

1<sup>st</sup> October, 2017

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.: Submission of Annual Report for the year ended 31<sup>st</sup> March, 2017**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the copy of the Annual Report for the year ended 31<sup>st</sup> March, 2017, which was adopted at the 23<sup>rd</sup> Annual General Meeting of Nandan Denim Limited held on Friday, 29th September, 2017 at 03.00 p.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  
Mem. No. F8978



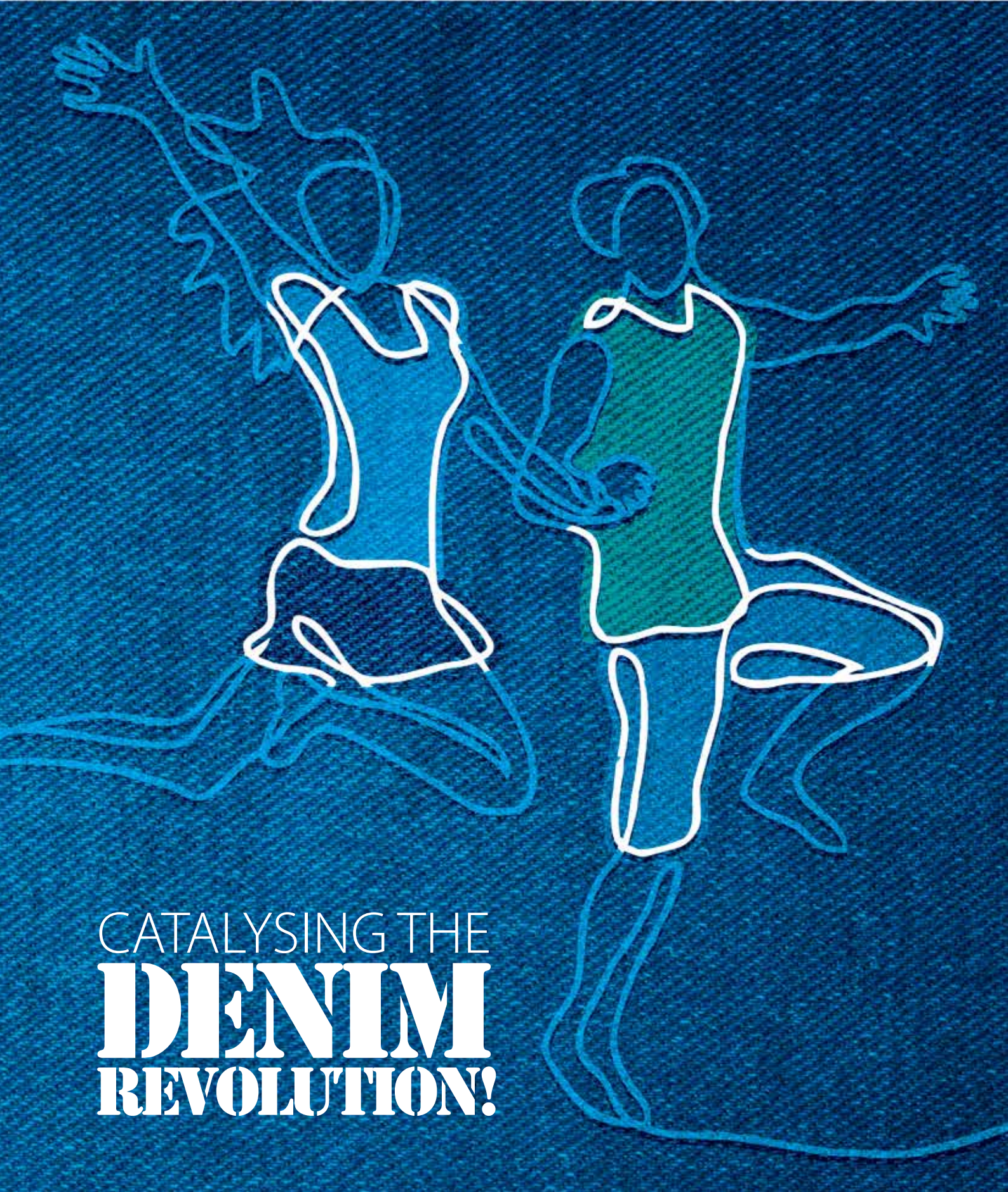
**Nandan Denim Limited**  
(CIN:L51909GJ1994PLC022719)

**Registered Office**

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

**Corporate Office**

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



CATALYSING THE  
**DENIM**  
REVOLUTION!

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# DENIM. UNIQUE FABRIC.

Worn across genders. Across ages.  
Across geographies. Across diversities.

Functional fabric at one end. Fashion  
statement at the other.

Nandan Denim Limited is addressing the  
prospects of this market with the largest  
denim manufacturing capacity in India and  
as a leading global manufacturer.

And in doing so, the Company has advanced  
from being a peripheral participant in the  
denim revolution to becoming something  
more central to it.

*Catalyst.*



# CORPORATE IDENTITY

---

Nandan Denim Limited.

The largest denim manufacturer in India and a leading global manufacturer.

The Company addressed the vast denim opportunity through an expansion which completed in FY17.

Expanded its yarn manufacturing capacity to support its denim manufacturing capacity.

The result is that Nandan Denim is now geared to play the role of a positive sectoral catalyst.



## Background

Nandan Denim Limited is a part of Chiripal Group based in Gujarat (established in 1972). Nandan Denim commenced operations in 1994 through textile trading and progressed to textile manufacture in 2004. The Company's products and activities include denim, cotton fabric, yarn and processing of fabrics. Nandan Denim is managed by a competent management team with an average experience of more than two decades.

## Our vision

**Nandan Denim on every table:** A position we sustain by producing high quality denim that is ahead of the fashion curve and is the quintessential choice of discerning customers across the spectrum of brands all over the world.

## Shared values

- **Passion leading to excellence:** It is the driving force that prods us towards greater heights in whatever we do.
- **Agility to stay ahead and to innovate:** We are self-motivated towards being a step ahead of the competition and pioneering changes that revolutionise the industry.
- **Aggression for growth of all shareholders:** Growth for us means collective progress for all our stakeholders - our customers,

employees, investors and the community at large.

- **Ethical behaviour:** That underlines all our practices - We strive to be absolutely fair and transparent in all our dealings with our stakeholders.
- **Respect for diverse views:** We value opinions and beliefs of individuals and communities without any bias that allows us to have a well-rounded approach.
- **Care for the environment and the community:** We make sure that our processes and products are eco friendly and constantly work towards a more sustainable future for all.
- **Collaborative and relationship driven:** We value our relationships with our employees as well as the communities that we come in contact with and strive relentlessly to empower them.
- **Customer orientation:** We believe that our greatest strength lies in knowing our customers and foresee their requirements and doing our best to meet them in time.

## Our listing

Nandan Denim's shares are listed and actively traded on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The Company enjoyed a market capitalisation of ₹576.11 crore as on 31st March, 2017.

# OUR MANAGEMENT



**Mr. Vedprakash D. Chiripal**

*Chairman*

Commerce graduate with more than four decades of experience in manufacturing, trading and export of textile products.



**Mr. Brijmohan D. Chiripal**

*Managing Director*

*(upto 31st May, 2017)*

Chemical Engineer with more than 30 years of experience in textile processing, export and domestic trading.



**Mr. Jyotiprasad Chiripal**

*Managing Director*

*(w.e.f. 1st June, 2017)*

Commerce graduate with more than four decades of extensive experience in textile industry.



**Mr. Deepak Chiripal**

*Chief Executive Officer*

Masters in Finance from Thunderbird University, US, having a significant experience in textile industry.

