given up or received to the extent of advance consideration.

At the end of the reporting period:

1. foreign currency monetary items are translated using the exchange rate for immediate delivery at the end of the reporting period;
2. non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and

3. non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange difference arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

2.1.12 Borrowing Costs

Interest and other costs that the Company incurs in connection with the borrowing of funds are identified as borrowing costs. The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which it is incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. The Company identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining a qualifying asset. General borrowings include all other borrowings except the amount outstanding as on the balance sheet date of specific borrowings. Borrowing cost incurred actually on specific borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalisation on borrowing costs commences when the Company incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.1.13 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company classifies financial instruments issued into financial liability and equity based on the substance of the

Notes to Financial Statements

for the year ended March 31, 2020

arrangement and the contractual terms. Significant judgement is required to assess whether a particular asset is a financial instrument or otherwise. An asset that represents a contractual right to receive cash that is subject to other than only passage of time or cannot be sold independently of other operating rights have not been presented as financial assets. Such assets are mainly in the nature of security deposits and investments in equity shares for receiving services from third parties including government-controlled organisations.

2.113.a Recognition, classification, measurements and derecognition of Financial Assets

Financial assets include cash and cash equivalents, trade and other receivables, investments in securities and other eligible current and non-current assets. At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified and measured under one of the following three categories according to the purpose for which they are held and contractual cash flow characteristics. Financial assets are reclassified only when the purpose for which they are held changes. Financial assets are derecognised when the right to cash flows from the financial asset expires or when the financial asset is transferred resulting in transfer of significant risks and rewards to the buyer. Where significant risks and rewards are retained on transfer of a financial asset, the financial asset is not derecognised, and a financial liability is recognised for the consideration received. Where the transfer of financial asset results in partial transfer of risks and rewards, the asset is derecognised if the buyer obtains the right to sell the asset to other party unilaterally without attaching any conditions otherwise the financial asset continues to be recognised to the extent of continuing involvement

2.113.a.i Financial Assets at amortised cost

Financial assets at amortised cost, at the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from

impairment are recognised in the profit or loss.

2.113.a.ii Financial asset at Fair Value through Other Comprehensive Income (FVOCI)

Financial asset at FVOCI, at the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the Effective Interest Rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

2.113.a.iii Financial assets at Fair Value through Profit or Loss (FVPL)

Financial Assets at FVPL, at the date of initial recognition, are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

2.113.b Impairment of Financial Assets

The Company recognizes the impairment on financial assets based on the expected credit loss model for the financial assets which are not measured at fair value through profit or loss. In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. In case of other financial assets, expected credit losses are measured at an amount equal to 12-month ECL unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime expected credit loss. The amount of expected credit losses or reversal that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the profit and loss for the period.

Notes to Financial Statements for the year ended March 31, 2020

2.1.13.c Recognition, classification, measurement and derecognition of financial liabilities

Financial liabilities include long-term and short-term loans and borrowings, trade and other payables and other eligible current and non-current liabilities. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs. The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

After initial recognition, financial liabilities are classified under one of the following two categories:

2.1.13.c.i Financial liabilities at amortised cost

After initial recognition, such financial liabilities are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial liability. The EIR amortisation is included in finance expense in the statement profit or loss.

2.1.13.c.ii Financial liabilities at Fair Value through Profit or Loss (FVPL)

Financial Liabilities at FVPL are those which are designated as such on initial recognition, or which are held for trading. Fair value gains / losses attributable to changes in own credit risk is recognised in OCI. These gains / losses are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.

2.1.13.d Derivative Financial Instruments

Derivative instruments such as forward foreign currency contracts, interest rate swaps and option contracts are used to hedge foreign currency risks and interest rate risk. Such derivatives are initially recognised at their fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.1.14 Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.1.15 Earnings per Share

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. (Refer Note 30)

2.1.16 Impairment of Non-Financial Assets

The Company reviews the carrying amount of its Property, Plant and Equipment, including Capital Work in progress of a "Cash Generating Unit" (CGU) at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit to which the asset belongs.

Recoverable Amount is determined:

- i) In case of individual asset, at higher of the fair value less cost to sell and value in use; and
- ii) In case of cash generating unit (a Company of assets that generates identified, independent cash flows), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

2.1.17 Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past

Notes to Financial Statements

for the year ended March 31, 2020

event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made. Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

2.1.18 Intangible Assets

The Company identifies an identifiable non-monetary asset without physical substance as an intangible asset. The Company recognises an intangible asset if it is probable that expected future economic benefits attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost unless acquired in a business combination in which case an intangible asset is measured at its fair value on the date of acquisition. The Company identifies research phase and development phase of an internally generated intangible asset. Expenditure incurred on research phase is recognised as an expense in the profit or loss for the period in which incurred. Expenditure on development phase are capitalised only when the Company is able to demonstrate the technical feasibility of completing the intangible asset, the ability to use the intangible asset and the development expenditure can be measured reliably. The Company subsequently measures all intangible assets at cost less accumulated amortisation less accumulated impairment. An intangible asset is amortised on a straight-line basis over its useful life. Amortisation commences when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognised. The amortisation charge for each period is recognised in profit or loss

unless the charge is a part of the cost of another asset. The amortisation period and method are reviewed at each financial year end. Any change in the period or method is accounted for as a change in accounting estimate prospectively. The Company derecognises an intangible asset on its disposal or when no future economic benefits are expected from its use or disposal and any gain or loss on derecognition is recognised in profit or loss as gain / loss on derecognition of asset.

2.1.19 Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

2.1.19.a Current Tax

Current tax is determined on income for the year chargeable to tax in accordance on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Effective from April 1, 2019, the Company has adopted Appendix C of Ind AS-12 and has provided for the tax liability based on the significant judgment that the taxation authority will not accept the tax treatment. However adoption of the same does not have any impact on the Balance Sheet, Statement of Change in Equity and Statement of Profit & Loss Account.

2.1.19.b Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unabsorbed losses and tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and tax credits will be utilised. The carrying amount of deferred tax assets is reviewed at the end of financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at

Notes to Financial Statements for the year ended March 31, 2020

the tax rates that are expected to apply in the period in which the liability is expected to be settled or the asset realised, based on tax rates and tax laws that have been substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.1.20 Assets Held for Sale

The Company classifies assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

2.1.21 Fair Value Measurement

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability, or
- In the absence of a principal market, in the most advantageous market for asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 —quoted market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

2.1.22 Segment Reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments are reported in a manner consistent with the internal reporting to the CODM.

Accordingly, the Board of Directors of the Company is CODM for the purpose of segment reporting. Refer note 37 for segment information presented.

2.1.23 Dividend

The Company recognises a liability for dividends to equity holders of the Company when the dividend is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.1.24 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.1.25 Statement of Cash flows:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments.

Notes to Financial Statements

for the year ended March 31, 2020

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Note:2.2

2.2 Standards issued but not yet effective

Companies (Indian Accounting Standards) Amendment Rules 2020 notified on July 24, 2020 has notified the changes to Ind AS that shall be effective from April 1, 2020 except in case of the amendment to Ind AS 116, Leases, which is applicable to the company in the current year also. Given below is given an explanation of significant amendments and their possible impact on the assets, liabilities and results:

a) Ind AS 103, Business Combinations: The definition of business has been revised and further guidance has been provided in identifying whether the set of assets and liabilities acquired is a business. These changes are applicable for business combinations occurring on or after April 1, 2020. Therefore, on initial application of these amendments there shall be no impact on the financial statements of the company.

b) Ind AS 107, Financial Instruments: Disclosures: Disclosures have been specified for an entity that applies the exceptions to hedge accounting requirements due to interest rate benchmark reform stated in Ind AS 109, Financial Instruments. As the company has not applied hedge accounting, the amendments notified do not have any impact on the entity's financial statements on initial application.

c) Ind AS 109, Financial Instruments: The amendments to Ind AS 109 address the need to ensure that hedging relationships do not get discontinued because of interest rate benchmark reform. It provides that the hedge relationship shall not be discontinued simply because of the reform. As the company has not designated any derivative as hedge instrument, the amendments do not have any impact on the financial statements of the company due to initial application.

d) Ind AS 116, Leases: The amendments have provided practical expedient from accounting for modification of lease as a direct consequence of COVID-19 pandemic and only if all the following conditions are met:

- (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

- (ii) any reduction in lease payments affects only payments originally due on or before the June 30, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before the June 30, 2021 and increased lease payments that extend beyond the June 30, 2021); and

- (iii) there is no substantive change to other terms and conditions of the lease There has not been any material changes to the payments or receipts under leases as a direct consequence of COVID-19 for the company. Therefore, the said amendments though effective for the company from April 1, 2019 do not have any impact on the financial statements for the year ended on March 31, 2020 and for the first quarter of the financial year ending on March 31, 2021.

e) Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors: The notification has amended the definition of material as under:

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

This amendment provides guidance on application of the revised definition and when can it be considered that a material information is being obscured as under:

- (i) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- (ii) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- (iii) dissimilar items, transactions or other events are inappropriately aggregated;
- (iv) similar items, transactions or other events are inappropriately disaggregated; and
- (v) the understand ability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Notes to Financial Statements for the year ended March 31, 2020

The revised definition is applicable for transactions, events or conditions occurring on or after April 1, 2020. However, the company has always tested its disclosures from the perspective of making the financial statements understandable to users with proper cross-references such any note can be linked to the amount presented in Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows or Statement of Changes in Equity, as may be applicable. Therefore, the revision to the definition of material has no impact on the financial statements of the company due to its initial application.

- f) **Ind AS 10, Events after the Reporting Period:** The amendments clarify that the financial statements to which the non-adjusting events are material, provide financial information about a specific reporting entity. The reporting entity concept is defined in the Conceptual Framework for financial reporting issued by the International Accounting Standards Board which is under formulation in India. This amendment has no impact on the financial statements for the year ended March 31, 2020 due to its initial application.
- g) **Ind AS 34, Interim Financial Reporting:** The amendments are consequential to the amendments in Ind AS 1 and Ind AS 8 revising the definition of material and do not impact the fourth quarter results for the financial year ending on March 31, 2020 due to their initial application.
- h) **Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets:** The amendments are consequential to the amendments in Ind AS 10 stated above and thus have no impact on the financial statements for the financial year ended on March 31, 2020 due to their initial application.

