

August 23, 2019

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 2018-19

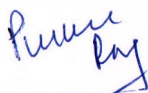
We are pleased to submit herewith the Annual Report of Nandan Denim Limited with regard to the 25th Annual General Meeting to be held on Friday, September 13, 2019 at 10.30 a.m. at H.T. Parekh Convention Centre, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad.

You are requested to kindly take the same on record.

Thanking You,

Yours sincerely,

For NANDAN DENIM LIMITED



Purvee Roy
Company Secretary



Nandan Denim Limited
(CIN:L51909GJ1994PLC022719)

Registered Office

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

Corporate Office

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

COMMITTED TO
DELIVER



PROMISES ARE ONLY AS GOOD AS THE RESULTS THEY BRING IN.

Over the years we have made commitments to make innovation an indelible part of our work process; to meet consumer demands with products that are truly up to the mark. We have resolved to create maximum value for our stakeholders by bettering ourselves each day and creating maximum value for our customers. We have promised ourselves to be at par with the ever-evolving fashion trends and thereby sustain our growth process, consistently.

In other words, we have been committed to delivering on all fronts. And we have done our best to make good on that promise!

CONTENTS

Corporate Overview

- 002 | About Chiripal Group
- 004 | About Nandan Denim
- 006 | Our portfolio at a glance
- 008 | Message to shareholders
- 010 | Q&A with MD & CEO
- 011 | Sustainable performance
- 012 | Revitalising Brand Nandan
- 014 | Creating a better world
- 016 | Our Presence
- 017 | Brands We Serve
- 018 | Our people
- 020 | Message From Leadership Team
- 022 | Board of Directors
- 023 | Corporate Information

Statutory Reports

- 024 | Management Discussion and Analysis (MDA)
- 031 | Notice
- 043 | Board's Report
- 053 | Annexure to the Board's Report
- 079 | Report on Corporate Governance

Financial Statements

- 101 | Independent Auditors' Report
- 108 | Balance Sheet
- 109 | Statement of Profit and Loss
- 110 | Statement of Changes in Equity
- 111 | Statement of Cash Flows
- 113 | Notes to Financial Statements



Scan the QR Code for further information



You can also find this report online on:
www.nandandenim.com

ABOUT CHIRIPAL GROUP

We are among the largest manufacturers and exporters of various types of Textile and BOPP Film products in India with a group turnover of more than Rs. 6000 crore.



Incorporated in 1972, Chiripal Group is a professionally governed business conglomerate

embodying a team of experts from different fields and proficiency. Forming our roots from a few power looms, we have now evolved into multi-faceted textile house, petrochemicals and packaging solutions. With our state-of-the-art technologies, we have established a significant presence across our businesses in domestic as well as international markets.

More than
20,000
Employees as on 31, March 2019

More than
Rs. 2000 crore
Combined Network of all group companies

Company portfolio of Chiripal Group

Business division	Group Companies	Details
 <p>Textile</p>	Nandan Denim Ltd.	The country's largest denim fabric manufacturer, engaged in manufacture of denims, cotton fabrics and yarn.
	Chiripal Industries Ltd. (Fabric Division)	Comprises of different divisions namely Process Division, Woven Fabrics Division, Knitting Division, Polar Fleece Division, Flock Division, Cotton Hosiery Division, Embroidery Division and Chemical Division.
	Vishal Fabrics Ltd.	A leading processing house, engaged in textile fabrics processing and manufacturing with a wide product spectrum across categories for men, women and kids.
 <p>Yarn & Petrochemicals</p>	Chiripal Industries Ltd. (Petrochemical Unit)	Engaged in manufacture of a variety of products that are customized as per the customers' requirements. The Company has facilities and infrastructure to produce yarns with consistent superior quality.
	CIL Nova Petrochemicals Ltd.	A leading producer of POY, FOY, PTY, and DTY yarns. Its rich experience in processing of various fabrics greatly enhances its ability to deliver high quality standards enabling it to expand its presence in international markets.
 <p>Packaging Solutions</p>	Chiripal Poly Films Ltd.	Country's leading manufacturer of flexible packaging solutions, CPFL provides tailor-made packaging solutions by producing BOPP films, BOPET films, and PET resin chips.
 <p>Textile Park</p>	Vraj Integrated Textile Park Ltd.	A dream project of Chiripal Group and a hub of modern textile industry. It offers comprehensive textile manufacturing solutions to the all processes under one roof and enhances competitiveness of the products by lowering overall manufacturing costs.
 <p>Education</p>	Shanti Educational Initiatives Ltd.	A school management solutions provider and one of the fastest growing education company that plans, builds and manages educational institutions right from play school to grade 12.

ABOUT NANDAN DENIM

Nandan Denim is India's largest and world's fourth largest integrated denim fabric maker. With one of the largest denim fabric manufacturing capacities of 110 MMPA, we have established ourselves as among the leading and recognised denim manufacturers in the country today.

We have an integrated denim manufacturing process across our facilities that covers the entire value chain, right from spinning to finished fabric under one roof. We have evolved our business portfolio from being a pure denim manufacturer to producing shirting and other fabrics as well. Our marketing presence spreads across 27 countries and a strong domestic presence, having marquee brands as our clientele.



Rs. 86.33 cr
Cash flow from operations

More than 4500
Employees as on March 31, 2019



Region-wise Revenue Mix



~Rs. **610** crore
Capex made in last five years

~**5000**
New products launched in
last three years

1.23
Debt-equity ratio

OUR PORTFOLIO AT A GLANCE

We are committed to creating unique and differentiated products that meet our consumer demands. We believe that our enhanced capabilities position us to react more dynamically and effectively to changing fashion trends.

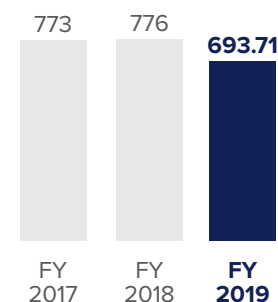
Denim

We produce and offer high quality denim fabric to our customers globally. Our state-of-the-art manufacturing facilities backed by innovation and cutting-edge technologies enable us to exceed our customer's expectations. Our world-class facilities are backed by a strong infrastructure that helps derive maximum operational efficiencies with quality products.

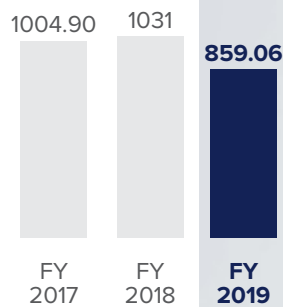
Product Basket

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

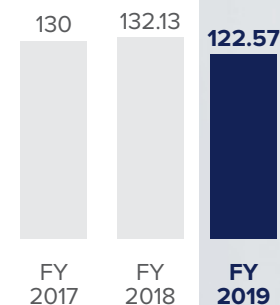
Production (LMPA)



Revenue (Rs. in crore)



Realisation (Rs./ mt)



1,100 LMPA
Installed Capacity

~65%
Capacity Utilization



Shirting

At Nandan, we offer shirting fabric to our customers in a wide variety of designs, textures and blends, ranging from basics, fancy and textured fabrics. Our state-of-art weaving facility, coupled with modern processing machines, from preparatory to finishing gives different dimension to our fabric range.

Product Basket

- Basic
- Smart Casuals
- Textured
- Indigoes
- Fancy

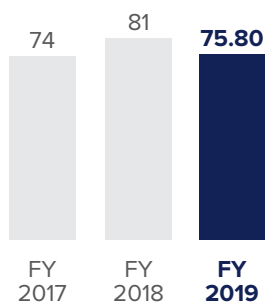
~75%

Capacity Utilization

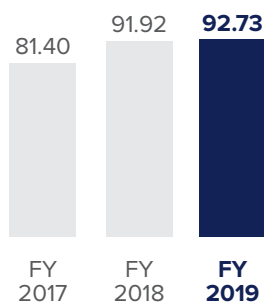
141 TPD

Installed Capacity

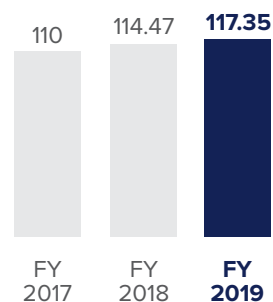
Production (LMPA)



Revenue (Rs. in crore)



Realisation (Rs./ mt)



Yarn

We offer high quality dyed yarn in varied blends and count for our hosiery and weaving segment. Our yarn dyeing plant possesses comprehensive infrastructure capabilities of developing multiple shades in packaged yarns within 48-72 hours.

Product Basket

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

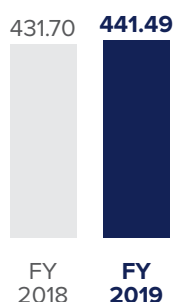
100 LMPA

Installed Capacity

Production (LMPA)



Revenue (Rs. in crore)



Realisation (Rs./ mt)



MESSAGE TO SHAREHOLDERS



Vedprakash Chiripal
Chairman



During the year, the growth of industry was majorly driven by the denim segment which has always reigned as one of the leading segments in the world fashion industry.

Dear Shareholders,

The fiscal 2018-19 was driven by investments made in key areas to emerge as an organization that is forward thinking, adapting to dynamic sectoral changes and delivering to market demands. During the year, the global economy growth was hit on the back of escalating financial market pressure and trade tensions between two of the largest economies in the world. Emerging economies were also hit by financial shockwaves but recovered quickly, declaring themselves decoupled from the advanced world issues. On the other hand, India registered a GDP growth rate of 6.8%, continuing to remain the fastest growing major economy in the world. The economy showed growth prospects benefitting from lower oil prices, a slower pace of monetary tightening than expected and ease in inflationary pressure.

Amidst these circumstances, our core business philosophy and strong business model has strengthened our commitment to deliver, despite multiple headwinds. The recently concluded general elections in the country, with a stable government at the centre also augurs well for driving the economic growth in the coming years. The Budget 2019-20 also has raised the bar in terms of investments across multiple sectors to achieve the target of \$5 trillion economy by 2024.

Industry Performance

The textile industry plays a vital role in the Indian economy contributing ~4% to country's GDP and employing more than 45 million people. The sector has further strengthened its position by contributing around 13% to export earnings during FY 2019. However, transition of the sectoral trade into online marketplace and the subsequent reorganisation

among the traditional retailers, led to inventory destocking. The impact was then accentuated by the reduction in the duty drawback rates for various textile product categories under the goods and service tax. There has been a healthy recovery in export volumes coupled with revision of duty drawback. This revision is likely to help exporters claim more incentives and strengthen their competitive edge in the global market.

Company performance

Our focus on exceeding our customer's expectation with new and improved products enabled us to deliver sustained results against challenging market conditions. During the year under review, our revenue from operations stood at Rs. 1,456 crore as compared to Rs. 1,586 crore in the previous year. While our EBITDA and PAT stood at Rs. 150 crore and Rs. 21.8 crore in FY 2018-19 respectively. On operational front, our denim

a work environment that fosters an entrepreneurial spirit, unwavering commitment and a determination to drive the Company ahead.

Going forward

As we look forward to FY2020, challenges remain in context of industry revival and sustaining economic growth. Our recent investment towards capacity building and R&D to develop new products, positions us to capitalise on increasing demands as the industry rebounds. To satisfy the growing demand of our products and continuously improve our operations, we have been continuously investing towards modernising our machineries.

As we drive our business forward, we plan to leverage our healthy balance sheet to make sound investment decisions. Our strategic priorities will continue to serve as our guidelines for growth and I look forward to Nandan seizing the significant opportunities in the coming time. Lastly, I would like to thank our shareholders, investors and other stakeholders for your continued confidence in the company and look forward to another exciting year ahead.

Vedprakash Chiripal
Chairman



The textile industry plays a vital role in the Indian economy contributing ~4% to country's GDP and employing more than 45 million people.

During the year, the growth of industry was majorly driven by the denim segment which has always reigned as one of the leading segments in the world fashion industry. The blue denim has been a wardrobe staple and a fashion essential for decades because of comfort, longer lifespan as well as availability of variety of colours and styles that suits customer needs. However, the industry witnessed muted growth on account of volatility of key raw materials and oversupply in the market leading to significant drop in the price levels.

capacity utilisation was at par with the industry at 63% and realisation was Rs. 123 per meter. While our shirting capacity utilisation stood at 75.80% with a realisation of Rs. 117 per metres. The fact that industry growth remain tepid and others suffered, we sustained our results with an applaudable financial and operational performance.

Our people

Beyond the facts and figures, our team forms an integral part of our business. We invest towards building

Q&A WITH MD & CEO



Jyotiprasad Chiripal
Managing Director



Deepak Chiripal
CEO

Q How would you look back on FY 19?

A When we see the challenging industry landscape, the performance of Nandan Denim was extremely satisfactory. Both in terms of operations and financial performance, we ticked all the boxes to sustain our value creation philosophy and commitment to deliver growth.

We reported a revenue of Rs. 1456 crore, 8% lower than FY 18. Of this, Rs 135.80 crore is attributed to the exports. Our EBITDA stood at Rs. 150 crore with a margin of 10.3%, while we reported a PAT of Rs. 22.08 crore with a margin of 1.5%.

Our financial performance is a testimony of our sound business model that withstood the impact by statutory disruptions of after effects of demonetization and short-term impact of GST, resulting in liquidity crunch, lower capacity utilization and lower economic growth. However, we have been able to maintain a healthy balance sheet with robust cash flow from operations and low debt-equity ratio of 1.23 as on March 31, 2019.

Q Could you throw some light on the operational performance?

A We are continuously reviewing our financing requirements to fund the Company's growth projects and capital expenditure programmes and to maintain a strong liquidity position. We have been constantly focusing on increasing our brand sales and export sales by strengthening our market presence and expanding our distribution network across B2B channel. While we aggressively expand our new customer base, we continue to strengthen our existing customer portfolio with a healthy repeat business.

Q What is the strategy of the Company going ahead?

A Denim continues to remain an integral part of fashion lifestyle for the youth, across the globe. While the fabric has evolved in terms of multiple textures and colors, its usage and growth prospects remain bright. To capitalise on this, our presence across key cotton belts backed with our integrated manufacturing facilities provide us the edge to operate at better

economies of scale within a competitive industry landscape. Our competitive cost advantage remains a driving factor to help drive major international customers within our client portfolio and emerge as the most preferred global player within our business segment. We also continue to aggressively expand our fabrics and shirting division to ensure an all around business growth and business sustainance.

Q What steps are you taking towards building a Company that encompasses holistic sustainability?

A At Nandan, we have always aimed to expand our business in a sustainable manner, putting in place policies that support the larger cause of community development. We aspire to be the leaders in terms of improving our sustainability performance to address challenges of water, energy and waste management. Further, the health and safety of people working at our various site locations is our topmost priority and we are committed to building a safer and healthier working environment for people.

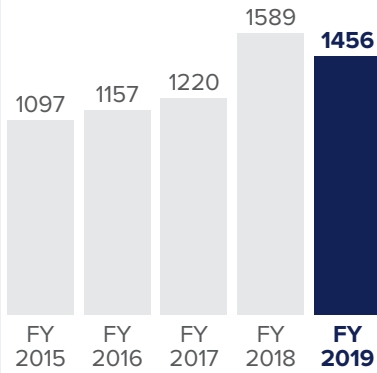
Q What are your future plans as regards the growth of the business?

A Our business is designed to capture the changing fashion trends that is relevant to our customers. We aim to become a number one choice for our diverse customer profile across the world. We further plan on expanding our global footprint as well as enhance our capacity utilisation across all product segments and create value for our stakeholders.

SUSTAINABLE PERFORMANCE

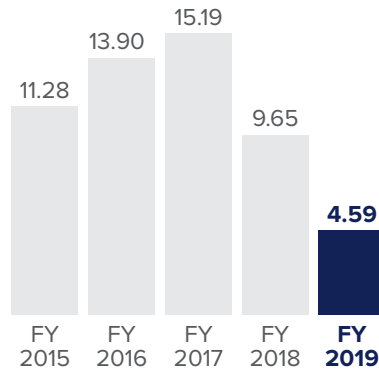
Revenue

(Rs. in crore)



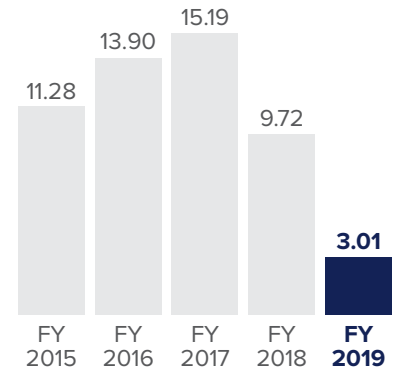
EPS

(in Rs.)



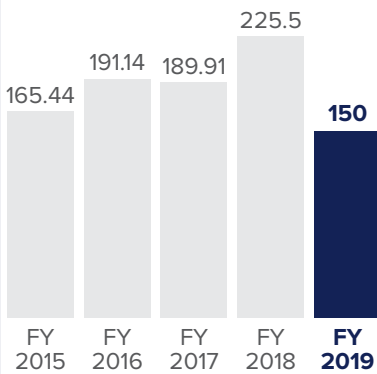
Cash & Cash equivalents

(Rs. in crore)

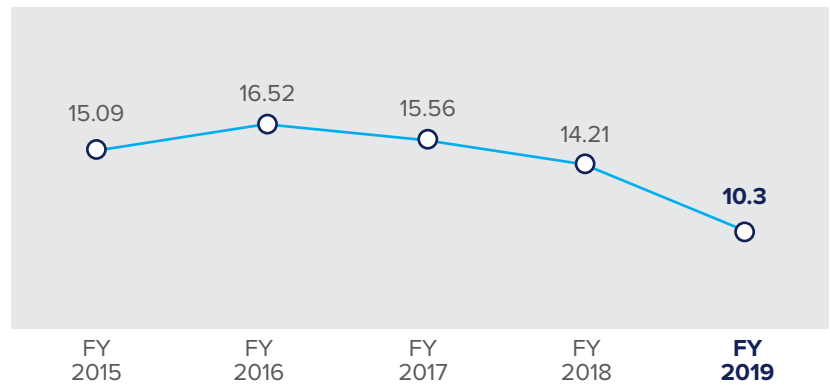


EBITDA

(Rs. in crore)

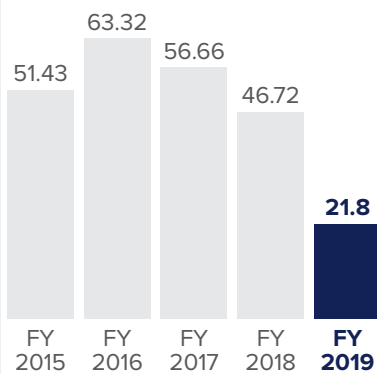


EBITDA MARGIN



PAT

(Rs. in crore)



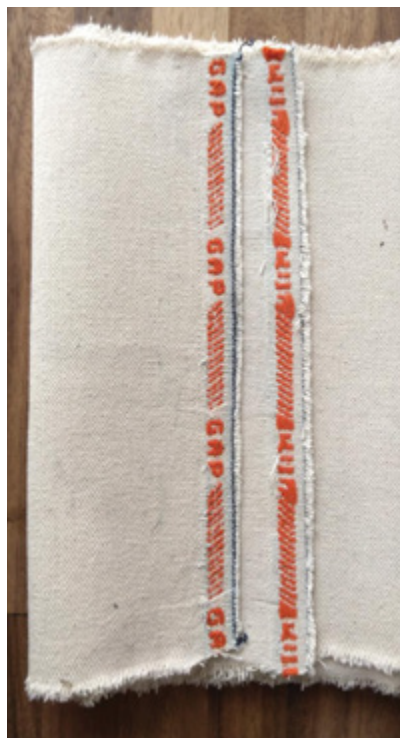
PAT MARGIN



REVATILISING BRAND NANDAN

At Nandan, we believe in infusing style & fashion with the brands we work with. This is reflected in our marquee client profile that trust our adaptability to new fashion trends, designs, colors and quality.





CREATING A BETTER WORLD

A clean planet is a shared goal amongst our consumers, within our communities and throughout our business. As an industry leader, we recognise our responsibility to address social as well environmental impacts.

Water Management

Water is a shared resource, with high economic, environmental and social value, and access to water is a basic human right. Understanding the entire spectrum of water management with utmost seriousness, we undertook efforts to curtail water waste. We have installed Effluent Treatment Plant (ETP) and Reverse Osmosis (RO) Plant in order to reuse and recycle water. We also treat wastewater through our sewage treatment plant and the same is reused for gardening purpose.



Energy Management

Energy is one of the most crucial resource for economic development of the nation. Efficient use of energy and its saving is essential for sustainable development. In addition to the benefits of reduced operational costs, improved productivity and profitability, the benefits for energy efficiency fuel the economy and also reduce domestic dependence on foreign energy supplies. We recognise the importance of energy management and our efforts have resulted in recognition of being a carbon neutral company. For this purpose, we follow

certain compliances as mentioned below:

- ✦ Reuse of condensate recovery as process water
- ✦ Department lighting arrangements are covered under LED
- ✦ Implementation of IMS (combination of QMS / EMS / OSHAS) systems is under process
- ✦ Solar system implementation is being considered
- ✦ Plantation of our own greenbelt with over 25,000 trees

Social, Health & Safety

The safety of our workforce and the communities in which we operate is an essential priority. As a core philosophy, we aim to create a health and safety culture throughout the company which is integrated into every operation. Our goal remains to achieve 'zero fatality' and we are committed to achieving this through the effective management of health

and safety risks. Along with that, we are strictly against the use of child labour in our work processes and have zero tolerance towards suppliers using the same. Lastly, our factory workforce has been provided with protective clothing, helmets and goggles, among others, to ensure a 100% Personal Protective Equipment (PPE) policy for our workers.



Compliance and certifications

The difficulty in controlling diverse health or environment-related chemical hazards lies not only in the vast volume of chemicals used in the manufacturing process, but is also due to the complexity and in operations spread across multiple products. Failure to control any operational hazards can significantly impact sustainability of operations.

At Nandan, we take compliance and certification benchmarks seriously, which is reflected through the following certifications obtained by us:

- ✦ Oeko Tex 100 certification
- ✦ GOTS 5.0 certification
- ✦ BCI certification



Waste Management

Waste management plays a vital role in achieving cleanliness and sustainability goals. Improper handling and disposal of waste can contribute to increased incidents of serious medical issues among the residents of the local regions as well as cause irreparable damage to the environment. Hence, as a part of our waste management compliance, we recycle our denim waste to minimise our impact on the ecosystem. We are setting up garneting function to convert used garments into fibers and then recycle the same to denim. Also, we keep upgrading our waste management policies, closely examining our entire denim

manufacturing process to further minimize any wastes that we may be generating.



OUR PRESENCE



Countries we are present in

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



BRANDS WE SERVE

Domestic



Global



OUR PEOPLE

At Nandan, we are keen to offer an attractive workplace where employees enjoy working and develop together to create the best-in-class offering and experience for our customers. Our committed employees work closely together, promoting open and inclusive workplace and sharing ideas & knowledge with each other.

Nandan supports women career development

35 years
Average age of employees



Training and Development

We strive to build a work force that delivers on our strategy. As a result, we are committed to engaging, empowering and developing such a work force. We continue to deepen the talent pool and widen our collective experience through attracting outstanding external talent and developing our own people. Continuous investment is made towards training programmes for employees leading to enhancement of their skill and knowledge. For new recruits, we organize induction training to make them familiar with their job and work environment. While, for existing employees, we organize various training programme on on-going basis. We even provide our employees the opportunity to gain experience and test their skills in new settings leading to their development in both professionally and personal space.



Employee Engagement

At Nandan, we provide our employees a platform where they can interact with each other, share their knowledge, skills and experience. On a regular interval, management also interacts with the employees sharing their experience and expertise. We also actively organize various communication or interactive events to boost social welfare of the employees. Our employee engagement activities include session by motivational speakers, competitions for employees and their families and get togethers at regular intervals, celebration of festivals and other activities.

Investing in our leadership pipeline

Leadership team of the organization plays a vital role in the success of the Company. Being a leader at Nandan means setting an example and living the Company's shared values. By inspiring, delegating, challenging, motivating and giving feedback, our leadership team aims at making both employees and the Company grow. Hence, we invest in developing our leadership team by highlight each individual's strengths and strengthen our teams where people can work together at a fast pace to achieve shared goals and deliver results.

Employee speaks

Name: Mr. Hiren Patel
Designation: Credit Controller



I have been working here for almost 13 years now. Nandan is recognised for its collaborative work environment and willingness to support colleagues.

Name: Mr. SP Kaushik
Designation: Marketing Manager



In my 16 years of employment, I have thoroughly enjoyed working for this Company. Great work culture and complete support of management.

Name: Mr. Shailendra Phale
Designation: Sr. Manager (Inspection & Packing)



During my 14 year stint with Nandan, I can say that the environment here is full of learning and enjoyment. Individual growth prospect is good and hence a good place to work.

Name: Mr. Vimal Agarwal
Designation: Sr. Manager (Accounts)



Working with Nandan for over a decade, I can say that there is good growth opportunities on professional level. Work-life balance is good and peers are usually supportive.

MESSAGE FROM LEADERSHIP TEAM

Suresh Maheshwari
Chief Operating Office



Our challenge this year was to maintain the positive momentum and to demonstrate to the industry, and particularly our customers, that we can deliver the benefits of innovation in a fiscally responsible way. For the year ahead, we are considering how Nandan will continue to meet its important mandates as our industry continues its rapid pace of change. The impact of new entrants, ongoing competition and significant government reforms are just some of the challenges for which we must prepare. It is core to our business responsibility that we plan for the future, and position ourselves well to assure on time delivery and customer value.

Ashok Bothra
Chief Financial Officer



The financial year has seen a subdued performance in achievement of revenue targets in the prevailing challenging environment. The real significance of the year was to maintain the leadership position in the industry. Against the backdrop of lower volumes and increased costs, Nandan endeavours to mitigate financial risks by exercising tight cost control measures and working capital management. We remain proactive in the execution of sound financial management and in providing reliable financial data.

Purvee Roy
Company Secretary &
Compliance Officer



Nandan takes pride in providing timely, reliable, and meaningful information to its many stakeholders. The Company has in place a robust system on Corporate Governance. We are committed to adopting the best corporate governance practices as manifested in the Company's functioning to achieve business excellence.

PK Sharma
Head of Marketing



The year's performance was achieved despite strong business market headwinds. The year had begun with a reasonable operating environment and upbeat outlook. The structural improvements we made during the year resulted in deeper customer satisfaction. We will celebrate our past by intrepidly exploring the future and continuing to launch varied products and grow in coming years. Our integrated resources will help us to create and develop new ideas, concepts and products across many different disciplines.

Venkatpathy
Chief People Officer



We have in place a strong, capable and experienced management team delivering results that drive the Company ahead. At Nandan, human resource is considered to be a valuable resource. The Company continues to lay emphasis on creating and sustaining an admirable organization to work based on human performance. We have been continuously endeavouring to build high performance culture on one hand and amiable work environment on the other hand.



Amrish Narayan
Business Head
(Shirting)



As we hit the mid point of 2019, we at Nandan are nearing unexplored territories. The professional experience we have accumulated over the years has been a guiding factor. The marketing approach of Nandan is based on professional ethics. The Company promises to provide high quality product delivered on time. Commitment and quality are factors on which Nandan shall never compromise. We've entered a new era in marketing. In this challenging environment, new perspectives and approaches work wonders in delivering high brand exposure. Nandan today stands as an epitome of perpetual business growth and rich industry experience. We continuously engage with our customers to understand their requirements. We enjoy repeat business from existing customers on account of enduring relationships.



D.K. Jain
Marketing Head
(Export)



There is much to be excited for as we look ahead — new spaces, new opportunities and new endeavors for our Domestic and Global clients. As always, we remain conscious of the customers whose contributions fund our organisation. This year we achieved the service outcomes we exist to deliver, more efficiently. Innovation through technology is a constant theme in our business to secure quality and customer value in such a rapidly changing and sophisticated environment. The growth and enhancement in the garment and knitwear sectors has played a positive role in the rising exports.



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.



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. Brijmohan Chiripal
Additional Director (w.e.f.
November 3, 2018 and upto
February 8, 2019)

Mr. Jaiprakash Chiripal
Additional Director
(w.e.f. February 9, 2019 and upto
June 29, 2019)

Mr. Tara Sankar Bhattacharya
Independent Director

Mr. Ambalal Patel
Independent Director
(upto March 31, 2019)

Mrs. Pratima Ram
Independent Director

Mr. Giraj Mohan Sharma
Independent Director

Mr. Prakashkumar Sharma
Whole Time Director

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,
Saijpur – Gopalpur,
Pirana Road, Piplej,
Ahmedabad, Gujarat– 382 405

Corporate Office

‘Chiripal House’,
Near Shivranjani 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

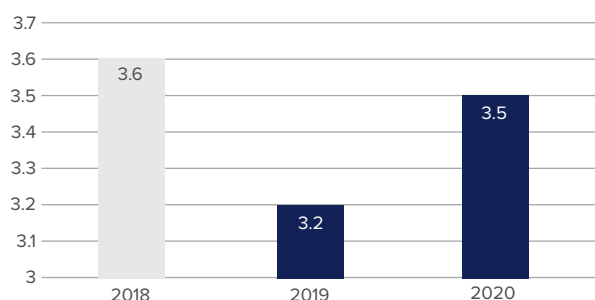
MANAGEMENT & DISCUSSION ANALYSIS (MD&A)

Global economy overview

The global economy continued to grow at a robust pace despite facing several headwinds. The global economy grew at an estimated 3.6% during CY 2018. While the labour market grew at a fairly good rate, the investment and trade growth proved softer than anticipated, financial market conditions tightened and confidence continued to ease. In the advanced economies, consumer price inflation remained subdued on account of drop in commodity prices. This was however, offset by currency depreciations which passed through the emerging economies which passed through the higher domestic process. Market sentiments also improved in the emerging markets, reflecting a stabilization and subsequent recovery in portfolio flows.