# OUR PRODUCT BASKET

## Denim

- Denim fabric is the primary product of Nandan
- The Company has a manufacturing capacity of 110 MMPA of denim
- This business accounts for ~90 per cent of turnover

## Shirting

- Nandan's state-of-the-art infrastructure addresses the manufacture of shirting fabrics
- The Company possesses a production capacity of 10 MMPA

## Yarn

- This business complements the Company's denim segment
- Nandan possesses a yarn manufacturing capacity of ~140 TPD

# OTHER INFORMATION

58.27

Promoter's holding  
as on 31st March 2017  
(%)

12.05

Institutional holding  
as on 31st March 2017  
(%)

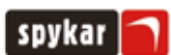
10.00

Face value per share  
as on 31st March 2017  
(in ₹)

87.43

Book value per share  
as on 31st March 2017  
(in ₹)

# OUR KEY CUSTOMERS



Nandan Denim Limited awarded as one of the Giants of Tomorrow by Fortune India in 2016



# This is what we achieved during a **CHALLENGING 2016-17**

(₹ in Crore)

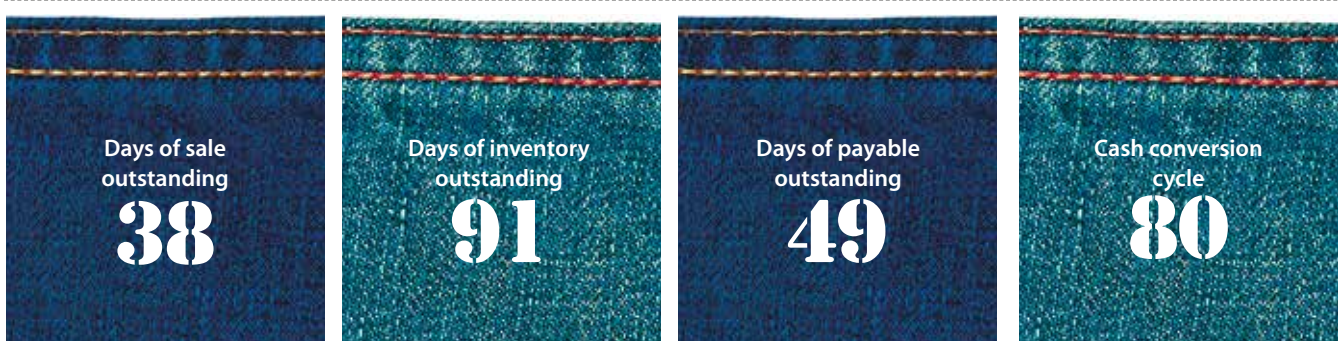


## Key ratios - 2016-17

### Solvency ratios



### Activity ratios



# OUR MILESTONES

**2000**

Commencement of  
textile trading

**2004**

Foray into denim  
manufacturing with  
an initial facility of  
6 MMPA

**2006**

**INSTALLED CAPACITY**  
Denim-20 MMPA  
BSE & NSE listing with  
₹12 crore IPO

**2007**

**INSTALLED CAPACITY**  
Denim - 32 MMPA  
Spinning - 20 TPD

**2008**

₹39 crore-  
Rights issue at 1:2  
Bonus issue at 1:1

**2009**

**INSTALLED CAPACITY**  
Spinning - 40 TPD  
CPP - 15 MW

**2012**

**INSTALLED CAPACITY**  
Denim - 57 MMPA

**2013**

**INSTALLED CAPACITY**  
Denim - 71 MMPA  
Spinning - 54 TPD

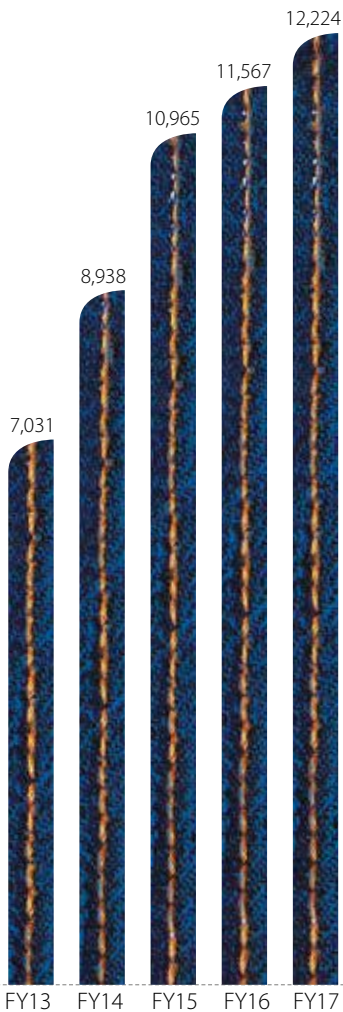
**2017**

**INSTALLED CAPACITY**  
Denim - 110 MMPA  
Spinning - 141 TPD  
Shirting - 10 MMPA  
Yarn Dyeing - 10 MMPA

# The strength of **OUR BUSINESS MODEL**

## Revenues

(₹ million)

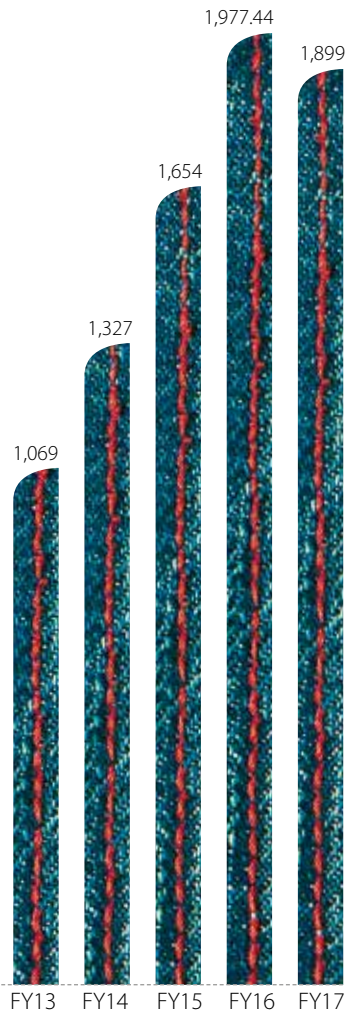


**CAGR: 14.83%**

This is the amount of money that the Company has earned in a particular period from its business activities. Investors often consider revenue growth as an indicator of the health of the Company's business before investing in it.

## EBITDA

(₹ million)

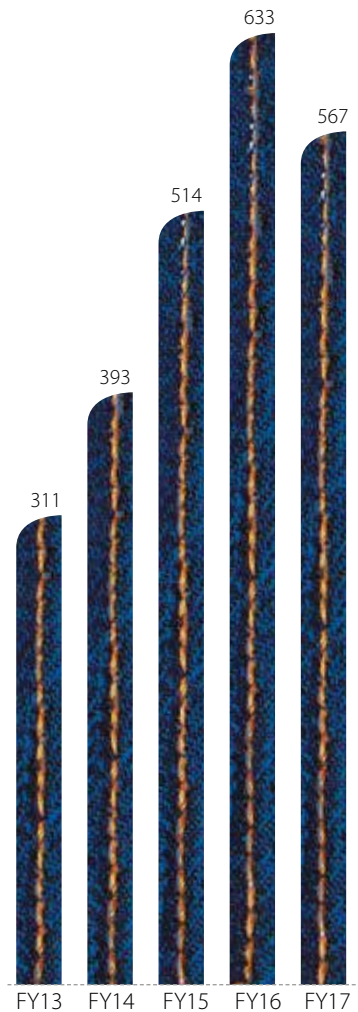


**CAGR: 15.45%**

EBITDA stands for Earnings before Interest, Taxes, Depreciation and Amortisation. This number indicates the financial performance and earning potential. EBITDA is often used by investors to compare the profitability of competitor companies before investing as this measure eliminates the effect of financing and accounting decisions.

## Profit after tax

(₹ million)

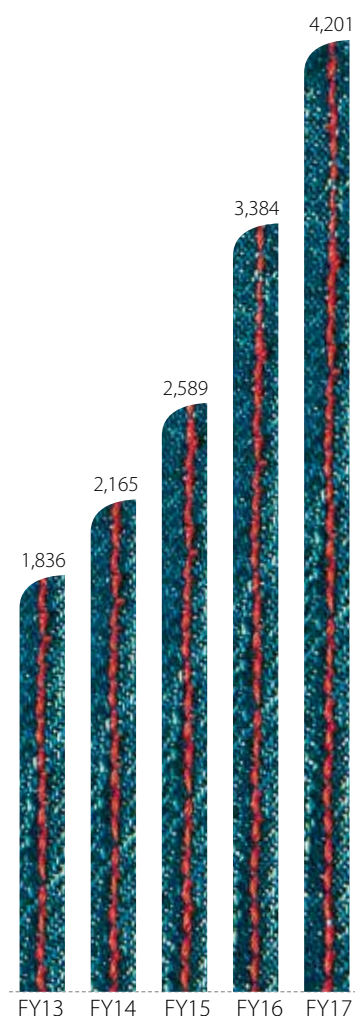


**CAGR: 16.20%**

This indicates the net amount earned by a Company after deducting all expenses and taxes. This is a better indicator of how much the business is actually generating and can use in its future business operations as compared to its total revenues.