Notes to Financial Statements

for the year ended March 31, 2020

Note 3

Property, Plant and Equipment

Particulars	Land		Buildings		Plant & equipment		Office equipment		Furniture & fixtures		Vehicles		Computers		Total
	Owned		Owned		Owned		Owned		Owned		Owned		Owned		
Gross Block															
Gross Carrying Value as at 31/03/2018	916.39		23,370.12		69,292.74		141.21		235.66		126.25		132.76		94,215.12
Additions during the year	22.00		215.08		52.09		10.93		12.68		42.46		13.62		368.85
Disposals during the year	Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil
Other adjustments during the year**	Nil		Nil		(391.98)		Nil		Nil		Nil		Nil		(391.98)
Gross Carrying Value as at 31/03/2019	938.39		23,585.20		68,952.85		152.14		248.33		168.71		146.37		94,191.99
Additions during the year	55.00		836.44		3,553.57		6.63		0.88		98.91		15.68		4,567.11
Disposals during the year	Nil		(72.33)		Nil		Nil		Nil		Nil		Nil		(72.33)
Other adjustments during the year***	Nil		(188.63)		(1,655.49)		Nil		(2.94)		Nil		(34.01)		(1,881.07)
Gross Carrying Value as at 31/03/2020	993.39		24,160.68		70,850.93		158.77		246.28		267.61		128.04		96,805.70
Accumulated depreciation and impairment as at 31/03/2018	Nil		1,372.92		18,986.31		70.13		53.52		37.09		88.13		20,608.11
Depreciation for the year	Nil		870.18		9,418.58		26.89		26.64		27.68		26.98		10,396.97
Disposals during the year	Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil
Accumulated depreciation and impairment as at the 31/03/2019	Nil		2,243.10		28,404.89		97.03		80.16		64.78		115.12		31,005.07
Depreciation for the year	Nil		887.25		7,749.47		22.43		27.26		29.96		20.91		8,737.28
Disposals during the year	Nil		(18.19)		Nil		Nil		Nil		Nil		Nil		(18.19)
Other adjustments during the year***	Nil		(40.54)		(1,240.18)		Nil		(1.46)		Nil		(34.01)		(1,316.20)
Accumulated depreciation and impairment as at the 31/03/2020	Nil		3,071.63		34,914.17		119.46		105.96		94.73		102.02		38,407.97
Net Carrying Value															
As at 31/03/2019	938.39		21,342.09		40,547.97		55.11		168.17		103.93		31.26		63,186.92
As at 31/03/2020	993.39		21,089.05		35,936.76		39.31		140.32		172.88		26.02		58,397.73
Capital Work-in-Progress															
As at 31/03/2019	Nil		374.85		1,119.43		Nil		Nil		Nil		Nil		1,494.27
As at 31/03/2020	Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil
Amount that are given as security for liabilities															
As at 31/03/2019	938.39		21,342.09		40,547.97		55.11		168.17		103.93		31.26		63,186.92
As at 31/03/2020	993.39		21,089.05		35,936.76		39.31		140.32		172.88		26.02		58,397.73
Useful Life (in Years)															
As at 31/03/2019	Nil		30.00		15.00		5.00		10.00		8.00		3.00		
As at 31/03/2020	Nil		30.00		15.00		5.00		10.00		8.00		3.00		
Amount of Contractual commitments for acquisition (Refer Note No. 33)															
As at 31/03/2019	Nil		Nil		2,321.10		Nil		Nil		Nil		Nil		2,321.10
As at 31/03/2020	Nil		Nil		821.61		Nil		Nil		Nil		Nil		821.61

**Other Adjustment of FY.2018-19 to Gross carrying Value of Assets represent a sum of Rs.Nil (P.Y. ₹ 391.98 lakhs) towards Counter Vetting Duty Refund received, which are hereto decapitalised by the Company.

*** Other Adjustment of FY.2019-20 to Gross carrying Value of Assets represent a sum of Rs.1316.20 lakhs (P.Y. ₹ Nil) & Accumulated Depreciation of Rs.1316.20 lakhs (P.Y. ₹ Nil) towards retirement of fully destroyed assets due to fire at Piplej Plant on February 8, 2020.

Notes to Financial Statements for the year ended March 31, 2020

Note 4

Intangible Assets

Particulars	(₹ in lakhs)	
	Licence & Software	Total
Gross Block		
Gross Carrying Value as at 31/03/2018	141.62	141.62
Additional during the year	13.90	13.90
Disposal during the year	Nil	Nil
Other adjustments during the year	Nil	Nil
Gross Carrying Value as at 31/03/2019	155.52	155.52
Additions during the year	Nil	Nil
Disposals during the year	Nil	Nil
Other adjustments during the year	Nil	Nil
Gross Carrying Value as at 31/03/2020	155.52	155.52
Accumulated Amortisation		
Accumulated Amortisation and impairment as at the 31/03/2018	63.39	63.39
Amortisation for the year	43.65	43.65
Disposals during the year	Nil	Nil
Other adjustments during the year	Nil	Nil
Accumulated Amortisation and impairment as at the 31/03/2019	107.03	107.03
Amortisation for the year	32.76	32.76
Disposals during the year	Nil	Nil
Other adjustments during the year	Nil	Nil
Accumulated Amortisation and impairment as at the 31/03/2020	139.80	139.80
Net Carrying Value		
As at 31/03/2019	48.49	48.49
As at 31/03/2020	15.73	15.73
Amount that are given as security for liabilities		
As at 31/03/2019	48.49	48.49
As at 31/03/2020	15.73	15.73
Amortisation period		
As at 31/03/2019	3.00	3.00
As at 31/03/2020	3.00	3.00
Amount of Contractual commitments for acquisition		
As at 31/03/2019	Nil	
As at 31/03/2020	Nil	

Notes to Financial Statements

for the year ended March 31, 2020

Note 5

Non-Current Investments

Name of the Body Corporate	Subsidiaries / Associates / Joint Ventures / Structured Entities / Others	No. of Shares and Face Value of Shares		Quoted / Unquoted	Partly Paid / Fully paid	Amount (in Lakhs)		Measured as at Cost / Amortised Cost / FVOCI / FVPL
		As on 31/03/2020	As on 31/03/2019			As On 31/03/2020	As On 31/03/2019	
		Nos.	Face Value in ₹			₹ in lakhs	in lakhs	
(a) Investments in Equity Instruments [Non Trade]								
(i) CIL Nova Petrochemicals Ltd.	Others	64000	10.00	Quoted	Fully Paid	3.36	11.46	FVPL
(ii) UCO Bank Ltd.	Others	3500	10.00	Quoted	Fully Paid	0.32	0.66	FVPL
(iii) Asian Paints Ltd.	Others	200	1.00	Quoted	Fully Paid	3.33	2.98	FVPL
(iv) The Saraswat Co. Op. Bank Ltd.	Others	2500	10.00	Unquoted	Fully Paid	0.25	0.25	FVPL
Total		70200				7.26	15.35	
(b) Investments in Preference Shares								
(i) Non Cumulative Redeemable Preference Shares of Vraj Integrated Textile Park	Others	2203720	10.00	Unquoted	Fully Paid	13.46	13.46	FVPL
Total		2203720				13.46	13.46	
(c) Investments in bonds								
(i) LVB Unsecured Non-Con. Redeem. Basel III	Others	10	1000000		Fully Paid	100.00	100.00	Amortised Cost
Total		10				100.00	100.00	
Grand Total						120.73	128.81	
Aggregate amount of quoted investments (₹ in lakhs)								
Aggregate amount of unquoted investments (₹ in lakhs)								
Aggregate amount of Investment in Bond (₹ in lakhs)								

Notes to Financial Statements for the year ended March 31, 2020

Note 6

Other Financial Assets

(₹ in lakhs)

Particulars	Non-Current		Current	
	As At 31/03/2020	As At 31/03/2019	As At 31/03/2020	As At 31/03/2019
(i) Bank deposits with more than 12 months maturity	70.83	106.75	Nil	Nil
(ii) Security Deposits (Unsecured, considered good)	63.72	57.65	Nil	Nil
(iii) Interest Receivable (Refer Note No. 11)	Nil	Nil	29.68	19.39
(iv) Forward Contract Asset	Nil	Nil	Nil	64.32
(v) Insurance Claim Receivable	Nil	Nil	1,566.14	280.02
(vi) Amount Receivable from Statutory Authorities	Nil	Nil	6,821.97	5,853.77
Total	134.55	164.40	8,417.79	6,217.49

Note 7

Other Assets

(₹ in lakhs)

Particulars	Non-Current		Current	
	As At 31/03/2020	As At 31/03/2019	As At 31/03/2020	As At 31/03/2019
(i) Capital Advances	306.47	467.41	Nil	Nil
Less: Allowance for Doubtful Capital Advances	(25.29)	(22.77)	Nil	Nil
(ii) Pre Payment Expenses	18.87	19.07	Nil	Nil
(iii) Advances other than capital advances:				
(a) Security Deposits;	88.37	88.37	Nil	Nil
(b) Advance recoverable in cash or kind	Nil	Nil	1,491.93	896.12
Less: Allowance for Doubtful Advances	Nil	Nil	(739.30)	(62.94)
Total	388.41	552.07	752.63	833.18
(iv) Tax receivable				
Advance Tax & TDS Receivable	7,973.90	Nil	Nil	Nil
Less: Provision for Tax	(7,852.60)	Nil	Nil	Nil
	121.30	Nil	Nil	Nil
(v) Loan to Employee	Nil	Nil	28.28	13.53
(vi) Others	Nil	Nil	Nil	Nil
Deferred Fair Value Gain / Loss on Issue of Preference Shares	Nil	Nil	176.75	178.63
(vii) Prepaid expenses	Nil	Nil	215.14	292.88
(viii) Balance With Govt Authorities	Nil	Nil	1,657.49	2,279.53
Total	Nil	Nil	2,077.68	2,764.57
Grand Total	509.72	552.07	2,830.31	3,597.75

Notes to Financial Statements

for the year ended March 31, 2020

Note 7.1

Movements in each class of provision during the year

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As At 31/03/2020	As At 31/03/2019	As At 31/03/2020	As At 31/03/2019
Capital Advance	Nil	Nil	Nil	Nil
Balance at the beginning	22.77	Nil	Nil	Nil
Impairment loss recognised	2.52	22.77	Nil	Nil
Impairment loss reversed	Nil	Nil	Nil	Nil
Amount written off	Nil	Nil	Nil	Nil
Balance at the end	25.29	22.77	Nil	Nil
Advances recoverable in cash or kind				
Balance at the beginning	Nil	Nil	62.94	Nil
Impairment loss recognised	Nil	Nil	676.36	62.94
Impairment loss reversed	Nil	Nil	Nil	Nil
Amount written off	Nil	Nil	Nil	Nil
Balance at the end	Nil	Nil	739.30	62.94

Note 8

Inventories

(₹ in lakhs)

Particulars	As At 31/03/2020	As At 31/03/2019
(a) Raw materials		
(i) in possession	7,707.90	8,154.48
(ii) in transit	Nil	Nil
(b) Work-in-progress	2,654.61	3,642.02
(c) Finished goods		
(i) in possession	4,624.42	8,458.15
(ii) in transit	628.27	619.32
(d) Stock-in-trade		
(i) in possession	Nil	Nil
(ii) in transit	Nil	Nil
(e) Stores and spares		
(i) in possession	377.58	406.74
(ii) in transit	Nil	Nil
(f) Fuel		
(i) in possession	253.60	358.62
(ii) in transit	Nil	Nil
(g) Packing Material		
(i) in possession	65.03	71.08
(ii) in transit	Nil	Nil
Total	16,311.41	21,710.40

Notes to Financial Statements

for the year ended March 31, 2020

Note 9

Trade Receivables

(₹ in lakhs)

Particulars	As At 31/03/2020	As At 31/03/2019
Trade Receivable Considered Good - Unsecured	24,759.75	26,053.40
Trade Receivable which have significant increase in Credit Risk	7,349.62	1,461.85
Trade Receivable Credit Impaired	1,585.29	1,385.91
Less: Allowance for Expected Credit Loss	(1,775.56)	(1,496.16)
Total	31,919.10	27,405.00