The economy is further anticipated to grow at 3.2% in 2019 before returning back to 3.5% in 2020. The downfall in the GDP for the coming year is on account of various headwinds faced by the countries during 2018. Further, the second half of 2019 is projected to pick up pace on an ongoing build-up of policy stimulus in China, recent improvements in global financial market sentiment and waning of the challenged present in the Euro area. The stressful conditions of the emerging market economies including Argentina and Turkey is also anticipated to stabilize gradually. (Source: IMF)

Global Economic Growth (in %)



(Source: IMF)

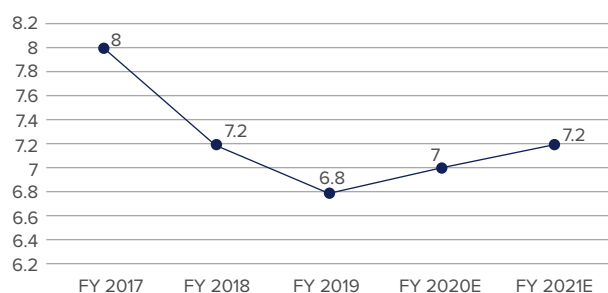


Indian economy overview

The Indian economy registered a GDP growth rate of 6.8% in 2018-19 on the back of steady improvement in major sectors, consistency in government and private consumption and pick in investments during the year. The economy demonstrated a sharp recovery from demonetization and GST implementation, propelling the economic growth. Direct tax revenue remained resilient in FY 2019 as improved compliance boosted the collection of personal income tax and healthy earnings bolstered corporate tax collections. GST collection fell short of its target, mainly because tax rates on various commodities were reduced during the year. The private consumption expenditure grew by ~10%, despite sluggishness in the rural consumption on account of subdued crop prices, slow growth in rural wages, and stress on nonbank lenders. Private investments also increased slightly, reflecting an uptick in capacity utilization, and increased production of capital goods.

The economy is anticipated to grow up to 7% in 2019 aided by continued recovery of investment and robust consumption in a more expansionary stance of monetary policy and some expected boost from fiscal policy. Further, continued implementation of structural reforms and easing of infrastructure bottlenecks are also expected to provide impetus to the growth. In addition to this, fiscal consolidation will also help to reduce country's elevated public debt. Reforms to hiring and dismissal regulations would help incentivize job creation and absorb the country's large demographic dividend. (Source: IMF)

GDP Growth rate of India (in %)



The Textile Industry

Global Scenario

The global textile market is valued around US\$ 858 billion in 2018 and is anticipated to grow at a CAGR of 5% between 2019-2025 to reach US\$ 1207 billion by 2025. It is one of the largest and economically the most stable industry in the world. The US and EU are the largest importers of apparel accounting for 60% of total global imports, followed by Japan with a share of 7-10%.

Despite increase in global yarn production in US (3%) and Brazil (12%), the overall production decreased by 9% between Q4 CY 2017 and Q1 CY 2018. The global yarn stock production have decreased in Asia (-11%), Africa (-13%) and Europe (-1.5%). As per the report of Export Promotion Bureau of Bangladesh, export of readymade garments jumped 15.7% YoY to \$17bn during H1 CY 2018, while that of Knitwear exports rose 14% YoY to US\$ 8.7 billion. Woven garment exports also increased by 17% to reach \$8.4bn during the time frame. (Source: *The Textile Magazine Oct-Nov 2018, Apparel Views Magazine - January 2019*).

The global denim market is also developing and expanding at a significant rate. The growth of this sector is driven by various macro and micro-economic factors. Denim manufacturers are adapting leading fibre technology globally, that has enabled them to offer denim jeans products for the active wear besides, work wear and casual wear. The global denim jeans market is valued approximately at US \$ 4.7 billion for CY 2018. It is projected that the denim industry would observe a sturdy growth rate of more than 8.5% between CY 2019-2022. (Source: *Market Watch*)

Employment generation is an essential part of the global textile and apparel sector. During H1 CY 2018, nearly 120 million people were employed especially in developing economies such as India, Pakistan and China. The global textile industry has been shifting from labour intensive manufacturing processes to automated production facilities. Automation has enabled textile manufacturing companies to leverage their production and reduce production costs. (Source: *KPMG*)

Outlook

The outlook for the global textiles industry is on an increasing trend for the coming years. The global denim is expected to reach \$79,211 million by 2023. Since automation production facilities are introduced in the current year, it is projected that around 1.2 million industrial robots to be deployed by 2025. Development of fashion retail outlets and supermarkets in developing economies such as India and China is expected to increase the global textile demand in the near future. Asia Pacific region is giving trade impetus with the highest growth rate in the Industry. The growth of the market will be driven by increasing population, changing demographics and lifestyle, growth of online/digital market space and introduction of new technologies. (Source: *Grandview Research*)

Indian Scenario

India is considered as the largest producer of textiles and the second largest exporter of cotton in the world. The Indian textile industry includes spinning, apparel and garments sectors. It has expanded state-of-the-art machinery and

outstanding production technologies. Lubrication is an integral part of this sector in order to conduct smooth functioning of these modern machines and to ensure their maximum productivity and operational efficiency.

The textile industry is considered as a key component of the Indian economy, contributing around 4% to India's GDP and 13% to the country's export earnings during FY 19. The export of textile and apparel grew by 1.66% to US\$ 35.969 billion from US\$ 35.381 billion in previous year. While, the export of textile products grew by 6.19% from US\$ 18.674 billion in FY 2018 to US\$ 19.830 billion in FY 2019. However, export of apparels de-grew by 3.40% to US\$ 16.138 billion in the year under review as compared to US \$ 16.706 billion in the previous year. (Confederation of Indian Textile Industry (CITI), The Textile Magazine)

The textile sector is one of the largest sources of employment generation in the country, with 45 million people employed directly. Amongst the 45 million people employed in the Indian textile sector, 70% of the workforce comprises of female employees. As per Textile Ministry, the sector is likely to require 17 million additional workforces by 2022. This strategy of the Ministry involves boosting exports through diversification of markets, placing India in value chain and promotion of collaborative exports. (Make in India, Ministry of Textiles, The Textile Magazine Oct-Nov 2018)

9.22%

YoY growth in export of cotton yarn/fabrics/made-ups, handloom products

3.15%

YoY growth in export of man-made fabrics

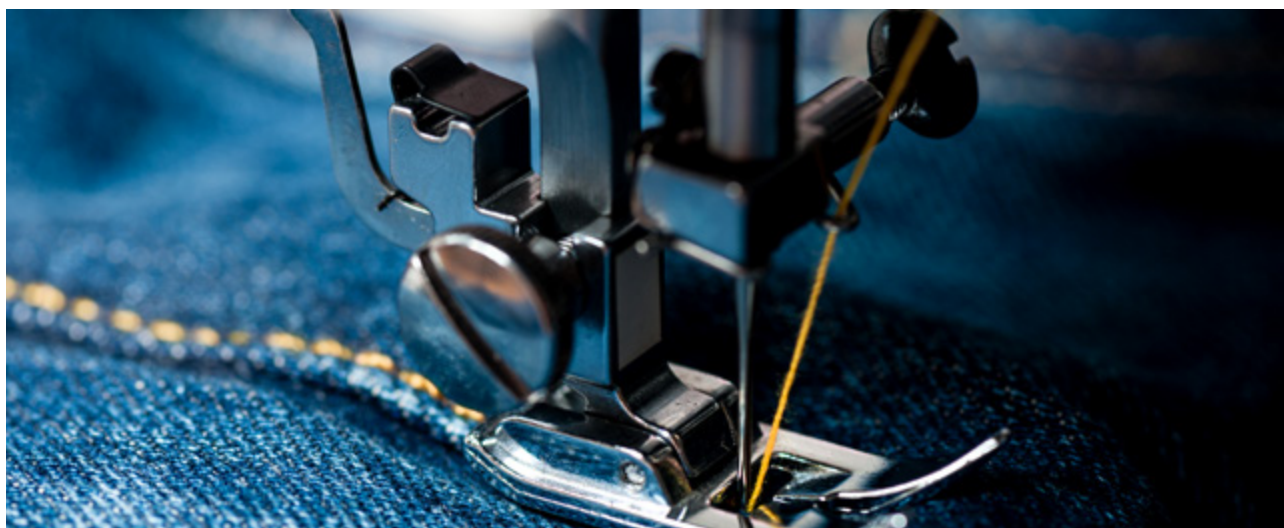
Government Initiatives

The Textile Ministry of India has attributed to make an investment of ₹ 690 crore (US\$ 106.58 million) for setting up 21 readymade garment manufacturing units in seven states for development and modernization of Indian textile sector as on August 2018. Under "Make in India" initiative, the Ministry of Textiles is implementing Integrated Processing Development Scheme (IPDS) to enable the textile processing sector in meeting appropriate technology including marine, riverine and Zero Liquid Discharge (ZLD). The GOI has decided to lower GST rates across textiles on all sectors by FY 2022, which will bring down prices and curb textile imports. (Make in India, the Textile Magazine Oct-Nov 18)

Outlook

The Future of Indian Textile industry is booming with innovations taking centre stage. This sector is currently estimated at around US\$ 150 billion, is projected to be US \$ 230 billion by FY 2020. The decrease in the Chinese textile market due to high textile production cost has given India an added advantage to grab the market share of China, which comprise around 60% of the global export market. The domestic market for apparels and lifestyle products is expected to accelerate to US\$ 160 billion by 2025. The Indian textile is projected to depict a stable growth backed by firm input prices, healthy capacity utilization and steady domestic demand.

India is projected to be a key growth market for the technical textile sector due to its cost-effectiveness, durability and versatility of technical textiles. The market size of the textile machinery industry is expected to be ₹ 35000 crore from the present ₹ 22000 crore in the next five years. The textile industry is on the verge of a digital transformation. Digitalization has largely helped many textile factories to efficiently use raw material, reduce waste, decrease energy consumption and reduce machine footprint. (Source: The Textile Magazine Oct – Nov 2018)



Indian Denim Market

India is among the leading denim manufacturing countries in the world, with a capacity of about 1500 million mts of denims p.a. The demand for denim apparels is increasing rapidly due to its versatility among young populace. During H1 FY 2019, the denim sector observed a marginal pressure due to oversupply, with 15-20% of the total capacity of denims remaining underutilized. Cotton forms around 35% of the total raw material requirement for denim manufacturers. The current domestic denim consumption for FY 2019 is 750 to 800 million meters, expanding at an annual rate of 12%. (Source: *The Textile Magazine July 2018, India Ratings & Research*)

The denim apparel production activities are segregated in Delhi, Mumbai, Bangalore and Ahmedabad. India's cotton exports are projected to rise by 43% to 10 million bales for FY 2018-19 on strong overseas demand for denim apparels. The Indian denim sector is on the verge of increasing its share of exports from its current 35%. (Source: *Wazir Advisors, The Textile India Progress, August 2018*)

Growth Prospects

The denim sector is regarded as the most progressive sector in today's textile industry with the following growth prospects:

- ✦ **Variations:** Denim has a lot of variations apart from manufacturing jeans. There is an increasing demand amongst Indian customers for denim shirts, dresses, denim bags, jackets etc.
- ✦ **Purpose:** Nowadays denim serves almost all purposes. It has a lot of diversified color ranges and it can be used as a formal wear or a casual wear. This diversification has made an economic sense to buy denim apparels more.
- ✦ **Convenience:** Denim most importantly has a low maintenance cost and easy availability.
- ✦ **Change in Tastes and Preferences:** Consumers, especially women, uses denim as their daily wear, thereby increasing the demand for the product exponentially.
- ✦ **Organized Retail Sector and E-Commerce:** Demand for denims have accelerated due to the rapid increase of shopping malls and the rise of online shopping portals.
- ✦ **Price:** The price of denim apparels depends on variety of factors such as the quality of material, texture, comfort, cut and wash. There has been a wide range of prices, from extremely cheap jeans for daily wear to luxury expensive denims. (Source: *Textile Magazine*)

Market Trends in the Denim Sector

The denim market in India has been flourishing with invention of more styles, colors and some innovative trends. Some of the key trends are:

- ✦ In India most of the denim manufacturers concentrate on the domestic markets as the value realization remains higher in the domestic market than in export markets.
- ✦ Recently the industry has observed entrance of new denim fabric manufacturers which is projected to make denim market more competitive on the basis of an increasing price trend in the coming years.
- ✦ Cotton is the sole choice of fabric for denim apparel production. Nowadays polyester is also being used as weft threads in blended denim fabrics.
- ✦ The demand for stretch denim is growing rapidly in the Indian market due to its comfort and fit features.
- ✦ Color constraint is no longer a barrier. Indian youth has started accepting denim in different colors apart from the traditional blue jeans. (Source: *Technopak Advisors, The Textile Magazine*)

The denim sector is considered amongst the most emerging and promising categories in the apparel market of India. The increasing awareness of sustainable fashion facilitates additional opportunity to promote denim as an end product of natural cotton fibre which is considered as more eco-friendly. (Source: *Technopak Advisors*)

Company Overview

About Us

Nandan Denim Limited (NDL), based in Ahmedabad, is routed under the conglomeration of the leading Chiripal Group. It has one of the largest denim fabric manufacturing capacities in the world. From being a pure denim manufacturer, over time, NDL has diversified its products into shirting and other fabrics. The denim fabrics designed by the company is inspired the heritage of indigo sculpting and Gandhi. It has leveraged its business prospects by investing in cutting edge manufacturing technologies from leading suppliers globally, which has translated into higher capacity utilization and lower waste generation. Preservation of greeneries is a key initiative taken by NDL, where they have built their own greenbelt with over 25000 trees.

SWOT

Strength:

- ✦ Established market position as the largest domestic denim manufacturer
- ✦ Consistent growth in scale, supported by periodical addition to installed capacity
- ✦ Installed denim capacity of **110** million meters per annum (mmpa)
- ✦ Tie-up with more than **40** distributors across the country including some exclusive distributors
- ✦ Decent growth in operating income

Opportunities:

- ✦ Growth in disposal income, teenage population and acceptability of denim as an all occasion clothing is expected to lead to double digit growth in denim demand.
- ✦ Incentives under central and state textile policies may lead to boost in margins and returns
- ✦ Growth in global denim demand, leading to increase in export sale

Weakness:

- ✦ Prevalent overcapacity in the domestic denim industry may pressurise realizations
- ✦ High working capital due to high inventory level
- ✦ Dependency on single product i.e. denim fabric.

Threats:

- ✦ Fluctuating raw material prices can have an adverse impact on gross margins
- ✦ Change in trends and preferences of consumers
- ✦ Threats from unorganised sector

Customer oriented Organization

NDL has made an endless effort to be the number one choice of customers globally. The identity of the company is purely rooted in the Indian subcontinent, because of their ambition to serve and deliver the best to everyone. NDL has an agenda to always be ahead of the fashion curve as per the tastes and preferences of its customers. The sole mission of the company is to develop Nandan as a fashion brand in itself.

In-house manufacturing amenities

The Company has in house manufacturing facilities at its plants located at Piplej and Bareja in Ahmedabad. NDL has the largest vertically integrated production facility right from manufacturing Yarn to Fabric under one roof. One of the benefits of bringing manufacturing in-house is that it will have more control over the production process. The company has fully integrated manufacturing facilities from spinning, weaving, dyeing, processing, and finishing. Company offers wide product range. It has also been awarded quality certification ISO 9001-2000.

Nandan Denim manufactures quality fabric from cotton fiber with in-house research & development backing the innovations and production techniques involved. Its world-class facilities are ably backed by a solid infrastructure to make process more productive, people more efficient and products unbeatable in quality.

State of the Art infrastructure

Nandan Denim has state of the art manufacturing facilities and integrated infrastructure to make the unit globally competitive with highest industry standards. With state of the art infrastructure and technological support, Nandan Denim promptly caters to the varying needs of the denim industry.

Product Mix

NDL has a blended product mix comprising of denims, cotton fabrics and khakis. It comprises of 100% cotton, special open end yarn, core spun yarn and 100% dyed yarns. The net revenue from operations of the company for FY 19 stood at ₹ 1,456 Cr.

CAPACITY	FY 16	FY 17	FY 18	FY 19
Spinning (TPD)	70	141	141	141
Yarn Dyeing (TPD)	10	10	10	10
FABRIC (MMPA)				
Denim	99	110	110	110
Shirting	10	10	10	10

Denim

NDL has breached into denim fabric manufacturing with a production capacity of 110 Million Meters Per Annum (MMPA). They have transformed their reinvented classic denim lines into core classics as per recent fashion trends. The net sales of denim stood at ₹ 856 Cr. in FY 19 accounting for 59% share in total revenue mix of the Company.

Shirting

Apart from denim fabric manufacturing, NDL has the capacity to produce 10 million meters of shirting fabric per annum. Different blends with cotton tencel, viscose, modal, linen are utilized by the craftsmen of the company to give an enriched finish to the fabric. A concept of sulphur has

been introduced by the designing team, which will help in the washing techniques for basics to casual shirts.

Financial Performance

During the year under review, the Company experienced healthy growth on YoY basis in revenue and profitability on account of growth in downstream industry and robust inflow of orders. In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore. Table 1 provides a summary of the financial parameters along with key ratios affecting the Company.

Table 1: Summary of Key financial Parameters and ratios

Particulars	FY 2019	FY 2018	YoY Change
Revenue from operations (₹ in lakhs)	1456.05	1588.92	8.36%
PAT (₹ in lakhs)	46.06	21.77	1.12%
EBITDA (₹ in lakhs)	225.54	149.97	50.39%
Key Ratios			
Debtors Turnover (in times)	5.33	7.80	(32)%
Inventory Turnover (in times)	6.27	6.85	(8)%
Interest Coverage Ratio (in times)	1.69	1.81	(7)%
Current Ratio (in times)	1.36	1.26	8%
Debt/Equity Ratio (in times)	1.23	1.35	(9)%
Operating Profit Margin (%)	10.30	14.19	(389) bps
Net Profit Margin (%)	1.52	2.92	(140) bps
Return on Net Worth (%)	4.6	10.2	(560) bps

The decline in ratios is mainly due to decline in turnover, profits, etc. considering the prevailing market conditions.



Innovation and Design

Nandan Denims Ltd focuses on manufacturing innovative denim apparels apart from the traditional blue denims as per the changing tastes and preferences of customers. The company comprises of its own set of talented and skilled designing team, which has introduced diversification in designs for the regular blue denims. NDL has inculcated an amazing combination of the popular crosshatched fitted denims, textured and linen blended denims. It is united with a vision to provide continuous value through innovation, expertise, excellence and achieve the highest value of customer satisfaction.

Predominant Quality

NDL manufactures quality fabric cotton fiber with due research and development backed by advanced production techniques. The finished product undergoes stringent quality measures for customer satisfaction. For homogeneous mixing of cotton, an advanced bale management software has been introduced by the company to test and categorize the cotton. Before getting dispatched, each set of fabric undergoes an impeccable quality check through international AATC and ASTM test methods. These methods involve in checking the tensile strength, washing speed, shrinkage, weight and movement, followed by a chemical test.

Recycling

Recycling is crucial and even the smallest step can have significant benefits on the environment. Although recycling has been going on for the past few years, recycling efforts need to be increased considering the amount of waste disposed of every day. The textile industry is very water intensive and waste water is recycled to its full extent. Water is used for cleaning the raw material and for many flushing steps during the whole production.

Everyone needs to play a role in minimizing the effects of pollution and emissions. Since we are saving resources

and are sending negligible trash to the landfills, which helps in reducing air and water pollution.

Exports

NDL has the largest vertically integrated production facility manufacturing from spinning to fabric production. The company has achieved world recognition and exports to nearly 27 countries. It supplies to key global brands such as Polo, Target, Joe Fresh, Pull & Bear etc. It pertains a strong global network of around 15 distributors across 8 countries viz; Peru, Mauritius, Hong Kong, Dubai, Thailand, Bangladesh, New York and Columbia.

Outlook

Textile industry in India has gone through a difficult phase in the past few years considering structural reforms. It has been a challenging time for denim industry but denim has always been a strong commodity. The growing trend of denim wear necessitates Denim manufacturers to develop new products based on specific consumer needs. The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. High economic growth has resulted in higher disposable income. With consumerism and disposable income on the rise, the retail sector shall experience a rapid growth in the coming times. This may lead to rise in demand for products mainly textile products, creating a huge domestic market. The growing focus of the modern apparel industry on conception, production, promotion, and marketing is projected to fuel the denim industry in the future. Manufacturers engaged in the industry are trying to produce popular and good visual effect denim through improving technology. We shall continue to be a 'quality driven' organisation and be persistent with our quality levels. We shall continue to grow successfully in existing markets and in new territories. We are resolved to reach our goals with passion and determination.



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.nandandenim.com, **Email:** cs.ndl@chiripalgroup.com

Tel No.: 079 – 26734660/2/3

NOTICE

Notice is hereby given that the TWENTY FIFTH ANNUAL GENERAL MEETING of the Members of Nandan Denim Limited will be held on Friday, September 13, 2019 at 10.30 a.m. at H.T. Parekh Convention Centre, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 to transact the following business:-

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2019 together with Report of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as Ordinary Resolution:**

“RESOLVED THAT the Audited Financial Statement of the Company for the financial year ended March 31, 2019 together with Report of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

- To declare dividend on equity shares for the financial year ended March 31, 2019 and in this regard, pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT a dividend at the rate of 5% i.e. Rs. 0.50 (Fifty Paise Only) per equity share of Rs. 10/- (Rupees Ten Only) each fully paid up of the Company be and is hereby declared for the financial year ended March 31, 2019 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2019.”

- To appoint a Director in place of Mr. Vedprakash Chiripal, 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. Vedprakash Chiripal (DIN: 00290454), 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:

- Approval of Related Party Transactions and in this regard, pass with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable rules made there under and pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations”) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), if any, approval of the Members of the Company be and is hereby accorded to the Board of Directors (including Committee(s) of the Board), to enter into material contract(s)/arrangement(s)/ transaction(s) for a period of 2 (two) financial years i.e. from April 1, 2019 to March 31, 2021, with the respective Related Parties (as defined under section 2(76) of the Companies Act, 2013 and regulation 2 (zb) of the Listing Regulations) during the year 2019-20 and 2020-21 for contract(s)/arrangement(s)/transaction(s), which are commercial transactions as detailed in the explanatory statement attached to this notice.”

“RESOLVED FURTHER THAT the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company and/or Committee thereof, to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ re-negotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transactions/ contracts with the Related Parties.”

“RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make

such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

5. To re-appoint Mr. Tara Sankar Bhattacharya 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(s) 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. Tara Sankar Bhattacharya (DIN:00157305), 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 a term of three consecutive years with effect from September 15, 2019 to September 14, 2022, as recommended by the Nomination and Remuneration Committee, who shall not be liable to retire by rotation.”

6. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2019 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, 2020.”

“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.”

By order of the Board of Directors
For Nandan Denim Limited

Purvee Roy

August 12, 2019
Ahmedabad

Company Secretary
Mem. No. F8978

NOTES:

1. 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. 4, 5 and 6 above and the relevant details of the Directors seeking re-appointment under Item No. 3 and 5 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.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM MAY APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than

48 (forty eight) hours before the commencement of the AGM. A Proxy Form is annexed to the Annual Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

Pursuant to provisions of Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of members not exceeding 50 (fifty) in number and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital carrying voting rights may appoint single person as Proxy and such person shall not act as Proxy for any other member. A Proxy holder shall prove his identity at the time of attending the Meeting. A Proxy shall not have a right to speak at the Annual General Meeting. However, in case a member has not voted through remote e-voting facility, the

proxy may be entitled to vote through e-poll made available at the venue of the Annual General Meeting.

Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send, a certified copy of resolution with the respective specimen signature(s) of those representative(s) authorized under the said resolution to attend and vote on their behalf at the AGM, to the Company's Registrar and Transfer Agent, M/s Datamatics Business Solutions Limited (DBSL), Plot No B-5, Part B Cross Lane, MIDC, Andheri (East), Mumbai, Maharashtra-400093 by not less than 48 (forty eight) hours before commencement of the AGM.

3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

4. Book Closure and Dividend:

A. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 7, 2019 till Friday, September 13, 2019 (both days inclusive).

B. Payment of dividend for the financial year ended March 31, 2019:

(i) Final Dividend for the financial year ended March 31, 2019, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or before September 23, 2019 to those members whose names appear on the Register of Members as on September 6, 2019

(ii) Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend. The Company or DBSL cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the DP of the members.

(iii) Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to intimate DBSL and/or the Company.

(iv) Members are encouraged to update their details to enable expeditious credit of dividend into their respective bank accounts

electronically through Automated Clearing House (ACH) mode or such other permitted mode for credit of dividend.

5. 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 was not required to transfer any amount to to the Investor Education and Protection Fund of the Central Government. The shareholders who have not claimed their dividend for the financial year 2011-12 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 at under 'Investor' section and Ministry of Corporate Affairs website at www.mca.gov.in.

Financial Year	Final Dividend/ Interim Dividend	Tentative Date for transfer to IEPF
2011-12	Final	02-12-2019
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"), there are no such shares on which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred to Demat Account of IEPF.

6. To avoid loss of dividend warrants or cheque in transit and undue delay in respect of receipt of dividend warrants or cheques, the Company has provided a facility to the Members for remittance of dividend through the National Electronic Clearing System (NECS)/National Automated Clearing House (NACH). It is in Members interest to avail NECS/NACH facility as it is quick and much convenient way of getting dividend directly in your bank account. Members desirous of availing NECS/NACH facility are requested to submit bank particulars in ECS Mandate Form, the format of which is annexed at the end of this Annual Report.

7. 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 effecting 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.

8. 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 2018-19, the Company was not required to transfer any amount to the IEPF unclaimed dividends 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.

9. Members are requested to hand over the Attendance Slip, duly signed in accordance with the specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client Id and DP Id numbers for identification.
10. 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
11. 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.
12. 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.
13. 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 the 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.

14. Documents open for inspection:
- A. During the period beginning 24 (twenty four) hours before the time fixed for the AGM, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than 3 (three) days of advance Notice in writing is given to the Company;
 - B. Relevant documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Companies Act, 2013 are available for inspection at the Registered and Corporate Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the AGM;
 - C. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
15. In accordance with the provisions of Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the copy of Annual Report of the Company for the financial year 2018-19 and this Notice inter-alia indicating the process and manner of remote e-voting along with Attendance Slip, Proxy Form and Route Map are being sent by email, unless any Member has requested for a physical copy of the same, to those Members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the Company by the Depositories. For Members who have not registered their e-mail address, physical copies of the Annual Report for the financial year 2018-19 and this Notice of 25th Annual General Meeting of the Company inter-alia indicating the process and manner of remote e-voting along with Attendance Slip, Proxy Form and Route map are being sent through the permitted mode.
16. 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.
17. Green Initiative:
- A. Electronic copy of the Notice convening the 25th AGM of the Company, Annual Report along with the Attendance Slip and Proxy Form are being sent to the members who have registered their email ids with their Depository Participant(s). For members who have not registered their email ids, physical copies of the aforementioned documents are being sent in the permitted mode.
 - B. 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 sending a request on cs.ndl@chiripalgroup.com and / or investorqrj@datamatics bpm.com.
18. 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.
19. Procedure for voting:
- A. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Section 109 of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014 along with Regulation 44 of the Listing Regulations (including any statutory modification(s) and / or enactment(s) thereof for the time being in force), members are provided with the following alternatives by which they may cast their votes:
 - By electronic means through the remote e-voting platform provided by the Central Depository Services (India) Limited (CDSL).
 - By voting through ballot paper at the Annual General Meeting.
- In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through ballot form shall be treated as invalid.
- Information and instructions relating to e-voting are as under:
- The Company has appointed Mr. Keyur Shah (Membership Number: ACS 16687; CP No. 8814) of M/s. Keyur J. Shah & Associates, Company Secretaries as the scrutiniser for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The e-voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on September 6, 2019 being the cut-off date.

- (i) The voting period begins on Monday, September 9, 2019 and ends on Thursday, September 12, 2019. 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 Friday, September 6, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<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"> • Members 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 indicated in the PAN field.
Dividend Bank Details	<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> <p>OR Date of Birth (DOB)</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 (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) Shareholders can also use Mobile app - "m - Voting" for e voting . m - Voting app is available on Apple , Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, 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.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

- The e-voting period commences on Monday, September 9, 2019 at 9.00 a.m. (IST) and ends on Thursday, September 12, 2019 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 September 6, 2019 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, Practising Company Secretary (Membership Number: ACS 16687; 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 three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any and submit forth with to the Chairman of the Company.
- The results shall be declared on the date of AGM of the Company. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.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 receipt of sufficient votes.

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, Practising 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. 4:

In order to maintain quality standards of Chiripal Group, quantitative benefits, ease of customer reach, global representation and in the best interest of the Company and its shareholders, major transactions of the Company pertaining to sale, purchase or supply of goods, materials & services have been since long with Chiripal Group Companies. Considering the prevailing market trend these transactions will continue in the financial years 2019-20 and 2020-21. Further, the Company being in existence for more than two decades has developed into an organisation with efficient systems, competent credit management practices and stringent operational control processes and thus, may extend the required support to its Group Companies.

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of section 188 of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the Related Party, the Company must obtain the prior approval of the Audit Committee and of the Board of Directors and in case certain class of Companies, prior approval of the shareholders by way of a Special Resolution must be obtained for certain transactions. In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), all Material Related Party Transaction, i.e., transactions which

individually or taken together exceeds 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements, require approval of the shareholders and the Related Parties to the particular transaction shall abstain from voting on such resolutions. Since the aggregate value of these transactions (proposed in 2019-20 and 2020-21) are likely to exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, the said transactions would be considered to be Material Related Party Transactions for the purpose of provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and will thus require approval of the members of the Company through an special Resolution.

The Audit Committee has approved the abovementioned Related Party Transactions and has noted that these transactions are in the ordinary course of business and are at arm’s length. Further, the Audit Committee and Board of Directors have reviewed major terms & conditions of these transactions and hence recommend to the members for their approval for 2 (two) financial years i.e. for 2019-20 and 2020-21.