### Net worth

(₹ million)

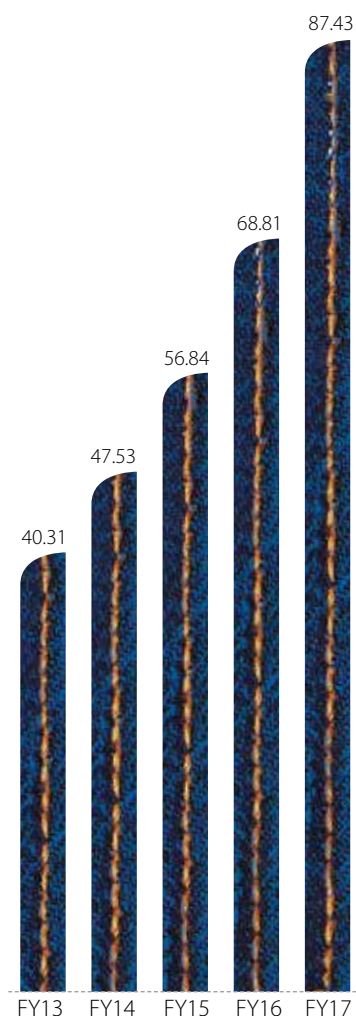


**CAGR: 22.99%**

Net worth is the amount by which assets exceed a Company's liabilities. A consistent increase in a Company's net worth indicates good financial health and means that its assets are growing faster than its liabilities.

### Book value per share

(₹)

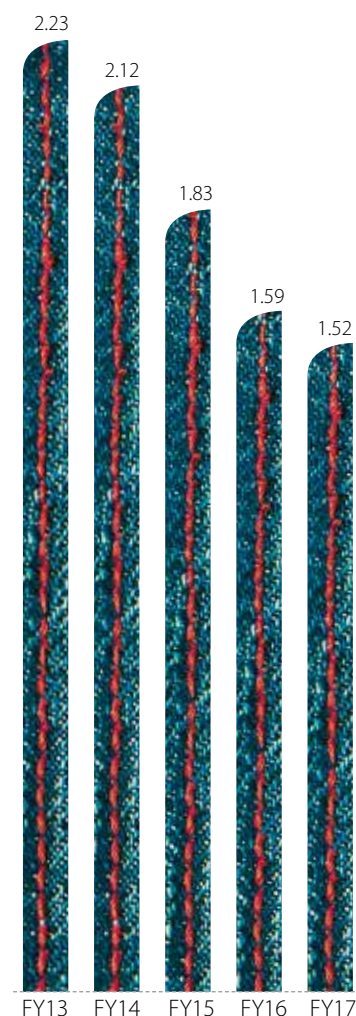


**CAGR: 21.36%**

Book value per share is often used by shareholders to understand the level of safety associated with each share of a Company after all of the Company's debts are paid.

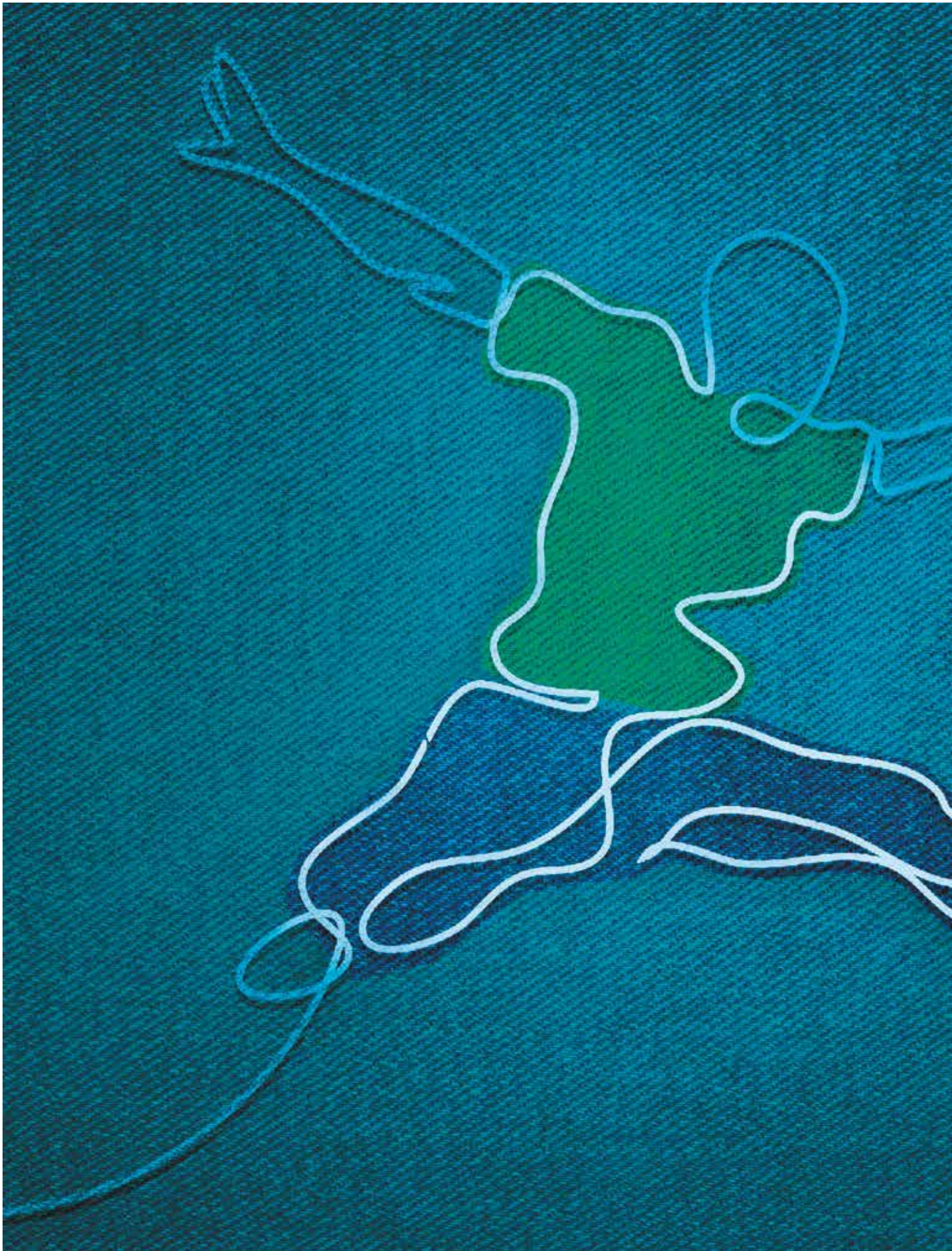
### Debt to equity ratio


(x)



**Reduction by:  
4.40% OVER FY16**

This measure is often used as a measure of a Company's financial leverage, indicating how much of debt a Company is using to finance its assets in comparison to the amount of equity.





# Nandan Denim is a catalyst addressing **LONG- TERM NATIONAL NEEDS**

**At Nandan Denim, we have a simple case to present.**

India's population of 1324 million in 2016 is expected to increase to 1605 million by 2040.