Note 9.1

(₹ in lakhs)

Particulars	As At 31/03/2020	As At 31/03/2019
Trade Receivables due by Key Management Personnel(KMP) and Entities in which KMP has significant influence or control		
(i) Private Companies in which any Director is a Director	8,543.38	5,370.36
Total	8,543.38	5,370.36

Note 9.2

(₹ in lakhs)

Particulars	As At 31/03/2020	As At 31/03/2019
Trade Receivables offered as collateral for liabilities or contingent liabilities	31,919.10	27,405.00

Note 10

Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As At 31/03/2020	As At 31/03/2019
Balances with Banks	1,535.17	246.04
Cash on hand	18.57	55.05
Total	1,553.74	301.09

Notes to Financial Statements

for the year ended March 31, 2020

Note 11

Other Bank Balances

(₹ in lakhs)

Particulars	As At	As At
	31/03/2020	31/03/2019
Margin Deposits with original maturity of more than 3 months	1,001.03	1,516.41
Unclaimed Dividend Account	49.08	56.37
Total	1,050.11	1,572.78

Of the above, the following have been offered as collateral for liabilities and contingent liabilities:

(₹ in lakhs)

Particulars	As At	As At
	31/03/2020	31/03/2019
Margin Money Deposits	1,001.03	1,516.41
Total	1,001.03	1,516.41

Note 12

Equity Share Capital

(₹ in lakhs)

Particulars	As At 31/03/2020		As At 31/03/2019	
	No.	Amount ₹ in lakhs	No.	Amount ₹ in lakhs
Authorised Share Capital of Rs.10/- each	10,00,00,000	10,000.00	10,00,00,000	10,000.00
Issued Share Capital of Rs.10/- each	4,80,49,056	4,804.91	4,80,49,056	4,804.91
Subscribed Share Capital of Rs.10/- each	4,80,49,056	4,804.91	4,80,49,056	4,804.91
Fully Paid-up Share Capital	4,80,49,056	4,804.91	4,80,49,056	4,804.91

Reconciliation of the number of shares outstanding and the amount of share capital as at 31/03/2020 and 31/03/2019 is set out below:-

Balance at the beginning of the year	4,80,49,056	4,804.91	4,80,49,056	4,804.91
Movement during the year	Nil	Nil	Nil	Nil
Balance at the end of the year	4,80,49,056	4,804.91	4,80,49,056	4,804.91

Note 12.1

Terms/right attached to Equity Shares:

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholder.

The Company declares and pays dividends in Indian Rupees. As and when the Dividend proposed by the Board of Director the same is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes to Financial Statements for the year ended March 31, 2020

Note 12.1

Terms/right attached to Equity Shares: (Contd..)

Details of the Share Holders holding Shares more than 5% shares :-

(₹ in lakhs)

Name of Shareholders	As At 31/03/2020		As At 31/03/2019	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Chiripal Industries Ltd.	1,19,94,270	24.96%	1,19,94,270	24.96%
Chiripal Exim LLP	79,22,053	16.49%	79,22,053	16.49%
Devkinandan Corporation LLP	32,06,060	6.67%	32,06,060	6.67%

In the Period of five years immediately preceding March 31, 2020

The company has not allotted any equity shares as fully paid up without payment being received in cash or as Bonus shares or Bought back any equity Shares. Further in the period of last five years the company has not forfeited any amount received on issue of Shares.

Note 13

Other Equity

(₹ in lakhs)

Particulars	As At 31/03/2020	As At 31/03/2019
Securities Premium Reserve		
Balance as per last financial Statement	8,378.33	8,378.33
Add: Share premium received during the year	Nil	Nil
Closing Balance	8,378.33	8,378.33
General Reserve		
Balance as per last financial Statement	755.40	755.40
Closing Balance	755.40	755.40
Retained Earnings		
Balance as per last financial Statement	35,126.35	33,503.44
Add : Profit for the year	(50.76)	2,116.66
Add :Other Comprehensive income (net of tax)	21.54	(30.34)
Less: Final Dividend Paid	Nil	(384.39)
Less: Tax on Final Dividend	Nil	(79.01)
Closing Balance	35,097.13	35,126.35
Grand Total	44,230.88	44,260.08

Notes to Financial Statements

for the year ended March 31, 2020

Note 13

Other Equity (Contd..)

Nature and Purpose of each component of equity	Nature and Purpose
Securities Premium Reserve	The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.
General Reserve	The general reserve is a free reserve, retained from Company's profits and can be utilized upon fulfilling certain conditions in accordance with Companies Act, 2013
Retained Earning	The amount of retained earning includes the component of Other Comprehensive income, which cannot be distributed by the Company as dividends to its equity shareholders. Balance amount is available for distribution to equity share holders.

Note 14

Borrowings

(₹ in lakhs)

Particulars	Non-Current				Current			
	Secured		Unsecured		Secured		Unsecured	
	As At 31/03/2020	As At 31/03/2019	As At 31/03/2020	As At 31/03/2019	As At 31/03/2020	As At 31/03/2019	As At 31/03/2020	As At 31/03/2019
Term loans								
(i) from banks	26,326.20	30,390.90	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Vehicle Loan	17.52	27.72	Nil	Nil	Nil	Nil	Nil	Nil
Loans repayable on demand								
(i) from banks	Nil	Nil	Nil	Nil	21,062.77	22,757.27	Nil	Nil
Total	26,343.71	30,418.62	Nil	Nil	21,062.77	22,757.27	Nil	Nil

Note 14.1

Nature of Security and terms of Payment of Borrowings

Type of Debt Instrument	Nature of Security	Terms of Repayment
Term loans		
(i) from banks	Term Loans under Consortium finance are secured by first charge on the entire Fixed Assets of the company both present and future, second charge on Book Debts, Stock and other Current Assets of the Company and also further guaranteed by personal guarantee of promoter/promoter directors.	Term Loans are repayable in Quarterly installments.
(ii) Vehicle Loan	Vehicle Loans are secured by Hypothecation of Vehicles.	Vehicle Loans are repayable in monthly installments.
Loans repayable on demand		
(i) from banks	Working Capital loans under consortium finance are secured by first charge on Book Debts, Stocks and other Current Assets and second charge on all the Fixed Assets, both present and future of the Company and also further guaranteed by promoter/promoter Directors. (Refer Note No. 9.2)	Working Capital loan is repayable on Demand.

Notes to Financial Statements

for the year ended March 31, 2020

Note 14.2

Borrowings guaranteed by Directors

(₹ in lakhs)

Type of Debt Instrument	Non-Current		Current	
	As At 31/03/2020	As At 31/03/2019	As At 31/03/2020	As At 31/03/2019
Term loans				
(i) from banks	26,326.20	30,390.90	Nil	Nil
(ii) Vehicle Loan	17.52	27.72	Nil	Nil
Loans repayable on demand				
(i) from banks	Nil	Nil	21,062.77	22,757.27
Total	26,343.71	30,418.62	21,062.77	22,757.27

Note 14.3

The company has opted for moratorium period in respect of Repayment of Term Loans and Interest thereon vide RBI Circular No. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated 27/03/2020 and RBI Circular No. RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20 dated 23/05/2020.

Note 15

Other Financial Liabilities

(₹ in lakhs)

Particulars	Non-Current		Current	
	As At 31/03/2020	As At 31/03/2019	As At 31/03/2020	As At 31/03/2019
Current maturities of long-term debt	Nil	Nil	4,756.55	7,154.31
Interest accrued but not due	Nil	Nil	305.24	241.80
Creditors for Property, Plant & Equipment	Nil	Nil	687.29	683.99
Creditors for Expenses	Nil	Nil	2,281.19	1,035.93
Employee Benefits Payable	Nil	Nil	751.68	872.55
Unpaid dividends	Nil	Nil	49.08	56.37
Lease Rent Payable	19.27	19.27	Nil	Nil
Forward Contract Liability	Nil	Nil	12.52	7.90
Total	19.27	19.27	8,843.54	10,052.85

Note 16

Provisions

(₹ in lakhs)

Particulars	Non-Current		Current	
	As At 31/03/2020	As At 31/03/2019	As At 31/03/2020	As At 31/03/2019
Provision for Gratuity (Net) (Refer Note No. 26.2)	Nil	Nil	228.63	213.15
Provision for Leave encashment (Refer Note No. 26.2)	Nil	Nil	30.26	63.63
Total	Nil	Nil	258.90	276.78

Notes to Financial Statements

for the year ended March 31, 2020

Note 16.1

Movements in each class of provision during the financial year

(₹ in lakhs)

Particulars	Provision for Gratuity	Provision for Leave encashment
As at March 31, 2018 (Net)	88.82	35.33
Charged/(credited) to profit or loss	91.16	28.49
Charged/(credited) to OCI	46.64	Nil
Reversed during the period	Nil	Nil
Amounts used during the year	(13.48)	(0.19)
As at March 31, 2019 (Net)	213.15	63.63
Charged/(credited) to profit or loss	81.55	(31.36)
Charged/(credited) to OCI	(33.11)	Nil
Reversed during the period	Nil	Nil
Amounts used during the year	(32.96)	(2.00)
As at March 31, 2020 (Net)	228.63	30.26

Note 17

Deferred tax Liabilities (Net)

The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	As At 31/03/2020	As At 31/03/2019
Unpaid Liabilities Allowable under Income Tax Act, 1961 in succeeding years u/s 43B on Payment basis	(90.46)	(96.71)
Allowable Unutilised Tax Credits	(303.49)	(122.15)
Allowance for Expected Credit Loss	(620.38)	(522.76)
Allowance for doubtful Advance	(267.15)	(29.95)
Unabsorb Depreciation	(101.33)	Nil
Total deferred tax assets	(1,382.81)	(771.56)
Difference in respect of depreciation on as per Income Tax Act & Companies Act on PPE and Intangible Assets	2,907.68	2,974.92
Total deferred tax liabilities	2,907.68	2,974.92
Net deferred tax liabilities	1,524.87	2,203.36

Notes to Financial Statements for the year ended March 31, 2020

Note 17.1

Movement in deferred tax assets

(₹ in lakhs)

Particulars	Allowable Unutilised Tax Credits	Unpaid Liabilities Allowable under Income Tax Act, 1961 in succeeding years u/s 43B on Payment basis	Allowance for Expected Credit Loss	Allowance for doubtful Advance	Unabsorb Depreciation	Total
As At March 31, 2018	(110.38)	(43.38)	(305.96)	Nil	Nil	(459.72)
(Charged)/credited:						
- to profit or loss	(11.77)	(37.03)	(216.80)	(29.95)	Nil	(295.54)
- to other comprehensive income	Nil	(16.30)	Nil	Nil	Nil	(16.30)
As At March 31, 2019	(122.15)	(96.71)	(522.76)	(29.95)	Nil	(771.56)
(Charged)/credited:						
- to profit or loss	(181.34)	(5.32)	(97.62)	(237.20)	(101.33)	(622.82)
- to other comprehensive income	Nil	11.57	Nil	Nil	Nil	11.57
As At March 31, 2020	(303.49)	(90.46)	(620.38)	(267.15)	(101.33)	(1,382.81)

Movement in deferred tax liabilities

(₹ in lakhs)