In the light of the provisions of the Companies Act, 2013, the Board of Directors of your Company have approved the proposed transactions along with annual limit that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013), the name of the related parties, name of the Director or Key Managerial Personnel who is related, if any and other details required are mentioned below:

For the year 2019-20 and 2020-21 (figures provided below are on annual basis and not cumulative for 2 years):

Sr. No.	Particulars	Remarks / Details								
1.	Name of Related Parties	Chiripal Industries Limited	Nova Textiles Private Limited	Nandan Terry Private Limited	Chiripal Poly Films Limited	Vishal Fabrics Limited	Chiripal Textile Mills Private Limited	Chiripal Lifestyle Limited	CIL Nova Petrochemicals Limited	Shanti Exports Private Limited
2.	Name of Related Director / KMP	Jyotiprasad Chiripal	Brijmohan Chiripal	Brijmohan Chiripal & Vedprakash Chiripal	Vedprakash Chiripal, Jyotiprasad Chiripal & Brijmohan Chiripal	Brijmohan Chiripal	Brijmohan Chiripal	Jaiprakash Chiripal & Brijmohan Chiripal	Jyotiprasad Chiripal	Brijmohan Chiripal
3.	Nature of Relationship	Common Directorship & Shareholding	Brother of Chairman & Managing Director	Vedprakash Chiripal being Common Director and Brijmohan Chiripal is brother of Chairman & Managing Director	Common Directorship & Shareholding and Brijmohan Chiripal is brother of Chairman & Managing Director	Brother of Chairman & Managing Director	Brother of Chairman & Managing Director	Both are brothers of Chairman & Managing Director	Common Directorship & Shareholding	Brother of Chairman & Managing Director

Sr. No.	Particulars	Remarks / Details								
4.	Nature of Transaction	Sale of goods including job work, etc.	Sale of goods including job work, etc.	Sale of goods / products / power, etc.	-	Sale of goods	Sale of yarn, goods, etc.	Sale of goods including jobwork, etc.	Sale of goods including jobwork, etc.	Rent / Lease expenses including maintenance and electricity expenses
		Purchase of goods including raw materials & stock in trade. Payment for rent / lease of property.	Purchase of goods including raw materials & stock in trade.	Purchase of goods including jobwork	Purchase of goods	Purchase of goods	Purchase of fabrics	-	Purchase of goods	
5.	Material Terms	These transactions as well as the proposed transactions would continue to be in ordinary course of business and at arm's length basis								
6.	Monetary Value	600 cr.	600 cr.	200 cr.	100 cr.	300 cr.	100 cr.	5 cr.	25 cr.	2 cr.
7.	Particulars of Contracts or Arrangements	Contract or Arrangement have been entered into after consultation and approval of Audit Committee and Board.								
8.	Any other relevant or important information	No other relevant or important information.								

The support and services extended by the Company to its Group Companies in relation to business enhancement and for building up robust practices and processes are towards the benefit of all the Companies.

The members are further informed that no member(s) of the Company being a Related Party or having any interest in the resolution as set out at Item No. 4 shall be entitled to vote on this resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said 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. 4 of the Notice for the approval of the members.

Item No. 5:

Mr. Tara Sankar Bhattacharya (DIN: 00157305) is an Independent Non-Executive Director of the Company and Chairperson of the Audit Committee and Nomination & Remuneration Committee of the Board of Directors of the Company. He joined the Board of Directors of the Company in February, 2013. Pursuant to the Act, Mr. Bhattacharya, was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term upto September 14, 2019, by the Members of the Company in the 20th AGM held on September 15, 2014. 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 in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the SEBI Listing Regulations, Mr. Bhattacharya, 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 a term of three consecutive years from September 15, 2019 upto September 14, 2022. The respective tenure is decided considering the year in which he attains the age of 75 years in compliance with provisions of Regulation 17(A) of SEBI Listing Regulations.

Mr. Bhattacharya 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. Bhattacharya 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. Bhattacharya as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered and Corporate Office of the Company 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. Bhattacharya as an Independent Director. Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Mr. Bhattacharya as an Independent Director for a term of three consecutive years with effect from September 14, 2019 to September 15, 2022, 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. Tara Sankar Bhattacharya, 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. 5 of the Notice for the approval of the members.

Item No. 6:

The Board of Directors at their meeting held on August 12, 2019, 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 other products of the Company for the financial year ending March 31, 2019 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, 2019.

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

August 12, 2019
Ahmedabad

Purvee Roy
Company Secretary
Mem. No. F8978

ANNEXURE TO THE NOTICE DATED AUGUST 12, 2019

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

Particulars	Mr. Vedprakash Devkinandan Chiripal	Mr. Tara Sankar Bhattacharya
Age	67 years	71 years
Qualifications	Bachelor of Commerce	MBA and Master of Science in Nuclear Physics
Experience (including expertise in specific functional are) / Brief Resume	The Chairman of the Company and the soul of Chiripal Group of Industries, he has single mindedly steered the Group. He is widely recognized for his path breaking and visionary contribution to denim sector. A Commerce Graduate, he has more than four decades of experience in the field of manufacturing, trading and export of various textiles products. He started his small textile business with only 12 looms in 1974. Subsequently, he set up various processing units and other manufacturing units for textile products. Under his visionary leadership, the Group's business and revenues have grown manifold and it emerged as a large conglomerate with diversified interests.	Mr. 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.
Terms and Conditions of Appointment / Re-appointment	As per terms and conditions mentioned in agreement entered into between Vedprakash Chiripal and Nandan Denim Limited. His re-appointment is as Non Executive Promoter Director.	As per terms and conditions mentioned in letter of appointment provided by Nandan Denim Limited. His re-appointment is as Non Executive Independent Director.
Date of first appointment on the Board	11.08.2003	06.02.2013
Shareholding in the Company as on March 31, 2019	23,48,462 equity shares(4.89%)	NIL
Relationship with other Directors / Key Managerial Personnel	Brother of Jyotiprasad Chiripal (Managing Director)	Not related to any Director or Key Managerial Personnel
Number of meetings of the Board attended during the year	4 (four) Board Meetings	3 (three) Board Meetings
Directorships of other Boards as on March 31, 2019	<ul style="list-style-type: none"> • Chiripal Industries Limited • Chiripal Poly Films Limited • Nandan Terry Private Limited 	<ul style="list-style-type: none"> • Jindal Stainless Limited • Surya Roshni Limited • Uflex Limited • Bajaj Energy Limited • Sharven Consultancy Private Limited • IDFC Projects Limited • Arshiya Limited

Particulars	Mr. Vedprakash Devkinandan Chiripal	Mr. Tara Sankar Bhattacharya
Membership / Chairmanship of Committees of other Boards as on March 31, 2019	<p>Nandan Denim Limited</p> <ul style="list-style-type: none"> • Nomination & Remuneration Committee – Member • Stakeholders Relationship Committee – Member • Corporate Social Responsibility - Member 	<p>Nandan Denim Limited</p> <ul style="list-style-type: none"> • Audit Committee – Chairman • Nomination & Remuneration Committee – Chairman • Management Committee - Member <p>Surya Roshni Limited</p> <ul style="list-style-type: none"> • Audit Committee - Member <p>Bajaj Energy Limited</p> <ul style="list-style-type: none"> • Audit Committee - Member <p>IDFC Securities Limited</p> <ul style="list-style-type: none"> • Audit Committee – Chairman <p>Jindal Stainless Limited</p> <ul style="list-style-type: none"> • Audit Committee – Member • Nomination & Remuneration Committee – Member • Corporate Social Responsibility Committee - Member <p>Arshiya Limited</p> <ul style="list-style-type: none"> • Audit Committee – Member • Corporate Social Responsibility Committee – Member <p>Surya Roshni Limited</p> <ul style="list-style-type: none"> • Audit Committee - Member

Boards' Report

To
The Members

The Directors have pleasure in submitting their 25th Report together with the Audited Accounts of your Company for the year ended March 31, 2019.

Financial Performance

The Company's financial performance for the year ended March 31, 2019 is summarised below:

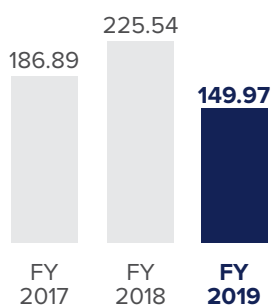
(₹ In Cr.)

Particulars	Year ended 31/03/2019	Year ended 31/03/2018
Revenue from Operations	1456.05	1,588.92
Earnings Before Interest, Taxes, Depreciation and Amortisation	163.23	225.84
Less: Finance Cost	27.00	57.98
Less: Depreciation and Amortisation Cost	104.41	120.56
Profit Before Tax	31.82	61.20
Less: Tax Expense	9.74	14.47
Profit After Tax	22.08	46.73
Other Comprehensive Income	(0.30)	(0.30)
Total Comprehensive Income	21.77	46.43

Company's Performance Review

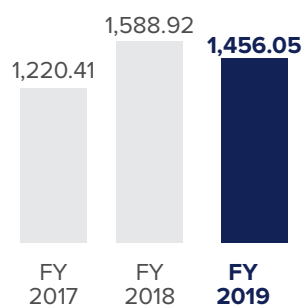
EBITDA

(₹ in cr.)



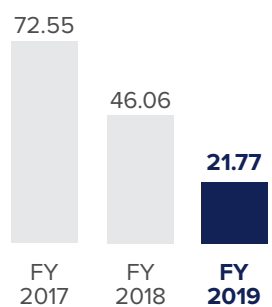
Revenue

(₹ in cr.)



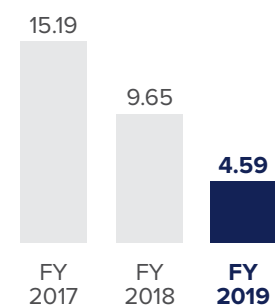
PAT

(₹ in cr.)



EPS

(₹ in cr.)



The business environment for the textile industry remained sluggish during the financial year 2018-19, contributed by lower consumption, liquidity issue and lower lending by the financial institutions. Despite being tough situation, the Company has achieved aggregate sales of ₹1456.05 cr. marginally lower than that of previous financial year and Profit Before Tax of ₹31.82 cr.

Cost of Goods sold as a percentage to revenue from operations increased to 70% as against 68% in the previous year.

Employee cost as a percentage to revenue from operations increased from 5.05% (₹80.30 cr.) to 5.67% (₹82.63 cr.) in the previous year.

Other expense as a percentage to revenue from operations increased to 13.56% (₹197.46 cr.) against 12.48% (₹198.29 cr.) in the previous year.

The Profit Before Tax (PBT) for the current year is ₹31.82 cr. against ₹60.82 cr. in the previous year. The Profit After Tax (PAT) declined to ₹22.08 cr. against ₹46.73 cr. in previous year.

The finance cost (interest) for the current year is ₹27.00 cr. as compared to ₹58.04 cr. in the previous year which is significantly reduced during the year, mainly due to recognition of interest subsidy.

Dividend

The Board of Directors of your Company has recommended a dividend of 5% (Re. 0.50 per equity share of ₹10/- each) on 4,80,49,056 equity shares of ₹10/- each for the year 2018-19. The final dividend is subject to the approval of the shareholders at the ensuing 25th Annual General Meeting scheduled to be held on September 13, 2019. This dividend along with dividend tax will result in cash outlay of ₹28.96 Million as compared to ₹46.30 Million in the previous year. The Board has not recommended any transfer to general reserves from the profits during the year under review.

The dividend declared and/or paid by the Company for the financial year 2018-19, shall be in compliance with the Dividend Distribution Policy. The Dividend Distribution Policy is available on the website of Company at www.nandandenim.com.

Transfer To Reserves

During the year under review, the Company has not transferred any amount to General Reserves out of the amount available for appropriation.

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, 2019.

Financial Statements

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations') and Section 136 of the Companies Act, 2013 read with Rule 10 of the Companies (Accounts) Rules, 2014, the Annual Report containing the financial statements for the financial year 2018-19, along with Directors Report, Management Discussion & Analysis and Corporate Governance Report is being sent to all shareholders who have registered their email address(es) for the purpose of receiving documents / communication from the Company in electronic mode. Physical copy of the Annual Report is being sent to all those who have not registered their email ids. Please note that the Company will make available full Annual Report either a hard or soft copy depending upon request by any member of your Company.

Credit Rating

✦ The long-term and short-term ratings remain unchanged at the earlier rating of [ICRA]A/[ICRA]A1, however, the outlook on the long-term rating was revised to Negative from Stable in August, 2018.

✦ The long-term and short-term ratings were revised to [ICRA]A-(Negative)/[ICRA]A2+ from [ICRA]A(Negative)/[ICRA]A1 in June, 2019.

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.

Directors And Key Managerial Personnel

Directors retiring by rotation

Mr. Vedprakash Chiripal (DIN: 00290454), Non-Executive 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 has offered himself for re-appointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing AGM.

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

Re-appointment of Independent Director

Mr. Tara Sankar Bhattacharya (DIN: 00157305), Independent Director, not liable to retire by rotation, (whose tenure will expire on September 14, 2019) 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. It is proposed to re-appoint Mr. Tara Sankar Bhattacharya upto September 14, 2022.

The aforementioned appointment is based on outcome of performance evaluation exercise, experience and contributions made by Mr. Tara Sankar Bhattacharya in his previous tenure. The respective tenure is decided considering the year in which he attains the age of 75 years.

Change in Directorate

i. Appointment and resignation of Mr. Brijmohan Chiripal (DIN: 00290426) on the Board of Directors of the Company

The Board of Directors at their meeting held on November 3, 2018, based on recommendations of the

Nomination & Remuneration Committee, approved the appointment of Mr. Brijmohan Chiripal as a Non Executive Promoter Director. He is a Chemical Engineer with almost 20 years of business experience in Textile Processing as well as export and domestic trading. His ability to empower people, motivate them and align their tasks with the company's goals has helped in the formation of a formidable team.

Due to his prior commitments and other professional assignments, he later on resigned on February 8, 2019.

ii. Resignation of Mr. Ambalal Patel (DIN: 00037870)

Mr. Ambalal Patel was appointed as Non Executive Independent Director on February 21, 2007. His valuable contribution has been of immense benefit to the Company. His inputs have been detrimental to the success of the Company during his tenure. In order to comply with applicable regulations, he tendered his resignation from close of business hours of March 31, 2019.

iii. Appointment and 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 maintain optimal composition of the Board and compliance with applicable regulations.

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 SEBI 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.

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 SEBI 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 www.nandanenim.com/policies/.

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 SEBI 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 & Remuneration, CSR Committee 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 2018-19:

- ✦ **Mr. Jyotiprasad Chiripal** – Managing Director
- ✦ **Mr. Deepak Chiripal** – Chief Executive Officer
- ✦ **Mr. Prakashkumar Sharma** – 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 SEBI 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 has been outlined in Corporate Governance Section 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 & 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.

Performance Evaluation

The Nomination & 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. A green belt has been developed around the plant site wherever space is available around the periphery of the plant. Other open spaces within the factory have been converted into green areas in the form of lawns or flowering plants. 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 approximate 4500 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 at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

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 in Annexure-F to 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.

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 2018-19, four board meetings were held on May 26, 2018; August 13, 2018; November 3, 2018 and February 8, 2019 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 2018-19 are given in the Corporate Governance Report which forms part of this Report. Further, the Board of Directors also confirm 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 five Committees of the Board, namely:

- ✦ Audit Committee
- ✦ Stakeholders' Relationship Committee
- ✦ Nomination & Remuneration Committee
- ✦ Corporate Social Responsibility Committee
- ✦ Management Committee

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

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:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable Accounting Standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b. 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, 2019 and of the Profit & Loss of the Company for the financial year ended March 31, 2019;
- c. 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;

- d. the annual accounts have been prepared on a 'going concern' basis;
- e. 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
- f. 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 under the SEBI Listing Regulations 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 2018-19.

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, 2019, are set out in Note 37(B) to 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 various levels in the organisation, such as, the board, managers, shareholders and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the Company objectives are set, and the means of attaining those objectives and monitoring performance. The concept of corporate governance hinges on total transparency, integrity and accountability of the management and the Board of Directors.

The Company is committed to maintaining good standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by Securities and Exchange Board of India (SEBI). Pursuant to Regulation 34 of the SEBI Listing Regulations, 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, 2019 was ₹48.05 crores divided into 4,80,49,056 Equity Shares of ₹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, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

The Company's equity shares are listed on 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 SEBI 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) of 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 Sections 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, 2019 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 August 12, 2019 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 2019-20 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 of textiles and other products for the financial year 2019-20 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: P200IGJ041000) were appointed as Secretarial Auditors of the Company for the financial year 2018-19 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as Annexure– E to this Report.

Explanation to the observations of Secretarial Audit 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:

1. The Company has filed few e Forms with required late fees as per the provisions of the Companies Act, 2013.

The Company has filed the e Forms as required under the Companies Act, 2013 and paid the necessary statutory fees.

2. The Company has filed required return under Investor Education and Protection Fund Rules; however not within prescribed time.

The Company has already filed the same and it has been taken on record by authorities.

M/s Sandip Sheth & Associates, Company Secretaries, Ahmedabad have been appointed to conduct the Secretarial Audit of the Company for the financial year 2019-20. They have confirmed that they are eligible for the said appointment.

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 Practicing 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 Practicing 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 M/s Sandip Sheth & Associates, Secretarial Auditor of the Company for providing this certification. The Company is publishing the said Secretarial Compliance Report, on voluntary basis and the same has been annexed as Annexure D to the Board's Report forming part of this Annual Report.

Auditors' certificate on corporate governance

As required by SEBI Listing Regulations, the Auditors' Certificate on Corporate Governance is enclosed as part of Annual Report. The Auditors' Certificate for fiscal 2019 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 2018-19, 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 SEBI Listing Regulations. Hence approval for such related party transactions to be entered in the financial year 2019-20 and 2020-21 is proposed for approval of members at the ensuing annual general meeting and resolution in that respect has been incorporated in the Notice calling Annual General Meeting.

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 SEBI Listing Regulations.

The details of the related party transactions as per Accounting Standard 18 are set out in Note 35 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 is available on the Company's website at <https://nandanenim.com/wp-content/uploads/2018/03/RelatedPartyTransactionPolicy.pdf>.

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 SEBI 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	Policy on Board Diversity
10	Whistle Blower Policy
11	Corporate Social Responsibility Policy
12	Nomination and Remuneration Policy
13	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 actioned 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.

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 thereunder 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 2018-19, 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, 2019, the Company incurred CSR expenditure of ₹1.60 cr. (Rupees One Crore and Sixty Lakh Only). The CSR initiatives of the Company is mainly under the thrust area of education.

The Company’s CSR Policy statement and Annual Report on the CSR activities undertaken during the financial year ended March 31, 2019, 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, 2019 in Form MGT – 9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out herewith as Annexure – B to this Report and is also available on the website of the Company.

Secretarial Standards

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

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.

Vigil Mechanism

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 SEBI 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/policies/.

Material Changes And Commitments

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2018-19 and the date of this report. Barring unforeseen circumstances, the Directors of your Company expect continued growth in turnover and profitability in future.

Significant and Material Orders Passed by the Regulators or Courts

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.

Green Initiatives

In order to save environment by cutting down the consumption of paper, the Ministry of Corporate Affairs (MCA) has introduced "Green Initiative in Corporate Governance" by allowing paperless compliance by companies under the provisions of the Companies Act. MCA had further announced that the Directors of the Company may participate in a meeting of Board or Committee of Directors, under the provisions of the Companies Act, through electronic mode. Participation of Directors in the Board or its Committee meetings through video conferencing is an approved way of attending the meetings and such participation is considered for the purposes of quorum, authority, etc. The Companies are also mandated to conduct the postal ballot through electronic means. In future, if there is any requirement of passing resolutions

through postal ballot, Nandan Denim Limited will conduct the ballot process in the e-voting mechanism.

To preserve environment, your Company regularly undertakes green initiatives which not only reduce burden on environment but also ensure secured dissemination of information. Such initiatives include energy saving, water conservation and usage of electronic mode in internal processes & control, statutory and other requirement. NDL started sending documents like notices convening General Meetings, Financial Statements, etc. including Annual Reports in electronic form, to the email addresses made available to us by the depositories from time to time. We appreciate the initiative taken by MCA as it helps in prompt receipt of correspondence and also avoids delay or losses caused through post. Annual Report is also available on our website namely www.nandandenim.com.

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

Annexures

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

- ✦ Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo
- ✦ Extract of Annual Return under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 (1) of Companies(Management & Administration) Rules, 2014 in Form MGT-9.
- ✦ Details of CSR activities and spends under Section 135 of the Companies Act, 2013.
- ✦ Annual Secretarial Compliance Report pursuant to Regulation 24A of SEBI Listing Regulations.
- ✦ Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013.
- ✦ Information as per Section 197 of the Companies Act, 2013
- ✦ 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, co-operation and dedication during the year. Further, the Board sincerely conveys its appreciation to 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

Vedprakash Chiripal
Chairman
(DIN: 00290454)

Jyotiprasad Chiripal
Managing Director
(DIN: 00155695)

Place: Ahmedabad
Date: August 12, 2019

Annexure - A to Directors' 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:

[a] Energy conservation measures taken:-

1. Installed Timer in H-Plant dust Collector Fan
2. Change Compressor cooling water line tapping separate pump to common pump
3. Air audit executed by external agency

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

1. Investment in Wvg H-Plant Supply Fan Inverter
2. Investment in Air Flow Control System

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 were able to reduce approximately Rs. 80 Lac
2. Better efficiency
3. High productivity
4. Reduction in cost of production
5. Reduction in down time

D TECHNOLOGY:-

i. RESEARCH AND DEVELOPMENT (R & D)

Company has an in house Research & Development Centre at its plant at Piplej. Specific Areas in which R & D is carried out by the Company are as mentioned below.

There are mainly two areas where R&D was carried out.

1. Product Innovations
2. Product Re-engineering.

To position Nandan Denim at the top end of the market, R&D were carried out in the areas of:

- a. Special Dobby weave development.

- b. 200+ new products with special finishes for international markets.
- c. High value yarn development, like duel core, two ply poly, mélange, special blend, etc.
- d. New fabric construction for high fashion ladies garments.
- e. Exclusive design –peach denim.
- f. Yarn dyeing with Sulphur color
- g. New technology velvet finish
- h. Less water dyeing concept fabric
- i. Sustainable fabric
- j. PCW fabric

ii. BENEFITS DERIVED AS A RESULT OF THE ABOVE R & D

1. Higher sales turn over
2. Better sales realization.
3. Penetration in the domestic brand market.
4. Improved positioning of the company in the domestic denim market.
5. Addition of new customers.

iii. Future Plan of Action

R&D and innovations are continuous process essential for growth and sustainability of the Company. Future plans are:

1. To penetrate more into the fashion segments of the market Special blend denim is main focus area.
2. More weave structure creation to bit competition.
3. More focus on exports for nominations with brands.
4. Special ranges of yarn & fabric dyed denim.
5. Special finish development for better hand-feel and look.

F. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Efforts Made Towards Technology, Absorption, Adaptation and Innovation:

1. New special spinning range for blended yarn production.
2. New flat finish range and stenter for more value added products.

3. Participations in international fairs for product innovations.
4. New brushing machine capable of giving unique feel in fabric.

Benefits Derived:

1. Higher sales turn over
2. Better sales realisation.
3. Penetration in the domestic brand market.
4. Improved positioning of the Company in the domestic denim market.
5. Addition of new customers
6. Addition of value added products.

G. 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	31.03.2019 (₹)	31.03.2018 (₹)
(a) Foreign Exchange Earnings:	136.12	102.53
(b) Foreign Exchange Outgo:	67.40	46.93

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

For and on behalf of the Board of Directors

Vedprakash Chiripal
Chairman
(DIN: 00290454)

Jyotiprasad Chiripal
Managing Director
(DIN: 00155695)

Place: Ahmedabad
Date: August 12, 2019

Annexure – B to Directors Report

Form No. MGT 9

Extract Of Annual Return as on financial year ended on March 31, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014]

I. Registration & Other Details:

(i)	CIN	L51909GJ1994PLC022719
(ii)	Registration Date	09-08-1994
(iii)	Name of the Company	Nandan Denim Limited
(iv)	Category	Public Company
	Sub-category of the Company	Limited by Shares
(v)	Address of the Registered Office & contact details	Survey No. 198/1 & 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405
	Telephone Number	91 – 79 – 26734660/2/3
	Fax Number	91 – 79 – 26768656
	Website	www.nandandenim.com
	Email Address	cs.ndl@chiripalgroup.com
	Name of the Police Station having jurisdiction where the Registered Office is situated	Narol Police Station
(vi)	Whether Listed Company?	Yes
	Details of Stock Exchanges where the shares are listed	BSE Limited: 532641 National Stock Exchange of India Limited: NDL
(vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Datamatics Business Solutions Limited Plot No. B-5, Part B Cross Lane, MIDC, Andheri (east), Mumbai, Maharashtra – 400 093
	Telephone Number	91 – 22 – 66712151 – 56
	Fax Number	91 – 22 – 66712011
	Email Address	investorqry@dfssl.com

II. Principle Business Activities of the Company:

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

Sr. No.	Name & Description of main products / services	NIC Code of the Product / Service	% of total turnover of the Company
1	Finishing of cotton and blended cotton textiles	13131	100.00

III. Particulars of Holding, Subsidiary and Associate Companies:

Sr. No.	Name & Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
			Not Applicable		

The Company does not have any Holding or Subsidiary or Associate Company.

IV. Shareholding Pattern (Equity Share Capital Break Up as % of Total Equity):

(i) Category-wise Shareholding

Face Value 10.00		Number of Shares held at the beginning of the year				Period: 31-Mar-2018 To 30-Mar-2019 Number of shares held at the end of the year				
Category code	Category of shareholder	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	% Change during the year
(I)	(II)									
(A)	Promoters									
1	Indian									
(a)	Individuals/HUF	2282500	0	2282500	4.7504	2282500	0	2282500	4.7504	0.0000
(b)	Central Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Bodies Corporate	23212886	0	23212886	48.3108	23969383	0	23969383	49.8852	1.5744
(e)	Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Any Other (specify)	2501802	0	2501802	5.2068	2501802	0	2501802	5.2068	0.0000
	Sub Total (A)(1)	27997188	0	27997188	58.2679	28753685	0	28753685	59.8424	1.5744
2	Foreign									
(a)	NRIs - Individuals	1394222	0	1394222	2.9017	2348462	0	2348462	4.8876	1.9860
(b)	Other - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Any Other (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Sub Total (A)(2)	1394222	0	1394222	2.9017	2348462	0	2348462	4.8876	1.9860
	Total	29391410	0	29391410	61.1696	31102147	0	31102147	64.7300	3.5604
	Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)									
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Banks / FI	30326	0	30326	0.0631	28858	0	28858	0.0601	-0.0031
(c)	Central Government	5500	0	5500	0.0114	5500	0	5500	0.0114	0.0000
(d)	State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(g)	FIs	4475219	0	4475219	9.3139	154888	0	154888	0.3224	-8.9915
(h)	Foreign Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(j)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(k)	Other (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Sub Total (B)(1)	4511045	0	4511045	9.3884	189246	0	189246	0.3939	-8.9946

Face Value 10.00		Number of Shares held at the beginning of the year				Period: 31-Mar-2018 To 30-Mar-2019				
Category code	Category of shareholder					Number of shares held at the end of the year				
(I)	(II)	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	% Change during the year
2	Non-institutions									
(a)	Bodies Corporate									
(a)(i)	Indian	2051884	0	2051884	4.2704	1795905	0	1795905	3.7376	-0.5327
(a)(ii)	Overseas	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Individuals									
(b)(i)	Individuals - shareholders holding nominal share capital up to ₹1 Lakh	8392461	14261	8406722	17.4961	8854717	14066	8868783	18.4578	0.9616
(b)(ii)	Individual shareholders holding nominal share capital in excess of ₹1 Lakh	3109668	0	3109668	6.4719	3050969	0	3050969	6.3497	-0.1222
(c)	Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Other (specify)									
d-i	NRI Rept.	469314	0	469314	0.9767	2890444	0	2890444	6.0156	5.0389
d-ii	NRI Non -Rept.	109013	0	109013	0.2269	151562	0	151562	0.3154	0.0886
d-iii	Foreign Bodies	0	0	0	0.0000	0	0	0	0.0000	0.0000
d-iv	Foreign National	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Sub Total (B)(2)	14132340	14261	14146601	29.4420	16743597	14066	16757663	34.8762	5.4342
	Total Public Shareholding (B)=(B)(1)+(B)(2)	18643385	14261	18657646	38.8304	16932843	14066	16946909	35.2700	-3.5604
	Total (A+B)	48034795	14261	48049056	100.0000	48034990	14066	48049056	100.0000	0.0000
(C)	Custodians for GDRs and ADRs	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Grand Total (A)+(B)+(C)	48034795	14261	48049056	100.0000	48034990	14066	48049056	100.0000	0.0000

(ii) Shareholding of Promoters:

Sr. No.	Shareholders Name	Shareholding at the beginning of year			Shareholding at the end of year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Chiripal Industries Limited	11994270	24.96	2.08	11994270	24.96	2.08	0.00
2	Chiripal Exim LLP	7165556	14.91	0.00	7922053	16.49	0.00	1.58
3	Devkinandan Corporation LLP	3206060	6.67	0.00	3206060	6.67	0.00	0.00
4	Vedprakash D. Chiripal	1394222	2.90	0.00	2348462	4.89	0.00	1.99
5	Brijmohan D. Chiripal	2030000	4.22	0.00	2282500	4.75	0.00	0.53
6	Urmiladevi J. Chiripal	631802	1.31	0.00	631802	1.31	0.00	0.00
7	Jyotiprasad D. Chiripal	630000	1.31	0.00	630000	1.31	0.00	0.00
8	Jaiprakash D. Chiripal	630000	1.31	0.00	630000	1.31	0.00	0.00
9	Nandan Terry Private Limited	600000	1.25	0.00	600000	1.25	0.00	0.00
10	Nishi J. Agarwal	480000	1.00	0.00	480000	1.00	0.00	0.00
11	Vedprakash Devkinandan Chiripal – HUF	252500	0.53	0.00	0	0.00	0.00	(0.53)
12	Chiripal Textile Mills Private Limited	247000	0.51	0.00	247000	0.51	0.00	0.00
13	Deepak J. Chiripal	130000	0.27	0.00	130000	0.27	0.00	0.00
	Total	29391410	61.15	2.08	31102147	64.72	2.08	3.57

(iii) Change in Promoter's Shareholding (Specify if there is no change):

Sl. No.	Name	Remarks	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Chiripal Industries Limited	At the beginning of the Year	11994270	24.96	11994270	24.96
		At the end of the Year	0	0.00	11994270	24.96
2	Devkinandan Corporation LLP	At the beginning of the Year	3206060	6.67	3206060	6.67
		At the end of the Year	0	0.00	3206060	6.67
3	Vedprakash Chiripal	At the beginning of the Year	1394222	2.90	1394222	2.90
		Increase – 27.04.2018	50000	0.10	1444222	3.01
		Increase – 30.04.2018	45000	0.09	1489222	3.10
		Increase – 03.05.2018	51454	0.11	1540676	3.21
		Increase – 04.05.2018	50000	0.10	1590676	3.31
		Increase – 07.06.2018	50000	0.10	1640676	3.41
		Increase – 08.06.2018	50000	0.10	1690676	3.52
		Increase – 11.06.2018	70000	0.15	1760676	3.66
		Increase – 12.06.2018	60000	0.12	1820676	3.79
		Increase – 13.06.2018	98609	0.21	1919285	3.99
		Increase – 14.06.2018	65000	0.14	1984285	4.13
		Increase – 15.06.2018	50000	0.10	2034285	4.23
		Increase – 18.06.2018	43500	0.09	2077785	4.32
		Increase – 17.10.2018	45000	0.09	2122785	4.42
		Increase – 03.12.2018	36749	0.08	2159534	4.49
		Increase – 04.12.2018	40000	0.08	2199534	4.58
		Increase – 05.12.2018	40000	0.08	2239534	4.66
		Increase – 13.12.2018	40000	0.08	2279534	4.74
		Increase – 14.12.2018	40000	0.08	2319534	4.83
		Increase – 17.12.2018	28928	0.06	2348462	4.89
		At the end of the year	0	0.00	2348462	4.89