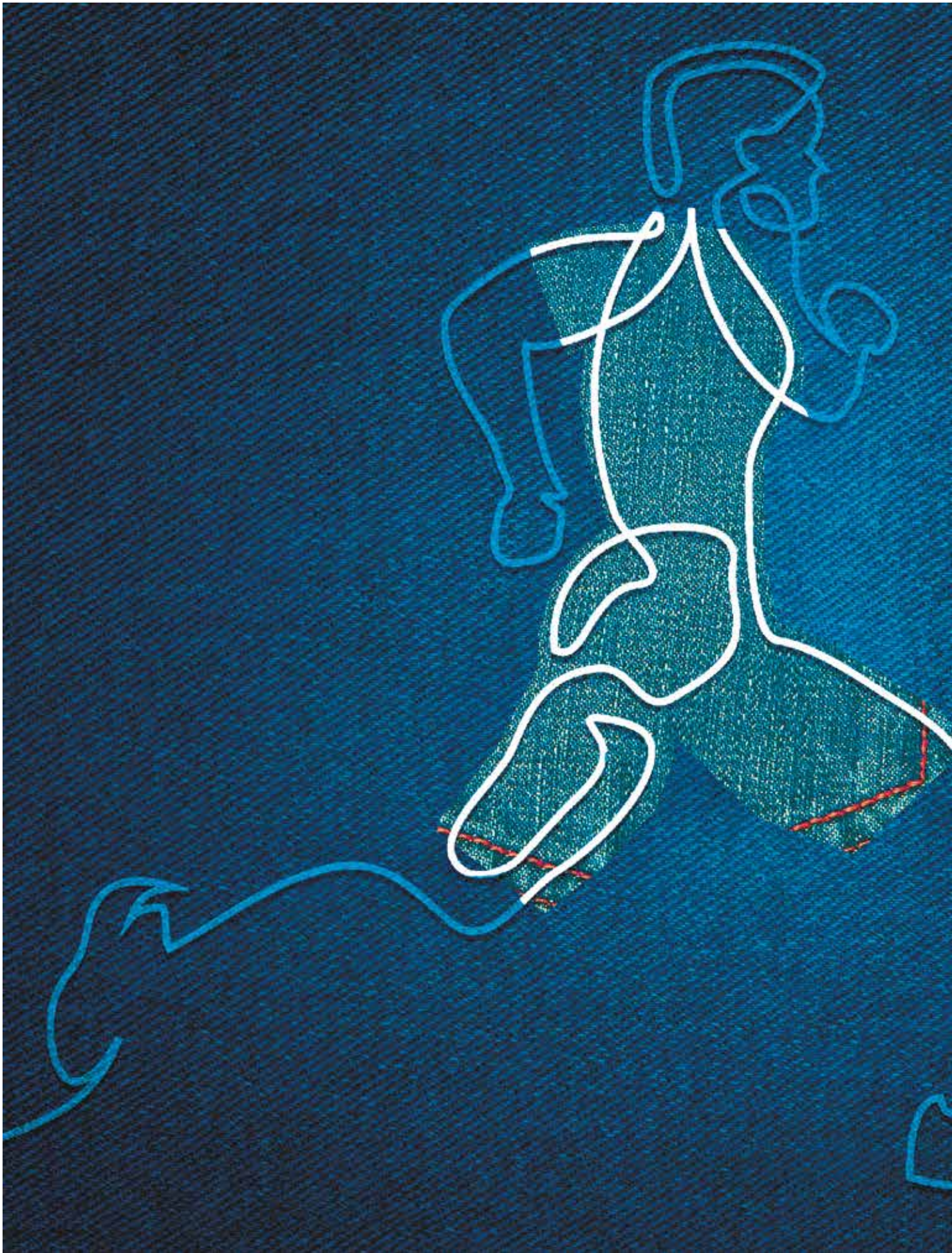
The median age of the Indian population is expected to be 34.5 years in 2040, making the country possibly the 'youngest' in the world.

In view of this, two realities are likely to emerge: India's per capita denim consumption is likely to inch towards the global average; India's population is expected to keep growing.

The combination of these two emerging realities warrants that India invest in capacities today to address the growing needs of tomorrow and save precious forex exchange.

At Nandan Denim, we have addressed this evident need through a proactive investment in denim manufacturing capacity – the largest in India and one of the largest in the world.

Ensuring that when the country and the world needs more denim, Nandan Denim will be best-equipped to meet the demand.





# Nandan Denim is playing the role of a catalyst by investing **AHEAD OF THE CURVE**

**At Nandan Denim, we believe that we are at the cusp of a large demand explosion for textile products in general and denim in particular.**

There are a number of reasons for this conviction.

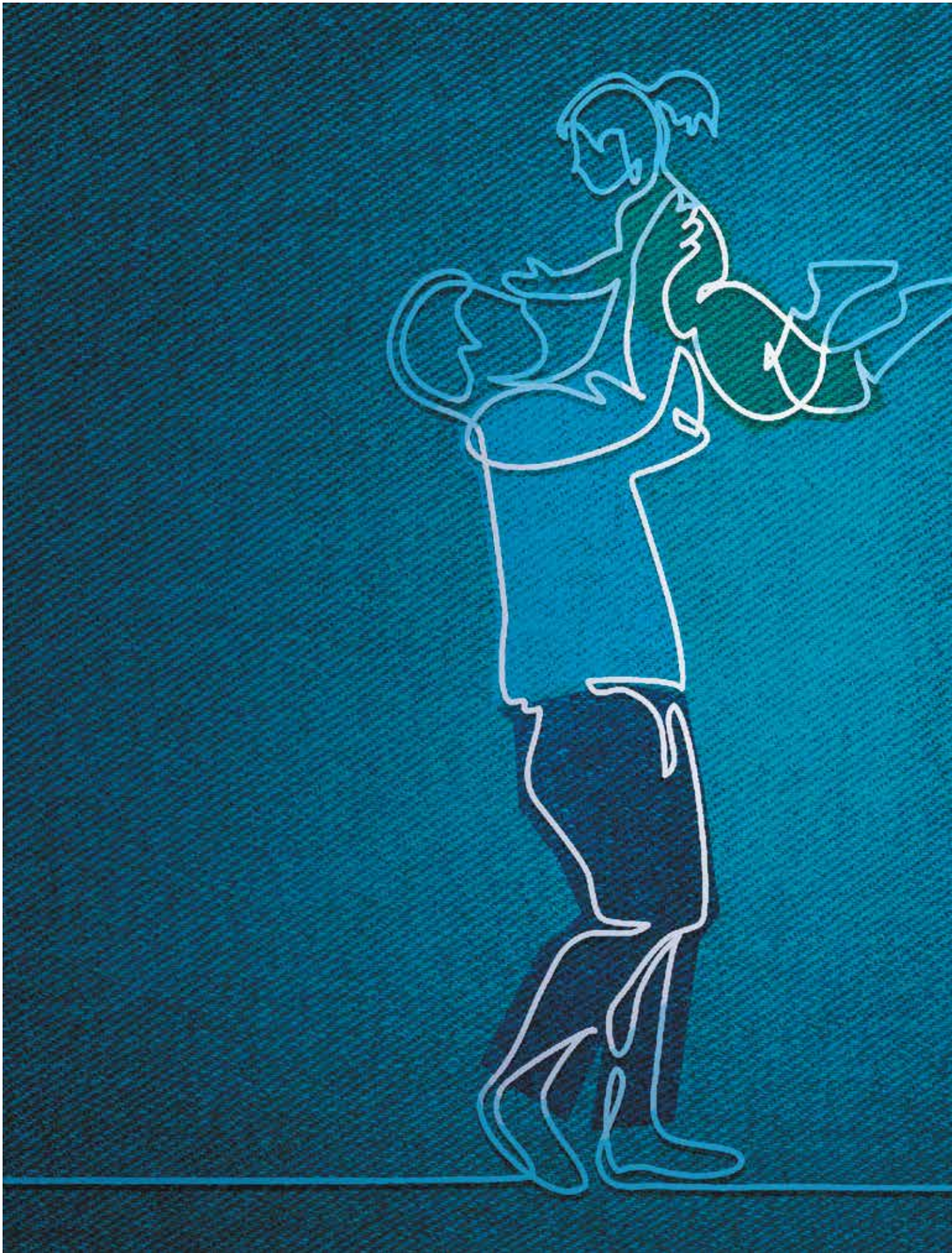
India is the fastest growing economy today and this position is expected to sustain. India is projected to emerge as the third largest economy in the world by 2030, its GDP approximately trebling to ~\$7 trillion by 2030 (*Source: Oliver Wyman*).