Particulars	Difference in respect of depreciation on as per Income Tax Act & Companies Act on PPE and Intangible Assets
As at March 31, 2018 (Net)	2,472.44
(Charged)/credited to	
- to profit or loss	502.48
- to other comprehensive income	Nil
Amounts used during the year	(0.19)
As at March 31, 2019 (Net)	2,974.92
(Charged)/credited to	
- to profit or loss	(67.24)
- to other comprehensive income	Nil
As at March 31, 2020 (Net)	2,907.68

Note 18

Other Liabilities

(₹ in lakhs)

Particulars	Non-Current		Current	
	As At 31/03/2020	As At 31/03/2019	As At 31/03/2020	As At 31/03/2019
Advance received from Customer	Nil	Nil	847.13	195.26
Other payables	Nil	Nil	0.38	2.37
Statutory dues	Nil	Nil	186.85	121.42
Total	Nil	Nil	1,034.37	319.06

Notes to Financial Statements

for the year ended March 31, 2020

Note 19

Trade Payables

(₹ in lakhs)

Particulars	As At	As At
	31/03/2020	31/03/2019
Payable to Micro and Small Enterprise	67.99	Nil
Payable to others		
- Acceptance	Nil	Nil
- Other than Acceptances	13,052.93	10,891.26
Total	13,120.93	10,891.26
Of the above, payables to		
Related Parties	1,626.11	2,148.26

- (a) Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management
- (b) Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 02.10.2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the MSMED Act, 2006 are disclosed as below:

(₹ in lakhs)

Particulars	As At	As At
	31/03/2020	31/03/2019
a) The Principal amount remaining unpaid to Micro and Small enterprise supplier as at the year end	67.99	Nil
b) Interest due thereon	Nil	Nil
c) Amount of interest paid by the Company in terms of section 16 of MSMED Act	Nil	Nil
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED 2006	Nil	Nil
e) Amount of interest accrued and remaining unpaid at the end of accounting year	Nil	Nil
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company and the same has been relied by the Auditor.

Notes to Financial Statements for the year ended March 31, 2020

Note 20

Current Tax Liabilities (Net)

Particulars	(₹ in lakhs)	
	As At 31/03/2020	As At 31/03/2019
Provision for Taxation	147.98	9,946.60
Tax paid in Advance & Tax deducted at source receivable	(131.21)	(9,570.59)
Total	16.77	376.01

Note 21

Revenue from Operations

Particulars	(₹ in lakhs)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
Sale Of Products	1,47,411.57	1,40,529.11
Sale Of Services	1,398.90	1,044.16
Other Operating Revenues		
Sale of Waste / Scrap	761.71	697.52
Export Incentive	493.14	484.64
Government Grant :		
VAT, Goods & Service Tax Incentive	2,361.18	2,849.20
Total	1,52,426.49	1,45,604.63

* State Goods and Service Tax (SGST) Concession: Reimbursement of SGST Collected on end product / intermediate product to the extent of the eligible capital investments in plant and machinery for the specified period as per scheme.

a) Reconciliation of Revenue recognised in the statement of profit and loss with the Contracted price :-

Particulars	(₹ in lakhs)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
Gross Revenue	1,52,510.02	1,47,462.93
Less: Rebate & Discount etc	(2,937.85)	(5,192.14)
Revenue recognised from Contract with Customers	1,49,572.17	1,42,270.79

(b) Reconciliation of Revenue from operation with Revenue from contracts with Customers :-

Particulars	(₹ in lakhs)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
Revenue from operation	1,52,426.49	1,45,604.63
Less: Export Incentive	(493.14)	(484.64)
Less: Goods & Service Tax Incentive	(2,361.18)	(2,849.20)
Revenue from contracts with Customers	1,49,572.17	1,42,270.79

Notes to Financial Statements

for the year ended March 31, 2020

Note 22

Other Income

(₹ in lakhs)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Interest Income	88.95	83.59
Dividend Income	0.04	0.02
EPCG Grant Income	590.79	1,084.22
Net gains on fair value changes on Investments classified as FVPL	Nil	Nil
Insurance Claim income on property Plant & Equipment	564.88	Nil
Insurance Claim income on Work in progress & Finished goods	721.25	Nil
Fair Value gain on Forward Contract	Nil	78.14
Profit on Sale of Non Current Investment	Nil	0.48
Net Foreign Exchange (Loss) / Gain	455.70	56.07
Miscellaneous Income	15.82	23.79
Total	2,437.41	1,326.33

Note 23

Cost of Materials consumed

(₹ in lakhs)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Opening Stock of Raw Materials	8,154.48	9,968.97
Purchases during the period	1,05,163.55	95,850.48
Loss of raw material due to Fire	211.41	Nil
Closing Stock of Raw Materials	(7,707.90)	(8,154.48)
Total	1,05,821.53	97,664.97

Note 24

Purchase of Stock In Trade

(₹ in lakhs)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Purchases of Stock in Trade during the period	2,453.10	3,695.81
Total	2,453.10	3,695.81

Notes to Financial Statements

for the year ended March 31, 2020

Note 25

Changes in inventories of finished goods, stock-in-trade and work-in-process

Particulars	(₹ in lakhs)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
A. Stock-in-Trade		
Opening Stock of Stock-in-Trade	Nil	Nil
Closing Stock of Stock-in-Trade	Nil	Nil
B. Work-in-Process		
Opening Work-in-Process	3,642.02	4,528.24
Loss of Work in progress due to Fire	198.33	Nil
Closing Work-in-Process	(2,654.61)	(3,642.02)
C. Finished Goods		
Opening Stock of Finished Goods	9,077.47	9,428.64
Loss of Finished Goods due to Fire	311.50	Nil
Closing Stock of Finished Goods	(5,252.69)	(9,077.47)
Total	5,322.02	1,237.40

Note 26

Employee Benefit Expenses

Particulars	(₹ in lakhs)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
Salaries and Wages	7,613.28	7,930.41
Contribution to provident and other funds (Refer Note No. 16, 26.1 and 26.2)	240.05	272.19
Staff welfare expenses	74.40	71.13
Total	7,927.73	8,273.73

Note 26.1

Particulars	(₹ in lakhs)	
	31-03-2020	31-03-2019
Employee Benefit Defined Benefit Plan Disclosures (Refer Note 16, 26, 26.2)		
A. Change in Present Value of Defined Benefit Obligation		
Present Value of Benefit Obligation at the Beginning of the Period	351.10	216.92
Interest Cost	25.43	16.81
Current Service Cost	66.61	84.20
Past Service Cost	Nil	Nil
(Benefit paid directly to the Employer)	(32.96)	(13.48)

Notes to Financial Statements

for the year ended March 31, 2020

Note 26.1 (Contd..)

(₹ in lakhs)

Particulars	31-03-2020	31-03-2019
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumption	23.65	12.27
Actuarial (Gains) / Losses on Obligations - Due to Experience	(56.82)	34.37
Present Value of Benefit Obligation at the End of the Period	377.00	351.10
B. Change in Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the period	137.94	128.09
Interest Income	10.48	9.85
Employer Direct Benefit Payments (Benefit payment from employer)	32.96 (32.96)	13.48 (13.48)
Return on Plan Assets, excluding interest income	(0.06)	Nil
Fair Value of Plan Assets at the end of the period	148.37	137.94
C. Amount recognised in Balance Sheet		
(Present value of defined benefit obligation at the end of the period)	377.00	351.10
Fair Value of Plan Assets at the end of the period	148.37	137.94
Funded Status (Surplus / (Deficit))	(228.63)	(213.15)
Net (Liability) / Asset Recognised in the Balance Sheet	(228.63)	(213.15)
D. Net Interest Cost for the Current Period		
Present value of defined benefit obligation at beginning of the period (Fair Value of Plan Assets at beginning of the Period)	351.10 137.94	216.92 128.09
Net Liability / (Asset) at the beginning of the Period	213.15	88.82
Interest Cost (Interest Income)	25.43 10.43	16.81 9.85
Net Interest Cost	15.00	6.96
E. Expenses Recognised in the Profit or Loss for Current Period		
Current service cost	66.61	84.20
Net Interest Cost	15.00	6.96
Past service cost	Nil	Nil
Expenses Recognised	81.61	91.16
F. Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains) / losses on Obligation for the period	(33.17)	46.64
Return on Plan Assets, Excluding Interest Income	Nil	Nil
Change in asset ceiling	Nil	Nil
Net (Income) / Expense for the Period recognised in OCI	(33.17)	46.64
G. Balance Sheet Reconciliation		
Opening net liability	213.15	88.82
Expenses recognised in Statement in Profit or Loss	81.61	91.16
Expenses recognised in OCI	(33.17)	46.64

Notes to Financial Statements for the year ended March 31, 2020

Note 26.1 (Contd..)

Particulars	(₹ in lakhs)	
	31-03-2020	31-03-2019
Net Liability / (Asset) Transfer In	Nil	Nil
Net (Liability) / Asset Transfer Out	Nil	Nil
(Benefit paid directly by the employer)	(32.96)	(13.48)
(Employer's contribution)	Nil	Nil
Net Liability / (Asset) recognised in the Balance Sheet	228.63	213.15
Employee Benefit Defined Benefit Plan Disclosures (Refer Note 16, 26, 26.2)		
H. Category of Assets		
Government of India Assets	Nil	Nil
State Government Securities	Nil	Nil
Special Deposits scheme	Nil	Nil
Debt Instruments	Nil	Nil
Corporate Bonds	Nil	Nil
Cash and Cash Equivalents	Nil	Nil
Insurance fund	100%	100%
Asset-backed securities	Nil	Nil
Structured debt	Nil	Nil
Other	Nil	Nil
I. Other Details		
No. of Active Members	4,329.00	3,442.00
Per month salary for active members	0.04	0.07
Weighted average duration of defined benefit obligation	Nil	15.28
Average Expected future service	25.40	27.00
Defined benefit obligation	377.00	351.10
Prescribed contribution for next year (12 months)	Nil	Nil
J. Net Interest Cost for Next Year		
Present value of defined benefit obligation at the end of the period	377.00	351.10
(Fair value of plan assets at the end of the period)	148.37	137.94
Net Liability / (Asset) at the end of the period	228.63	213.15
Interest Cost	25.43	16.81
(Interest Income)	(10.48)	(9.85)
Net Interest Cost for next year	14.95	6.96
K. Expenses recognised in the Profit or Loss for next year		
Current service cost	66.61	84.20
Net Interest Cost	14.95	6.96
Past Service Cost	Nil	Nil
	81.55	91.16
L. Maturity Analysis of Defined benefit obligation		
Projected benefits payable in future years from the date of reporting		
1st following year	54.65	35.54
2nd following year	25.22	23.15

Notes to Financial Statements

for the year ended March 31, 2020

Note 26.1 (Contd..)