Sl. No.	Name	Remarks	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Brijmohan Devkinandan Chiripal	At the beginning of the Year	2030000	4.22	2030000	4.22
		Increase - 15.03.2019	252500	0.53	2282500	4.75
		At the end of the Year	0	0.00	2282500	4.75
5	Chiripal Exim LLP	At the beginning of the Year	7165556	14.91	7165556	14.91
		Increase – 05.06.2018	21975	0.05	7187531	14.96
		Increase – 20.07.2018	150565	0.31	7338096	15.27
		Increase – 30.07.2018	55000	0.11	7393096	15.39
		Increase – 31.07.2018	33957	0.07	7427053	15.46
		Increase – 19.10.2018	245000	0.51	7672053	15.97
		Increase – 07.01.2019	50000	0.10	7722053	16.07
		Increase – 08.01.2019	50000	0.10	7772053	16.18
		Increase – 09.01.2019	50000	0.10	7822053	16.28
		Increase – 10.01.2019	50000	0.10	7872053	16.38
		Increase – 11.01.2019	50000	0.10	7922053	16.49
		At the end of the Year	0	0.00	7922053	16.49
6	Urmiladevi Jyotiprasad Chiripal	At the beginning of the Year	631802	1.32	631802	1.32
		At the end of the Year	0	0.00	631802	1.32
7	Jyotiprasad D Chiripal	At the beginning of the Year	630000	1.31	630000	1.31
		At the end of the Year	0	0.00	630000	1.31
8	Jaiprakash D Chiripal	At the beginning of the Year	630000	1.31	630000	1.31
		At the end of the Year	0	0.00	630000	1.31
9	Nandan Terry Private Limited	At the beginning of the Year	600000	1.25	600000	1.25
		At the end of the Year	0	0.00	600000	1.25
10	Nishi J Agarwal	At the beginning of the Year	480000	1.00	480000	1.00
		At the end of the Year	0	0.00	480000	1.00
11	Chiripal Textile Mills Private Limited	At the beginning of the Year	247000	0.51	247000	0.51
		At the end of the Year	0	0.00	247000	0.51
12	Deepak J Chiripal	At the beginning of the Year	130000	0.27	130000	0.27
		At the end of the Year	0	0.00	130000	0.27
13	Vedprakash Devkinandan Chiripal - HUF	At the beginning of the Year	252500	0.53	252500	0.53
		Decrease -15.03.2019	252500	0.53	0	0.00
		At the end of the Year	0	0.00	0	0.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Name	Remarks	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Anil R Dhanuka	At the beginning of the Year	0	0.000	0	0.000
		Increase	600000	1.249	600000	1.249
		Increase	720581	1.500	1320581	2.748
		At the end of the Year	0	0.000	1320581	2.748
2	Monil Chiripal	At the beginning of the Year	1171609	2.438	1171609	2.438
		Increase	500	0.001	1172109	2.439
		Decrease	21609	0.045	1150500	2.394
		At the end of the Year	0	0.000	1150500	2.394
3	Manuj Chiripal	At the beginning of the Year	86268	0.180	86268	0.180
		Decrease	40000	0.083	46268	0.096
		Decrease	46268	0.096	0	0.000
		Increase	170965	0.356	170965	0.356
		Increase	105784	0.220	276749	0.576
		Increase	58251	0.121	335000	0.697
		Decrease	20000	0.042	315000	0.656
		Decrease	5100	0.011	309900	0.645
		Increase	825000	1.717	1134900	2.362
		At the end of the Year	0	0.000	1134900	2.362
4	Rameswar Retailers Pvt Ltd	At the beginning of the Year	330702	0.688	330702	0.688
		At the end of the Year	0	0.000	330702	0.688
5	Hexa International Private Limited	At the beginning of the Year	380541	0.792	380541	0.792
		Decrease	50000	0.104	330541	0.688
		Decrease	40000	0.083	290541	0.605
		At the end of the Year	0	0.000	290541	0.605
6	Adesh Ventures LLP	At the beginning of the Year	205421	0.428	205421	0.428
		Increase	23794	0.050	229215	0.477
		Increase	9246	0.019	238461	0.496
		At the end of the Year	0	0.000	238461	0.496
7	Ashish Jain	At the beginning of the Year	75859	0.158	75859	0.158
		Increase	6025	0.013	81884	0.170
		Decrease	81884	0.170	0	0.000
		Increase	81884	0.170	81884	0.170
		Decrease	81884	0.170	0	0.000
		Increase	91884	0.191	91884	0.191
		Increase	20000	0.042	111884	0.233
		At the end of the Year	0	0.000	111884	0.233
8	Ajay Kumar Aggarwal	At the beginning of the Year	75268	0.157	75268	0.157
		Increase	20000	0.042	95268	0.198
		Increase	12776	0.027	108044	0.225
		At the end of the Year	0	0.000	108044	0.225
9	Bhavna Textiles Pvt Ltd	At the beginning of the Year	192433	0.400	192433	0.400
		Decrease	50000	0.104	142433	0.296
		Decrease	40000	0.083	102433	0.213
		At the end of the Year	0	0.000	102433	0.213
10	Karvy Stock Broking Ltd(BSE)	At the beginning of the Year	98411	0.205	98411	0.205
		Decrease	4432	0.009	93979	0.196
		Increase	1297	0.003	95276	0.198
		Increase	1155	0.002	96431	0.201
		Increase	1723	0.004	98154	0.204
		Decrease	126	0.000	98028	0.204
		Increase	908	0.002	98936	0.206

Sl. No.	Name	Remarks	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		Increase	586	0.001	99522	0.207
		Decrease	540	0.001	98982	0.206
		Increase	4231	0.009	103213	0.215
		Increase	3859	0.008	107072	0.223
		Decrease	1698	0.004	105374	0.219
		Decrease	1164	0.002	104210	0.217
		Increase	1172	0.002	105382	0.219
		Decrease	3330	0.007	102052	0.212
		Decrease	1250	0.003	100802	0.210
		Increase	2678	0.006	103480	0.215
		Decrease	3084	0.006	100396	0.209
		Increase	988	0.002	101384	0.211
		Increase	653	0.001	102037	0.212
		Decrease	523	0.001	101514	0.211
		Increase	900	0.002	102414	0.213
		Increase	1865	0.004	104279	0.217
		Decrease	563	0.001	103716	0.216
		Increase	836	0.002	104552	0.218
		Increase	55	0.000	104607	0.218
		Decrease	1063	0.002	103544	0.215
		Increase	441	0.001	103985	0.216
		Decrease	685	0.001	103300	0.215
		Decrease	1966	0.004	101334	0.211
		Increase	171	0.000	101505	0.211
		Increase	1668	0.003	103173	0.215
		Decrease	6327	0.013	96846	0.202
		Increase	254	0.001	97100	0.202
		Decrease	370	0.001	96730	0.201
		Decrease	184	0.000	96546	0.201
		Decrease	242	0.001	96304	0.200
		Increase	106	0.000	96410	0.201
		Decrease	894	0.002	95516	0.199
		Increase	451	0.001	95967	0.200
		Increase	1251	0.003	97218	0.202
		Decrease	831	0.002	96387	0.201
		Increase	167	0.000	96554	0.201
		Increase	192	0.000	96746	0.201
		Increase	698	0.001	97444	0.203
		Decrease	574	0.001	96870	0.202
		Increase	834	0.002	97704	0.203
		Increase	1706	0.004	99410	0.207
		Increase	282	0.001	99692	0.207
		Decrease	1212	0.003	98480	0.205
		Decrease	456	0.001	98024	0.204
		Increase	287	0.001	98311	0.205
		Increase	2536	0.005	100847	0.210
		Decrease	471	0.001	100376	0.209
		Increase	201	0.000	100577	0.209
		At the end of the Year	0	0.000	100577	0.209
11	Polus Global Fund	At the beginning of the Year	2280581	4.746	2280581	4.746
		Increase	50000	0.104	2330581	4.850
		Decrease	185000	0.385	2145581	4.465
		Decrease	600000	1.249	1545581	3.217
		Decrease	1265000	2.633	280581	0.584
		Decrease	280581	0.584	0	0.000
		At the end of the Year	0	0.000	0	0.000

Sl. No.	Name	Remarks	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	LTS Investment Fund Ltd	At the beginning of the Year	1653300	3.441	1653300	3.441
		Decrease	175000	0.364	1478300	3.077
		Decrease	50000	0.104	1428300	2.973
		Decrease	270000	0.562	1158300	2.411
		Decrease	93500	0.195	1064800	2.216
		Decrease	60471	0.126	1004329	2.090
		Decrease	245000	0.510	759329	1.580
		Decrease	59790	0.124	699539	1.456
		Decrease	3334	0.007	696205	1.449
		Decrease	232571	0.484	463634	0.965
		Decrease	227673	0.474	235961	0.491
		Decrease	202660	0.422	33301	0.069
		Decrease	28301	0.059	5000	0.010
		Decrease	5000	0.010	0	0.000
		At the end of the Year	0	0.000	0	0.000
13	Dolly Khanna	At the beginning of the Year	419981	0.874	419981	0.874
		Decrease	3000	0.006	416981	0.868
		Decrease	6000	0.012	410981	0.855
		Decrease	10000	0.021	400981	0.835
		Decrease	8500	0.018	392481	0.817
		Decrease	18000	0.037	374481	0.779
		Decrease	5000	0.010	369481	0.769
		Decrease	112506	0.234	256975	0.535
		Decrease	64306	0.134	192669	0.401
		Decrease	19000	0.040	173669	0.361
		Decrease	24000	0.050	149669	0.311
		Decrease	29000	0.060	120669	0.251
		Decrease	16000	0.033	104669	0.218
		Decrease	26000	0.054	78669	0.164
		Decrease	16000	0.033	62669	0.130
		Decrease	30000	0.062	32669	0.068
		Decrease	13000	0.027	19669	0.041
		Decrease	11000	0.023	8669	0.018
Decrease	8669	0.018	0	0.000		
		At the end of the Year	0	0.000	0	0.000
14	Orange Mauritius Investments Limited	At the beginning of the Year	365000	0.760	365000	0.760
		Decrease	50000	0.104	315000	0.656
		Decrease	311033	0.647	3967	0.008
		Decrease	3967	0.008	0	0.000
		At the end of the Year	0	0.000	0	0.000

*** Notes:**

1. The above information is based on the weekly beneficiary position received from Depositories.
2. Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director / Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year*	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Directors:					
1	Vedprakash Chiripal				
	At the beginning of the year	1394222	2.90	1394222	2.90
	Date wise increase / decrease in shareholding during the year				
	Increase – 27.04.2018	50000	0.10	1444222	3.01
	Increase – 30.04.2018	45000	0.09	1489222	3.10
	Increase – 03.05.2018	51454	0.11	1540676	3.21
	Increase – 04.05.2018	50000	0.10	1590676	3.31
	Increase – 07.06.2018	50000	0.10	1640676	3.41
	Increase – 08.06.2018	50000	0.10	1690676	3.52
	Increase – 11.06.2018	70000	0.15	1760676	3.66
	Increase – 12.06.2018	60000	0.12	1820676	3.79
	Increase – 13.06.2018	98609	0.21	1919285	3.99
	Increase – 14.06.2018	65000	0.14	1984285	4.13
	Increase – 15.06.2018	50000	0.10	2034285	4.23
	Increase – 18.06.2018	43500	0.09	2077785	4.32
	Increase – 17.10.2018	45000	0.09	2122785	4.42
	Increase – 03.12.2018	36749	0.08	2159534	4.49
	Increase – 04.12.2018	40000	0.08	2199534	4.58
	Increase – 05.12.2018	40000	0.08	2239534	4.66
	Increase – 13.12.2018	40000	0.08	2279534	4.74
	Increase – 14.12.2018	40000	0.08	2319534	4.83
	Increase – 17.12.2018	28928	0.06	2348462	4.89
	At the end of the year			2348462	4.89
2	Brijmohan Chiripal*				
	At the beginning of the year	2030000	4.22	2030000	4.22
	Date wise increase / decrease in shareholding during the year				
	Increase – 15.03.2019	252500	0.53	2282500	4.75
	At the end of the year	-	-	2282500	4.75
3	Jyotiprasad Chiripal				
	At the beginning of the year	630000	1.31	630000	1.31
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	630000	1.31
3	Jaiprakash Chiripal**				
	At the beginning of the year	630000	1.31	630000	1.31
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	630000	1.31
4	Tara Sankar Bhattacharya				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	0	0.00
5	Ambalal Patel***				
	At the beginning of the year	1000	0.00	1000	0.00
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	1000	0.00
6	Pratima Ram				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	0	0.00
7	Giraj Mohan Sharma				
	At the beginning of the year	0	0.00	0	0.00

(v) Shareholding of Directors and Key Managerial Personnel: (Contd..)

Sl. No.	Name of Director / Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year*	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	0	0.00
8	Prakashkumar Sharma				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	0	0.00
	Key Managerial Personnel				
1	Deepak Chiripal				
	At the beginning of the year	130000	0.27	130000	0.27
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	130000	0.27
2	Ashok Bothra				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	0	0.00
3	Purvee Roy				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	0	0.00

* Mr. Brijmohan Chiripal was appointed as Non-Executive Promoter Director w.e.f. November 3, 2018 and resigned on February 8, 2019

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

*** Mr. Ambalal Patel resigned as Non-Executive Independent Director w.e.f. March 31, 2019

V. Indebtedness:

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

(Amount in ₹)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4397615179	-	-	4397615179
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	20919820	-	-	20919820
Total (i+ii+iii)	4418534999	-	-	4418534999
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction	637062566	-	-	637062566
Net Change	637062566	-	-	637062566
Indebtedness at the end of the financial year				
i) Principal Amount	3757292855	-	-	3757292855
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	24179578	-	-	24179578
Total (i+ii+iii)	3781472433	-	-	3781472433

VI. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole Time Directors and / or Manager:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
1	Gross Salary	Mr. Jyotiprasad Chiripal (Managing Director)	Mr. Prakashkumar Sharma (Whole Time Director)	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	12960000	1700610	14660610
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	(a) as % of profit	-	-	-
	(b) others (specify)	-	-	-
5	Others, please specify NPS, PF, Gratuity and Super Annuation	1440000	-	1440000
	Total	14400000	1700610	16100610
	Ceiling as per the Act		10% of the Net Profits of the Company	

B. Remuneration to other Directors

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the Directors @				Total Amount
		TSB	AP*	PR	GMS	
1	Independent Directors					
	(a) Fee for attending board / committee meetings	160000	200000	210000	200000	770000
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (1)	160000	200000	210000	200000	770000
2	Other Non-Executive Directors					
	(a) Fee for attending board / committee meetings	VDC				
	(b) Commission	-				
	(c) Others, please specify	-				
	Total (2)	-				
	Total (B)=(1+2)	770000				
	Ceiling as per the Act					1% of the Net profits of the Company
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					11% of the Net profits of the Company

@ TSB – Mr. Tara Sankar Bhattacharya

AP – Mr. Ambalal Patel

GMS – Mr. Giraj Mohan Sharma

PR – Ms. Pratima Ram

VDC – Mr. Vedprakash Chiripal

*Mr. Ambalal Patel resigned as Non-Executive Independent Director w.e.f. March 31, 2019

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel #			Total
		CEO	CFO	CS	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	8218476	2238624	970166	11427266
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify				
	NPS, PF, Gratuity and Super Annuation	986217	115200	-	1101417
	Total	9204693	2353824	970166	12528683

CEO – Mr. Deepak Chiripal

CFO – Mr. Ashok Bothra

CS – Ms. Purvee Roy

VII. Penalties / Punishment / Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any [give details]
A. Company Penalty Punishment Compounding B. Directors Penalty Punishment Compounding C. Other Officers in Default Penalty Punishment Compounding			NONE		

For and on behalf of the Board of Directors

Vedprakash Chiripal
 Chairman
 (DIN: 00290454)

Jyotiprasad Chiripal
 Managing Director
 (DIN: 00155695)

Place: Ahmedabad
 Date: August 12, 2019

Annexure - C to Directors 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 trust 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, 2019:

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:

₹79.47 cr.

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

₹1.59 cr. (Rupees One Crore and Fifty Nine Lakh Only)

6. Details of CSR spent for the financial year:

- a. Total amount spent for the financial year: ₹1.60 cr.
- b. Amount unspent, if any: No
- 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:

(₹ in crore)

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	1.60	1.60	0.00	1.60	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:

Not Applicable

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.

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: August 12, 2019

Jyotiprasad Chiripal
Managing Director
(DIN:- 00155695)

Giraj Mohan Sharma
Chairman – CSR Committee
(DIN:- 01215950)

Annexure - D to Directors Report

To,
The Board of Directors,
Nandan Denim Limited
Survey No. 198/1, 203/2,
Saijpur Gopalpur Pirana Road,
Piplej, Ahmedabad - 382405

Dear Sir/s,

Sub: Annual Secretarial Compliance Report for the Financial Year 2018-19.

We have been engaged by Nandan Denim Limited (hereinafter referred to as 'the listed entity') bearing CIN: L51909GJ1994PLC022719 whose equity shares are listed on BSE Limited (BSE) (Security Code: 532641) and also on National Stock Exchange Limited (NSE) (Security Code: NDL) to conduct an audit in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 and to issue Annual Secretarial Compliance Report thereon.

It is the responsibility of the management of the Company to maintain records, devise proper systems to ensure compliance with provisions of all applicable SEBI Regulations and circulars/ guidelines issued there under from time to time and to ensure that the systems are adequate and are operating effectively. Our responsibility is to verify compliances by the Company with provisions of all applicable SEBI Regulations and circulars/ guidelines issued there under from time to time and issue report thereon. Our audit was conducted in accordance with Guidance Note on Annual Secretarial Compliance Report issued by the Institute of Company Secretaries of India and in a manner which involves such examinations and verifications as considered necessary and adequate for the said purpose.

Annual Secretarial Compliance Report for the period 2018-19 is enclosed herewith as Annexure-A.

For, Sandip Sheth & Associates
Practicing Company Secretaries
Firm Unique Code: P2001GJ041000

Prashant Prajapati
Partner
ACS: 32597
CP No.: 12531

Date: May 30, 2019
Place: Ahmedabad

ANNUAL SECRETARIAL COMPLIANCE REPORT

of Nandan Denim Limited for the year ended March 31, 2019

[Under Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Sandip Sheth And Associates, have examined:

- (a) all the documents and records made available to us and explanation provided by Nandan Denim Limited ("the 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, 2019 ("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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) Securities and Exchange Board of India (Depositories And Participants) Regulations, 2018

and circulars/guidelines issued thereunder, whereas we further report that there were no actions/events reported by the listed entity during the period under review for the following SEBI Regulations;

- (a) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (b) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

We hereby report based on the above examination 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 Practicing Company Secretary
		None	

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records, wherein proper system for disclosure/reporting has been advised.

- (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 eg., fines, warning letter, debarment etc.,	Observations/remarks of Practicing Company Secretary, if any
			None	

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

Sr. No	Observation of Practicing Company in the Previous Report	Observations made in Secretarial Compliance Report for the year ended....(The years are to be mentioned)	Action taken by the listed entity, if any	Comments of Practicing Company Secretary on the actions taken by listed entity
				No Comments are offered since this being first year of applicability of this Annual Secretarial Compliance Report to the Company.

For, Sandip Sheth & Associates
Practicing Company Secretaries
Firm Unique Code: P2001GJ041000

Prashant Prajapati

Partner

ACS: 32597

CP No.: 12531

Date: May 30, 2019

Place: Ahmedabad

Annexure - E to Directors Report

Secretarial Audit Report

For the Financial Year ended on March 31, 2019

Form No. MR 3

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

To,
The Members,
Nandan Denim Limited
CIN: L51909GJ1994PLC022719
Survey No. 198/1 & 203/2, Saijpur Gopalpur,
Pirana Road, Piplej Ahmedabad – 382405.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Nandan Denim Limited (hereinafter referred to as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minutes 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, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2019 (hereinafter referred to as “Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i.) The Companies Act, 2013 (hereinafter referred to as the Act) and the rules made thereunder;
- (ii.) The Securities Contract (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii.) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv.) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, (not applicable for the reporting period)

(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 Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We further report that, there were no actions/events in pursuance of;

- (a) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

requiring compliance thereof by the Company during the financial year under review.

We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts,

Laws and Regulations of the Company.

We further report that, in absence of information/documents as required we are unable to comment on the laws applicable specifically to the textile industries under which Company operates during the period under review.

We have also examined compliance with the applicable clauses/regulations of the following, to the extent applicable to the Company during the audit period:

- (i.) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii.) The Listing Agreements entered into by the Company with Stock Exchange.
- (iii.) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

We report that, during the year under review, the Company has generally complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory auditor/tax auditor and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. The Company has filed few e Forms with required late fees as per the provisions of the Companies Act, 2013.
2. The Company has filed required return under Investor Education and Protection Fund Rules; however not within prescribed time.

We further report that

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is generally 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 needs to be setup for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Generally, the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are moderate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no other specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc

For, Sandip Sheth & Associates

Practicing Company Secretaries
Firm Unique Code: P2001GJ041000

Prashant Prajapati

Partner

Place: Ahmedabad

ACS:32597

Date: August 12, 2019

CP No.: 12531

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

To,
The Members,
Nandan Denim Limited
CIN: L51909GJ1994PLC022719
Survey No. 198/1 203/2, Saijpur Gopalpur,
Pirana Road, Piplej Ahmedabad – 382405.

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

1. Maintenance of records, documents, papers maintained pursuant to Companies Act, 2013 and other applicable laws as reported in our report is the responsibility of the management of the Company. Our responsibility is to express an opinion on these 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 records. The verification was done on test basis to ensure that correct facts are reflected in the 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, as the same are being verified by the statutory/tax/internal auditors from time to time.
4. Where ever required, we have obtained the representations from the Management and respective departmental heads about the Compliance of laws, rules and regulations and happening of events etc. during the audit period and an advisory letter for compliance has been issued to the Company.

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 on test basis, for the purpose of issuing Secretarial Audit Report.
6. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We conducted our audit in the manner specified under section 204 of the Companies Act, 2013 and Rules made there under, which seeks an opinion and reasonable assurance about the compliance status of various applicable acts and rules to the Company.

For, Sandip Sheth & Associates
Practicing Company Secretaries
Firm Unique Code: P2001GJ041000

Prashant Prajapati
Partner
ACS No.: 32597
COP No.:12531

Place: Ahmedabad
Date: August 12, 2019

Annexure - F to Directors 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 2018-19 is as follows:

Name of Director(s)	Total Remuneration (in ₹)	Ratio of Remuneration of Director to the Median Remuneration *
Mr. Vedprakash Chiripal	NIL	-
Mr. Jyotiprasad Chiripal	14400000	128.50
Mr. Brijmohan Chiripal	NIL	-
Mr. Jaiprakash Chiripal	NIL	-
Mr. Tara Sankar Bhattacharya	160000	1.43
Mr. Ambalal Patel	200000	1.78
Ms. Pratima Ram	210000	1.87
Mr. Giraj Mohan Sharma	200000	1.78
Mr. Prakashkumar Sharma	1700610	15.17

Notes:

- *Median remuneration for the financial year 2018-19 is ₹1,12,064/-.
- The aforesaid details are calculated on the basis of remuneration for the financial year 2018-19.
- 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 2018-19.
- Mr. Brijmohan Chiripal was appointed as Non-Executive Promoter Director w.e.f. November 3, 2018 and resigned on February 8, 2019.
- Mr. Jaiprakash Chiripal was appointed as Non-Executive Promoter Director w.e.f. February 9, 2019 and resigned on June 29, 2019.
- Mr. Ambalal Patel resigned as Non-Executive Independent Director w.e.f. March 31, 2019.

B. Details of percentage increase in the remuneration of each Director, CFO & Company Secretary in the financial year 2018-19 are as follows:

Name of Director	Total Remuneration (in ₹)		Increase / (Decrease) %
	2018-19	2017-18	
Mr. Vedprakash Chiripal	NIL	NIL	-
Mr. Jyotiprasad Chiripal*	14400000	12000000	-
Mr. Brijmohan Chiripal	NIL	NIL	-
Mr. Jaiprakash Chiripal	NIL	NIL	-
Mr. Tara Sankar Bhattacharya	160000	140000	14.29
Mr. Ambalal Patel	200000	75000	166.67
Ms. Pratima Ram	210000	200000	0.05
Mr. Giraj Mohan Sharma	200000	200000	-
Mr. Prakashkumar Sharma*	1700160	1559640	-

Name of Key Managerial Personnel	Total Remuneration (in ₹)		Increase / (Decrease) %
	2018-19	2017-18	
Mr. Deepak Chiripal	9204693	9204696	0
Mr. Ashok Bothra	2353824	2353824	0
Ms. Purvee Roy	970166	853260	14

Notes:

- *Percentage increase in remuneration is not reported as they were holding Directorship for the part of financial year 2017-18. Mr. Jyotiprasad Chiripal and Mr. Prakashkumar Sharma were appointed w.e.f. on June 1, 2017, thus salary has been displayed accordingly.
- 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 2018-19.

C. Percentage increase in the median remuneration of all employees in the financial year 2018-19: 11%

D. Number of permanent employees on the rolls of the Company as on March 31, 2019: 4641

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.

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: August 12, 2019

Vedprakash Chiripal
Chairman
(DIN: 00290454)

Jyotiprasad Chiripal
Managing Director
(DIN: 00155695)

Annexure - G to Directors 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 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	NIL

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 Nova Textiles Private Limited Vishal Fabrics Limited Chiripal Poly Films Limited Shanti Exports Private Limited Chiripal Textile Mills Private Limited Nandan Terry Private Limited CIL Nova Petrochemicals Limited	<ul style="list-style-type: none"> Purchase, sale, supply of goods or materials Selling or otherwise disposing of or buying property of any kind or any capital asset Giving on rent or leasing of property of any kind Availing or rendering of services including job work Purchase or sale of investment 	-	<ul style="list-style-type: none"> At market price In ordinary course of business At arm's length 	26.05.2018 13.08.2018 03.11.2018 09.02.2019	-

All related party transactions are approved by Audit Committee and Board of the Company.

For and on behalf of the Board of Directors

Vedprakash Chiripal
Chairman
(DIN: 00290454)

Jyotiprasad Chiripal
Managing Director
(DIN: 00155695)

Place: Ahmedabad
Date: August 12, 2019

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, 2019, the strength of the Board was eight Directors. Of the eight Directors, six (i.e. 75% percent) were Non-Executive Directors out of which four (i.e. 50%) were Independent Directors. The composition of Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act. 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 serve as an Independent Director on more than seven Listed Companies. Necessary disclosures regarding Committee positions in other Public Companies as on

March 31, 2019 has been made by the Directors. None of the Directors were related to each other except Vedprakash Chiripal, Jyotiprasad Chiripal, Brijmohan 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 Regulation 16(1)(b) of 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 26, 2018; August 13, 2018; November 3, 2018; February 8, 2019.

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 2018-19 and at the Annual General Meeting (AGM) of the Company are as reproduced below:

Name of Director	Board Meeting			Annual General Meeting	
	2018		2019		2018
	May 26	August 13	November 3	February 8	September 29
Mr. Vedprakash Chiripal	Yes	Yes#	Yes	Yes	Yes
Mr. Jyotiprasad Chiripal	Yes	No	Yes	Yes	Yes
Mr. Brijmohan Chiripal	NA*	NA*	NA*	Yes	NA*
Mr. Tara Sankar Bhattacharya	Yes	No	Yes	Yes	No
Mr. Ambalal Patel	Yes	Yes	Yes	Yes	Yes
Ms. Pratima Ram	Yes	Yes	Yes	Yes	No
Mr. Giraj Mohan Sharma	Yes	Yes	Yes	Yes	No
Mr. P.K. Sharma	Yes	Yes	Yes	Yes	Yes
Mr. Jaiprakash Chiripal	NA*	NA*	NA*	NA*	NA*

* NA – Not Applicable as they were not a part of Board during the period.

Mr. Vedprakash Chiripal attended the Board Meeting through video conferencing.

Note:

Mr. Brijmohan Chiripal was appointed as Non Executive Non Independent Director w.e.f. November 3, 2018 and resigned w.e.f. February 8, 2019. 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.

During FY 2019, 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, CEO and CFO 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.

Meeting 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.

During the financial year 2018-19, the Independent Directors met on February 8, 2019 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.

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. 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, 2019 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 other Listed Companies	Directorships held in other Public Companies	Committee	
					Membership	Chairmanship
Mr. Vedprakash Chiripal	Non Executive Promoter Director - Chairman	Brother of Jyotiprasad Chiripal, Brijmohan Chiripal and Jaiprakash Chiripal	-	2	1	0
Mr. Jyotiprasad Chiripal	Managing Director	Brother of Vedprakash Chiripal, Brijmohan Chiripal and Jaiprakash Chiripal	CIL Nova Petrochemicals Limited	6	3	0
Mr. Tara Sankar Bhattacharya	Non Executive Independent Director	-	1) Jindal Stainless Limited 2) Surya Roshni Limited 3) Uflex Limited 4) Arshiya Limited	2	0	2
Mr. Ambalal Patel	Non Executive Independent Director	-	1) Ajmera Realty & Infra India Limited 2) S A L Steel Limited 3) Sumeru Industries Limited 4) Shree Precoated Steels Limited 5) Jindal Hotels Limited	-	5	1
Ms. Pratima Ram	Non Executive Independent Director	-	1) Havells India Limited 2) Suzlon Energy Limited 3) Deccan Gold Mines Limited 4) Minda Corporation Limited	3	4	1
Mr. Giraj Mohan Sharma	Non Executive Independent Director	-	-	-	1	1
Mr. P.K. Sharma	Whole-Time Director	-	-	-	0	0
Mr. Jaiprakash Chiripal	Non Executive Non-Independent Director	Brother of Jyotiprasad Chiripal, Vedprakash Chiripal and Brijmohan Chiripal	-	6	0	0

Note:

Mr. Brijmohan Chiripal was appointed as Non Executive Non Independent Director w.e.f. November 3, 2018 and resigned w.e.f. February 8, 2019. 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.