India's workforce is estimated to be the second largest in the world, comprising 860 million people between the ages of 15–64 years. This accounts for approximately 66% of the total Indian population (*source: The World Bank Group*), a robust consumption-driving population. Besides, India is expected to overtake China as the world's largest workforce by 2026 (*source: The World Bank*)

India's youth literacy level increased from 81.1% in 2006 to 89.7% in 2015 (*source: UNESCO*); gross enrolment ratio for tertiary education increased from 11.5% in 2006 to 23.9% in 2013 (*source: UNESCO*). As an extension, India's unemployment declined from approximately 12% in the early 1990s to approximately 5.5% (*source: Oxford Economics*).

As a visionary, Nandan Denim increased its denim manufacturing capacity to 110 MMPA by the close of 2016-17, making it the largest denim manufacturer in India and a leading global manufacturer.







Nandan Denim  
is playing the  
role of a catalyst  
through

# ENHANCED COMPETITIVENESS

**At Nandan Denim, we have not merely invested in scale (and related economies); we have invested in manufacturing competitiveness as well.**

This competitiveness has been principally derived from the integration of yarn spinning at one end and denim manufacture at the other.

Over the years, the Company strengthened its manufacturing integration through a number of priorities.

**One**, the Company balanced its manufacturing across both products, making it possible for consumption of the yarn manufactured by the Company to be consumed in the downstream manufacture of denim, resulting in larger value-addition.

**Two**, the Company invested in cutting-edge manufacturing technologies from leading suppliers across the globe, which translated into a higher capacity utilisation on one hand and lower waste generation on the other.

**Three**, the Company addressed the manufacture of value-added denim, making it possible to relatively insulate itself from competition at the commoditised end.

The combination of these initiatives will strengthen overall profitability and empower Nandan Denim to strengthen its global footprint at a time when China's textile competitiveness is being affected by higher labour costs.

From the desk of the Chairman



Vedprakash Chiripal  
Chairman

# The foremost message that I wish to send out to shareholders is that, Nandan Denim stands at an **INFLECTION POINT IN ITS EXISTENCE.**

The Company is at a point when, with its expansion complete and its business integration stronger than ever, the Company is poised to realise its attractive potential.

It would be relevant to indicate that the Company arrived at its inflection point in spite of a number of sectoral challenges. A surge in cotton prices compressed margins; the Company's top-line suffered in the aftermath of

demonetisation; the expanded capacity did not yield revenues for the first nine months of the year under review.

The result was that your Company reported a 5.5% top-line growth, which was creditable in the circumstances. Our gross profit margin declined from 33.7% in FY16 to 32.5% in FY17; EBITDA declined correspondingly.

## 2016-17 under review

The big talking points for FY17 comprised the following points:

**One**, our capacity expansion was completed in the Q3 of FY17. Our spinning capacity was enhanced to ~141 TPD in FY17, helping us strengthen our backward integration necessary to reduce our dependence on external yarn procurement and to meet just-in-time product availability. We believe that the extent of this integration will more than just enhance margins; it will enhance our ability to absorb inflation or material supply shocks, strengthening our overall business model.

**Two**, the GST implementation from July 2017 (post-Balance Sheet event) was another landmark development. We believe that the implementation of what is widely acknowledged as the single biggest economic reform since Independence will be significantly beneficial for organised players like Nandan Denim as it will moderate the cost differential between organised and unorganised players on the one hand while it could trigger sector consolidation on the other.

**Three**, the year under review was marked by major global political changes, which

comprised Brexit and US presidential elections. We believe that these events could have far-reaching consequences even as it is early to estimate the extent of impact on the global textile sector in general and on India in particular.

**Four**, cotton prices are likely to soften in current year (owing to an upswing in

Pan-India acreage and better weather conditions), widening our resource pool.

**Five**, organised competition in the fashion denim segment continued to rise, placing a premium on the need to innovate through superior styling and design.

## The Nandan response

At Nandan Denim, we are competently placed to address the sectoral challenges.

Your Company will address the value-added denim category, resulting in higher sales realisation per unit.

Your Company possesses the largest denim capacity (110 MMPA) in India, enabling it to leverage economies of scale on one hand and fully integrated operations / facilities on the other.

Besides, your Company will also focus on domestic sales, capitalising on increasing

per capita denim spending and higher realisations. The Indian denim market is expected to grow at a CAGR of 15% to a size of around \$360bn by 2020 catalysed by usage across age segments, growing disposable incomes and fashion consciousness.

Your Company will seek growing opportunities in overseas markets, mainly in Latin America, Africa and the Middle East, widening its global footprint.

## The Nandan outlook

Your Company is attractively placed to generate handsome growth from this point onwards.

Your Company's manufacturing plants are located in Gujarat, the textile hub of India, enjoying easy access to the core raw material (cotton), availability of labour, proximity to fabric dealers and garment manufacturers. Besides, the various subsidies offered by the Gujarat Textile Policy will help moderate our operating and finance costs, strengthening business sustainability.

Your Company intends to capitalise on a combination of expanded capacities,

widening portfolio and improving product quality to address larger requirements.

Following the implementation of GST, we expect that positives of a consumption shift from the unorganised to the organised will start reflecting from the second half of FY18.

In view of this, I am optimistic that the Company stands at an inflection point in its existence, attractively placed to enhance value for its stakeholders.

**Vedprakash Chiripal**  
*Chairman*

## Highlights, 2016-17

- Completion of capacity expansion project
- Leading denim manufacturer in Asia (capacity 110 MMPA)
- Proposed dividend of 16%
- Honoured as one of the Giants of Tomorrow by Fortune India in its 500 Biggest & Best Midsize Companies' rankings in August 2016 (award presented by Mr Nitin Gadkari, Union Minister for Road Transport and Highways and Shipping, to Mr. Deepak Chiripal, CEO of Nandan Denim Ltd.)
- Nandan Denim ranked at number 38 among the Fortune India Next 500 (2016) companies for wealth creation over three years (59.64% CAGR).

## A change in **LEADERSHIP...**



**Mr. Brijmohan D. Chiripal**

*Managing Director*

*(upto 31st May, 2017)*

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I extend a warm welcome to Mr. Jyotiprasad Chiripal, who will assume responsibility as Managing Director of our Company. We have enhanced the fashion quotient of denim since 2004 through creative amalgamation of technology and fashion. Nandan has come a long way since; the Company is acknowledged as the largest denim producer in India and fourth largest in the world.

While parting, I wish that Nandan's road ahead is marked by opportunities and achievements.

I must express my gratitude to shareholders, customers and employees for being the true pillars of our success story. Under Jyotiji, who takes over from me, I am sure that Nandan will graduate into a quintessential brand.

...**WITHOUT** affecting sustainable growth



**Mr. Jyotiprasad Chiripal**

*Managing Director*

*(w.e.f. 1st June, 2017)*

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I am proud to assume responsibility as the Managing Director of Nandan Denim. Shri Vedprakashji's vision will guide us to achieve larger milestones in the areas of fashion, production, innovation, technology and cost management, empowering us to emerge as a global leader.

# Management's operational **REVIEW, 2016-17**



## Overview

The management is pleased to present the financials for 2016-17: revenues grew 5.5% and profit after tax declined by ~10%. The principal message that we wish to communicate is that if this is the kind of performance that we reported during a challenging year marked by one of the sharpest contractions in consumer sentiments that we have seen in recent memory, then one is optimistic of the prospects of the Company across the foreseeable future.

## Challenges

There were two principal challenges that the Company addressed during the year under review.

**Firstly**, the Company was required to complete the commissioning of the largest ever expansion in the history of Nandan Denim.

**Secondly**, the Company needed to respond flexibly to the consumer slowdown following demonetisation, protecting revenues and margins.

In addition to this, the Company needed to respond to the sectoral dynamics marked by fluctuations in the cost of raw cotton on one hand and denim realisations on the other. Besides, the Company was required to address challenges due to pricing pressure in a competitive marketplace.

## Achievements, 2016-17

The Company had achieved a revenue of ₹1220 crore, a creditable achievement despite demonetisation when consumer sentiments were affected for nearly an entire quarter, affecting the off-take of a number of products and the entire currency eco-system of the Country. The Company 'lost' a part of revenues and profits as a result of this slowdown.

The Company countered the demonetisation impact with a stronger focus on receivables. The result is that even as the receivables cycle for most industry players were affected, the Company leveraged its brand among trade partners and maintained its receivables cycle, which



and especially after factoring the incentives provided by the state government.