(₹ in lakhs)

Particulars	31-03-2020	31-03-2019
3rd following year	26.48	26.85
4th following year	27.87	29.99
5th following year	27.88	28.85
Sum of years 6 to 10	156.42	149.96
Employee Benefit Defined Benefit Plan Disclosures (Refer Note 16, 26, 26.2)		
M. Sensitivity Analysis		
Defined benefit obligation on current assumptions		
Delta effect of +1% Change in Rate of Discounting	411.33	321.58
Delta effect of -1% Change in Rate of Discounting	347.52	385.70
Delta effect of +1% Change in Rate of Salary Increase	412.36	388.18
Delta effect of -1% Change in Rate of Salary Increase	345.81	319.00
Delta effect of -1% Change in Rate of Employee Turnover	380.90	356.84
Delta effect of -1% Change in Rate of Employee Turnover	372.49	344.35
N. Summary of Valuation Assumptions		
Mortality table	100%	100%
Retirement age	58	58
Attrition rate	5%	5%
Salary escalation rate	5%	5%
Discount rate	6.81%	7.60%

Details of the Key actuarial assumptions used in the determination of long term compensated absences are as under

(₹ in lakhs)

Particulars	Projected Unit Credit Method	
	2019-20	2018-19
Period Covered	31-03-2020	31-03-2019
A. Change in defined benefit obligation		
Defined benefit obligation at beginning of period	63.63	35.33
Service cost	13.85	33.01
a. Current service cost		
b. Past service cost	Nil	Nil
c. (Gain) / loss on settlements	Nil	Nil
Interest expenses	4.76	2.64
Cash flows		
a. Benefit payments from plan	Nil	Nil
b. Benefit payments from employer	(2.00)	(0.19)
c. Settlement payments from plan	Nil	Nil
d. Settlement payments from employer	Nil	Nil
Remeasurements		
a. Effect of changes in demographic assumptions	Nil	Nil
b. Effect of changes in financial assumptions	0.79	(0.26)
c. Effect of experience adjustments	(50.76)	(6.90)

Notes to Financial Statements for the year ended March 31, 2020

Note 26.1 (Contd..)

(₹ in lakhs)

Particulars	Projected Unit Credit Method	
	2019-20	2018-19
	31-03-2020	31-03-2019
Transfer In /Out		
a. Transfer In	Nil	Nil
b. Transfer out	Nil	Nil
Defined benefit obligation at end of period	30.26	63.63
B. Change in fair value of plan assets		
Fair value of plan assets at beginning of period	Nil	Nil
Interest income	Nil	Nil
Cash flows		
a. Total employer contributions		
(i) Employer contributions	Nil	Nil
(ii) Employer direct benefit payments	2.00	0.19
(iii) Employer direct settlement payments	Nil	Nil
b. Participant contributions	Nil	Nil
c. Benefit payments from plan assets	Nil	Nil
d. Benefit payments from employer	(2.00)	(0.19)
e. Settlement payments from plan assets	Nil	Nil
f. Settlement payments from employer	Nil	Nil
Remeasurements		
a. Return on plan assets (excluding interest income)	Nil	Nil
Transfer In /Out		
a. Transfer In	Nil	Nil
b. Transfer out	Nil	Nil
Fair value of plan assets at end of period	Nil	Nil
C. Amounts recognized in the statement of financial position		
Defined benefit obligation	30.26	63.63
Fair value of plan assets	Nil	Nil
Funded status	30.26	63.63
Effect of asset ceiling	Nil	Nil
Net defined benefit liability (asset)	30.26	63.63
D. Components of defined benefit cost		
Service cost		
a. Current service cost	13.85	33.01
b. Past service cost	Nil	Nil
c. (Gain) / loss on settlements	Nil	Nil
d. Total service cost	13.85	33.01
Net interest cost		
a. Interest expense on DBO	4.76	2.64
b. Interest (income) on plan assets	Nil	Nil

Notes to Financial Statements

for the year ended March 31, 2020

Note 26.1 (Contd..)

(₹ in lakhs)

Particulars	Projected Unit Credit Method	
	2019-20	2018-19
	31-03-2020	31-03-2019
Period Covered		
c. Interest expense on effect of (asset ceiling)	Nil	Nil
d. Total net interest cost	4.76	2.64
Remeasurements (recognized in other comprehensive income)		
a. Effect of changes in demographic assumptions	Nil	Nil
b. Effect of changes in financial assumptions	0.79	(0.26)
c. Effect of experience adjustments	(50.76)	(6.90)
d. (Return) on plan assets (excluding interest income)	Nil	Nil
e. Changes in asset ceiling (excluding interest income)	Nil	Nil
f. Total Remeasurements included in OCI	Nil	Nil
Total defined benefit cost recognized in P&L	(31.36)	28.49
E. Components of actuarial Loss / (Gain) on obligation		
a. Effect of changes in demographic assumptions	Nil	Nil
b. Effect of changes in financial assumptions	0.79	(0.26)
c. Effect of experience adjustments	(50.76)	(6.90)
d. (Return) on plan assets (excluding interest income)	Nil	Nil
Net actuarial Loss / (Gain) on obligation	(49.97)	(7.16)
F. Employer Expense (P&L)		
a. Current Service Cost	13.85	33.01
b. Interest Cost on net DBO	4.76	2.64
c. Past Service Cost	Nil	Nil
d. Net value of remeasurements on the obligation and plan assets	(49.97)	(7.16)
e. Total P& L Expenses	(31.36)	28.49
G. Net defined benefit liability (asset) reconciliation		
Net defined benefit liability (asset)	63.63	35.33
Defined benefit cost included in P&L	(31.36)	28.49
a. Employer contributions	Nil	Nil
b. Employer direct benefit payments	(2.00)	(0.19)
c. Employer direct settlement payments	Nil	Nil
Net transfer	Nil	Nil
Net defined benefit liability (asset) as of end of period	30.26	63.63
H. Reconciliation of OCI (Re-measurement)		
Recognised in OCI at the beginning of period	Nil	Nil
Recognised in OCI during the period	Nil	Nil
Recognised in OCI at the end of the period	Nil	Nil

Notes to Financial Statements for the year ended March 31, 2020

Note 26.1 (Contd..)

(₹ in lakhs)

Particulars	Projected Unit Credit Method	
	2019-20	2018-19
Period Covered	31-03-2020	31-03-2019
Employee Benefit Defined Benefit Plan Disclosures (Refer Note 16, 26, 26.2)		
J. Significant actuarial assumptions		
Discount rate Current Year	6.81%	7.60%
Discount rate Previous Year	7.50%	7.50%
Salary increase rate	Uniform 5.0%	Uniform 5.0%
Retirement Age	58 Years	58 Years
Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Disability	Nil	Nil
K. Data		
No.	4,329	3,442
Avg. Age (yrs.)	33	32
Total Leave Balance	165.90	242.84
Total Monthly Encashment Salary (₹ in lakhs)	0.04	0.07
L. Expected cash flows for following year		
Expected employer contributions / Addl. Provision Next Year	30.26	63.63
N. Defined benefit obligation at end of period		
Current Obligation	30.26	63.63
Non-Current Obligation	Nil	Nil
Total	30.26	63.63
SUMMARY		
Assets / Liabilities		
Defined benefit obligation at end of period	30.26	63.63
Fair value of plan assets at end of period	Nil	Nil
Net defined benefit liability (asset)	30.26	63.63
Defined benefit cost included in P&L	(31.36)	28.49
Total remeasurements included in OCI	Nil	Nil
Total defined benefit cost recognized in P&L and OCI	(31.36)	28.49

Notes to Financial Statements

for the year ended March 31, 2020

Note 26.2

Employee Benefit Disclosures (Refer Note 16, 26, 26.1)

(₹ in lakhs)

Name of Shareholders	As At 31/03/2020			As At 31/03/2019		
	Non-Current	Current	Total	Non-current	Current	Total
Leave obligations	Nil	30.26	30.26	Nil	63.63	63.63
Gratuity (Net)	Nil	228.63	228.63	Nil	213.15	213.15
Total employee benefit obligations	Nil	258.90	258.90	Nil	276.78	276.78

(i) Leave obligations

The leave obligations cover the group's liability for sick and earned leave.

The amount of the provision of ₹ 30.26 lakhs (March 31, 2019 - Rs.63.63 lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

(₹ in lakhs)

Particulars	As At 31/03/2020	As At 31/03/2019
Current leave obligations expected to be settled within the next 12 months	30.26	63.63

Note 27

Finance Costs

(₹ in lakhs)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Interest to Banks	3,781.42	2,263.56
Other Interest	134.87	64.73
Other Borrowing Costs	388.04	371.87
Total	4,304.33	2,700.16

Note 27.1

The capitalisation rate used to determine the borrowing costs to be capitalised is the weighted average effective interest rate applicable to the company's general borrowings during the year, which is Nil % in March 31, 2020 (March 31, 2019 (Nil %))

Note 27.2

Borrowing costs attributable to the acquisition or construction of Qualifying Assets amounting to Rs.Nil (Previous Year Rs.Nil) is capitalized by the Company net of TUFs interest subsidy Rs. Nil. (Previous Year Rs. Nil),

Note 27.3

Borrowing costs are net off State government interest subsidy of Rs.1028.00 lakhs (Previous Year Rs. 2648.13 lakhs) and TUFs interest subsidy Rs. 1177.22 lakhs (Previous Year Rs. 1593.49 lakhs).

Notes to Financial Statements for the year ended March 31, 2020

Note 28

Other Expenses

Particulars	(₹ in lakhs)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
Stores & Spares consumed	2,032.03	1,472.99
Packing materials consumed	691.61	969.93
Electricity & Fuel charges	12,409.36	11,995.03
Labour Charges	1,425.66	1,613.22
Carriage Inward	92.81	45.37
Inspection Charges	80.82	87.90
Repairs and Maintenance	484.73	441.02
Insurance	199.31	224.21
Rent	128.38	183.25
Rates and Taxes	65.71	59.84
Communication Expense	149.70	160.76
Traveling and Conveyance Expense	142.26	217.56
Legal and Professional Expense	172.08	126.59
Freight, Clearing and Forwarding Charges	747.40	736.47
Auditor's Remuneration:		
(i) For Audit	5.00	5.00
(ii) For Certification	1.50	1.25
Other Selling Expense	33.72	90.21
Corporate Social Responsibility Expenses (Refer Note No. 36)	56.46	160.00
Donation	0.51	0.11
Loss on Sale of Property, Plant & Equipment	8.75	Nil
Loss due to Fire of Property, Plant & Equipment	564.88	Nil
Net Loss on fair value changes on Investments classified as FVPL	8.09	34.74
Commission Expense	276.77	309.01
Fair Value (Gain)/ Loss on Forward Contract	68.93	Nil
Provision/(Reversal of Provision) for doubtful Advances	678.88	85.71
Allowance for Expected Credit Loss	279.40	620.53
Bad debts written off	78.75	Nil
Miscellaneous Expense	101.20	186.67
Total	20,984.68	19,827.37

Notes to Financial Statements

for the year ended March 31, 2020

Note 28.1

Electricity & Fuel charges are net off State government power subsidy of Rs.403.67 lakhs (Previous Year Rs.758.58 lakhs).