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. Brijmohan Chiripal as Non Executive Non Independent Director of the Company w.e.f. November 3, 2018 and appointment of Mr. Jaiprakash Chiripal as Non Executive Non Independent Director w.e.f. February 9, 2019.

Mr. Brijmohan Chiripal subsequently resigned w.e.f. February 8, 2019 and Mr. Jaiprakash Chiripal resigned w.e.f. June 29, 2019. Mr. Ambalal Patel stepped down as Non Executive Independent Director w.e.f. March 31, 2019.

The Board approved the re-appointment of Mr. Tara Sankar Bhattacharya as Independent Director for tenure of three years commencing from September 15, 2019 till September 14, 2022. The said re-appointment has been placed before the shareholders for their approval at the ensuing 25th Annual General Meeting of the Company.

The appointment and re-appointment 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 brief 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

Board of Directors hereby confirm that 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 www.nandandenim.com/policies/.

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 five Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Management 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 2018-19. 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 2018-19 are detailed below:

During the year under review, four meetings of the Audit Committee were held on May 26, 2018; August 13, 2018; November 3, 2018 and February 8, 2019 respectively.

Name of Director	Category	Number of Audit Committee Meetings attended during the year
Mr. Tara Sankar Bhattacharya	Chairperson – Independent Director (w.e.f. 30.03.2019)	3
Mr. Ambalal Patel	Chairperson – Independent Director (up to 30.03.2019)	4
Ms. Pratima Ram	Member – Independent Director	4
Mr. Vedprakash Chiripal	Member – Non Executive Promoter Director (upto 08.02.2019)	4
Mr. Giraj Mohan Sharma	Member – Independent Director (w.e.f 30.03.2019)	-
Mr. Jyotiprasad Chiripal	Member - Executive Promoter Director (w.e.f. 08.02.2019)	-

During the year, the Committee was reconstituted by appointment of Mr. Tara Sankar Bhattacharya, Independent Director, as a Chairman of the Committee w.e.f. March 30, 2019, in place of Mr. Ambalal Patel who ceased to be Director on March 31, 2019. Mr. Jyotiprasad Chiripal was appointed in place of Mr. Vedprakash Chiripal from

February 8, 2019. Mr. Giraj Mohan Sharma joined the committee w.e.f. March 30, 2019.

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:

- 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;
- 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;
- Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - 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;
 - Changes in the Accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgement by management and significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Modified opinion(s) in the draft audit report, if any.
- Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board
 - 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;
 9. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
 10. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
 11. 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;
 12. Reviewing the appointment, removal and terms of remuneration of the Internal Auditors of the Company;
 13. Formulating in consultation with the Internal Auditors, the scope, functioning, periodicity and methodology for conducting the internal audit;
 14. Evaluating the internal financial controls and risk management policies system of the Company;
 15. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 16. Review of internal audit reports relating to internal control weaknesses and discuss with internal auditors any significant findings and follow-up thereon;
 17. 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;
 18. 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;
 19. Approval or any subsequent modification of transactions of the company with related parties;
 20. Reviewing the statements of significant related party transactions submitted by the management;
 21. Reviewing and scrutinizing the inter-corporate loans and investments;
 22. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy and overseeing the functioning of the same;
 23. 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;
 24. 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;
 25. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
 26. Review the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;
 27. 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;
 28. 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;
 29. Review and approve, policy on materiality of related party transactions and also dealing with related party transactions;
 30. 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

31. 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 2018-19. 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 2018-19 are detailed below:

During the year under review, four meetings of the Stakeholders Relationship Committee were held on May 26, 2018; August 13, 2018; November 3, 2018 and February 8, 2019 respectively.

Name of Director	Category	Number of Stakeholders Relationship Committee Meetings attended during the year
Mr. Giraj Mohan Sharma	Chairperson – Non Executive	4
Ms. Pratima Ram	Member - Non Executive	4
Mr. Vedprakash Chiripal	Independent 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 2018-19 are as under:

Nature of complaints received	Number of complaints received	Number of complaints redressed	Number of pending complaints
Non-receipt of dividend	28	28	0
Non-receipt of Annual Report	13	13	0
Dematerialization of securities	0	0	0
Others	0	0	0
Total	41	41	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.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee met two times during the financial year 2018-19. The composition of 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 2018-19 are detailed below:

During the year under review, two meetings of the Corporate Social Responsibility Committee were held on May 26, 2018 and February 8, 2019 respectively.

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

Name of Director	Category	Number of Corporate Social Responsibility Committee Meetings attended during the year
Mr. Vedprakash Chiripal	Member – Non Executive Promoter	2
	Director	

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: www.nandandenim.com/policies/.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee met two times during the financial year 2018-19. 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 2018-19 are detailed below:

During the year under review, two meetings of the Nomination & Remuneration Committee were held on November 3, 2018 and February 8, 2019 respectively.

Name of Director	Category	Number of Nomination & Remuneration Committee Meetings attended during the year
Mr. Tara Sankar Bhattacharya	Chairperson – Non-Executive Independent Director	2

Name of Director	Category	Number of Nomination & Remuneration Committee Meetings attended during the year
Mr. Ambalal Patel	Member – Non-Executive Independent Director (upto 30.03.2019)	2
Mr. Vedprakash Chiripal	Member – Non Executive Promoter	2
Mr. Giraj Mohan Sharma	Member – Non-Executive Independent Director (w.e.f 30.03.2019)	-

The Committee was reconstituted by appointment of Mr. Giraj Mohan Sharma, Independent Director, as a Member of the Committee w.e.f. March 30, 2019, in place of Mr. Ambalal Patel who ceased to be Director on March 31, 2019.

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 criterion 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 SEBI Listing Regulations. The Nomination and Remuneration Policy of the Company has been uploaded on the Company's website and can be accessed at www.nandandenim.com/policies/.

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 ongoing 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 executive members 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 & 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 met once during the financial year 2018-19. The Management Committee has been constituted by the Board to carry out a number of significant responsibilities.

During the year under review, one meeting of the Management Committee was held on April 10, 2018. 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	1

Name of Director	Category	Management Committee Meetings attended during the year
Mr. Tara Sankar	Member – Non Executive	1
Bhattacharya	Independent Director	
Ms. Pratima Ram	Member – Non Executive	1
Mr. Giraj Mohan	Member – Non Executive	0
Sharma	Independent Director	

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:

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

- Ensuring the effective management of the organization and its activities;
- Monitoring the activities of the Company to ensure they are in consistence with the founding principles, objects and values;
- To take important decisions concerning the activities of the Company.
- Such other activities of the Board of Directors may determine from time to time.

Remuneration of Directors

The remuneration of the Executive Directors is decided by the Board based on the recommendations of the Nomination & 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 ₹50,000/- for each meeting of the Board, Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee attended by them and reimbursement of expenses towards attending the fees.

The remuneration paid / payable to each Director for the financial year ended March 31, 2019 is as under:

Name of Director	Tenure upto	No. of equity shares held by Directors as on March 31, 2019	Remuneration for the financial year ended March 31, 2019 (₹ in lakh)		
			Sitting Fees	Salary and Perquisites	Total
Mr. Vedprakash Chiripal	N.A	23,48,462	-	-	-
Mr. Jyotiprasad Chiripal	31.05.2022	6,30,000	-	144.00	144.00
Mr. Brijmohan Chiripal	N.A	22,82,500	-	-	-
Mr. Jaiprakash Chiripal	N.A	6,30,000	-	-	-
Mr. Tara Sankar Bhattacharya	14.09.2019	-	1.60	-	1.60
Mr. Ambalal Patel	N.A	1,000	2.00	-	2.00
Ms. Pratima Ram	28.09.2020	-	2.10	-	2.10
Mr. Giraj Mohan Sharma	28.09.2020	-	2.00	-	2.00
Mr. Prakashkumar Sharma	31.05.2022	-	-	17.00	17.00

Notes:

- Mr. Brijmohan Chiripal held position of Non-Executive Non-Independent Director w.e.f. November 3, 2018 and upto February 8, 2019;
- Mr. Jaiprakash Chiripal held position of Non-Executive Non-Independent Director w.e.f. February 9, 2019 and upto June 29, 2019;
- Mr. Ambalal Patel resigned as Non-Executive Independent Director w.e.f. March 31, 2019;
- No commission has been paid to Executive and Non-Executive Directors (including Independent Directors) during the year ended March 31, 2019;
- 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;
- None of the Directors hold any stock options and convertible instruments in the Company;
- 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 Listing Regulations, 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 the Company has already sought approval of members under requisite provisions of the Companies Act, 2013 and SEBI Listing Regulations. Related party transactions have been disclosed in Note 35 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 Listing Regulations.

PERFORMANCE EVALUATION CRITERIA

The Nomination & Remuneration Committee lays down the criteria for performance evaluation of Directors.

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
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
2015-16	Wednesday, September 28, 2016	10.30 a.m.	H.T. Parekh Convention Center, AMA, ATIRA, Panjarapole, Ahmedabad – 380 015	6

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 SEBI Listing Regulations on the Company's website (www.nandan denim.com).

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 SEBI Listing Regulations, the CEO / CFO certificate for the financial year 2018-19 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 August 12, 2019 and is annexed to this Report.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

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, stock exchanges on which the shares of the Company are listed or any statutory authority in this regard, during the last three years.

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.

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 has engaged the services of Mr. Prashant Prajapati (CP No. 12531), Practising Company Secretary and Partner at M/s Sandip Sheth & Associates, Secretarial Auditor of the Company for providing this certification.

The Company is publishing the said Secretarial Compliance Report, on voluntary basis and the same has been annexed as Annexure D to 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 August 12, 2019.

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 2018-19 are as under:

Particulars	No. of Compliants
At the beginning of the year	NIL
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 2018-19. 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:www.nandandenim.com/policies/.

Resignation of Independent Directors:

Mr. Ambalal Patel (DIN:00037870), Independent Director, resigned on March 31, 2019 i.e. before the expiry of his tenure.

Pursuant to the recommendations made by Uday Kotak Committee Report, Securities and Exchange Board

of India (SEBI) notified SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Amendment Regulations) on May 9, 2018. Regulation 17 (1A) was inserted which mentions requirement of special resolution for appointing/ continuing the directorship of any person as a non-executive director who has attained the age of seventy five years. The amendment came into effect from April 1, 2019. Mr. Ambalal Patel was completing seventy five years of age on April 1, 2019. In order to comply with applicable regulations, he had tendered his resignation. There is no other material reason for his 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 to 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	August 2019
Quarter and Half Year ending September 30	November 2019
Quarter and Nine Months ending December 31	February 2020
Quarter and Year ending March 31	May 2020

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, Navgujarat, Prabhat, Jai Hind, etc. They are also notified to the stock exchanges as required under the SEBI Listing Regulations.

The quarterly / half yearly / nine months/ 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 2018-19, 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 periodical 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.

The Company arranges investor meetings, updates and calls to ensure timely communication, thereby keeping stakeholders updated with financial performance and material business events. Inputs and feedback from the investor community is given due consideration and factored into future plans and strategies. The Company hosts meetings with institutional investors at its office on request and also arranges conference calls with those who are unable to travel.

A conference call is organized after declaration of the quarterly financial results and this is used to answer questions and provide clarifications to investors and analysts. The Company hosts con call through brokerage houses so as to provide a free and equitable forum for dissemination of information. It interacts with all types of funds and investors throughout the country in order to have a diversified shareholder base both in terms of geographical location and investment horizon.

Updates on investor relations are available on the website of the Company www.nandandenim.com under 'Investors' section.

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 2019-20 has been paid by the Company to BSE and NSE.

Payment of Depository Fees

Annual Custody / Issuer Fee for the year 2019-20 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, 2019 is as follows:

Particulars	M/s Samir Shah & Associates
Fees for audit and related services	5.00 Laksh
Other fees	-
Total	5.00 Lakhs

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 – date, time & venue:

Date: Friday

Day: September 13, 2019

Time: 10.30 am

Venue: H.T. Parekh Convention Centre,
Ahmedabad Management Association,
AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg,
Ahmedabad – 380 015, Gujarat

Financial Year

April 1, 2018 to March 31, 2019

Dividend

The dividend for the year ended March 31, 2019, if approved at the Annual General Meeting, will be paid on or before Monday, September 23, 2019. Payment shall be done by ECS/NACH or issue of Dividend Warrants / Demand Drafts / Multi City Cheques in respect of shares held in electronic / dematerialized / physical form to the beneficial owners as per the information furnished by NSDL and CDSL as on the Record Date.

Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Saturday, September 7, 2019 to Friday, September 13, 2019 (both days inclusive) for the purpose of payment of dividend and 25th Annual General Meeting.

Particulars of dividend declared in the previous years (from the year 2012) are given below:

Year	Dividend per share (₹)	Percentage of Dividend
Final Dividend – 2012	1.00	10%
Final Dividend – 2013	1.20	12%
Interim Dividend – 2014	0.60	6%
Final Dividend – 2014	0.60	6%
Interim Dividend – 2015	0.60	6%
Final Dividend – 2015	1.00	10%
1st Interim Dividend – 2016	0.80	8%
2nd Interim Dividend – 2016	0.80	8%
Final Dividend - 2017	1.60	16%
Final Dividend - 2018	0.80	8%

Note: The face value of shares was consolidated to ₹10/- from Re. 1/- in March 2012.

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

Listing of shares and stock code:

The Company's equity shares are listed at the following Stock Exchanges and Listing Fees, prescribed, has been fully 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 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 31.03.2019
Final Dividend – 2011-12	1.00	26-09-2012	727092.00
Final Dividend – 2012-13	1.20	29-08-2013	687317.60
Interim Dividend – 2013-14	0.60	04-02-2014	410051.20
Final Dividend – 2013-14	0.60	15-09-2014	363193.00
Interim Dividend – 2014-15	0.60	03-02-2015	438915.40
Final Dividend – 2014-15	1.00	29-09-2015	883405.00
1st Interim Dividend – 2015-16	0.80	12-02-2016	437714.00
2nd Interim Dividend – 2015-16	0.80	11-03-2016	463367.40
Final Dividend - 2016-17	1.60	29-09-2017	805196.80
Final dividend - 2017-18	0.80	29-09-2018	420480.80

Details of the unclaimed dividend pertaining to the years 2012 to 2018 is hosted on Company's website.

Members can claim the unpaid dividend from the Company before transfer to the Investor Education and Protection Fund.

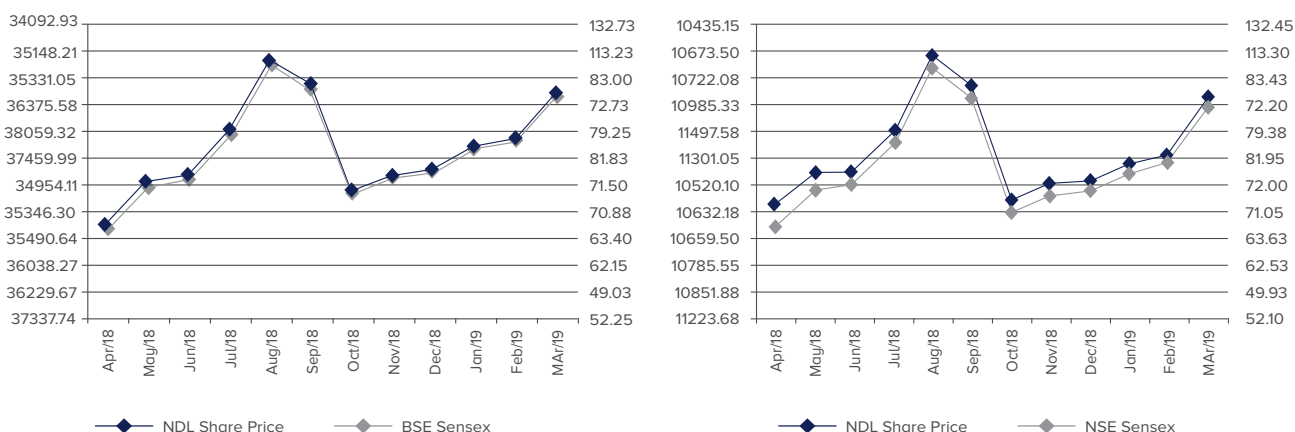
Shareholders who have not encashed their Demand Drafts / Dividend Warrants / Multi City Cheques are requested to immediately send their request for issue of duplicate Demand Drafts / Dividend Warrants / Multi City Cheques.

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

BSE	Share Price BSE			BSE Sensex		
	High	Low	Average	High	Low	Average
Apr-18	141.25	124.20	132.73	35,213.30	32,972.56	34092.93
May-18	135.95	90.50	113.23	35,993.53	34,302.89	35148.21
Jun-18	95.95	70.05	83.00	35,877.41	34,784.68	35331.05
Jul-18	84.60	60.85	72.73	37,644.59	35,106.57	36375.58
Aug-18	87.80	70.70	79.25	38,989.65	37,128.99	38059.32
Sep-18	93.20	70.45	81.83	38,934.35	35,985.63	37459.99
Oct-18	78.00	65.00	71.50	36,616.64	33,291.58	34954.11
Nov-18	80.85	60.90	70.88	36,389.22	34,303.38	35346.30
Dec-18	69.80	57.00	63.40	36,554.99	34,426.29	35490.64
Jan-19	68.80	55.50	62.15	36,701.03	35,375.51	36038.27
Feb-19	58.55	39.50	49.03	37,172.18	35,287.16	36229.67
Mar-19	58.00	46.50	52.25	38,748.54	35,926.94	37337.74

NSE	Share Price BSE			BSE Sensex		
	High	Low	Average	High	Low	Average
Apr-18	141.40	123.50	132.45	10759.00	10111.30	10435.15
May-18	135.80	90.80	113.30	10929.20	10417.80	10673.50
Jun-18	96.85	70.00	83.43	10893.25	10550.90	10722.08
Jul-18	83.85	60.55	72.20	11366.00	10604.65	10985.33
Aug-18	87.90	70.85	79.38	11760.20	11234.95	11497.58
Sep-18	93.30	70.60	81.95	11751.80	10850.30	11301.05
Oct-18	79.00	65.00	72.00	11035.65	10004.55	10520.10
Nov-18	81.40	60.70	71.05	10922.45	10341.90	10632.18
Dec-18	69.75	57.50	63.63	10985.15	10333.85	10659.50
Jan-19	68.95	56.10	62.53	10987.45	10583.65	10785.55
Feb-19	59.95	39.90	49.93	11118.10	10585.65	10851.88
Mar-19	58.30	45.90	52.10	11630.35	10817.00	11223.68

Closing Price of the Company's Shares on March 29, 2019 on Bombay Stock Exchange (BSE) and on National Stock Exchange (NSE) are ₹53.30 and ₹53.70 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. (Earlier known as Datamatics Financial Services Limited)

Plot No. B-5, Part B, Cross Lane,
MIDC, Andheri (East), Mumbai,
Maharashtra – 400 093
Tel.: 022 - 66712001-06
Fax: 022 – 66712011
Email: investorqrj@dfssl.com

As required under Regulation 7(3) of the SEBI 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

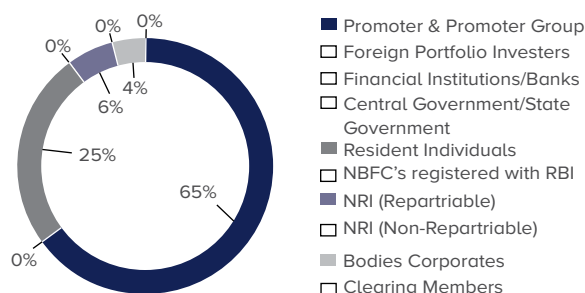
in respect of their shareholdings. Members holding shares in Physical Form willing to avail this facility may submit to the Company the prescribed Form SH-13 and any change or variation in the nomination in prescribed Form SH-14.

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, 2019)

Particulars	No. of Shares	%
Promoter & Promoter Group	31102147	64.73
Foreign Portfolio Investors	154888	0.32
Financial Institutions/Banks	28858	0.06
Central Government / State Government	5500	0.01
Resident Individuals	11919752	24.81
NBFC's registered with RBI	1690	0.00
NRI (Repatriable)	2890444	6.11
NRI (Non Repatriable)	151562	0.32
Bodies Corporate	1778697	3.70
Clearing Members	15518	0.03
TOTAL	48049056	100.00

% of Shareholding**Distribution of Shareholding**

Nandan Denim Limited						
Share Holding Distribution Report				As on 31-Mar-2019		
Sr. No.	Shares Range From	To	Shares	% To Capital	No. of Holders	% To No. of Holders
1	1	500	3574295	7.44	30576	88.94
2	501	1000	1564536	3.26	1982	5.77
3	1001	2000	1414339	2.94	947	2.76
4	2001	3000	791979	1.65	312	0.91
5	3001	4000	468250	0.98	132	0.38
6	4001	5000	518975	1.08	110	0.32
7	5001	10000	1333166	2.78	182	0.53
8	10001	50000	1896592	3.95	104	0.30
9	50001	9999999999	36486924	75.94	32	0.09
Total			48049056	100.00	34377	100.00

Shares In Physical And Electronic Mode

Particulars	Position as on 31st March, 2018		Position as on 31st March, 2019		Net Change during 2018-19	
	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding
Physical	14261	0.03	14066	0.03	(195)	-
Demat:						
NSDL	29406691	61.20	26903575	55.99	(2503116)	(5.21)
CDSL	18628104	38.77	21131415	43.98	2503311	5.21
Sub-total	48034795	99.97	48034990	99.97	195	-
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, 2019, 99.97% 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,
Sajipur – 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, 2019, pursuant to regulation 17(8) of the Listing Regulations readwith Part B of Schedule II thereof, was placed before the Board at its meeting held on August 12, 2019.

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 Practicing 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 Personnel 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, 2019.

Place: Ahmedabad
Date: August 12, 2019

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, 2018.
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 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 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)

Samir Shah
Place: Ahmedabad
Date: August 12, 2019

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, 2019 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.

Ahmedabad
August 12, 2019

Deepak Chiripal
CEO

Ashok Bothra
CFO

Independent Auditors' Report

To,
The Members of
Nandan Denim Limited, Ahmedabad

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, 2019, 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, 2019, and its profit, 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.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the standalone 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.
5. Key audit matter identified in our audit is on recoverability assessment of trade receivables as follows:

Key audit matter

How our audit addressed the key audit matter

Recognition of Government Grant

The Company receives government grants as part of the Gujarat Textile Policy, 2012 Programme and under Technology Upgradation Fund Scheme-Non-SSI Textile Sector. In applying the Gujarat Textile Policy & Technology Upgradation Fund Scheme-Non-SSI Textile Sector, government grants were recognised on the basis of compliance with their conditions and meeting the envisaged obligations. During the current financial year, the Company received the Technology Upgradation Fund Scheme of ₹159,348,628/- and State Government Grant of ₹625,590,773/- out of which Government Grant of ₹424,161,515/- pertaining to Interest Subsidy on Term Loan and Government Grant of ₹75,857,760/- of Power Subsidy have been reduced from the corresponding Expenditure and Grant in respect of GST Amounting to ₹284,920,126/- is treated as other operating revenue. We considered this to be a matter of most significance to our audit due to the

We evaluated the accounting treatment of the government grant in terms of Ind AS -20 "Accounting for Government Grants". In respect of the same our audit procedures included the following:

- Significant level of Management Judgement involved in respect of reliable measurement of government grants;
- The quantum of the government grant recognised.

- On a sample basis verified the claims lodged by the Company and its approval by the concerned Government Authorities;
- In respect of claims pending for approval at year end, we verified the empirical evidence on the claims lodged vis-à-vis claims approved to satisfy as regards the reliable measurement of government grant receivable.

Information other than the Standalone Financial Statements and Auditors' Report thereon

6. 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 standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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 Standalone Financial Statements

7. 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 standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error
8. 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.

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

10. 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.
11. 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.

12. 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.
13. 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.
14. 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

15. 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.
16. 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 -33 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

[M. No. 111052]

Place : Ahmedabad

Date : May 25, 2019

Annexure “A” to the Independent Auditors’

Report of even date on the Standalone Financial Statements of Nandan Denim Limited

Referred to in paragraph 15 of our Report of even date to the Members of NANDAN DENIM LIMITED for the year ended March 31, 2019

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. In respect of Loans and Advances granted during the year:

As regards the loans , the Company has not granted any loans , secured or unsecured during the year under audit, to the Companies firms and other parties covered in the register maintained under section 189 of the Companies Act , 2013 and therefore, the clauses (iii) (a) 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 clauses (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 generally 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 Transport Tax, service tax, duty of customs, duty of excise, 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, 2019 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, duty of customs, duty of excise, value added tax, central sales tax or cess which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Name of the Statute	Nature of the Dues	Financial Year	Amount (₹)	Forum where dispute is pending
Income Tax Act,1961	Income Tax Demand & Interest	2007-08	2,612,375	Income Tax Tribunal, Ahmedabad
	Income Tax Demand & Interest	2012-13	20,937,906	Commissioner of Income Tax (Appeals)
	Income Tax Demand & Interest	2013-14	4,404,840	Commissioner of Income Tax (Appeals)
	Income Tax Demand & Interest	2014-15	66,386,384	Commissioner of Income Tax (Appeals)
	Income Tax Penalty	2007-08	1,303,870	Commissioner of Income Tax (Appeals)
Value Added Tax	Value Added Tax Demand	2010-11	2,716,318	Joint Commissioner (Appeals)
	Value Added Tax Interest & Penalty	2010-11	4,002,472	Joint Commissioner (Appeals)
ESIC Act	ESIC Demand	2013-14	2,603,633	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 Government. The Company has no debenture holder or any financial institutional 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. 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. As 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
[M. No. 111052]

Place : Ahmedabad
Date : May 25, 2019

Annexure “B” To 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, 2019.

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, 2019**, in conjunction with our audit of the standalone 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, 2019, 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
[M. No. 111052]

Place : Ahmedabad
Date : May 25, 2019

Balance Sheet as at March 31, 2019

(Amount in ₹)

Particulars	Note Reference	As at 31/03/2019	As at 31/03/2018
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	6,31,86,91,615	7,36,07,01,110
(b) Capital Work-in-Progress	3	14,94,27,442	Nil
(c) Intangible Assets	4	48,48,633	78,23,202
(d) Financial Assets			
(i) Investments	5	1,28,81,084	1,42,18,117
(ii) Loans	6	57,64,817	17,92,665
(iii) Others Financial Assets	7	1,06,75,271	65,91,800
(e) Other Non-Current assets	8	5,52,06,930	2,57,96,549
(2) Current Assets			
(a) Inventories	9	2,17,10,40,279	2,47,50,05,998
(b) Financial Assets			
(i) Trade Receivables	10	2,74,04,99,867	2,72,45,36,030
(ii) Cash and cash Equivalents	11	3,01,08,966	17,65,60,782
(iii) Other Bank Balances	12	15,72,77,518	9,37,10,240
(iv) Loans	6	13,52,687	8,52,860
(v) Others Financial Assets	7	83,70,710	9,38,479
(c) Other Current Assets	8	97,18,00,917	56,44,69,074
TOTAL ASSETS		12,63,79,46,736	13,45,29,96,906
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	48,04,90,560	48,04,90,560
(b) Other Equity	14	4,43,51,22,321	4,26,37,17,098
TOTAL EQUITY		4,91,56,12,881	4,74,42,07,658
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	3,04,18,61,800	3,71,87,89,826
(ii) Other Financial Liabilities	16	19,26,710	19,01,016
(b) Provisions	17	Nil	Nil
(c) Deferred Tax Liabilities (Net)	18	22,03,35,975	20,12,72,050
(d) Other Non-Current Liabilities	19	Nil	Nil
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	2,27,57,26,736	2,00,52,08,819
(ii) Trade Payables	20		
(a) Due to Micro & Small Enterprises		Nil	Nil
(b) Due to Other than Micro & Small Enterprises		1,08,91,26,285	1,66,11,29,846
(iii) Other Financial Liabilities	16	99,61,71,380	94,91,20,282
(b) Other Current Liabilities	19	3,19,05,651	12,73,62,176
(c) Provisions	17	2,76,78,476	1,24,15,657
(d) Current Tax Liabilities (Net)	21	3,76,00,842	3,15,89,575
TOTAL LIABILITIES		7,72,23,33,855	8,70,87,89,247
TOTAL EQUITY AND LIABILITIES		12,63,79,46,736	13,45,29,96,906
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)

(Samir M Shah)

Partner

(M.No. 111502)

Vedprakash Chiripal

(Chairman)

(DIN: 00290454)

Jyotiprasad Chiripal

(Managing Director)

(DIN: 00155695)

Date : May 25, 2019

Place: Ahmedabad

Deepak Chiripal

(Chief Executive Officer)

Ashok Bothra

(Chief Financial Officer)

Purvee Roy

(Company Secretary)

Statement of Profit and Loss

for the year ended March 31, 2019

(Amount in ₹)

Particulars	Note Reference	Year Ended 31/03/2019	Year Ended 31/03/2018
(A) CONTINUING OPERATIONS			
I INCOME			
(1) Revenue from Operations	22	14,56,04,63,347	15,88,92,43,108
(2) Other Income	23	13,26,32,913	13,90,03,768
TOTAL INCOME		14,69,30,96,260	16,02,82,46,876
II EXPENSES			
(1) Cost of materials consumed	24	9,76,64,97,299	11,32,80,95,824
(2) Purchases of Stock-in-Trade	25	36,95,80,976	2,13,08,020
(3) Changes in inventories of Finished Goods, Stock in-Trade and Work-in-Progress	26	12,37,40,435	(50,14,52,051)
(4) Employee Benefit expenses	27	82,63,05,768	80,30,02,340
(5) Finance Costs	28	27,00,16,461	58,04,60,494
(6) Depreciation and Amortisation expenses	3,4	1,04,40,61,119	1,20,55,92,978
(7) Other Expenses	29	1,97,46,89,679	1,98,29,76,026
TOTAL EXPENSES		14,37,48,91,737	15,41,99,83,631
PROFIT BEFORE EXCEPTIONAL ITEMS FOR THE YEAR		31,82,04,523	60,82,63,245
III EXCEPTIONAL ITEMS			
PROFIT BEFORE TAX FOR THE YEAR		31,82,04,523	60,82,63,245
IV TAX EXPENSE			
(1) Current Tax	30	9,05,24,300	14,96,56,800
(2) Deferred Tax	30	2,06,93,814	(49,22,962)
(3) Short/(Excess) Provision Of Income Tax of earlier year	30	(1,37,93,758)	Nil
TOTAL TAX EXPENSE		9,74,24,356	14,47,33,838
PROFIT AFTER TAX FOR THE YEAR		22,07,80,167	46,35,29,407
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		(46,64,289)	(45,02,644)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		16,29,889	15,73,404
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, (NET OF TAX)		(30,34,400)	(29,29,240)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		21,77,45,767	46,06,00,167
VI EARNINGS PER EQUITY SHARE OF RS. 10/- EACH FULLY PAIDUP			
(a) Basic	31	4.59	9.65
(b) Diluted	31	4.59	9.65

As per our report of even date attached herewith.