The Company capitalised to get the benefit of the encouraging investment incentives provided by the Gujarat state government for the textile sector in the state viz interest, power subsidy and VAT refund.

The Company's business is complemented by a wide and deep distribution network; this network has worked with the Company for years and facilitates the off-take of products with speed and protected by assured receivables.

The Company's operations are integrated from the access of raw cotton to spinning yarn to the manufacture of denim complemented by processing and dyeing.

**The Company commissioned its new spinning facility resulting in enhanced capacity of ~ 141 TPD in Q3 FY17 followed by operational stability that was achieved in the fourth quarter of the year under review.**

is credible under the circumstances.

The Company commissioned its new spinning facility resulting in enhanced capacity of ~ 141 TPD in Q3 FY17 followed by operational stability that was achieved in the fourth quarter of the year under review.

The Company encountered an increase in raw cotton costs, which could not be passed on fully to trade partners and end consumers on account of a slowdown in consumer sentiment.

### **Our strengths**

The Company is attractively placed to grow its business for a number of reasons.

The Company's principal strength is derived from the credibility of its promoters with proven track record in the textile/other business in the last four decades.

The Company possesses the largest denim manufacturing capacity in India, comprising an installed capacity of 110 MMPA.

The Company invested in equipment manufactured by a reputed global leader in its segment, benchmarked with the best global standards and translating into enhanced product quality.

The Company possesses a post-expansion comfortable gearing ratio, which is reasonable in a capital-intensive business

The Company enjoys margins that are at par with large industry peers.

### **Our 2017-18 agenda**

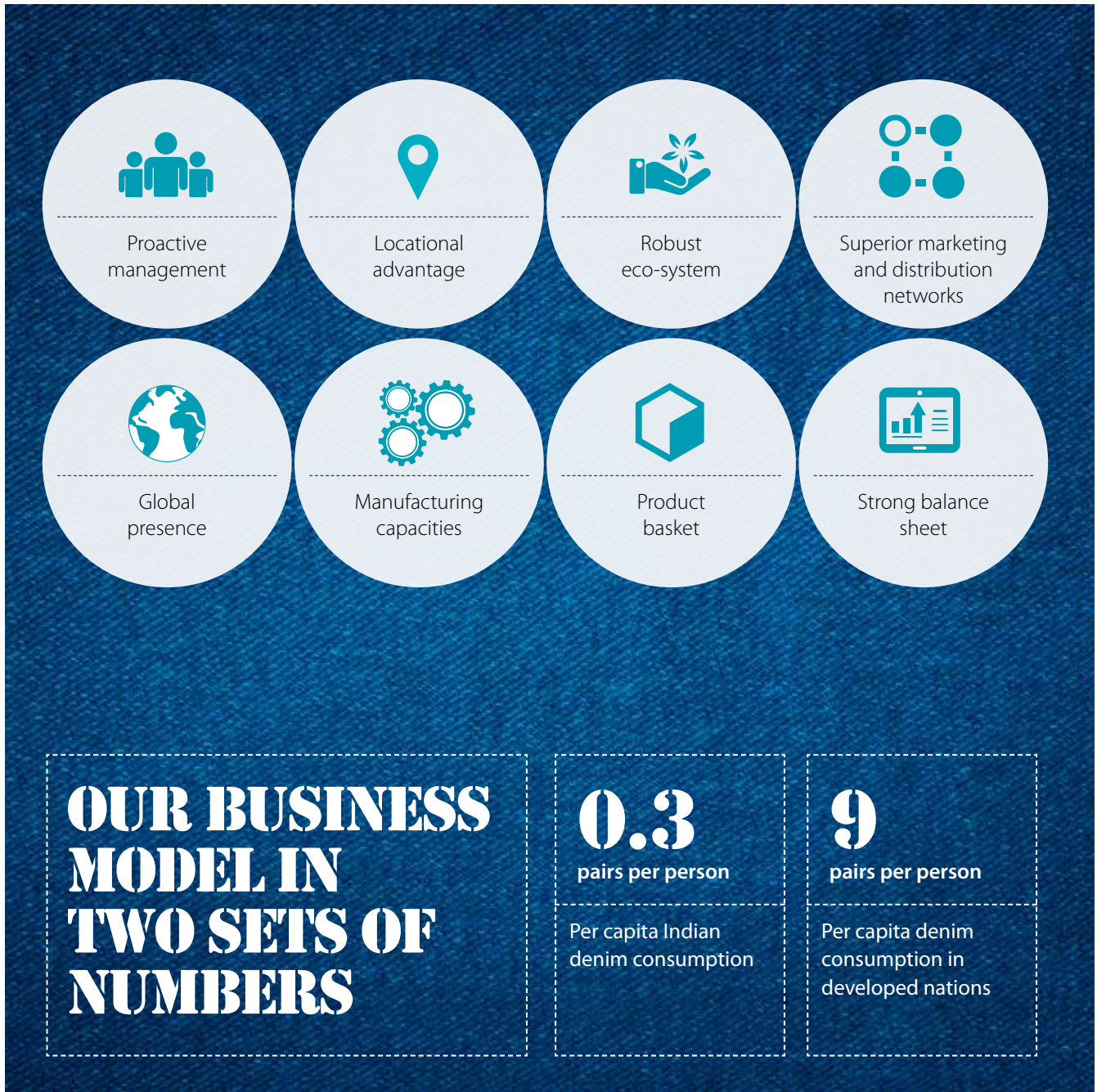
The Company intends to ride the market rebound with a sizeable growth in revenues coupled with commensurate growth in the bottom-line.

The Company intends to enhance capacity utilisation with the objective to cover fixed costs effectively; the Company also intends to enhance spinning capacity utilisation, strengthening the value chain.

The Company intends to consolidate its existing investments, seek selective de-bottlenecking and focus on enhancing EBITDA margin and profit.



# This is how we have strengthened **OUR BUSINESS**



### Proactive management

Nandan Denim is managed by a team with rich sectoral experience of more than two decades. This team has been extensively exposed to the sector with an understanding of the market dynamics, trends and cycles. Besides, the team possesses a stakeholder familiarity that provides a real-time understanding of sectoral realities leading to informed decision-making.

### Locational advantage

The Company is headquartered at Ahmedabad, a city with a multi-decade exposure to textiles manufacture. Gujarat is the largest producer of cotton in India. Being a national textile hub, the state enjoys labour availability coupled with proximity to vendors, fabric dealers and garment manufacturers.

### Robust eco-system

Nandan Denim Limited is a part of Chiripal Group, enjoying a diverse presence across sectors. The Company enjoys access to a large Group customer base, resulting in customer acquisition and retention through product cross-sale.

### Superior networks

The Company enjoys a pan-India network of distributors and Overseas in more than 28 countries, marked by enduring

relationships. The Company also enjoys marketing denim products to a number of prominent domestic brands.

### Global presence

Nandan Denim exports products to more than 28 countries. During the year under review, the Company exported goods amounting to ₹ 89.41 crore. The Company is present across more than 28 countries, mitigating risks that can potentially arise out of a presence in a few geographies.

### Manufacturing capacities

Nandan Denim has invested in state-of-the-art manufacturing equipment procured mainly from Germany and Japan, which are capable of manufacturing a wide range of denim fabrics. In doing so, the Company has created the largest manufacturing capacity in India and the fourth largest globally (following its FY17 expansion). This expanded integrated facility will improve overall efficiency, resulting in quicker order fulfilment.

### Product basket

Nandan Denim has a range of products to cater to a wide array of customers. The product range includes denim, shirting fabrics, yarn and activity includes the processing of fabrics. This broad-based capacity has helped the Company protect from risks affecting any one segment.

### Strong Balance Sheet

The Company's consolidated revenues, EBITDA and PAT grew consistently between FY13 and FY17. The Company's asset turnover has been improving steadily along with return ratios. Due to its strong Balance Sheet, Nandan is poised to capitalise on the growing denim demand in India and counter market cyclicity.

The Company is having pan-India network of distributors and overseas in more than 28 countries, marked by enduring relationships.