Note 28.2

Following are the expense line items that have adjusted due to retrospective restatement of prior period items:

EXPENSE HEAD	(₹ in lakhs)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
Professional and Consultancy Expense	Nil	3.27
Travelling Expenses	7.93	12.86
Office Expense	Nil	Nil
Interest to Banks	Nil	6.82
Other Selling Expense	Nil	1.00
Freight, Clearing and Forwarding Charges	0.80	3.34
Carriage Inwards	4.52	Nil
Miscellaneous Expense	3.42	9.62
Rent Expenses	Nil	0.32
Staff Welfare Expenses	10.67	Nil
Labour Charges	2.84	Nil
Repairs and Maintenance Expenses	60.95	Nil
Total Expense	91.14	37.23

Note 28.3

Leases

Lease rentals charged during the period

Particulars	(₹ in lakhs)	
	As At 31/03/2020	As At 31/03/2019
Lease rent expense	128.38	183.25

Notes to Financial Statements for the year ended March 31, 2020

Note 28.4

Future minimum lease payable

Particulars	(₹ in lakhs)	
	As At 31/03/2020	As At 31/03/2019
Not later than 1 year	112.04	152.72
Later than 1 year and Not Later than 5 Years	Nil	Nil
Later than 5 years	Nil	Nil

The operating lease arrangements, are renewable on a periodic basis subject to price escalation clauses which have been straight lined if such escalation is not in line with the general inflation in that locality.

Note 29

Note 29.1

Tax Expense

Particulars	(₹ in lakhs)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
Current tax expense	147.98	905.24
Deferred Tax	(690.06)	206.94
Total tax Expense of Current year	(542.06)	1,112.18
Short/(Excess) Provision Of Income Tax of earlier year	(126.70)	(137.94)
Total	(668.78)	974.24

Note 29.2

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	(₹ in lakhs)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
Profit from continuing operations before income tax expense	(719.52)	3,090.91
	(719.52)	3,090.91
Tax at the Indian tax rate of 34.944% (March 31, 2019 34.944%)	(251.43)	1,080.09
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Expense not deductible for tax purpose	116.16	71.79
Income exempt from income tax	(349.44)	(305.86)
Effect of Change in Tax rate	Nil	22.10
Tax effect of prior year adjustment	Nil	31.85
Reversal of Tax Liability due to time difference of Prior Years Adjustment	Nil	88.31
Others	(57.37)	123.90
Income tax expense of Current year	(542.08)	1,112.18

Notes to Financial Statements

for the year ended March 31, 2020

Note 30

Earnings per Share Disclosures

Note 30.1

Reconciliation on Amount of EPS

(Amount in ₹)

EXPENSE HEAD	Year Ended 31/03/2020	Year Ended 31/03/2019
(a) Basic earnings per share in ₹		
From continuing operations attributable to the equity holders of the company	(0.11)	4.41
Total basic earnings per share attributable to the equity holders of the company	(0.11)	4.41
(b) Diluted earnings per share in ₹		
From continuing operations attributable to the equity holders of the company	(0.11)	4.41
Total diluted earnings per share attributable to the equity holders of the company	(0.11)	4.41

Note 30.2

Reconciliations of earnings used in calculating earnings per share

(₹ in lakhs)

EXPENSE HEAD	Year Ended 31/03/2020	Year Ended 31/03/2019
Basic earnings per share		
Profit/loss attributable to the equity holders of the company used in calculating basic earnings per share:		
From continuing operations	(50.74)	2,116.66
Profit/loss attributable to the equity holders of the company used in calculating basic earnings per share	(50.74)	2,116.66
Diluted earnings per share		
Profit/loss from continuing operations attributable to the equity holders of the company	(50.74)	2,116.66
Profit/loss attributable to the equity holders of the company used in calculating diluted earnings per share	(50.74)	2,116.66

Note 30.3

Weighted average number of shares used as the denominator

Particulars	As At 31/03/2020	As At 31/03/2019
	Number of shares	Number of shares
Nominal Value of Shares ₹	10	10
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	48049056	48049056
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	48049056	48049056

Notes to Financial Statements for the year ended March 31, 2020

Note 30.4

(Amount in ₹)

Increase / (Decrease) in EPS due to retrospective restatement of Prior period error	Year Ended 31/03/2020	Year Ended 31/03/2019
Basic EPS in ₹	0.19	0.08
Diluted EPS in ₹	0.19	0.08

Note 31

31.1 Financial Instruments by Category

The carrying value and fair value of financial instruments by categories as at March 31, 2020 are as under:

(₹ in lakhs)

Particulars	Note Reference	Amortised Cost	Fair value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Financial Assets						
Cash and Cash Equivalents	10	1,553.74	Nil	Nil	1,553.74	1,553.74
Other Bank Balances	11	1,050.11	Nil	Nil	1,050.11	1,050.11
Investments						
Equity Instruments other than subsidiaries	5	0.25	7.01	Nil	7.01	7.01
Preference Shares	5	13.46	Nil	Nil	13.46	13.46
Bonds	5	100.00	Nil	Nil	100.00	100.00
Trade Receivables	9	31,919.10	Nil	Nil	31,919.10	31,919.10
Other Financial Assets						
Non Current	6	134.55	Nil	Nil	134.55	134.55
Current	6	8,417.79	Nil	Nil	8,417.79	8,417.79
Total Financial Assets		43,189.02	7.01	Nil	43,195.78	43,195.78
Liabilities						
Borrowings						
Non Current	14	26,343.71	Nil	Nil	26,343.71	26,343.71
Current	14	21,062.77	Nil	Nil	21,062.77	21,062.77
Trade Payables	19	13,120.93	Nil	Nil	13,120.93	13,120.93
Other Financial Liabilities						
Non Current	15	19.27	Nil	Nil	19.27	19.27
Current	15	8,843.54	Nil	Nil	8,843.54	8,843.54
Total Financial Liabilities		69,390.22	Nil	Nil	69,390.22	69,390.22

The carrying value and fair value of financial instruments by categories as at March 31, 2019 are as under:

(₹ in lakhs)

Particulars	Note Reference	Amortised Cost	Fair value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Assets						
Cash and Cash Equivalents	10	301.09	Nil	Nil	301.09	301.09
Other Bank Balances	11	1,572.78	Nil	Nil	1,572.78	1,572.78
Investments						
Equity Instruments other than subsidiaries	5	0.25	15.10	Nil	15.35	15.35
Preference Shares	5	13.46	Nil	Nil	13.46	13.46
Bonds	5	100.00	Nil	Nil	100.00	100.00
Trade Receivables	9	27,405.00	Nil	Nil	27,405.00	27,405.00
Other Financial Assets						
Non Current	6	164.40	Nil	Nil	164.40	164.40
Current	6	6,217.49	Nil	Nil	6,217.49	6,217.49
Total Financial Assets		35,774.22	15.10	Nil	35,789.57	35,789.57

Notes to Financial Statements

for the year ended March 31, 2020

(₹ in lakhs)

Particulars	Note Reference	Amortised Cost	Fair value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Liabilities						
Borrowings						
Non Current	14	30,418.62	Nil	Nil	30,418.62	30,418.62
Current	14	22,757.27	Nil	Nil	22,757.27	22,757.27
Trade Payables	19	10,891.26	Nil	Nil	10,891.26	10,891.26
Other financial liabilities						
Non Current	15	19.27	Nil	Nil	19.27	19.27
Current	15	10,052.85	Nil	Nil	10,052.85	10,052.85
Total Financial Liabilities		74,139.27	Nil	Nil	74,139.27	74,139.27

Note 31.2

Fair Value Hierarchy

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

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 : Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

The fair value hierarchy of assets and liabilities measured at fair value are as under:

(₹ in lakhs)

Particulars	Note Reference	Level 1	Level 2	Level 3
a. Investment in equity shares other than subsidiaries and joint ventures				
As at March 31, 2020	5	7.01	Nil	0.25
As at March 31, 2019	5	15.10	Nil	0.25
b. Investment in preference shares				
As at March 31, 2020	5	Nil	Nil	13.46
As at March 31, 2019	5	Nil	Nil	13.46

Note 31.2.1

Investment in equity shares other than subsidiaries and joint ventures quoted on recognised stock exchanges

The fair value of investment in equity shares other than subsidiaries and joint ventures is based on quoted price.

Note 31.2.2

Investment in unquoted preference shares

The fair value of unquoted preference shares has been determined using Level 3 inputs based on Discounted Cash Flow method. A one percentage point change in the unobservable inputs used in fair valuation of Level 3 does not have a significant impact on its value. The movement in unquoted investments is on account of sale of shares during the comparative period (Refer Note 5).

Notes to Financial Statements for the year ended March 31, 2020

Note 31.2.3

Transfers between levels of fair value hierarchy

There have been no transfers between levels of fair value hierarchy during the year ended March 31, 2020 and during the comparative period ended March 31, 2019.

Note 31.2.4

Valuation Process

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices in the open market and rates available in secondary market respectively. The valuation method applied for various Financial assets and liabilities are as follows-

1. Quoted price in the primary market considered for the fair valuation of the non-current investment. Gain/ (loss) on fair valuation is recognised in profit and loss.
2. The carrying amount of trade receivable, trade payable, cash and bank balances, short term loans and advances, statutory/ receivable, short term borrowing, employee dues are considered to be the same as their fair value due to their short-term nature.

Note 31.3

Financial Risk Management

The company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The Board of Directors review and agree policies for managing each of these risks, which are summarised below:

Note 31.3.1

Market Risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate instrument because of changes in market factors. Market risk comprises three type of risks:

- a. Currency Risk
- b. Interest Rate Risk
- c. Price Risk

The company is exposed to currency risk and price risk. The same are analysed below:

a. Currency Risk

The company is exposed to foreign exchange risk arising from foreign currency borrowing denominated in US dollars (US\$) and foreign currency notes denominated in various foreign currencies. The company also imports certain material which are denominated in US\$ which exposes it to foreign currency risks. If the value of the Indian Rupee depreciates relative to these foreign currencies, the related costs may increase. The exchange rates between the Indian Rupee and US\$ has changed substantially in recent periods and may continue to fluctuate substantially in the future. In order to mitigate the foreign Currency exposure risk, as on March 31, 2020, the company has entered into derivative contract of ₹ 487.71 lakhs (PY. ₹ 2299.01 lakhs) to hedge exposure to fluctuation risk. The below sensitivity include the impact of foreign currency forward contracts which largely mitigate the risk:

Notes to Financial Statements

for the year ended March 31, 2020

Foreign currency risks from non derivative financial instruments as at March 31, 2020 are given below:

Particulars	(₹ in lakhs)				
	USD	EURO	CHF	JPY	Total
Trade Receivables (Refer note 9)	1,422.63	Nil	Nil	Nil	1,422.63
Advance to Supplier (Refer note 7)	338.33	42.22	Nil	Nil	380.55
Trade Payables (Refer note 19)	(134.53)	Nil	Nil	Nil	(134.53)
Advance from Customer (Refer note 18)	(116.55)	Nil	Nil	Nil	(116.55)
Net Foreign Currency Risk Exposure	1,509.58	42.22	Nil	Nil	1,552.10

Foreign currency risks from non derivative financial instruments as at March 31, 2019 are given below:

Particulars	(₹ in lakhs)				
	USD	EURO	CHF	JPY	Total
Trade Receivables (Refer note 9)	285.77	Nil	Nil	Nil	285.77
Advance to Supplier (Refer note 7)	76.35	38.52	16.87	7.91	139.65
Trade Payables (Refer note 19)	(792.33)	Nil	Nil	Nil	(792.33)
Advance from Customer (Refer note 18)	(71.96)	Nil	Nil	Nil	(71.96)
Net Foreign Currency Risk Exposure	(502.17)	38.52	16.87	7.91	(438.87)

For each of the years ended March 31, 2020 and March 31, 2019, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U. S. Dollars, has affected company's incremental operating margins by approximately 1.79% & 0.70% respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

b. Price Risk

The company's exposure to price risk arises from investments in equity shares of other companies (Refer Note 5 and 31.1). The company has not undertaken any risk mitigation measures to reduce the price risk. The table below summarises the impact of increases / decreases of share price of the investments and profit for the period. The analysis is based on the assumption that the market price of those investments in equity shares of other companies move by 5% point on either side with all other variables held constant.