For, **Samir M Shah & Associates**

Chartered Accountants
(Firm Regd. No. 122377W)

(Samir M Shah)

Partner
(M.No. 111502)

Date : May 25, 2019

Place: Ahmedabad

Vedprakash Chiripal

(Chairman)
(DIN: 00290454)

Deepak Chiripal

(Chief Executive Officer)

For and on Behalf of the Board

Jyotiprasad Chiripal

(Managing Director)
(DIN: 00155695)

Ashok Bothra

(Chief Financial Officer)

Purvee Roy

(Company Secretary)

Statement of Changes in Equity for the year ended March 31, 2019

A) Equity Share Capital

Particulars	Amount in ₹
Balance as at 01/04/2017	48,04,90,560
Changes during the year	Nil
Balance as at 31/03/2018	48,04,90,560
Changes during the year	Nil
Balance as at 31/03/2019	48,04,90,560

B) Other Equity

Particulars	Reserves and Surplus			TOTAL
	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 31/03/2017	83,78,33,156	7,55,40,148	2,98,22,72,770	3,89,56,46,074
Profit for the year	Nil	Nil	46,35,29,407	46,35,29,407
Other Comprehensive Income for the year (Net of Tax)	Nil	Nil	(29,29,240)	(29,29,240)
Total Comprehensive Income for the year	Nil	Nil	46,06,00,167	46,06,00,167
Transactions with owners in their capacity as owners:				
Dividend	Nil	Nil	(7,68,78,490)	(7,68,78,490)
Tax on Dividend	Nil	Nil	(1,56,50,653)	(1,56,50,653)
Balance as at 31/03/2018	83,78,33,156	7,55,40,148	3,35,03,43,794	4,26,37,17,098
Profit for the year	Nil	Nil	22,07,80,167	22,07,80,167
Other Comprehensive Income for the year (Net of Tax)	Nil	Nil	(30,34,400)	(30,34,400)
Total Comprehensive Income for the year	Nil	Nil	21,77,45,767	21,77,45,767
Transactions with owners in their capacity as owners:				
Dividend	Nil	Nil	(3,84,39,245)	(3,84,39,245)
Tax on Dividend	Nil	Nil	(79,01,300)	(79,01,300)
Balance as at 31/03/2019	83,78,33,156	7,55,40,148	3,52,17,49,017	4,43,51,22,321

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)

(Samir M Shah)

Partner
(M.No. 111502)

Date : May 25, 2019

Place: Ahmedabad

Vedprakash Chiripal

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(Managing Director)
(DIN: 00155695)

Ashok Bothra

(Chief Financial Officer)

Purvee Roy

(Company Secretary)

Statement of Cash Flows

for the year ended March 31, 2019

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
Cash flow from operating activities		
Profit before Tax from Continuing operations	31,82,04,523	60,82,63,245
Profit before income tax including discontinued operations		
Adjustments for		
Depreciation	1,04,40,61,119	1,20,55,92,978
Provision/(Reversal) for Doubtful debts	6,20,52,508	6,35,27,032
Fair Value (gain)/ Loss on Forward Contract	(78,14,318)	21,73,105
Finance Charges	27,00,16,461	58,04,60,494
Provision/(Reversal) for doubtful Advances	85,70,696	(67,24,009)
Loss on Sale of Property, Plant & Equipment	Nil	2,91,600
(Profit)/Loss From Sale Of Investments	(48,368)	Nil
Net (gains)/Loss on fair value changes on Investments classified as FVPL	34,74,352	(5,42,075)
Interest Received	(83,59,228)	(2,05,12,479)
EPCG Grant Income	(10,47,53,727)	(8,81,74,580)
Dividend Income	(1,780)	(9,560)
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
Increase/(decrease) in Trade Payable	(57,20,03,560)	30,44,73,683
Increase/(decrease) in short-term Provision	1,05,98,531	55,43,675
Increase/(decrease) in other current liability	66,87,078	(3,97,67,288)
Increase/(decrease) in other current Financial liability	3,31,14,969	3,79,23,447
Increase/(decrease) in other Non Current Financial liability	25,694	19,01,016
Decrease/(increase) in Trade receivable	(7,80,16,345)	(1,43,60,15,771)
Decrease/(increase) in Inventories	30,39,65,720	(31,28,37,364)
Decrease/(increase) in Non Current loans	(39,72,152)	11,56,592
Decrease/(increase) in Current loans	(4,99,826)	8,74,294
Decrease/(increase) in other Current assets	(41,36,25,597)	(11,65,06,110)
Decrease/(increase) in other non-current assets	(83,41,638)	1,47,95,873
Cash generated from operations	86,33,35,111	80,58,87,798
Income taxes paid	(7,07,19,275)	(14,99,09,633)
Net cash inflow from operating activities	79,26,15,836	65,59,78,165
Cash flows from investing activities		
Purchase of Fixed Assets (Incl. WIP)	(19,46,62,024)	(44,78,80,696)
Sale of Fixed Assets	Nil	10,60,600
Purchase of non-current Investments	(1,40,28,779)	(18,48,577)
Sale of non-current Investments	1,26,13,691	34,67,047
Margin Money Deposit(Net)	(6,72,50,059)	41,97,43,862
Interest Received	71,59,394	2,40,29,318
Dividend Income	1,780	9,560
Net cash outflow from investing activities	(25,61,65,997)	(14,18,886)

Statement of Cash Flows

for the year ended March 31, 2019

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
Cash flows from financing activities		
Long Term Borrowing Taken during the year	37,90,000	17,71,82,306
Long Term Borrowing Paid during the year	(67,88,25,353)	(57,96,55,124)
Increase in Short Term Borrowing (Net)	30,52,30,946	42,82,67,270
Interest paid	(26,67,56,703)	(58,09,68,137)
Dividend paid (Incl. Dividend Distribution Tax)	(4,63,40,545)	(9,25,29,143)
cash flows from financing activities	(68,29,01,655)	(64,77,02,828)
Net increase (decrease) in cash and cash equivalents	(14,64,51,816)	68,56,451
Cash and cash equivalents at the beginning of the financial year	17,65,60,782	16,97,04,331
Cash and cash equivalents at end of the year	3,01,08,966	17,65,60,782
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
	31-03-2019	31-03-2018
	₹	₹
Cash and cash equivalents (note 11)	3,01,08,966	17,65,60,782
Fixed deposits with less than 3 month from date of origination	Nil	Nil
Balances per statement of cash flows	3,01,08,966	17,65,60,782

As per our report of even date attached herewith.

For, **Samir M Shah & Associates**

Chartered Accountants
(Firm Regd. No. 122377W)

(Samir M Shah)

Partner
(M.No. 111502)

Date : May 25, 2019

Place: Ahmedabad

Vedprakash Chiripal

(Chairman)
(DIN: 00290454)

Deepak Chiripal

(Chief Executive Officer)

Jyotiprasad Chiripal

(Managing Director)
(DIN: 00155695)

Ashok Bothra

(Chief Financial Officer)

Purvee Roy

(Company Secretary)

Notes to Financial Statements for the year ended March 31, 2019

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 Piplej and Bareja, Gujarat.

These financial statements presented in Indian Rupee with figures rounded off to nearest rupee except otherwise indicated were approved and adopted by Board of Directors of the Company in their meeting held on May 25, 2019.

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 18 and 30)

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 10 and 32.3)

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 valuation. An actuarial valuation involves making various assumptions that may differ from actual developments

Notes to Financial Statements for the year ended March 31, 2019

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 27, 27.1 and 27.2)

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 32.3)

Note 2

2.1 Significant Accounting Policies

2.1.1 Income Recognition

Revenue from Contracts with Customers

Effective April 1, 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers (Ind AS 115, the standard) retrospectively with the cumulative effect of applying this standard recognise at the date initial application. The adoption of this standard did not have any material impact on the financial statements.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The revenue towards satisfaction of performance is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligations. The transaction price of goods sold and service rendered is net of variable consideration on account of various discounts offered by the company as part of contract. These variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that

amount will not be subject to significant reversal when uncertainty relating to its recognition resolved.

2.1.1.a Sale of Goods and Service

The company manufactures Denim Cloth, Shirting Cloth and Yarn and trades Cotton and Coal. The company also render job work service. The performance obligation in case of sale of product and services is satisfied at a point in time i.e. when the material is shipped to the customer or on delivery to the customers as may be specified in the contract. 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 22.

2.1.1.b 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 economic benefits will flow to the Company and the amount of income can be measured reliably).

2.1.1.c 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.

2.1.1.d 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 2.1.6)

Notes to Financial Statements for the year ended March 31, 2019

2.1.1.e 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 2.1.6)

2.1.2 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.

2.1.3 Property, Plant and Equipment

2.1.3.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.

2.1.3.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 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.

Notes to Financial Statements for the year ended March 31, 2019

2.1.3.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.

2.1.3.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.

2.1.4 Leases

The Company determines an arrangement as a lease based on the substance of the arrangement after assessing whether the arrangement is dependent on the use of specific asset or assets and whether the arrangement conveys a right to use the asset or assets. The Company classifies all leases into finance and operating leases at the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. The Company has applied accounting for lessees for assets taken on lease. The Company has not given assets on lease.

2.1.4.a Finance lease as lessee

The Company recognises property leased under finance leases at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are discounted at the interest rate implicit in the lease to calculate present value of minimum lease payments. Initial direct costs are added to the amount recognised as an asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Contingent rents are charged as expenses in the period in which they are incurred. The leased property is depreciated as per the depreciation policy specified in Note 2.1.3.

2.1.4.b Operating lease as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic

benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Where payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, lease expense is recognised based on the contractual lease payments. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.1.5 Employee Benefits

2.1.5.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.

2.1.5.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.

2.1.5.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.

2.1.5.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

Notes to Financial Statements for the year ended March 31, 2019

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 Life Insurance Corporation of India has been taken.

2.1.5.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.

2.1.6 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 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.

2.1.7 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.

Notes to Financial Statements for the year ended March 31, 2019

2.1.8 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 and also 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.

2.1.9 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 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.

2.1.9.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

2.1.9.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.

2.1.9.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

Notes to Financial Statements for the year ended March 31, 2019

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.

2.1.9.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.

2.1.9.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.

2.1.9.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:

2.1.9.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.

2.1.9.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.

2.1.9.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.

2.1.10 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.

2.1.11 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 31)

Notes to Financial Statements for the year ended March 31, 2019

2.1.12 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.

2.1.13 Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past 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.

2.1.14 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.

2.1.15 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.

Notes to Financial Statements for the year ended March 31, 2019

2.1.15.a Current Tax

Current Tax includes provision for income tax computed at the tax rate applicable as per Income Tax Act, 1961. Tax on profit for the period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provision of the relevant tax laws and based on expected outcome of assessments / appeals.

2.1.15.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 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.

2.1.16 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.

2.1.17 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.

2.1.18 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 38 for segment information presented.

Notes to Financial Statements for the year ended March 31, 2019

2.1.19 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.

2.1.20 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.

2.1.21 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. 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

As on March 30, 2019, Ministry of Corporate Affairs vide a notification issued amendments to Ind AS which are effective from April 1, 2019. Given below is given an explanation of significant amendments and their possible impact on the assets, liabilities and results:

a) Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit

& Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

The company is in the process of evaluating the impact of this Standard.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

Notes to Financial Statements for the year ended March 31, 2019

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

c) Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

e) Amendment to Ind AS 23 – Consideration of outstanding specific borrowing in capitalisation rate-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 23, Borrowing Costs. The amendments clarify that an entity shall exclude from the calculation of capitalisation rate borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The Company is in the process of evaluating the impact of this amendment on the financial statements.

Notes to Financial Statements

for the year ended March 31, 2019

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 31/03/2017	7,48,38,772	2,01,82,25,853	6,67,60,34,608	1,22,76,395	2,04,24,847	1,51,88,943	1,11,25,236	8,82,81,14,654							
Additions during the year	1,68,00,000	31,87,85,926	41,96,20,438	18,44,486	31,40,806	7,61,232	21,50,391	76,31,03,279							
Disposals during the year	Nil	Nil	Nil	Nil	Nil	(33,25,385)	Nil	(33,25,385)							
Other adjustments during the year*	Nil	Nil	(16,63,80,800)	Nil	Nil	Nil	Nil	(16,63,80,800)							
Gross Carrying Value as at 31/03/2018	9,16,38,772	2,33,70,11,779	6,92,92,74,245	1,41,20,881	2,35,65,652	1,26,24,790	1,32,75,627	9,42,15,11,748							
Additions during the year	22,00,000	2,15,07,879	52,08,636	10,92,698	12,67,744	42,45,913	13,61,715	3,68,84,585							
Disposals during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil							
Other adjustments during the year**	Nil	Nil	(3,91,97,529)	Nil	Nil	Nil	Nil	(3,91,97,529)							
Gross Carrying Value as at 31/03/2019	9,38,38,772	2,35,85,19,658	6,89,52,85,352	1,52,13,580	2,48,33,397	1,68,70,703	1,46,37,342	9,41,91,98,804							
Accumulated depreciation and impairment as at 31/03/2017	Nil	5,98,85,585	78,67,80,093	35,64,008	27,69,198	31,51,962	47,71,642	86,09,22,488							
Depreciation for the year	Nil	7,74,06,813	1,11,18,50,601	34,49,403	25,82,521	25,30,249	40,41,749	1,20,18,61,336							
Disposals during the year	Nil	Nil	Nil	Nil	Nil	(19,73,185)	Nil	(19,73,185)							
Accumulated depreciation and impairment as at 31/03/2018	Nil	13,72,92,398	1,89,86,30,694	70,13,411	53,51,719	37,09,026	88,13,390	2,06,08,10,639							
Depreciation for the year	Nil	8,70,18,060	94,18,57,950	26,89,361	26,64,415	27,68,484	26,98,281	1,03,96,96,550							
Disposals during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil							
Accumulated depreciation and impairment as at the 31/03/2019	Nil	22,43,10,458	2,84,04,88,644	97,02,772	80,16,134	64,77,510	1,15,11,671	3,10,05,07,189							
Net Carrying Value															
As at 31/03/2018	9,16,38,772	2,19,97,19,381	5,03,06,43,551	71,07,470	1,82,13,933	89,15,765	44,62,237	7,36,07,01,110							
As at 31/03/2019	9,38,38,772	2,13,42,09,200	4,05,47,96,708	55,10,808	1,68,17,262	1,03,93,193	31,25,671	6,31,86,91,615							
Capital Work-in-Progress															
As at 31/03/2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil							
As at 31/03/2019	Nil	3,74,84,692	11,19,42,750	Nil	Nil	Nil	Nil	14,94,27,442							
Amount that are given as security for liabilities															
As at 31/03/2018	9,16,38,772	2,19,97,19,381	5,03,06,43,551	71,07,470	1,82,13,933	89,15,765	44,62,237	7,36,07,01,110							
As at 31/03/2019	9,38,38,772	2,13,42,09,200	4,05,47,96,708	55,10,808	1,68,17,262	1,03,93,193	31,25,671	6,31,86,91,615							
Useful Life (In Years)															
As at 31/03/2018	Nil	30	15	5	10	8	3								
As at 31/03/2019	Nil	30	15	5	10	8	3								
Amount of Contractual commitments for acquisition (Refer Note No. 33)															
As at 31/03/2018	Nil	Nil	8,64,27,985	Nil	Nil	Nil	Nil	8,64,27,985							
As at 31/03/2019	Nil	Nil	23,21,10,444	Nil	Nil	Nil	Nil	23,21,10,444							

*Other Adjustment to Cost of Assets represent a sum of ₹ Nil/- (P.Y. ₹166,380,800/-) towards various subsidies received, which are hereto decapitalised by the Company.

**Other Adjustment to Cost of Assets represent a sum of ₹39,197,529/- (P.Y. ₹ Nil/-) towards Counter Vetting Duty Refund received, which are hereto decapitalised by the Company.

Notes to Financial Statements for the year ended March 31, 2019

Note 4

Intangible Assets

(Amount in ₹)

Particulars	Licence & software	Total
Gross Block		
Gross Carrying Value as at 31/03/2017	1,03,91,268	1,03,91,268
Additions during the year	37,70,834	37,70,834
Disposals during the year	Nil	Nil
Other adjustments during the year	Nil	Nil
Gross Carrying Value as at 31/03/2018	1,41,62,102	1,41,62,102
Additions during the year	13,90,000	13,90,000
Disposals during the year	Nil	Nil
Other adjustments during the year	Nil	Nil
Gross Carrying Value as at 31/03/2019	1,55,52,102	1,55,52,102
Accumulated Amortisation		
Accumulated amortisation and impairment as at 31/03/2017	26,07,257	26,07,257
Amortisation for the year	37,31,643	37,31,643
Disposals during the year	Nil	Nil
Other adjustments during the year	Nil	Nil
Accumulated Amortisation and impairment as at the 31/03/2018	63,38,900	63,38,900
Amortisation for the year	43,64,569	43,64,569
Disposals during the year	Nil	Nil
Other adjustments during the year	Nil	Nil
Accumulated Amortisation and impairment as at the 31/03/2019	1,07,03,469	1,07,03,469
Net Carrying Value		
As at 31/03/2018	78,23,202	78,23,202
As at 31/03/2019	48,48,633	48,48,633
Amount that are given as security for liabilities		
As at 31/03/2018	78,23,202	78,23,202
As at 31/03/2019	48,48,633	78,23,202
Amortisation period		
As at 31/03/2018	3	
As at 31/03/2019	3	
Amount of Contractual commitments for acquisition		
As at 31/03/2018	Nil	
As at 31/03/2019	Nil	

Notes to Financial Statements

for the year ended March 31, 2019

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 ₹)		Measured as at Cost / Amortised Cost / FVOCI / FVPL
		As on 31/03/2019		As on 31/03/2018				As On 31/03/2019	As On 31/03/2018	
		Nos.	Face Value	Nos.	Face Value					
(a) Investments in Equity Instruments [Non Trade]										
(i) CIL Nova Petrochemicals Ltd.	Others	64000	10.00	64000	10.00	Quoted	Fully Paid	11,45,600	20,44,800	FVPL
(ii) UCO Bank Ltd.	Others	3500	10.00	3500	10.00	Quoted	Fully Paid	65,625	75,600	FVPL
(iii) Asian Paints Ltd.	Others	200	1.00	200	1.00	Quoted	Fully Paid	2,98,380	2,24,140	FVPL
(iv) The Saraswat Co. Op. Bank Ltd.	Others	2500	10.00	2500	10.00	Unquoted	Fully Paid	25,000	25,000	FVPL
Total		70200		70200				15,34,605	23,69,540	
(b) Investments in Preference Shares										
(i) Non Cumulative Redeemable Preference Shares of Vraj Integrated Textile Park	Others	2203720	10.00	819724	10.00	Unquoted	Fully Paid	13,46,479	5,00,854	FVPL
(i) Non Cumulative Redeemable Preference Shares of Vraj Integrated Textile Park (₹5 paid up)	Others	Nil	10.00	2205756	10.00	Unquoted	Partly Paid	Nil	13,47,723	FVPL
Total		2203720		3025480				13,46,479	18,48,577	
(c) Investments in bonds										
(i) LVB Unsecure Non-Con. Redeem. Basel III	Others	10	1000000	10	1000000		Fully Paid	1,00,00,000	1,00,00,000	Amortised Cost
Total		10		10				1,00,00,000	1,00,00,000	
Grand Total								1,28,81,084	1,42,18,117	
Aggregate amount of quoted investments										
Aggregate amount of unquoted investments										
Aggregate amount of investment in Bond										

Notes to Financial Statements for the year ended March 31, 2019

Note 6

Loans

(Amount in ₹)

Loans	Non-Current		Current	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
a. Security Deposits				
Secured, considered good				
Unsecured, considered good	57,64,817	17,92,665	Nil	Nil
Doubtful	Nil	Nil	Nil	Nil
Less: Provision for Impairment	Nil	Nil	Nil	Nil
Total	57,64,817	17,92,665	Nil	Nil
b. Loans to related parties				
Secured, considered good	Nil	Nil	Nil	Nil
Unsecured, considered good	Nil	Nil	Nil	Nil
Doubtful	Nil	Nil	Nil	Nil
Less: Provision for Impairment	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil
c. Other loans				
Loan to Employees				
Secured, considered good	Nil	Nil	Nil	Nil
Unsecured, considered good	Nil	Nil	13,52,687	8,52,860
Doubtful	Nil	Nil	Nil	Nil
Less: Provision for Impairment	Nil	Nil	Nil	Nil
Total	Nil	Nil	13,52,687	8,52,860
Grand Total	57,64,817	17,92,665	13,52,687	8,52,860
Of the above, loans due by				
(i) Other Officers	Nil	Nil	13,52,687	8,52,860

Note 6.1

Movements in each class of provision during the year

(Amount in ₹)

Particulars	Non-Current		Current	
	As At 31/03/2019	As At 31/03/2018	As At 31/03/2019	As At 31/03/2018
a. Security Deposits				
Balance at the beginning	Nil	11,41,592	Nil	Nil
Impairment loss recognised	Nil	Nil	Nil	Nil
Impairment loss reversed	Nil	(11,41,592)	Nil	Nil
Amount written off	Nil	Nil	Nil	Nil
Balance at the end	Nil	Nil	Nil	Nil
b. Other Loans				
Balance at the beginning	Nil	Nil	Nil	1,13,761
Impairment loss recognised	Nil	Nil	Nil	Nil
Impairment loss reversed	Nil	Nil	Nil	(1,13,761)
Amount written off	Nil	Nil	Nil	Nil
Balance at the end	Nil	Nil	Nil	Nil

Notes to Financial Statements for the year ended March 31, 2019

Note 7

Other Financial Assets

(Amount in ₹)

Particulars	Non-Current		Current	
	As At 31/03/2019	As At 31/03/2018	As At 31/03/2019	As At 31/03/2018
(i) Bank deposits with more than 12 months maturity	1,06,75,271	65,91,800	Nil	Nil
(ii) Interest Receivable (Refer Note No. 12)	Nil	Nil	19,39,099	7,39,265
(iii) Forward Contract Asset	Nil	Nil	64,31,611	1,99,214
Total	1,06,75,271	65,91,800	83,70,710	9,38,479

Note 8

Other Assets

(Amount in ₹)

Other Assets	Non-Current		Current	
	As At 31/03/2019	As At 31/03/2018	As At 31/03/2019	As At 31/03/2018
(i) Capital Advances	4,67,40,706	2,33,95,022	Nil	Nil
Less: Allowance for Doubtful Capital Advances	(22,76,941)	Nil	Nil	Nil
(ii) Pre Payment Expenses	19,06,654	19,01,016	Nil	Nil
(lii) Advances other than capital advances:				
(a) Security Deposits;	88,36,511	5,00,511	Nil	Nil
(b) Advance recoverable in cash or kind	Nil	Nil	11,76,13,808	11,93,82,596
Less: Allowance for Doubtful Advances	Nil	Nil	(62,93,755)	Nil
Total	5,52,06,930	2,57,96,549	11,13,20,053	11,93,82,596
(iii) Others				
Deferred Fair Value Gain / Loss on Issue of Preference Shares	Nil	Nil	1,78,63,271	1,80,51,305
(iv) Prepaid expenses	Nil	Nil	2,92,88,014	2,74,92,650
(v) Balance With Govt Authorities	Nil	Nil	81,33,29,579	39,95,42,523
Total	Nil	Nil	86,04,80,864	44,50,86,478
Grand Total	5,52,06,930	2,57,96,549	97,18,00,917	56,44,69,074

Note 8.1

Movements in each class of provision during the year

(Amount in ₹)

Particulars	Non-Current		Current	
	As At 31/03/2019	As At 31/03/2018	As At 31/03/2019	As At 31/03/2018
Capital Advance	Nil	Nil	Nil	Nil
Balance at the beginning	Nil	Nil	Nil	Nil
Impairment loss recognised	22,76,941	Nil	Nil	Nil
Impairment loss reversed	Nil	Nil	Nil	Nil
Amount written off	Nil	Nil	Nil	Nil
Balance at the end	22,76,941	Nil	Nil	Nil
Advances recoverable in cash or kind				
Balance at the beginning	Nil	Nil	Nil	54,68,701
Impairment loss recognised	Nil	Nil	62,93,755	Nil
Impairment loss reversed	Nil	Nil	Nil	(54,68,701)
Amount written off	Nil	Nil	Nil	Nil
Balance at the end	Nil	Nil	62,93,755	Nil

Notes to Financial Statements for the year ended March 31, 2019

Note 9

Inventories

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
(a) Raw materials		
(i) in possession	81,54,48,089	99,68,97,202
(ii) in transit	Nil	Nil
(b) Work-in-progress	36,42,01,591	45,28,24,394
(c) Finished goods		
(i) in possession	84,58,14,714	87,77,51,464
(ii) in transit	6,19,31,986	6,51,12,868
(d) Stock-in-trade		
(i) in possession	Nil	Nil
(ii) in transit	Nil	Nil
(e) Stores and spares		
(i) in possession	4,06,73,923	6,23,80,704
(ii) in transit	Nil	Nil
(f) Fuel		
(i) in possession	3,58,61,923	1,01,35,834
(ii) in transit	Nil	Nil
(g) Packing Material		
(i) in possession	71,08,052	99,03,532
(ii) in transit	Nil	Nil
Total	2,17,10,40,279	2,47,50,05,998

Note 10

Trade Receivables

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
Trade Receivable Considered Good - Unsecured	2,60,53,40,471	2,71,86,75,116
Less: Allowance for Expected Credit Loss	(26,05,340)	(3,48,77,957)
Sub total	2,60,27,35,131	2,68,37,97,159
Trade Receivable Credit Impaired-Unsecured	28,47,75,643	9,34,24,653
Less: Allowance for Expected Credit Loss	(14,70,10,907)	(5,26,85,782)
Sub total	13,77,64,736	4,07,38,871
Total	2,74,04,99,867	2,72,45,36,030

Note 10.1

Trade Receivables

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
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	53,70,35,996	57,89,93,998
Total	53,70,35,996	57,89,93,998

Notes to Financial Statements for the year ended March 31, 2019

Note 10.2

Trade Receivable

(Amount in ₹)

Particulars	As At	
	31/03/2019	31/03/2018
Trade Receivables offered as collateral for liabilities or contingent liabilities	2,74,04,99,867	2,72,45,36,034

Note 11

Cash and Cash Equivalents

(Amount in ₹)

Particulars	As At	
	31/03/2019	31/03/2018
Balances with Banks	2,46,04,418	17,26,96,279
Cash on hand	55,04,548	38,64,503
Total	3,01,08,966	17,65,60,782

Note 12

Other Bank Balances

(Amount in ₹)

Particulars	As At	
	31/03/2019	31/03/2018
Margin Deposits with original maturity of more than 3 months	15,16,40,784	8,92,13,462
Unclaimed dividend Account	56,36,734	52,36,043
Less: Interest Receivable shown as Other Financial Assets (Refer Note No. 7)	Nil	(7,39,265)
Total	15,72,77,518	9,37,10,240

Of the above, the following have been offered as collateral for liabilities and contingent liabilities:

(Amount in ₹)

Particulars	As At	
	31/03/2019	31/03/2018
Deposits with original maturity of more than 3 months	15,16,40,784	8,84,74,197
Total	15,16,40,784	8,84,74,197

Note 13

Equity Share Capital

(Amount in ₹)

Particulars	As At 31/03/2019		As At 31/03/2018	
	No.	Amount	No.	Amount
Authorised Share Capital of ₹10/- each	10,00,00,000	1,00,00,00,000	10,00,00,000	1,00,00,00,000
Issued Share Capital of ₹10/- each	4,80,49,056	48,04,90,560	4,80,49,056	48,04,90,560
Subscribed Share Capital of ₹10/- each	4,80,49,056	48,04,90,560	4,80,49,056	48,04,90,560
Fully Paid-up Share Capital	4,80,49,056	48,04,90,560	4,80,49,056	48,04,90,560

Reconciliation of the number of shares outstanding and the amount of share capital as at 31/03/2019 and 31/03/2018 is set out below:-

Balance at the beginning of the year	4,80,49,056	48,04,90,560	4,80,49,056	48,04,90,560
Movement during the year	Nil	Nil	Nil	Nil
Balance at the end of the year	4,80,49,056	48,04,90,560	4,80,49,056	48,04,90,560

Notes to Financial Statements for the year ended March 31, 2019

Note 13.1

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. The Dividend proposed by the Board of Director is subject to the approval of the shareholders in the ensuing Annual General Meeting

Details of the Share Holders holding Shares more than 5% shares :-

Name of Shareholders	As At 31/03/2019		As At 31/03/2018	
	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%	71,65,556	14.91%
Devkinandan Corporation LLP	32,06,060	6.67%	32,06,060	6.67%

In the Period of five years immediately preceding March 31, 2019

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 14

Other Equity

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
Securities Premium Reserve		
Balance as per last financial Statement	83,78,33,156	83,78,33,156
Add: Share premium received during the year	Nil	Nil
Closing Balance	83,78,33,156	83,78,33,156
General Reserve		
Balance as per last financial Statement	7,55,40,148	7,55,40,148
Closing Balance	7,55,40,148	7,55,40,148
Retained Earnings		
Balance as per last financial Statement	3,35,03,43,794	2,98,22,72,770
Add : Profit for the year	22,07,80,167	46,35,29,407
Add :Other Comprehensive income (net of tax)	(30,34,400)	(29,29,240)
Less: Final Dividend Paid	(3,84,39,245)	(7,68,78,490)
Less: Tax on Final Dividend	(79,01,300)	(1,56,50,653)
Closing Balance	3,52,17,49,017	3,35,03,43,794
Grand Total	4,43,51,22,321	4,26,37,17,098

Notes to Financial Statements for the year ended March 31, 2019

Note 14 (Contd.)