# OUR MANUFACTURING COMPETENCE



## Overview

Nandan Denim has a start-to-finish business model that comprises the largest vertically-integrated denim manufacturing capacity in India. The Company manufactures yarn, shirting and denim fabrics. The advanced spinning facility is capable of producing all specialised yarns like dual core, colored slubs and cotton stretch yarns. The Company's research and development team develops trendy designs, quality textile manufacturing and designs in trend with the latest fashion. An in-house maintenance team ensures a high manufacturing uptime.

## Denim

- Nandan Denim possesses the capability to dye denim yarns with sheet dyeing and rope dyeing technologies
- The Company manufactures large or small volumes in various colors, reflecting its enhanced flexibility
- The Company's fabric finishing techniques include wet chemical application, foam application, over-dyeing, peaching, coating, resin application, etc.
- The Company's denim range includes:
  - 100% cotton denim including cotton

stretches

- Poly denims with stretches
- Cotton/manmade blends with stretches
- Coated denim
- Cotton modal
- Cotton tencel
- Power stretch
- Light weight printed denim
- Denim with dual core yarns
- Coloured denim

## Shirting

- Nandan Denim comprises yarn dyeing (capacity 20 TPD) and weaving (capacity 10 MMPA)
- The Company specialises in value-added products like slubs and dobbies
- The Company comprises high-speed looms with dobby attachments using air jets and Rapier technology
- The processing machines impart fabric finishes like prints, peach, bio finish, ETI, normal soft finish, carbon finish, airo, coating and printing over yarn dyed fabrics and indigo dyed fabrics
- The Company offers indigo-dyed shirting fabrics in warped and webbed patterns.

## Highlights, 2016-17

- Expanded denim manufacturing capacity from 99 MMPA in FY16 to 110 MMPA in FY17
- Introduced new products in the denim segment, namely Melange Denim, CML 459, CML 460, DDE 6894, DDE 6876, DDE 6863, DDE 6861, DDE 6857, DDE 6856, DDE 6779, DDE 6762, DDE 6759, DDE 6743, DDE 6694, DDE 6693 and DDE 6665, amongst others.
- Installed machines to cater to the increased demand for blended denim.
- Specialised in the manufacture of a new fabric called 'arrow fabric' (minimal shrinkage)
- Introduced new yarns
- Expanded spinning capacity from 70 TPD in FY16 to 141 TPD in FY17

## Outlook, 2017-18

- The Company intends to increase capacity utilisation in FY18.
- Intended to emerge as a prominent player in the shirting business
- Focus on enhancing exports

# OUR MARKETING CAPABILITY



## Overview

Nandan Denim's marketing function is directed at deepening engagements with existing customers, addressing new customers, engaging in market-widening activity and protecting/enhancing realisations.

The Company addresses two kinds of customers - distributors and direct brands who consume the fabric in-house. .

The team is divided into two segments - domestic and exports. The Company's competence is reflected in a low delivery turnaround time, product customisation and a superior price-value proposition, translating into enduring customer relationships marked by long-term association. The Company has distributors and direct brands that it markets to, domestically across India and exports to more than 28 countries.

The result is engagements as product supplier to the following brands, among others:

## Domestic

- Pantaloons
- ITC

- Future Group
- Max

## Foreign

- Baykanlar Tekstil
- Denimco Tekstil
- Denimer Kumas Ltd
- Teks-Park
- J.K. Textile
- Fateks Kums

## Highlights, 2016-17

- Nandan Denim launched 'Bi-Stretch'
- Introduced a new warped kind of Lycra fabric, traditionally available only in a webbed pattern
- Increased sales ~85% within India
- Domestic marketing division contributed ~92.70% of revenues
- Participated in the 'Textiles India 2017' event for branding, marketing and visibility
- Churned the customer base; added customers

## Outlook, 2017-18

- The Company intends to emerge as a preferred supplier of all major domestic brands.

- Intending to add new territories domestically and new countries (with a focus on Middle East, Latin America, Africa).

The team is divided into two segments - domestic and exports. The Company has distributors and direct brands that it markets to domestically across India and exports to more than 28 countries.

# MANAGEMENT DISCUSSION AND ANALYSIS



## Global economic overview

The pace of global economic activity was mixed in 2016 as a number of crosswinds affected re-acceleration. The year was marked by the United Kingdom's decision to exit the European Union and the election of Donald Trump as the American President. Within advanced economies, comprising the US, Europe and Japan, a protracted monetary policy support and return to fiscal neutrality underpinned a generally-accelerating output. In countries outside the advanced economies, the sources of slower growth comprised commodity price declines, overhangs from erstwhile credit growth and political turmoil.

Global growth was 3.1% in 2016, the forecast revised downwards by 10 bps for 2017 compared to the April 2016 projections. Long-term prospects of emerging market economies improved following a decline in interest rates in advanced economies and firming commodity prices.

Asia and India demonstrated robust growth. The currencies of advanced commodity exporters have also

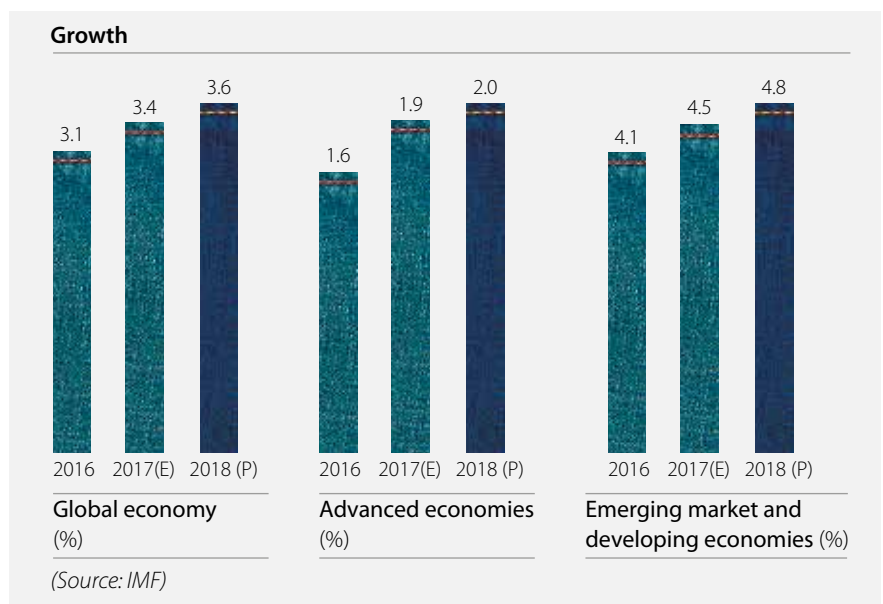
strengthened, reflecting the firming of commodity prices; however, several emerging market currencies depreciated substantially.

### Outlook

The global economy entered its sixth year of stagnation with growth estimates for 2017 continuing to trend the historical path. A projected stabilisation in energy

and commodity prices may strengthen the case for resource-rich economies in 2017.

World growth is expected to rise from 3.1 percent in 2016 to 3.4 percent in 2017 and 3.6 percent in 2018, driven by stronger economic activity, expectations of robust global demand, reduced deflationary pressures and optimistic financial markets. (Source: IMF).



## Indian economic overview

The Indian economy slowed in FY17 to 7.1% from 8% in FY16, largely owing to the currency demonetisation in the third quarter of the financial year under review. However, the general undercurrent continued to be optimistic; India's consumer confidence index stood at 136 in Q4 2016, the highest in the world.

India retained its position as the fastest growing major economy in the world catalysed by strong consumption growth and enhanced government spending. Inflation declined on account of a decline in food inflation. This facilitated a 50 basis points rate cut by the RBI in 2016-17. A declining vulnerability on the external and fiscal front and fiscal consolidation

by the government enhanced investor confidence that translated into record net foreign exchange inflows.

The year under review was also marked by the government's demonetisation initiative and the preparatory work related to the introduction of the Goods and Services Tax (GST). While the first initiative focused on eliminating the parallel economy, the second is expected to transform the country's taxation structure which will help organised sector, apart from GDP growth and higher tax payee base in the medium to long term.

### India optimism story

Even as Foreign Direct Investment into India steadily increased from

approximately USD 24 billion in calendar year 2012 to approximately USD 46.4 billion in calendar year 2016, it accounted for only approximately 2% of India's GDP in 2015. The relaxation of foreign investment caps cover insurance firms (from 26% to 49%), arms and ammunition contractors (from 49% to 100%), and real estate companies (regardless of size), making India a preferred investment destination.