Period	No. of Shares	Average Market price per share in ₹	Fair Value ₹ in lakhs	% Change in Fair Value	Effect on Profit before Tax in Lakhs
31/03/2020	67700	10.36	7.01	5.00%	0.35
				-5.00%	(0.35)
31/03/2019	67700	22.30	15.10	5.00%	0.75
				-5.00%	(0.75)

Notes to Financial Statements for the year ended March 31, 2020

c. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

(₹ in lakhs)

Particulars	As At March 31	
	2020	2019
Fixed Rate Instruments (Refer Note No. 14 & 15)		
Financial liabilities		
Non Current	17.52	27.72
Current	9.12	19.13
Total	26.64	46.85
Variable Rate Instruments (Refer Note No. 14 & 15)		
Financial liabilities		
Non Current	26,326.20	30,390.90
Current	25,810.20	29,892.45
Total	52,136.40	60,283.35

The outstanding position of borrowings at variable interest rate along with proportion of total loans is given below:

(₹ in lakhs)

Particulars	As At March 31	
	2020	2019
Total Borrowings	52,163.03	60,330.20
% of Borrowings out of above bearing variable rate of interest	99.95%	99.92%

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

(₹ in lakhs)

Particulars	2019-20	2018-19
50bp increase would decrease the profit before tax by	260.68	301.42
50bp decrease would increase the profit before tax by	(260.68)	(301.42)

Notes to Financial Statements

for the year ended March 31, 2020

Note 31.3.2

Liquidity Risk

Liquidity risk is the risk that the company would not be able to meet its financial obligations when they become due. The company is financed primarily by bank loans and other operating cash flows. The company has undrawn borrowing facilities to the extent of ₹ 3,373.46 lakhs as on 31/03/2020 (PY.₹ 1,242.73 lakhs).

The details of the contractual maturities of significant financial liabilities as at March 31, 2020 are as under:

(₹ in lakhs)

Particulars	Note Ref.	< 1 year	1-2 year	2-5 years	5-8 years	8 years and Above	Total
Borrowings (Term Loan - Banks)	14	4,747.43	7,182.20	17,276.48	1,867.52	Nil	31,073.63
Borrowings (Working capital)	15	21,062.77	Nil	Nil	Nil	Nil	21,062.77
Vehicle Loans	14	9.12	9.24	8.28	Nil	Nil	26.64
Trade Payable	19	13,120.93	Nil	Nil	Nil	Nil	13,120.93
Other Financial Liabilities	15	3,286.23	Nil	Nil	Nil	19.27	3,305.50
Employee Benefit liabilities	15	751.68	Nil	Nil	Nil	Nil	751.68
Unpaid dividends	15	49.08	Nil	Nil	Nil	Nil	49.08
Total		43,027.24	7,191.44	17,284.76	1,867.52	19.27	69,390.22

The details of the contractual maturities of significant financial liabilities as at March 31, 2019 are as under:

(₹ in lakhs)

Particulars	Note Ref.	< 1 year	1-2 year	2-5 years	5-8 years	8 years and Above	Total
Borrowings (Term Loan - Banks)	14	7,135.18	6,796.71	17,220.60	6,373.59	Nil	37,526.08
Borrowings (Working capital)	14	22,757.27	Nil	Nil	Nil	Nil	22,757.27
Vehicle Loans	14	19.13	10.44	17.28	Nil	Nil	46.85
Trade Payable	19	10,891.26	Nil	Nil	Nil	Nil	10,891.26
Other Financial Liabilities	15	1,969.62	Nil	Nil	Nil	19.27	1,988.89
Employee Benefit liabilities	15	872.55	Nil	Nil	Nil	Nil	872.55
Unpaid dividends	15	56.37	Nil	Nil	Nil	Nil	56.37
Total		43,701.38	6,807.14	17,237.88	6,373.59	19.27	74,139.27

Note 31.3.3

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company maintains its cash and cash equivalents and bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

The maximum exposure to credit risk at the reporting date is primarily from trade receivables. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

On account of the adoption of Ind AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors and the Company's experience for customers.

Notes to Financial Statements for the year ended March 31, 2020

Note 31.3.3

Credit Risk (Contd..)

The Company reviews trade receivables on periodic basis and makes provision for doubtful debts if collection is doubtful. The Company also calculates the expected credit loss (ECL) for non-collection of receivables. The Company makes additional provision if the ECL amount is higher than the provision made for doubtful debts. In case the ECL amount is lower than the provision made for doubtful debts, the Company retains the provision made for doubtful debts without any adjustment.

The allowance for lifetime ECL on customer balances for the year ended March 31, 2020 was ₹ 1775.56 lakhs for the year ended March 31, 2019 was ₹ 1496.16 lakhs.

Particulars	(₹ in lakhs)	
	Year ended March 31	
	2020	2019
Balance at the beginning	1,496.16	875.64
Impairment loss recognised	512.27	999.19
Impairment loss reversed	(232.87)	(378.66)
Balance at the end	1,775.56	1,496.16

Note 32

Contingent Liabilities

Particulars	(₹ in lakhs)	
	As At 31/03/2020	As At 31/03/2019
Value Added demands disputed in appeal by Company/vat Authorities (Against which Company has paid ₹ 10.24 lakhs, as at 31/03/2019 ₹ 10.24 lakhs)	77.43	77.43
Income Tax Demands disputed in appeal by Company/Income Tax Authorities (Against which Company has paid ₹ 217.25 lakhs, as at 31/03/2019 ₹ 213.93 lakhs)	1,579.45	1,170.38
Excise & Customs demands disputed in appeal by Company/Authorities (Against which Company has paid ₹ 41.43 lakhs, as at 31/03/2019 41.43 lakhs)	45.54	45.54
Amount not Acknowledged as Debt by the Company	182.04	182.04
Show cause notice received from Various Authorities in respect of Excise & Customs	41.11	41.11
Disputed Tax demand In appeal by Company in respect of ESIC (Against which Company has paid ₹ 8.68 lakhs, as at 31/03/2019 ₹ 8.68 lakhs)	34.72	34.72
Civil Suits filed against the Company by various Individuals	Amount not Quantifiable	891.01
A Letter received by the Company from Service Tax Department seeking Clarification on Selling Commission	Amount not Quantifiable	Amount not Quantifiable
Civil/Labour Suits filed against Company	Amount not Quantifiable	Amount not Quantifiable
Total	1,960.29	2,442.22

Notes to Financial Statements

for the year ended March 31, 2020

Note 32.1

Commitments

(₹ in lakhs)

Particulars	As At	As At
	31/03/2020	31/03/2019
Estimated Amount of Contract to be executed on Capital Account (Against Which the Company has paid ₹ 306.47 lakhs (PY. ₹ 467.41 lakhs)	821.61	2,321.10
Total	821.61	2,321.10

Note 33

Capital Management Disclosures

Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide return to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Company manages the capital structure and makes the adjustment to it in the light of changes in economic conditions and risk characteristics of the underlying assets. The company monitors capital on the gearing ratio basis. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (Non-Current borrowing and current borrowings) less cash and cash equivalents. Total capital is calculated as total shareholder's equity.

(₹ in lakhs)

Particulars	As At	As At
	31/03/2020	31/03/2019
Non-Current borrowings (Refer Note 14)	26,343.71	30,418.62
Current borrowings (Refer Note 14)	21,062.77	22,757.27
Current maturities of long-term borrowings (Refer Note 15)	4,756.55	7,154.31
Total Borrowings	52,163.03	60,330.20
Less: Cash & Cash Equivalents (Refer Note 10)	1,553.74	301.09
Net Debt	50,609.29	60,029.11
Total Equity attributable to equity share holders of the company (Refer Balance Sheet)	49,035.77	49,064.99
Gearing ratio	1.03	1.22

Note 34

Related Party Disclosures

a. List of Key Management Personnel with whom transactions have occurred during the year

(₹ in lakhs)

Name of Key Management Personnel	Designation	Total Transaction during 2019-20	Total Transaction during 2018-19
Jyotiprasad Chiripal	Managing Director	72.00	144.00
Deepak Chiripal	CEO	92.05	92.05
P K Sharma	Whole Time Director	17.89	17.91
Ambalal Patel	Independent Director (Resigned on 31/03/2019)	Nil	2.00

Notes to Financial Statements

for the year ended March 31, 2020

(₹ in lakhs)

Name of Key Management Personnel	Designation	Total Transaction during 2019-20	Total Transaction during 2018-19
Giraj Mohan Sharma	Independent Director	2.00	2.00
Pratima Ram	Independent Director	2.00	2.10
Tara Shankar Bhattacharya	Independent Director	1.50	1.60
Suresh Maheshwari	Whole Time Director (w.e.f 12/02/2020)	8.61	Nil
Ashok Bothra	CFO	23.54	24.74
Purvee Roy	Company Secretary	10.71	10.17

b. List of Relatives of Key Management Personnel with whom transactions have occurred during the year

(₹ in lakhs)

Name of Key Management Personnel	Relationship	Total Transaction during 2019-20	Total Transaction during 2018-19
Kiran Sharma	Relative of WTD	10.17	10.18
Vaibhav Sharma	Relative of WTD	9.51	9.52
Niramla Maheshwari	Relative of WTD	1.99	Nil
Mrudula Bothra	Relative of CFO	13.53	13.48

c. List of entities in which Key Management Personnel have control or significant influence with whom transactions have occurred during the year

(₹ in lakhs)

Name of Entity	Total Transaction during 2019-20	Total Transaction during 2018-19
Chiripal Industries Ltd.	21,196.55	17,067.38
Nova Textiles Pvt. Ltd	44,605.99	26,461.44
Vishal Fabrics Ltd.	2,284.67	1,193.33
Shanti Exports Pvt. Ltd.	43.15	26.67
Chiripal Charitable Trust	Nil	160.00
Milestone Educom Trust	50.00	Nil
Vraj Integrated Textile Park Ltd.	41.05	Nil
Nandan Industries Pvt Ltd.	1.28	Nil
Chiripal Polyflim Ltd.	2.80	Nil
CIL Nova Petrochemicals Ltd.	61.91	471.10
Nandan Terry Pvt. Ltd.	1,345.69	1,051.87

Notes to Financial Statements

for the year ended March 31, 2020

d. Outstanding balances due from related parties (Refer Note No.10.1 & 10.2)

(₹ in lakhs)

Name of Related Party	Nature of Asset	As At 31/03/2020	As At 31/03/2019
Nova Textiles Pvt. Ltd	Trade Receivable	4,508.09	2,599.18
Nandan Terry Pvt. Ltd.	Trade Receivable	1,858.56	1,373.42
Chiripal Industries Ltd	Trade Receivable	1,116.22	251.23
Vishal Fabrics Ltd.	Trade Receivable	1,019.90	638.98
Vraj Integrated Textile Park Ltd	Trade Receivable	1.37	Nil
CIL Nova Petrochemicals Ltd	Trade Receivable	2.79	471.10
Chiripal Textile Mills Pvt Ltd	Trade Receivable	36.45	36.45

e. Outstanding balance due to related parties

(₹ in lakhs)