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 15

Borrowings

(Amount in ₹)

Particulars	Non-Current				Current			
	Secured		Unsecured		Secured		Unsecured	
	As At 31/03/2019	As At 31/03/2018	As At 31/03/2019	As At 31/03/2018	As At 31/03/2019	As At 31/03/2018	As At 31/03/2019	As At 31/03/2018
Term loans								
(i) from banks	3,03,90,90,096	3,71,74,79,798	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Vehicle Loan	27,71,704	13,10,028	Nil	Nil	Nil	Nil	Nil	Nil
Loans repayable on demand								
(i) from banks	Nil	Nil	Nil	Nil	2,27,57,26,736	2,00,52,08,819	Nil	Nil
Total	3,04,18,61,800	3,71,87,89,826	Nil	Nil	2,27,57,26,736	2,00,52,08,819	Nil	Nil

Note 15.1

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 & Buyers Credit arrangements under Consortium finance are secured by first charge on the entire Fixed Assets of the company both present and future, second charge on Book Debts, Stock and other Current Assets of the Company and also further guaranteed by personal guarantee of promoter directors.	Term Loans (including Buyer's Credit arrangements) are repayable in Quarterly installments Buyers Credit arrangements are available for 180 days/360 Days with a roll over option upto 3 years from date of sanction and on the completion of the same, it will be converted into Term Loans.
(ii) Vehicle Loan	Vehicle Loans are secured by Hypothecation of Vehicles	Vehicle Loans are repayable in monthly installments.

Notes to Financial Statements for the year ended March 31, 2019

Note 15.1 (Contd.)

Nature of Security and terms of Payment of Borrowings (Contd..)

Type of Debt Instrument	Nature of Security	Terms of Repayment
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 Directors. (Refer Note No. 10.2)	Working Capital loan is repayable on Demand.

Note 15.2

(Amount in ₹)

Type of Debt Instrument	Borrowings guaranteed by Directors			
	Non-Current		Current	
	As At 31/03/2019	As At 31/03/2018	As At 31/03/2019	As At 31/03/2018
Term loans				
(i) From banks	3,03,90,90,096	3,71,74,79,798	Nil	Nil
(ii) Vehicle Loan	27,71,704	13,10,028	Nil	Nil
Loans repayable on demand				
(i) From banks	Nil	Nil	2,27,57,26,736	2,00,52,08,819
Total	3,04,18,61,800	3,71,87,89,826	2,27,57,26,736	2,00,52,08,819

Note 16

Other Financial Liabilities

(Amount in ₹)

Particulars	Non-Current		Current	
	As At	As At	As At	As At
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Current maturities of long-term debt	Nil	Nil	71,54,31,055	67,88,25,353
Interest accrued but not due	Nil	Nil	2,41,79,578	2,09,19,820
Creditors for Property, Plant & Equipment	Nil	Nil	6,83,99,333	9,31,47,434
Creditors for Expenses	Nil	Nil	9,44,78,959	7,73,05,462
Employee Benefits Payable	Nil	Nil	8,72,55,323	7,13,13,851
Unpaid dividends	Nil	Nil	56,36,734	52,36,043
Lease Rent Payable	19,26,710	19,01,016	Nil	Nil
Forward Contract Liability	Nil	Nil	7,90,398	23,72,319
Total	19,26,710	19,01,016	99,61,71,380	94,91,20,282

Note 17

Provisions

(Amount in ₹)

Particulars	Non-Current		Current	
	As At	As At	As At	As At
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Provision for Gratuity (Net) (Refer Note No. 27.2)	Nil	Nil	2,13,15,382	88,82,332
Provision for Leave encashment (Refer Note No. 27.2)	Nil	Nil	63,63,094	35,33,325
Total	Nil	Nil	2,76,78,476	1,24,15,657

Notes to Financial Statements for the year ended March 31, 2019

Note 17.1

Movements in each class of provision during the financial year

(Amount in ₹)

Particulars	Provision for Gratuity	Provision for Leave encashment
As at April 1, 2017 (Net)	11,21,208	12,48,130
Charged/(credited) to profit or loss	52,48,809	23,83,104
Charged/(credited) to OCI	45,02,644	Nil
Reversed during the period	Nil	Nil
Amounts used during the year	(19,90,329)	(97,909)
As at March 31, 2018 (Net)	88,82,332	35,33,325
Charged/(credited) to profit or loss	91,16,443	28,49,250
Charged/(credited) to OCI	46,64,289	Nil
Reversed during the period	Nil	Nil
Amounts used during the year	(13,47,681)	(19,481)
As at March 31, 2019 (Net)	2,13,15,382	63,63,094

Note 18

Deferred tax Liabilities (Net)

The balance comprises temporary differences attributable to:

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
Unpaid Liabilities Allowable under Income Tax Act, 1961 in succeeding years u/s 43B on Payment basis	(96,70,860)	(43,38,030)
Allowable Unutilised Tax Credits	(1,22,14,572)	(1,10,37,624)
Allowance for Expected Credit Loss	(5,22,75,917)	(3,05,96,166)
Allowance for doubtful Advance	(29,94,601)	Nil
Amount Disallowed U/s 40(a)(ia)	Nil	Nil
Total deferred tax assets	(7,71,55,949)	(4,59,71,820)
Difference in respect of depreciation on as per Income Tax Act & Companies Act on PPE and Intangible Assets	29,74,91,925	24,72,43,870
Total deferred tax liabilities	29,74,91,925	24,72,43,870
Net deferred tax liabilities	22,03,35,975	20,12,72,050

Note 18.1

Movement in deferred tax assets

(Amount in ₹)

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	Amount Disallowed U/s 40(a) (ia)	Total
As At April 1, 2017	(13,60,80,997)	(8,20,028)	(83,19,104)	(18,92,718)	Nil	(14,71,12,847)
(Charged)/credited:						
- to profit or loss	12,50,43,373	(19,44,599)	(2,22,77,061)	18,92,718	Nil	10,27,14,431
- to other comprehensive income	Nil	(15,73,404)	Nil	Nil	Nil	(15,73,404)

Notes to Financial Statements for the year ended March 31, 2019

Note 18.1 (Contd..)

Movement in deferred tax assets (Contd..)

(Amount in ₹)

Particulars	Allowable	Unpaid Liabilities	Allowance	Allowance	Amount	Total
	Unutilised Tax Credits	Allowable under Income Tax Act, 1961 in succeeding years u/s 43B on Payment basis	for Expected Credit Loss	for doubtful Advance	Disallowed U/s 40(a) (ia)	
As At March 31, 2018	(1,10,37,624)	(43,38,030)	(3,05,96,165)	Nil	Nil	(4,59,71,820)
(Charged)/credited:						
- to profit or loss	(11,76,948)	(37,02,940)	(2,16,79,751)	(29,94,601)	Nil	(2,95,54,240)
- to other comprehensive income	Nil	(16,29,889)	Nil	Nil	Nil	(16,29,889)
As At March 31, 2019	(1,22,14,571)	(96,70,859)	(5,22,75,916)	(29,94,601)	Nil	(7,71,55,949)

Movement in deferred tax liabilities

(Amount in ₹)

		Difference in respect of depreciation on as per Income Tax Act & Companies Act on PPE and Intangible Assets
As At April 1, 2017		35,48,81,263
(Charged)/credited:		
- to profit or loss		(10,76,37,393)
- to other comprehensive income		Nil
As At March 31, 2018		24,72,43,870
(Charged)/credited:		
- to profit or loss		5,02,48,055
- to other comprehensive income		Nil
As At March 31, 2019		29,74,91,925

Note 19

Other Liabilities

(Amount in ₹)

Particulars	Non-Current		Current	
	As At	As At	As At	As At
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Advance received from Customer	Nil	Nil	1,95,26,424	1,04,46,384
Other payables	Nil	Nil	2,37,117	1,57,504
Statutory dues	Nil	Nil	1,21,42,111	1,32,66,961
Deferred Consideration on Preference Shares	Nil	Nil	Nil	6,73,862
EPCG Deferred Grant	Nil	Nil	Nil	10,28,17,465
Total	Nil	Nil	3,19,05,651	12,73,62,176

Notes to Financial Statements for the year ended March 31, 2019

Note 20

Trade Payables

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
Payable to Micro and Small Enterprise	Nil	Nil
Payable to others		
- Acceptance	Nil	Nil
- Other than Acceptances	1,08,91,26,285	1,66,11,29,846
Total	1,08,91,26,285	1,66,11,29,846
Of the above, payables to Related Parties	21,48,25,820	10,71,65,160

- (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:

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
a) The Principal amount remaining unpaid to Micro and Small enterprise supplier as at the year end	Nil	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.

Note 21

Current Tax Liabilities (Net)

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
Provision for Taxation	99,46,59,912	91,53,40,689
Tax paid in Advance & Tax deducted at source receivable	(95,70,59,070)	(88,37,51,115)
Total	3,76,00,842	3,15,89,575

Notes to Financial Statements for the year ended March 31, 2019

Note 22

Revenue from Operations

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
Sale Of Products	14,05,29,10,767	15,66,71,52,690
Sale Of Services	10,44,15,896	8,48,24,152
Other Operating Revenues		
Sale of Waste	6,97,52,066	8,45,46,891
Export Incentive	4,84,64,491	5,27,19,376
Government Grant :		
Goods & Service Tax Incentive	28,49,20,126	Nil
Total	14,56,04,63,347	15,88,92,43,108

* **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 :-

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
Gross Revenue	14,74,62,92,904	16,09,49,70,031
Less: Rebate & Discount etc	(51,92,14,175)	(25,84,46,299)
Revenue recognised from Contract with Customers	14,22,70,78,730	15,83,65,23,732

(b) Reconciliation of Revenue from operation with Revenue from contracts with Customers :-

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
Revenue from operation	14,56,04,63,347	15,88,92,43,108
Less: Export Incentive	(4,84,64,491)	(5,27,19,376)
Less: Goods & Service Tax Incentive	(28,49,20,126)	Nil
Revenue from contracts with Customers	14,22,70,78,730	15,83,65,23,732

Note 23

Other Income

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
Interest Income	83,59,228	2,05,12,479
Dividend Income	1,780	9,560
EPCG Grant Income	10,84,22,443	8,81,74,580
Net gains on fair value changes on Investments classified as FVPL	Nil	5,42,075
Fair Value gain on Forward Contract	78,14,318	Nil
Profit on Sale of Non Current Investment	48,368	47,58,000
Net Foreign Exchange (Loss) / Gain	56,07,313	2,36,88,456
Miscellaneous Income	23,79,464	13,18,618
Total	13,26,32,913	13,90,03,768

Notes to Financial Statements for the year ended March 31, 2019

Note 24

Cost of Materials consumed

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
Opening Stock of Raw Materials	99,68,97,202	1,15,34,28,656
Purchases during the period	9,58,50,48,186	11,17,15,64,370
Closing Stock of Raw Materials	(81,54,48,089)	(99,68,97,202)
Total	9,76,64,97,299	11,32,80,95,824

Note 25

Purchase of Stock In Trade

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
Purchases of Stock in Trade during the period	36,95,80,976	2,13,08,020
Total	36,95,80,976	2,13,08,020

Note 26

Changes in inventories of finished goods, stock-in-trade and work-in-process

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
A. Stock-in-Trade		
Opening Stock of Stock-in-Trade	Nil	4,24,15,005
Closing Stock of Stock-in-Trade	Nil	Nil
B. Work-in-Process		
Opening Work-in-Process	45,28,24,394	35,53,57,436
Closing Work-in-Process	(36,42,01,591)	(45,28,24,394)
C. Finished Goods		
Opening Stock of Finished Goods	94,28,64,332	49,64,64,234
Closing Stock of Finished Goods	(90,77,46,700)	(94,28,64,332)
Total	12,37,40,435	(50,14,52,051)

Note 27

Employee Benefit Expense

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
Salaries and Wages	79,30,40,892	77,26,33,885
Contribution to provident and other funds (Refer Note No. 17, 27.1 and 27.2)	2,72,18,723	2,36,94,050
Staff welfare expenses	60,46,154	66,74,405
Total	82,63,05,768	80,30,02,340

Notes to Financial Statements for the year ended March 31, 2019

Note 27.1

Employee Benefit Defined Benefit Plan Disclosures (Refer Note 17, 27, 27.2)

(Amount in ₹)

Particulars	31/03/2019	31/03/2018
A. Change in Present Value of Defined Benefit Obligation		
Present Value of Benefit Obligation at the Beginning of the Period	2,16,91,751	1,30,11,870
Interest Cost	16,81,433	9,61,336
Current Service Cost	84,19,967	47,28,528
Past Service Cost	Nil	5,10,198
(Benefit paid directly to the Employer)	(13,47,681)	(19,90,329)
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumption	12,27,053	Nil
Actuarial (Gains) / Losses on Obligations - Due to Experience	34,37,236	44,70,148
Present Value of Benefit Obligation at the End of the Period	3,51,09,759	2,16,91,751
B. Change in Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the period	1,28,09,420	1,18,90,662
Interest Income	9,84,956	9,51,253
Employer Direct Benefit Payments	13,47,681	Nil
(Benefit payment from employer)	(13,47,681)	Nil
Return on Plan Assets, excluding interest income	Nil	(32,495)
Fair Value of Plan Assets at the end of the period	1,37,94,376	1,28,09,420
C. Amount recognised in Balance Sheet		
(Present value of defined benefit obligation at the end of the period)	3,51,09,759	2,16,91,751
Fair Value of Plan Assets at the end of the period	1,37,94,376	1,28,09,419
Funded Status (Surplus / (Deficit))	(2,13,15,383)	(88,82,332)
Net (Liability) / Asset Recognised in the Balance Sheet	(2,13,15,383)	(88,82,332)
D. Net Interest Cost for the Current Period		
Present value of defined benefit obligation at beginning of the period	2,16,91,751	1,30,11,870
(Fair Value of Plan Assets at beginning of the Period)	1,28,09,420	1,18,90,662
Net Liability / (Asset) at the beginning of the Period	88,82,331	11,21,208
Interest Cost	16,81,433	9,61,336
(Interest Income)	9,84,956	9,51,253
Net Interest Cost	6,96,477	10,083
E. Expenses Recognised in the Profit or Loss for Current Period		
Current service cost	84,19,967	47,28,528
Net Interest Cost	6,96,477	10,083
Past service cost	Nil	5,10,198
Expenses Recognised	91,16,444	52,48,809
F. Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains) / losses on Obligation for the period	46,64,289	44,70,148
Return on Plan Assets, Excluding Interest Income	Nil	(32,496)
Change in asset ceiling	Nil	Nil
Net (Income) / Expense for the Period recognised in OCI	46,64,289	44,37,652

Notes to Financial Statements for the year ended March 31, 2019

Note 27.1 (Contd..)

Employee Benefit Defined Benefit Plan Disclosures (Refer Note 17, 27, 27.2) (Contd..)

(Amount in ₹)

Particulars	31/03/2019	31/03/2018
G. Balance Sheet Reconciliation		
Opening net liability	88,82,331	11,86,199
Expenses recognised in Statement in Profit or Loss	91,16,444	52,48,809
Expenses recognised in OCI	46,64,289	44,37,652
Net Liability / (Asset) Transfer In	Nil	Nil
Net (Liability) / Asset Transfer Out	Nil	Nil
(Benefit paid directly by the employer)	(13,47,681)	(19,90,329)
(Employer's contribution)	Nil	Nil
Net Liability / (Asset) recognised in the Balance Sheet	2,13,15,383	88,82,331
H. Category of Assets		
Governement 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	3,442	2,837
Per month salary for active members	7,055	4,689
Weighted average duration of defined benefit obligation	15	14
Average Expected future service	27	26
Defined benefit obligation	3,51,09,759	2,16,91,751
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	3,51,09,759	2,16,91,751
(Fair value of plan assets at the end of the period)	1,37,94,376	1,28,09,419
Net Liability / (Asset) at the end of the period	2,13,15,383	88,82,332
Interest Cost	16,81,433	9,61,336
(Interest Income)	(9,84,956)	(9,51,253)
Net Interest Cost for next year	6,96,477	10,083
K. Expenses recognised in the Pofit or Loss for next year		
Current service cost	84,19,967	47,28,528
Net Interest Cost	6,96,477	10,083
Past Service Cost		5,10,198
	91,16,444	52,48,809
L. Maturity Analysis of Defined benefit obligation		
Projected benefits payable in future years from the date of reporting		
1st following year	35,54,270	32,09,418
2nd following year	23,15,343	15,40,883
3rd following year	26,84,540	15,83,193
4th following year	29,98,803	17,77,497
5th following year	28,85,412	18,94,311
Sum of years 6 to 10	1,49,96,256	92,28,460
M. Sensitivity Analysis		
Defined benefit obligation on current assumptions		
Delta effect of +1% Change in Rate of Discounting	3,21,58,224	2,00,36,475

Notes to Financial Statements for the year ended March 31, 2019

Note 27.1 (Contd..)

Employee Benefit Defined Benefit Plan Disclosures (Refer Note 17, 27, 27.2) (Contd..)

(Amount in ₹)

Particulars	31/03/2019	31/03/2018
Delta effect of -1% Change in Rate of Discounting	3,85,70,245	2,36,15,296
Delta effect of +1% Change in Rate of Salary Increase	3,88,18,354	2,36,90,538
Delta effect of -1% Change in Rate of Salary Increase	3,19,00,007	1,99,48,459
Delta effect of -1% Change in Rate of Employee Turnover	3,56,84,322	2,20,84,991
Delta effect of -1% Change in Rate of Employee Turnover	3,44,34,674	2,12,37,563
N. Summary of Valuation Assumptions		
Mortality table	100%	100%
Retirement age	58	58
Attrition rate	5%	5%
Salary escalation rate	5%	5%
Discount rate	8%	8%

Details of the Key actuarial assumptions used in the determination of long term compensated absences are as under

(Amount in ₹)

Particulars	Projected Unit Credit Method	
	2018-19	2017-18
Period Covered	31/03/2019	31/03/2018
	₹	₹
A. Change in defined benefit obligation		
Defined benefit obligation at beginning of period	35,33,325	12,48,130
Service cost	33,00,603	(594)
a. Current service cost		
b. Past service cost	Nil	Nil
c. (Gain) / loss on settlements	Nil	Nil
Interest expenses	2,64,269	89,938
Cash flows		
a. Benefit payments from plan	Nil	Nil
b. Benefit payments from employer	(19,481)	(97,909)
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	(25,832)	Nil
c. Effect of experience adjustments	(6,89,790)	22,93,760
Transfer In /Out		
a. Transfer In	Nil	Nil
b. Transfer out	Nil	Nil
Defined benefit obligation at end of period	63,63,094	35,33,325
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	19,481	97,909
(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	(19,481)	(97,909)
e. Settlement payments from plan assets	Nil	Nil

Notes to Financial Statements for the year ended March 31, 2019

Note 27.1 (Contd..)

Employee Benefit Defined Benefit Plan Disclosures (Refer Note 17, 27, 27.2) (Contd..)

(Amount in ₹)

Particulars	Projected Unit Credit Method	
	2018-19	2017-18
Period Covered	31/03/2019	31/03/2018
	₹	₹
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	63,63,094	35,33,325
Fair value of plan assets	Nil	Nil
Funded status	63,63,094	35,33,325
Effect of asset ceiling	Nil	Nil
Net defined benefit liability (asset)	63,63,094	35,33,325
D. Components of defined benefit cost		
Service cost		
a. Current service cost	33,00,603	(594)
b. Past service cost	Nil	Nil
c. (Gain) / loss on settlements	Nil	Nil
d. Total service cost	33,00,603	(594)
Net interest cost		
a. Interest expense on DBO	2,64,269	89,938
b. Interest (income) on plan assets	Nil	Nil
c. Interest expense on effect of (asset ceiling)	Nil	Nil
d. Total net interest cost	2,64,269	89,938
Remeasurements (recognized in other comprehensive income)		
a. Effect of changes in demographic assumptions	Nil	Nil
b. Effect of changes in financial assumptions	(25,832)	Nil
c. Effect of experience adjustments	(6,89,790)	22,93,760
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	28,49,250	23,83,104
E. Components of actuarial Loss / (Gain) on obligation		
a. Effect of changes in demographic assumptions	Nil	Nil
b. Effect of changes in financial assumptions	(25,832)	Nil
c. Effect of experience adjustments	(6,89,790)	22,93,760
d. (Return) on plan assets (excluding interest income)	Nil	Nil
Net actuarial Loss / (Gain) on obligation	(7,15,622)	22,93,760
F. Employer Expense (P&L)		
a. Current Service Cost	33,00,603	(594)
b. Interest Cost on net DBO	2,64,269	89,938
c. Past Service Cost	Nil	Nil
d. Net value of remeasurements on the obligation and plan assets	(7,15,622)	22,93,760
e. Total P& L Expenses	28,49,250	23,83,104

Notes to Financial Statements for the year ended March 31, 2019

Note 27.1 (Contd..)

Employee Benefit Defined Benefit Plan Disclosures (Refer Note 17, 27, 27.2) (Contd..)

(Amount in ₹)

Particulars	Projected Unit Credit Method	
	2018-19	2017-18
Period Covered	31/03/2019	31/03/2018
	₹	₹
G. Net defined benefit liability (asset) reconciliation		
Net defined benefit liability (asset)	35,33,325	12,48,130
Defined benefit cost included in P&L	28,49,250	23,83,104
a. Employer contributions		
b. Employer direct benefit payments	(19,481)	(97,909)
c. Employer direct settlement payments	Nil	Nil
Net transfer	Nil	Nil
Net defined benefit liability (asset) as of end of period	63,63,094	35,33,325
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
J. Significant actuarial assumptions		
Discount rate Current Year	7.60%	7.50%
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.	3,442	1,877
Avg. Age (yrs.)	32	34
Total Leave Balance	2,42,83,692	1,28,69,643
Total Monthly Encashment Salary (₹)	7,055	6,856
L. Expected cash flows for following year		
Expected employer contributions / Addl. Provision Next Year	63,63,094	35,33,325
N. Defined benefit obligation at end of period		
Current Obligation	Nil	Nil
Non-Current Obligation	63,63,094	35,33,325
Total	63,63,094	35,33,325
SUMMARY		
Assets / Liabilities		
Defined benefit obligation at end of period	63,63,094	35,33,325
Fair value of plan assets at end of period	Nil	Nil
Net defined benefit liability (asset)	63,63,094	35,33,325
Defined benefit cost included in P&L	28,49,250	23,83,104
Total remeasurements included in OCI	Nil	Nil
Total defined benefit cost recognized in P&L and OCI	28,49,250	23,83,104

Notes to Financial Statements for the year ended March 31, 2019

Note 27.2

Employee Benefit Disclosures (Refer Note 17, 27, 27.1)

(Amount in ₹)

Particulars	As At 31/03/2019			As At 31/03/2018		
	Non-Current	Current	Total	Non-current	Current	Total
Leave obligations	Nil	63,63,094	63,63,094	Nil	35,33,325	35,33,325
Gratuity (Net)	Nil	2,13,15,382	2,13,15,382	Nil	88,82,332	88,82,332
Total employee benefit obligations	Nil	2,76,78,476	2,76,78,476	Nil	1,24,15,657	1,24,15,657

(i) Leave obligations

The leave obligations cover the group's liability for sick and earned leave.

The amount of the provision of ₹63,63,094/- (March 31, 2018 - ₹35,33,325/-) 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.

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
Current leave obligations expected to be settled within the next 12 months	63,63,094	35,33,325

Note 28

Finance Costs

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
Interest to Banks	22,63,56,209	52,19,07,214
Other Interest	64,73,005	1,36,85,328
Other Borrowing Costs	3,71,87,247	4,48,67,953
Total	27,00,16,461	58,04,60,494

Note 28.1

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, 2019 (March 31, 2018 NIL%)

Note 28.2

Borrowing costs attributable to the acquisition or construction of Qualifying Assets amounting to ₹ Nil (Previous Year ₹ Nil/-) is capitalized by the Company net of TUFS interest subsidy ₹ Nil. (Previous Year ₹ Nil/-),

Note 28.3

Borrowing costs are net of, State government interest subsidy of, ₹26,48,12,887/- (Previous year ₹ NIL) and TUFS interest subsidy of ₹15,93,48,628/- (Previous year ₹19,73,39,425/-)

Notes to Financial Statements for the year ended March 31, 2019

Note 29

Other Expenses

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
Stores & Spares consumed	14,72,99,376	12,65,07,009
Packing materials consumed	9,69,93,303	11,72,39,946
Electricity & Fuel charges	1,19,95,02,793	1,25,82,00,232
Labour Charges	16,10,37,709	14,47,82,101
Carriage Inward	40,85,671	1,49,86,401
Inspection Charges	87,89,676	1,50,42,871
Repairs and Maintenance	3,80,06,213	3,78,88,714
Insurance	2,24,21,177	1,93,89,919
Rent	1,83,25,125	1,40,06,135
Rates and Taxes	59,83,618	85,68,522
Communication Expense	1,60,75,778	1,21,31,368
Traveling and Conveyance Expense	2,09,62,750	2,25,81,133
Legal and Professional Expense	1,27,84,368	1,69,79,747
Freight, Clearing and Forwarding Charges	7,35,66,065	4,14,91,741
Auditor's Remuneration:		
(i) For Audit	5,00,000	5,00,000
Other Selling Expense	90,20,652	52,87,913
Corporate Social Responsibility Expenses (Refer Note No. 39)	1,60,00,000	1,55,00,000
Donation	11,000	55,000
Loss on Sale of Property, Plant & Equipment	Nil	2,91,600
Commission Expense	3,09,01,259	1,97,84,176
Fair Value (Gain)/ Loss on Forward Contract	Nil	21,73,105
Provision/(Reversal of Provision) for doubtful Advances	85,70,696	(67,24,009)
Allowance for Expected Credit Loss basis	6,20,52,508	6,35,27,032
Miscellaneous Expense	1,83,25,588	3,27,85,371
Net Loss on fair value changes on Investments classified as FVPL	34,74,352	Nil
Total	1,97,46,89,679	1,98,29,76,026

Note 28.1

Electricity & Fuel charges are net off State government power subsidy of ₹7,58,57,760/- (Previous Year ₹ Nil/-).

Note 29.2

Following are the expense line items that have adjusted due to retrospective restatement of prior period error:

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
Professional and Consultancy Expense	3,27,250	2,25,950
Travelling Expense	12,86,272	12,08,447
Office Expense	Nil	1,70,351
Interest to Banks	6,81,834	Nil
Other Selling Expense	1,00,000	Nil
Freight, Clearing and Forwarding Charges	3,34,095	Nil
Miscellaneous Expense	9,62,073	Nil
Rent Expenses	31,852	Nil
Total Expense	37,23,375	16,04,748

Notes to Financial Statements for the year ended March 31, 2019

Note 29.3

Leases

Lease rentals charged during the period

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
Lease rent expense	1,83,25,125	1,40,06,135

Note 29.4

Future minimum lease payable

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
Not later than 1 year	68,72,000	68,72,000
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 30

Note 30.1

Tax Expense

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
Current tax expense	9,05,24,300	14,96,56,800
Deferred Tax	2,06,93,814	(49,22,962)
Short/(Excess) Provision Of Income Tax of earlier year	(1,37,93,758)	Nil
Total	9,74,24,356	14,47,33,838

Note 30.2

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
Profit from continuing operations before income tax expense	31,82,04,523	60,82,63,245
	31,82,04,523	60,82,63,245
Tax at the Indian tax rate of 34.944% (March 31, 2018 34.608%)	11,11,93,389	21,05,07,744
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Expense not deductible for tax purpose	39,94,542	88,58,975
Income exempt from income tax	(3,05,85,765)	(3,69,86,670)
Effect of Change in Tax rate	22,09,696	(21,20,325)
Excess Provision Of Income Tax of earlier year W/back	(1,37,93,758)	Nil
Reversal of Tax Liability due to time difference of Prior Years Adjustment	88,31,221	(93,50,069)
Others	1,55,75,031	(2,61,75,817)
Income tax expense	9,74,24,356	14,47,33,838
Effective Tax Rate	30.62%	23.79%

Notes to Financial Statements for the year ended March 31, 2019

Note 31

Earnings per Share Disclosures

Note 31.1

Reconciliation on Amount of EPS

(Amount in ₹)

Particulars	Year Ended	Year Ended
	31/03/2019	31/03/2018
(a) Basic earnings per share		
From continuing operations attributable to the equity holders of the company	4.59	9.65
Total basic earnings per share attributable to the equity holders of the company	4.59	9.65
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company	4.59	9.65
Total diluted earnings per share attributable to the equity holders of the company	4.59	9.65

Note 31.2

Reconciliations of earnings used in calculating earnings per share

(Amount in ₹)

Particulars	Year Ended	Year Ended
	31/03/2019	31/03/2018
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
From continuing operations	22,07,80,167	46,35,29,407
Profit attributable to the equity holders of the company used in calculating basic earnings per share	22,07,80,167	46,35,29,407
Diluted earnings per share		
Profit from continuing operations attributable to the equity holders of the company	22,07,80,167	46,35,29,407
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	22,07,80,167	46,35,29,407

Note 31.3

Weighted average number of shares used as the denominator

(Amount in ₹)

Particulars	Year Ended	Year Ended
	31/03/2019	31/03/2018
	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, 2019

Note 31.4

Increase / (Decrease) in EPS due to retrospective restatement of Prior period error

(Amount in ₹)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
Basic EPS	0.08	(0.04)
Diluted EPS	0.08	(0.04)

Note 32

32.1 Financial Instruments by Category

The carrying value and fair value of financial instruments by categories as at March 31, 2019 are as under:

(Amount in ₹)

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	11	3,01,08,966	Nil	Nil	3,01,08,966	3,01,08,966
Other Bank Balances	12	15,72,77,518	Nil	Nil	15,72,77,518	15,72,77,518
Investments						
Equity Instruments other than subsidiaries	5	15,34,605	15,34,605	Nil	15,34,605	15,34,605
Preference Shares	5	13,46,479	13,46,479	Nil	13,46,479	13,46,479
Bonds	5	1,00,00,000	Nil	Nil	1,00,00,000	1,00,00,000
Mutual Funds	5	Nil	Nil	Nil	Nil	Nil
Trade Receivables	10	2,74,04,99,867	Nil	Nil	2,74,04,99,867	2,74,04,99,867
Loans						
Non Current	6	57,64,817	Nil	Nil	57,64,817	57,64,817
Current	6	13,52,687	Nil	Nil	13,52,687	13,52,687
Other Financial Assets						
Non Current	7	1,06,75,271	Nil	Nil	1,06,75,271	1,06,75,271
Current	7	83,70,710	Nil	Nil	83,70,710	83,70,710
Total Financial Assets		2,96,69,30,920	28,81,084	Nil	2,96,69,30,920	2,96,69,30,920
Liabilities						
Borrowings						
Non Current	15	3,04,18,61,800	Nil	Nil	3,04,18,61,800	3,04,18,61,800
Current	15	2,27,57,26,736	Nil	Nil	2,27,57,26,736	2,27,57,26,736
Trade Payables	20	1,08,91,26,285	Nil	Nil	1,08,91,26,285	1,08,91,26,285
Other Financial Liabilities						
Non Current	16	19,26,710	Nil	Nil	19,26,710	19,26,710
Current	16	99,61,71,380	Nil	Nil	99,61,71,380	99,61,71,380
Total Financial Liabilities		7,40,48,12,911	Nil	Nil	7,40,48,12,911	7,40,48,12,911

Notes to Financial Statements for the year ended March 31, 2019

Note 32 (Contd..)