Name of Related Party	Nature of Liability	As At 31/03/2020	As At 31/03/2019
Chiripal Industries Ltd.	Trade Payable	1,945.87	1,588.92
Vishal Fabrics Ltd.	Trade Payable	(0.00)	529.80
Vraj Integrated Textile Park Ltd	Trade Payable	(118.32)	Nil
Shanti Exports Pvt. Ltd.	Trade Payable	83.09	28.81
Chiripal Poly Films Ltd.	Trade Payable	0.74	0.74
Nandan Industries Pvt Ltd	Trade Payable	(291.75)	Nil
Nandan Terry Pvt. Ltd.	Trade Payable	6.48	Nil

f. Compensation to Key Management Personnel

(₹ in lakhs)

Particulars	As At 31/03/2020	As At 31/03/2019
Short-term employee benefits	230.29	296.56
Post Employment Benefits	7.92	10.60
Other Long-term employee benefits	Nil	Nil
Total	238.21	307.16

g. Transactions with Related Parties

(₹ in lakhs)

Particulars	2019-20	2018-19
Purchase of Raw Material		
Entities in which KMP have control or significant influence	37,796.98	29,815.23
Total	37,796.98	29,815.23
Purchase of Stock In Trade		
Entities in which KMP have control or significant influence	429.16	Nil
Total	429.16	Nil
Rent Rates and Taxes		
Entities in which KMP have control or significant influence	54.89	100
Total	54.89	100

Notes to Financial Statements for the year ended March 31, 2020

g. Transactions with Related Parties (Contd..)

(₹ in lakhs)		
Particulars	2019-20	2018-19
Electricity		
Entities in which KMP have control or significant influence	17.05	Nil
Total	17.05	Nil
Repairs and Maintainance and Other Expenses		
Entities in which KMP have control or significant influence	18.02	Nil
Total	18.02	Nil
Sale of Goods		
Entities in which KMP have control or significant influence	31,146.61	15,851.97
Total	31,146.61	15,851.97
Sale of Services		
Entities in which KMP have control or significant influence	120.39	496.52
Total	120.39	496.52
Remuneration Paid		
Key Management Personnel	224.79	288.86
Relatives of Key Management Personnel	35.20	33.18
Total	259.99	322.04
Director Sitting Fees		
Key Management Personnel	5.50	7.70
Total	5.50	7.70
Corporate Social Responsibility		
Entities in which KMP have control or significant influence	50.00	160.00
Total	50.00	160.00
Dividend Paid		
Entities in which KMP have control or significant influence	Nil	187.80
Key Management Personnel	Nil	22.70
Relatives of Key Management Personnel	Nil	32.19
Total	Nil	242.69

Note: List of transaction, out of the transactions reported in the above table, where the transactions entered in to with single party exceeds 10% of the total related party transactions of similar nature are as under:

(₹ in lakhs)		
Particulars	2019-20	2018-19
Expenditure:		
Purchase of Raw Material:		
- Chiripal Industries Ltd	15,449.38	14,706.29
- Nova Textiles Pvt. Ltd.	22,712.12	15,070.42
Purchase of Stock in Trade:		
- Nova Textiles Pvt. Ltd.	400.96	Nil
Rent Rates and Taxes:		
- Chiripal Industries Ltd	10.22	81.41
- Shanti Exports Pvt Ltd	30.41	26.67
- Vraj Integrated Textile Park Ltd	14.26	Nil

Notes to Financial Statements

for the year ended March 31, 2020

g. Transactions with Related Parties (Contd..)

(₹ in lakhs)		
Particulars	2019-20	2018-19
Electricity		
- Shanti Exports Pvt Ltd	12.74	Nil
- Vraj Integrated Textile Park Ltd	4.31	Nil
Repairs and Maintenance and Other Expenses		
- Vraj Integrated Textile Park Ltd	18.02	Nil
Corporate Social Responsibility		
- Chiripal Charitable Trust	Nil	160.00
- Milestone Educom Trust	50.00	Nil
Income Received:		
Sale of Goods		
- Nova Textiles Pvt Ltd	22,492.31	11,391.02
- Chiripal Industries Ltd	5,736.95	2,279.68
- Nandan Terry Pvt Ltd	638.57	543.63
- CIL Nova Petrochemicals Ltd	61.91	471.10
Sale of Services		
- Nandan Terry Pvt Ltd	120.39	496.52
Remuneration Paid:		
- Jyotiprasad Chiripal	72.00	144.00
- Deepak Chiripal	92.05	92.05
Dividend Paid		
- Chiripal Industries Ltd	Nil	95.95
- Chiripal Exim LLP	Nil	59.42
- Devkinandan Corporation LLP	Nil	25.65

Note 35

Details Of Hedged And Unhedged Exposure in Foreign Currency Denominated Monetary Items

a Exposure in foreign currency - Hedged

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency	Number of Contracts	Sell Amount in Foreign Currency in lakhs	Equivalent Indian Rs.in lakhs
Forward contract to Sell USD - As at 31/03/2020	3	6.50	488
Forward contract to Sell USD - As at 31/03/2019	16	32.00	2,299

Notes to Financial Statements

for the year ended March 31, 2020

b Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at March 31, 2020 are as under:

(₹ in lakhs)

Currency	Payable (In FC lakhs)		Receivable (In FC lakhs)	
	As At 31/03/2020	As At 31/03/2019	As At 31/03/2020	As At 31/03/2019
USD	3.33	12.49	23.36	5.24
EURO	Nil	Nil	0.51	0.50
CHF	Nil	Nil	Nil	0.24
JPY	Nil	Nil	Nil	12.65

(₹ in lakhs)

Currency	Payable (In Rs.lakhs)		Receivable (In ₹ lakhs)	
	As At 31/03/2020	As At 31/03/2019	As At 31/03/2020	As At 31/03/2019
USD	251.07	864.29	1,760.95	362.12
EURO	Nil	Nil	42.22	38.52
CHF	Nil	Nil	Nil	16.87
JPY	Nil	Nil	Nil	7.91

Note 36

Corporate Social Responsibility

(₹ in lakhs)

Sr. No	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
1	Gross amount required to be spent by the company during the year	56.46	158.94
2	Amount Spent during the year on		
	(i) Construction/ Acquisition of any assets		
	In Cash	Nil	Nil
	Yet to be paid	Nil	Nil
3	(ii) On purpose other than (i) above		
	In Cash	50.00	160.00
	Yet to be paid	6.46	Nil

Note 37

Segment Reporting

The Company is considered to be engaged in Textile Industry with all activity revolving around this business and accordingly the company has only one reportable business segment in accordance with the requirement of Ind AS 108- Operating Segment.

The Geographical details of Revenue and Non Current Asset are as Under:

(₹ in lakhs)

Sr. No	Particulars	India	Rest of World	Total	Year
1	Segment Revenues	1,38,355.41	14,071.09	1,52,426.49	For 2019-20
		1,31,992.36	13,612.28	1,45,604.63	For 2018-19
2	Segment Assets	59,178.45	Nil	59,178.45	As at 31/03/2020
		65,574.96	Nil	65,574.96	As at 31/03/2019

Notes to Financial Statements

for the year ended March 31, 2020

Details of customer contributing 10% or more of total revenue :

Particulars	(₹ in lakhs)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
No. of customers contributing 10% or more of total revenue (individually)	1	1
Amount of revenue (Rs.in lakhs)	22,492.31	19,789.63
% of total revenue	14.76%	13.59%

Note 38

Reconciliation of Financing Liabilities

Particulars	(₹ in lakhs)	
	Year Ended 31/03/2020	Year Ended 31/03/2019
Opening Balance	74,139.27	83,361.50
Cash inflow of non-current borrowings	Nil	37.90
Cash outflow of Non current borrowings	(6,193.31)	(6,788.25)
Changes in current borrowings cash flows	(1,973.85)	3,052.31
Changes in trade payable cash flow	2,229.66	(5,720.04)
Changes in other current financial liability	1,124.39	422.29
Changes in other non- current financial liability	Nil	0.26
Other	64.06	(226.70)
Closing Balance	69,390.22	74,139.27

Note 39

The financial statement are approved for issue by the Audit Committee as at its meeting on July 28, 2020 and by the Board of Directors on July 28, 2020.

Note 40

A Fire had broken out on February 8, 2020 in Shirting section of Weaving Division at the factory located at Piplej, Ahmedabad and Seven people were reported dead. The industrial Safety and Health Department had ordered for the Closure of entire production facility at Piplej Location.

Further from March 20, 2020 the company had resumed production facility after installing necessary fire safety equipments and receiving necessary regulatory approvals.

The property, plant and equipment fully destroyed by Fire having a carrying value of Rs.564.88 lakhs have been reduced from the respective block of Property,Plant & Equipment of the company.The inventory of the Company having carrying value of Rs.683.42 lakhs which was destroyed by fire have also been reduced from the value of the Inventory. The loss in respect of property, plant and equipment due to fire has been presented separately under the head Other Expenses in statement of Profit & Loss. The loss in respect of inventory due to fire has been presented separately under the heads "Cost of materials consumed" and "Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress" in statement of Profit & Loss. The said loss on account of fire is fully covered by Insurance. The Company has accounted for this amount as amount receivable from the Insurance Company disclosed under "Other Current Financial Asset" and under statement of profit and loss under "Other Income".

Notes to Financial Statements for the year ended March 31, 2020

Note 41

Dividend

Particulars	(₹ in lakhs)	
	As At 31/03/2020	As At 31/03/2019
Equity shares		
Final dividend for the year ended March 31, 2019 of Rs.Nil (March 31, 2018–Rs.0.80) per fully paid share has been distributed	Nil	384.39
Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ Nil per fully paid equity share (March 31, 2019 – Rs.0.50/-).	Nil	240.25

Note 42

On periodical basis and as and when required, the Company reviews the carrying amounts of its assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss have been provided in the Financial Year 2019-20 (P.Y. ₹ Nil/-)

Note 43

"Due to outbreak of COVID-19 globally and in India, the company's management has made initial assessment of likely adverse impact on business and financial risks, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

The Management based on current estimates expects that the carrying amounts of Receivables, Inventories & Advances will be recovered, net of provisions made.

The extent to which the COVID-19 pandemic will impact the company's financial performance is dependent on future developments, which are highly uncertain including among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company. Given the uncertainty over the potential macro-economic conditions the impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

As per our report of even date attached herewith.

For and on Behalf of the Board

For, **Samir M Shah & Associates**

Chartered Accountants
(Firm Regd. No. 122377W)

(S M Shah)

Partner
(M.No. 111502)
UDIN: 20111052AAAAKV4814

Date : 28/07/2020
Place: Ahmedabad

Vedprakash Chiripal

(Chairman)
(DIN: 00290454)

Ashok Bothra

(Chief Financial Officer)

Date : 28/07/2020

Place: Ahmedabad

Jyotiprasad Chiripal

(Managing Director)
(DIN: 00155695)

Purvee Roy

(Company Secretary)

Deepak Chiripal

(Chief Executive Officer)

Disclaimer

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



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