32.1 Financial Instruments by Category (Contd..)

The carrying value and fair value of financial instruments by categories as at March 31, 2018 are as under:

(Amount in ₹)

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	11	17,65,60,782	Nil	Nil	17,65,60,782	17,65,60,782
Other Bank Balances	12	9,37,10,240	Nil	Nil	9,37,10,240	9,37,10,240
Investments						
Equity Instruments other than subsidiaries	5	23,69,540	23,69,540	Nil	23,69,540	23,69,540
Preference Shares	5	18,48,577	18,48,577	Nil	18,48,577	18,48,577
Bonds	5	1,00,00,000	Nil	Nil	1,00,00,000	1,00,00,000
Mutual Funds	5	Nil	Nil	Nil	Nil	Nil
Trade Receivables	10	2,72,45,36,030	Nil	Nil	2,72,45,36,030	2,72,45,36,030
Loans						
Non Current	6	17,92,665	Nil	Nil	17,92,665	17,92,665
Current	6	8,52,860	Nil	Nil	8,52,860	8,52,860
Other Financial Assets						
Non Current	7	65,91,800	Nil	Nil	65,91,800	65,91,800
Current	7	9,38,479	Nil	Nil	9,38,479	9,38,479
Total Financial Assets		3,01,92,00,973	42,18,117	Nil	3,01,92,00,973	3,01,92,00,973
Liabilities						
Borrowings						
Non Current	15	3,71,87,89,826	Nil	Nil	3,71,87,89,826	3,71,87,89,826
Current	15	2,00,52,08,819	Nil	Nil	2,00,52,08,819	2,00,52,08,819
Trade Payables	20	1,66,11,29,846	Nil	Nil	1,66,11,29,846	1,66,11,29,846
Other financial liabilities						
Non Current	16	19,01,016	Nil	Nil	19,01,016	19,01,016
Current	16	94,91,20,282	Nil	Nil	94,91,20,282	94,91,20,282
Total Financial Liabilities		8,33,61,49,789	Nil	Nil	8,33,61,49,789	8,33,61,49,789

Note 32.2 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:

(Amount in ₹)

Particulars	Note Reference	Level 1	Level 2	Level 3
a. Investment in equity shares other than subsidiaries and joint ventures				
As at March 31, 2019	5	15,09,605	Nil	25,000
As at March 31, 2018	5	23,44,540	Nil	25,000
b. Investment in preference shares				
As at March 31, 2019	5	Nil	Nil	13,46,479
As at March 31, 2018	5	Nil	Nil	18,48,577
c. Investment in Mutual Funds				
As at March 31, 2019	5	Nil	Nil	Nil
As at March 31, 2018	5	Nil	Nil	Nil

Notes to Financial Statements for the year ended March 31, 2019

Note 32.2.1 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 32.2.2 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).

Note 32.2.3 Transfers between levels of fair value hierarchy

There have been no transfers between levels of fair value hierarchy during the year ended March 31, 2019 and during the comparative period ended March 31, 2018.

Note 32.2.4 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 32.3

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 32.3.1 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, 2019, the company has entered into derivative contract of ₹22,99,01,000/- (PY.27,13,16,125/-) to hedge exposure to fluctuation risk. The below sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk:

Notes to Financial Statements for the year ended March 31, 2019

Foreign currency risks from financial instruments as at March 31, 2019 are given below:

Particulars	(Amount in ₹)				
	USD	EURO	CHF	JPY	Total
Trade Receivables (Refer note 10)	2,85,77,406	Nil	Nil	Nil	2,85,77,406
Advance to Supplier (Refer note 20)	76,34,619	38,51,861	16,87,238	7,90,792	1,39,64,511
Trade Payables (Refer note 20)	(7,92,32,957)	Nil	Nil	Nil	(7,92,32,957)
Advance from Customer (refer note 19)	(71,96,060)	Nil	Nil	Nil	(71,96,060)
Net Foreign Currency Risk Exposure	(5,02,16,992)	38,51,861	16,87,238	7,90,792	(4,38,87,100)

Foreign currency risks from non derivative financial instruments as at March 31, 2018 are given below:

Particulars	(Amount in ₹)				
	USD	EURO	CHF	JPY	Total
Trade Receivables (Refer Note 10)	Nil	Nil	Nil	Nil	Nil
Trade Payables (Refer note 20)	(25,58,17,502)	(93,90,432)	(74,27,207)	Nil	(27,26,35,141)
Net Foreign Currency Risk Exposure	(25,58,17,502)	(93,90,432)	(74,27,207)	Nil	(27,26,35,141)

For each of the years ended March 31, 2019 and March 31, 2018, 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 0.16% & 0.01% 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 32.1). 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	Fair Value in ₹	% Change in Fair Value	Effect on Profit before Tax in ₹
31/03/2019	67700	22	1509033	5.00%	75,452
				-5.00%	(75,452)
31/03/2018	67700	35	2344540	5.00%	1,17,227
				-5.00%	(1,17,227)

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.

Notes to Financial Statements for the year ended March 31, 2019

Note 32.3.1 Market Risk (Contd..)

Exposure to interest rate risk

(Amount in ₹)

Particulars	As At March 31	
	2019	2018
Fixed Rate Instruments (Refer Note No. 15)		
Financial liabilities		
Non Current	27,71,704	13,10,028
Current	19,13,055	21,29,353
Total	46,84,759	34,39,381
Variable Rate Instruments (Refer Note No. 15)		
Financial liabilities		
Non Current	3,03,90,90,096	3,71,74,79,798
Current	2,98,92,44,736	2,68,19,04,819
Total	6,02,83,34,832	6,39,93,84,617

The outstanding position of borrowings at variable interest rate along with proportion of total loans is given below:

(Amount in ₹)

Particulars	As At March 31	
	2019	2018
Total Borrowings	6,03,30,19,591	6,40,28,23,998
% of Borrowings out of above bearing variable rate of interest	99.92%	99.95%

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

(Amount in ₹)

Particulars	2018-19	2017-18
50bp increase would decrease the profit before tax by	3,01,41,674	3,19,96,923
50bp decrease would increase the profit before tax by	(3,01,41,674)	(3,19,96,923)

Note 32.3.2 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, loans from directors, and other operating cash flows. The company has undrawn borrowing facilities to the extent of ₹12,42,73,264/- as on 31/03/2019 (PY. ₹39,47,91,181/-).

The details of the contractual maturities of significant financial liabilities as at March 31, 2019 are as under:

Particulars	Note Ref.	< 1 year	1-2 year	2-5 years	5-8 years	8 years and Above	Total
Borrowings (Term Loan - Banks)	15	71,35,18,000	67,96,70,664	1,72,20,60,229	63,73,59,188	Nil	3,75,26,08,081
Borrowings (Working capital)	15	2,27,57,26,736	Nil	Nil	Nil	Nil	2,27,57,26,736
Vehicle Loans	15	19,13,055	10,43,736	17,27,968	Nil	Nil	46,84,774
Trade Payable	20	1,08,91,26,285	Nil	Nil	Nil	Nil	1,08,91,26,285
Other Financial Liabilities	16	18,78,48,269	Nil	Nil	Nil	19,26,710	18,97,74,979
Employee Benefit liabilities	16	8,72,55,323	Nil	Nil	Nil	Nil	8,72,55,323
Unpaid dividends	16	56,36,734	Nil	Nil	Nil	Nil	56,36,734
Total		4,36,10,24,402	68,07,14,400	1,72,37,88,197	63,73,59,188	19,26,710	7,40,48,12,912

Notes to Financial Statements for the year ended March 31, 2019

The details of the contractual maturities of significant financial liabilities as at March 31, 2018 are as under:

Particulars	Note Ref.	< 1 year	1-2 year	2-5 years	5-8 years	8 years and Above	Total
Borrowings (Term Loan - Banks)	15	67,66,96,000	71,35,18,000	1,88,05,31,000	1,10,55,67,000	1,78,63,798	4,39,41,75,798
Borrowings (Working capital)	15	2,00,52,08,819	Nil	Nil	Nil	Nil	2,00,52,08,819
Vehicle Loans	15	21,29,353	13,10,028	Nil	Nil	Nil	34,39,381
Trade Payable	20	1,66,11,29,846	Nil	Nil	Nil	Nil	1,66,11,29,846
Other Financial Liabilities	16	19,37,45,036	Nil	Nil	Nil	19,01,016	19,56,46,052
Employee Benefit liabilities	16	7,13,13,851	Nil	Nil	Nil	Nil	7,13,13,851
Unpaid dividends	16	52,36,043	Nil	Nil	Nil	Nil	52,36,043
Total		4,61,54,58,947	71,48,28,028	1,88,05,31,000	1,10,55,67,000	1,97,64,814	8,33,61,49,790

Note 32.3.3 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 credit worthiness 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.

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, 2019 was ₹14,96,16,247/-, for the year ended March 31, 2018 was ₹8,75,63,740/-.

(Amount in ₹)

Particulars	Year ended March 31	
	2019	2018
Balance at the beginning	8,75,63,739	2,40,36,707
Impairment loss recognised	9,99,18,775	6,96,29,151
Impairment loss reversed	(3,78,66,267)	(61,02,119)
Balance at the end	14,96,16,247	8,75,63,739

Notes to Financial Statements for the year ended March 31, 2019

Note 33

Contingent Liabilities

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
Value Added demands disputed in appeal by Company/vat Authorities (Against which Company has paid ₹1,024,310/-, as at 31/03/2018 ₹1,024,310/-)	77,43,100	77,43,100
Income Tax Demands disputed in appeal by Company/Income Tax Authorities (Against which Company has paid ₹21,392,731/-, as at 31/03/2018 ₹4,796,135/-)	11,70,38,105	4,11,98,064
Excise & Customs demands disputed in appeal by Company/Authorities (Against which Company has paid ₹41,43,372/-, as at 31/03/2018 41,43,372/-)	45,54,364	45,54,364
Amount not Acknowledged as Debt by the Company	28,83,792	Nil
Show cause notice received from Various Authorities in respect of Excise & Customs	41,10,644	41,10,644
Disputed Tax demand In appeal by Company in respect of ESIC (Against which Company has paid ₹868,000/-, as at 31/03/2018 ₹868,000/-)	34,71,633	34,71,633
Civil Suits filed against the Company by various Individuals	8,91,00,600	8,93,51,200
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	22,89,02,238	15,04,29,005

Note 33.1

Commitments

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
Estimated Amount of Contract to be executed on Capital Account (Against Which the Company has paid ₹4,67,40,706/- (PY. ₹2,33,95,022/-)	23,21,10,444	8,64,27,985
Total	23,21,10,444	8,64,27,985

Note 34

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.

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
Non-Current borrowings (Refer Note 15)	3,04,18,61,800	3,71,87,89,826
Current borrowings (Refer Note 15)	2,27,57,26,736	2,00,52,08,819
Current maturities of long-term borrowings (Refer Note 16)	71,54,31,055	67,88,25,353
Total Borrowings	6,03,30,19,591	6,40,28,23,998
Less: Cash & Cash Equivalents (Refer Note 11)	3,01,08,966	17,65,60,782
Net Debt	6,00,29,10,625	6,22,62,63,216
Total Equity attributable to equity share holders of the company (Refer Balance Sheet)	4,91,56,12,881	4,74,79,31,037
Gearing ratio	1.22	1.31

Notes to Financial Statements for the year ended March 31, 2019

Note 35

Related Party Disclosures

a. List of Key Management Personnel with whom transactions have occurred during the year

(Amount in ₹)

Name of Key Management Personnel	Designation	Total Transaction during 2018-19	Total Transaction during 2017-18
Jyotiprasad Chiripal	Managing Director	1,44,00,000	1,20,00,000
Deepak Chiripal	CEO	92,04,693	92,04,696
Pradeep Kumar Shrivastava	Whole Time Director	Nil	56,575
P K Sharma	Whole Time Director	17,90,610	15,59,640
Ambalal Patel	Independent Director	2,00,000	75,000
Giraj Mohan Sharma	Independent Director	2,00,000	2,00,000
Pratima Ram	Independent Director	2,10,000	2,00,000
Tara Shankar Bhattacharya	Independent Director	1,60,000	1,40,000
Ashok Bothra	CFO	24,73,824	23,53,824
Purvee Roy	Company Secretary	10,16,905	8,53,260

b. List of Relatives of Key Management Personnel with whom transactions have occurred during the year

(Amount in ₹)

Name of Key Management Personnel	Relationship	Total Transaction during 2018-19	Total Transaction during 2017-18
Brijmohan Chiripal	Relative of Chairman	Nil	19,17,642
Kiran Sharma	Relative of WTD	10,17,900	8,63,736
Vaibhav Sharma	Relative of WTD	9,52,368	8,04,600
Babita Shrivastav	Relative of WTD	Nil	26,000
Mrudula Bothra	Relative of CFO	13,47,684	10,00,374

c. List of entities in which Key Management Personnel have control or significant influence with whom transactions have occurred during the year

(Amount in ₹)

Name of Entity	Total Transaction during 2018-19	Total Transaction during 2017-18
Chiripal Industries Ltd.	1,70,67,37,905	1,26,71,55,210
Nova Textiles Pvt. Ltd	2,64,61,43,870	2,83,04,06,845
Vishal Fabrics Ltd.	11,93,33,493	14,10,87,924
Shanti Exports Pvt. Ltd.	26,67,192	14,41,314
Chiripal Charitable Trust	1,60,00,000	1,55,00,000
Chiripal infrastructure Limited	Nil	36,33,195
Chiripal Textile Mills Pvt. Ltd.	Nil	26,55,000
Chiripal Lifestyle Ltd.	Nil	91,078
CIL Nova Petrochemicals Ltd	4,71,10,474	Nil
Nandan Terry Pvt. Ltd.	10,51,87,310	16,32,60,088

d. Outstanding balances due from related parties (Refer Note No.10.1 & 10.2)

(Amount in ₹)

Name of Related Party	Nature of Asset	As At 31/03/2019	As At 31/03/2018
Nova Textiles Pvt. Ltd	Trade Receivable	25,99,17,864	42,06,90,559
Nandan Terry Pvt. Ltd.	Trade Receivable	13,73,41,862	11,17,49,968
Chiripal Industries Ltd	Trade Receivable	2,51,22,933	3,89,87,133
Vishal Fabrics Ltd.	Trade Receivable	6,38,98,259	49,11,339
CIL Nova Petrochemicals Ltd	Trade Receivable	4,71,10,474	Nil
Chiripal Textile Mills Pvt Ltd	Trade Receivable	36,44,605	26,55,000

Notes to Financial Statements for the year ended March 31, 2019

Note 35 (Contd..)

Related Party Disclosures (Contd..)

e. Outstanding balance due to related parties

(Amount in ₹)

Name of Related Party	Nature of Liability	As At 31/03/2019	As At 31/03/2018
Chiripal Industries Ltd.	Trade Payable	15,88,91,822	1,74,85,299
Vishal Fabrics Ltd.	Trade Payable	5,29,79,570	Nil
Shanti Exports Pvt. Ltd.	Trade Payable	28,80,566	8,96,55,999
Chiripal Poly Films Ltd.	Trade Payable	73,862	23,862

f. Compensation to Key Management Personnel

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
Short-term employee benefits	2,96,56,032	2,66,61,745
Post Employment Benefits	10,59,814	9,53,912
Other Long-term employee benefits	Nil	Nil
Total	3,07,15,846	2,76,15,657

g. Transactions with Related Parties

(Amount in ₹)

Particulars	2018-19	2017-18
Purchase of Raw Material		
Entities in which KMP have control or significant influence	2,98,15,22,749	1,83,60,01,229
Total	2,98,15,22,749	1,83,60,01,229
Purchase of Stock In Trade		
Entities in which KMP have control or significant influence	Nil	1,97,67,429
Total	Nil	1,97,67,429
Rent		
Entities in which KMP have control or significant influence	1,00,22,952	65,88,414
Total	1,00,22,952	65,88,414
Electricity		
Entities in which KMP have control or significant influence	Nil	11,04,900
Total	Nil	11,04,900
Repairs and Maintenance		
Entities in which KMP have control or significant influence	Nil	Nil
Total	Nil	Nil
Sale of Goods		
Entities in which KMP have control or significant influence	1,58,51,97,434	2,46,44,71,109
Total	1,58,51,97,434	2,46,44,71,109
Sale of Services		
Entities in which KMP have control or significant influence	4,96,51,928	4,89,33,848
Total	4,96,51,928	4,89,33,848
Investment in Shares		
Entities in which KMP have control or significant influence	Nil	81,97,240
Total	Nil	81,97,240
Deposits Received back		
Entities in which KMP have control or significant influence	Nil	2,10,33,291
Total	Nil	2,10,33,291
Purchase of Property, Plant and Equipment		
Entities in which KMP have control or significant influence	Nil	36,33,195
Total	Nil	36,33,195

Notes to Financial Statements for the year ended March 31, 2019

Note 35 (Contd..)

Related Party Disclosures (Contd..)

(Amount in ₹)

Particulars	2018-19	2017-18
Remuneration Paid		
Key Management Personnel	2,88,86,032	2,60,27,995
Relatives of Key Management Personnel	33,17,952	26,94,710
Total	3,22,03,984	2,87,22,705
Director Sitting Fees		
Key Management Personnel	7,70,000	6,33,750
Total	7,70,000	6,33,750
Corporate Social Responsibility		
Entities in which KMP have control or significant influence	1,60,00,000	1,55,00,000
Total	1,60,00,000	1,55,00,000
Dividend Paid		
Entities in which KMP have control or significant influence	1,87,79,506	3,90,16,632
Key Management Personnel	22,70,228	12,16,000
Relatives of Key Management Personnel	32,19,442	60,34,883
Total	2,42,69,176	3,90,16,632

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:

(Amount in ₹)

Particular	2018-19	2017-18
Expenditure:		
Purchase of Raw Material:		
- Chiripal Industries Ltd	1,46,96,78,252	1,04,24,81,565
- Nova Textiles Pvt. Ltd.	1,50,70,42,290	78,94,03,783
Purchase of Stock in Trade:		
- Chiripal Industries Ltd	9,50,821	1,97,67,429
Rent Rates and Taxes:		
- Chiripal Industries Ltd	81,40,941	62,52,000
- Shanti Exports Pvt Ltd	26,67,192	3,36,414
Corporate Social Responsibility		
- Chiripal Charitable Trust	1,60,00,000	1,55,00,000
Capital Expenditure:		
- Chiripal Infrastructure Ltd.	Nil	36,33,195
Investment in Shares:		
- Nova Textiles Pvt. Ltd.	Nil	81,97,240
Income Received:		
Sale of Goods		
- Nova Textiles Pvt Ltd	1,13,91,01,580	2,01,17,72,531
- Chiripal Industries Ltd	22,79,67,891	Nil
- Nandan Terry Pvt Ltd	5,43,63,200	Nil
- CIL Nova Petrochemicals Ltd	4,71,10,474	Nil
Sale of Services		
- Nandan Terry Pvt Ltd	4,96,51,928	4,75,30,470
Remuneration Paid:		
- Jyotiprasad Chiripal	1,44,00,000	1,20,00,000
- Deepak Chiripal	92,04,693	92,04,696
Dividend Paid		
- Chiripal Industries Ltd	95,95,416	1,91,90,832
- Chiripal Exim LLP	59,41,642	1,14,64,890
- Devkinandan Corporation LLP	25,64,848	51,29,696
Deposit Received Back:		
- Nova Textiles Pvt. Ltd.	Nil	2,10,33,291

Notes to Financial Statements for the year ended March 31, 2019

Note 36

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:

(Amount in ₹)			
Currency	Number of Contracts	Sell Amount in Foreign Currency	Indian ₹ Equivalent
Forward contract to Sell USD - As at 31/03/2019	16	32,00,000	22,99,01,000
Forward contract to Sell USD - As at 31/03/2018	21	40,50,000	27,13,16,125

b Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at March 31, 2019 are as under:

(Amount in ₹)				
Currency	Payable (In FC)		Receivable (In FC)	
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
USD	12,49,492	39,32,985	5,23,512	Nil
EURO	Nil	1,16,475	49,572	Nil
CHF	Nil	1,08,735	24,249	Nil
JPY	Nil	Nil	12,64,863	Nil

(Amount in ₹)				
Currency	Payable (In INR)		Receivable (In INR)	
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
USD	8,64,29,017	25,58,17,502	3,62,12,025	Nil
EURO	Nil	93,90,432	38,51,861	Nil
CHF	Nil	74,27,207	16,87,238	Nil
JPY	Nil	Nil	7,90,792	Nil

Note 37

Corporate Social Responsibility

			(Amount in ₹)	
Sr. No	Particular		Year Ended 31/03/2019	Year Ended 31/03/2018
1	Gross amount required to be spent by the company during the year		1,58,94,227	1,54,73,021
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		1,60,00,000	1,55,00,000
	Yet to be paid		Nil	Nil

Notes to Financial Statements for the year ended March 31, 2019

Note 38

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:

(Amount in ₹)

Sr. No.	Particulars	India	Rest of World	Total	Year
1	Segment Revenues	12,69,16,82,925	1,36,12,27,842	14,05,29,10,767	For 2018-19
		14,64,17,64,906	1,02,53,87,783	15,66,71,52,689	For 2017-18
2	Segment Assets	6,55,74,95,791	Nil	6,55,74,95,791	As at 31/03/2019
		7,41,69,23,442	Nil	7,41,69,23,442	As at 31/03/2018

Details of customer contributing 10% or more of total revenue :

(Amount in ₹)

Particular	Year Ended 31/03/2019 ₹	Year Ended 31/03/2018 ₹
No. of customers contributing 10% or more of total revenue (individually)	1	2
Amount of revenue	1,97,89,63,464	5,73,68,53,857
% of total revenue	13.59%	36.11%

Note 39

Reconciliation of Financing Liabilities

(Amount in ₹)

Particular	Year Ended 31/03/2019	Year Ended 31/03/2018
Opening Balance	8,33,61,49,789	7,94,82,27,100
Cash inflow of non-current borrowings	37,90,000	17,71,82,306
Cash outflow of Non current borrowings	(67,88,25,353)	(57,96,55,124)
Changes in current borrowings cash flows	30,52,30,946	42,82,67,271
Changes in trade payable cash flow	(57,20,03,560)	30,81,97,057
Changes in other current financial liability	3,31,14,969	3,42,00,072
Changes in other non- current financial liability	25,694	19,01,016
Other	(2,26,69,573)	1,78,30,092
Closing Balance	7,40,48,12,911	8,33,61,49,789

Note 39.1

Details in respect of application of funds raised through preferential allotment:

(Amount in ₹)

Particular	As At 31/03/2019	As At 31/03/2018
Opening Balance	Nil	Nil
Funds raised during the year	Nil	Nil
Fund Utilized		
For Long term Working Capital Requirement	Nil	Nil
For Issue Expenses	Nil	Nil
Closing Balance as on 31/03/2018	Nil	Nil

Notes to Financial Statements for the year ended March 31, 2019

Note 40

The financial statement are approved for issue by the Audit Committee as at its meeting on May 25, 2019 and by the Board of Directors on May 25, 2019.

Note 41

Dividend

(Amount in ₹)

Particulars	As At 31/03/2019	As At 31/03/2018
Equity shares		
Final dividend for the year ended March 31, 2018 of Rs.0.80/- (March 31, 2017 – ₹1.60) per fully paid share has been distributed	38,439,245	76,878,490
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 ₹0.50/- per fully paid equity share (March 31, 2018 – ₹0.80/-). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	24,024,528	38,439,245

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 2018-19 (P.Y. ₹ Nil/-)

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)

(Samir M Shah)

Partner
(M.No. 111502)

Vedprakash Chiripal

(Chairman)
(DIN: 00290454)

Jyotiprasad Chiripal

(Managing Director)
(DIN: 00155695)

Date : May 25, 2019

Place: Ahmedabad

Deepak Chiripal

(Chief Executive Officer)

Ashok Bothra

(Chief Financial Officer)

Purvee Roy

(Company Secretary)



NANDAN DENIM LIMITED

CIN: L51909GJ1994PLC022719

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

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

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

Tel No.: 079 – 26734660/2/3

ATTENDANCE SLIP

(to be presented at the entrance of the hall)

DP ID:

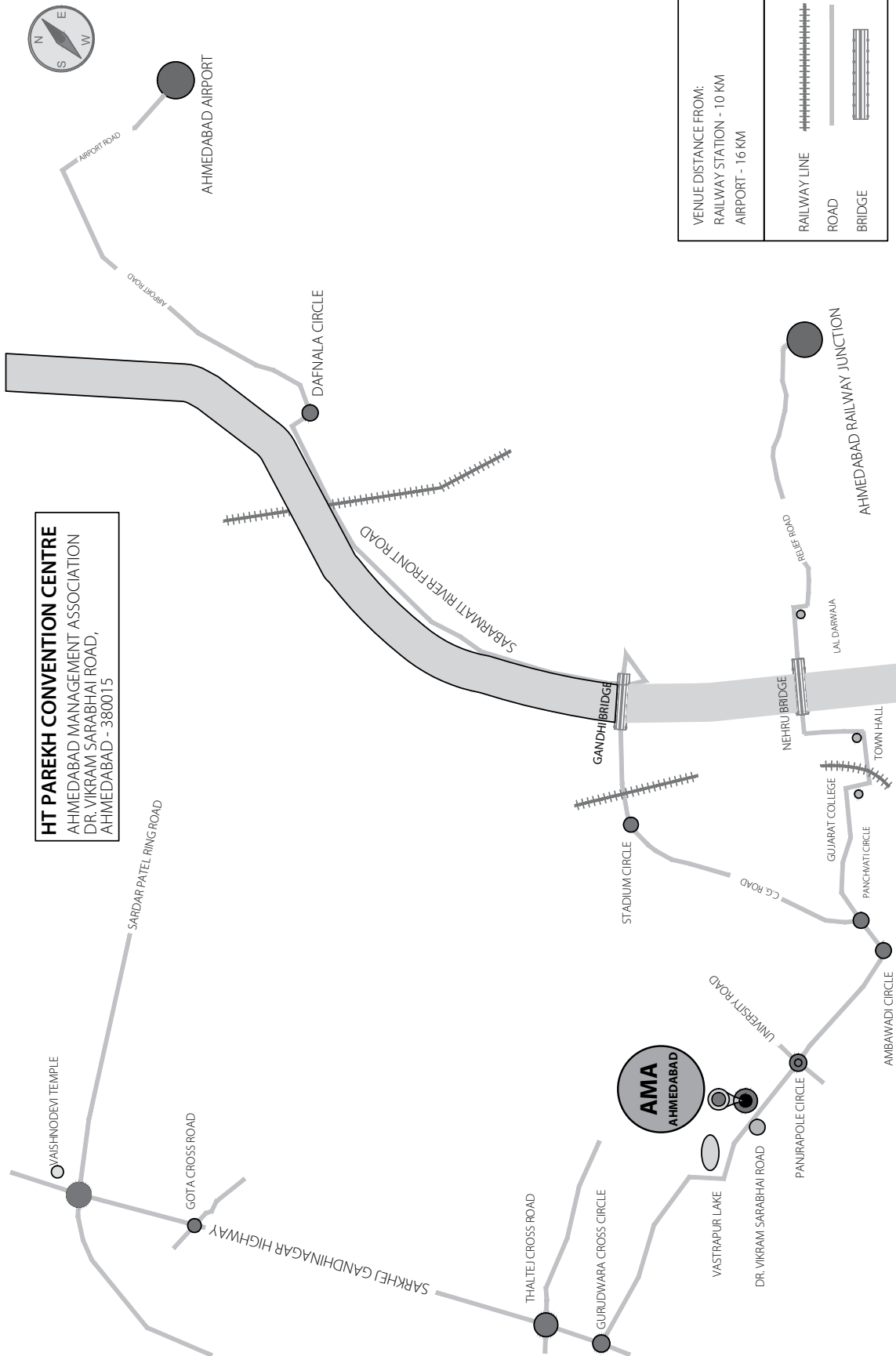
Folio No. / Client Id:

I/We hereby record my/our presence at the 25th ANNUAL GENERAL MEETING of the Company at H.T. Parekh Convention Centre, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 on Friday, September 13, 2019 at 10.30 a.m.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDER(S) MAY OBTAIN ADDITIONAL SLIP AT THE VENUE OF THE MEETING.

.....
Signature of the Member / Proxy

ROUTE MAP OF THE AGM VENUE





NANDAN DENIM LIMITED

CIN: L51909GJ1994PLC022719

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PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	
Registered address:	
E-mail Id:	
DP ID:	
Folio No./Client ID:	

I/We being the member(s) of _____ shares of the above named Company hereby appoint:

(1) Name: _____

Address: _____

E-mail Id: _____ or failing him;

2) Name: _____

Address: _____

E-mail Id: _____ or failing him;

3) Name: _____

Address: _____

E-mail Id: _____ or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/belief at the 25th Annual General Meeting of the Company to be held on Friday, September 13, 2019 at 10.30 a.m. at H.T. Parekh Convention Centre, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions
Ordinary Business:	
1	To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the Report of the Board of Directors and Auditors thereon.
2	To declare Dividend on equity shares for the financial year ended March 31, 2019.
3	To appoint a Director in place of Mr. Vedprakash Chiripal (DIN: 00290454), who retires by rotation and being eligible, offers himself for reappointment as a Director.
Special Business:	
4	To approve the entering by the Company into Related Party Transactions.
5	To re-appoint Mr. Tara Sankar Bhattacharya as an Independent Non-Executive Director of the Company.
6	To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2020.

Signed this _____ day of _____ 2019

Signature of the Shareholder _____

Affix
revenue
stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

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.



Nandan

One world with denim

NANDAN DENIM LIMITED

Registered Office

Survey No. 198/1 & 203/2,

Saijpur-Gopalpur,

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