India's inflation declined by ~5.34% since 2014 which resulted in a softening of interest rates and strengthening of consumer sentiment.

India's workforce is estimated at the second largest in the world comprising 860 Million 15-64 year olds accounting for

approximately 66% of the total population. India is expected to overtake China to have the world's largest workforce by 2026. (Source: World Bank). India's unemployment declined from approximately 12% in early 1990s to approximately 5.5% (source: Oxford Economics).

India is expected to overtake China to have the world's largest workforce by 2026. India's unemployment declined from approximately 12% in early 1990s to approximately 5.5%

India's net Foreign Institutional Investor (FII) inflows over the past decade grew around 24%; FIIs net investments in Indian equities and debt stood at US\$ 7.46 billion in 2016-17 (upto April 14, 2017)

The Goods and Services Tax, launch of industrial corridors, Start-up India, Make in India, Skill India, Digital India and India Stack are expected to accelerate economic growth.

### Outlook

India's growth is projected to be among the fastest growing global economies between 2016 and 2020; the Country is projected to emerge as the third largest economy in the world by 2030, its GDP approximately trebling to \$7 trillion by 2030 (Source: Oliver Wyman). The adoption of the Goods and Service Tax promises to

create a unified taxation regime. This could enhance the efficiency of production and movement of goods and services across India.

Normal monsoons and reduced commodity prices are expected to catalyze economic growth in 2017. Finally, the Central Government's policies towards achieving fiscal consolidation, reforming the agricultural sector and the labour market and moderating inflation are expected to accelerate India's economic growth over the medium-term.

The Asian Development Bank expects the Indian economy to grow at an accelerated 7.4% in 2017-18 and 7.6% in 2018-19, retaining its position as the world's fastest-growing major economy. (Source: IMF, World Bank, RBI, IBEF)

## India's textile industry in global scenario

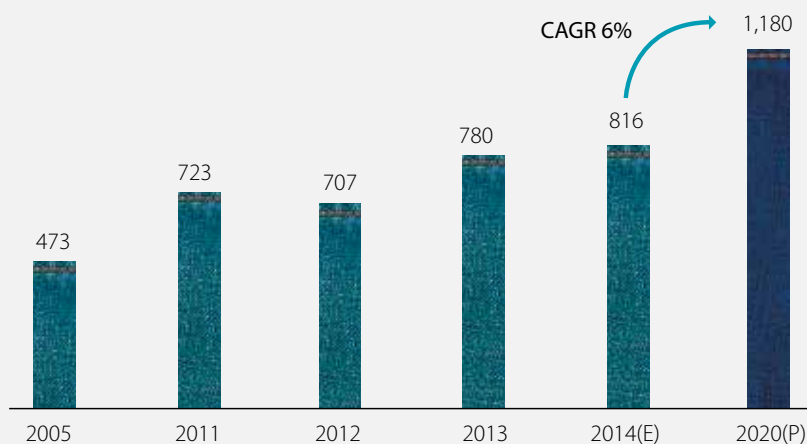
The global textile industry will continue to grow hand-in-hand with the increasing consumption of textile and apparel products in developing countries and a gradual recovery in the major developed economies. Demand growth is expected to be primarily driven by the rise in population as well as surge in per capita apparel expenditure. India's share in the global textile and apparel trade is 5%, which stood at \$765 billion in 2016.

Hailed as one of the oldest industrial sectors in India, which dates back a couple of centuries, the Indian textile industry is the second-largest employer in India. Currently valued at around US\$ 108 billion, the industry provides employment to over 51 million people directly and 68 million people indirectly. From the production of basic raw materials like jute, cotton, silk and wool to manufacturing varieties of man-made fibres and value-added consumer fabrics and garments, India's textile industry covers a wide range of activities.

Today, the Indian textile industry is one of the largest contributors to India's exports (~15%) and expected to reach US\$ 230 billion by 2020. It is a labor-intensive industry and contributes 4% to the nation's GDP and 14% to the overall Index of

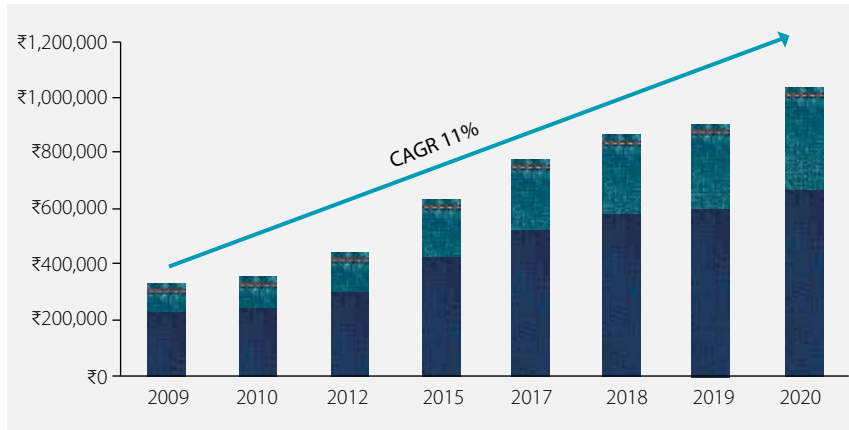
Industrial Production (IPP). The textiles industry also makes a major contribution to the national economy in terms of forex earnings.

### Global textile & apparel trade (US\$ billion)



Source: UN Comtrade & Wazir analysis

## Growth of the Indian textile industry



(Source: Ministry of Textiles)

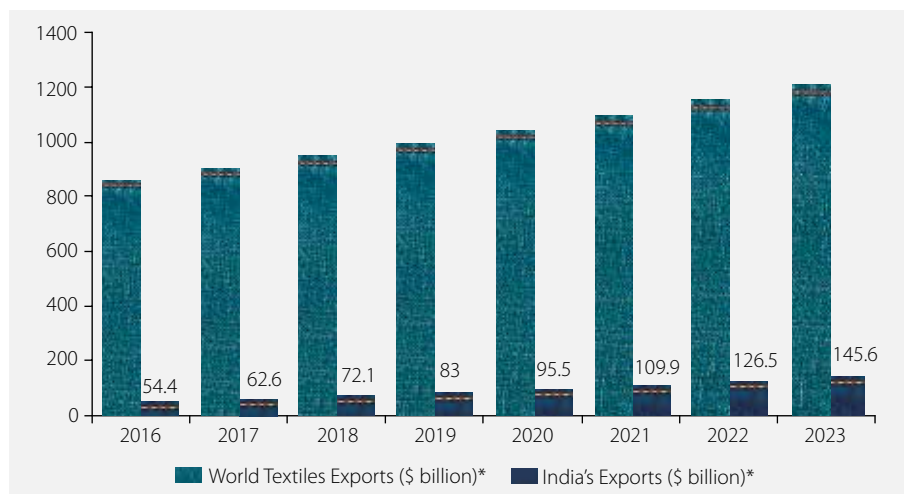
## Numbers that make India proud

- Largest cotton and jute producer in the world
- Second-largest textile manufacturing capacity globally
- Second-largest textile fibre producer in the world

## Exports

With a contribution of ~13% to national exports, the Indian textile industry is one of the mainstays of the national economy. The sector also accounts for 27% of the nation's foreign earnings. Despite being one of the mainstays of the economy, the textile exports segment saw a contraction of 2% in FY16 largely driven by lowered fibre prices. However in FY18, the industry expects the export market to grow by nearly 6% and reach a market size of around US\$ 72.1 billion. Over the last decade, the Indian textile export trade grew at a CAGR of 9.97% and is expected to reach US\$ 185 billion by 2025.

## Indian textile export volumes



\*Projected (Source: <http://www.ibef.org>)

## Global denim market

The global denim and jeans market is worth about \$60 billion and is expected to grow at a CAGR of over 6.5% till 2020 with emerging countries in Latin America and Asia expected to lead the growth. Mexico is not only one of the largest manufacturers of jeans and jeans fabric but also one of the largest consumers. China

has carved out a substantial share of global denim market, with export volumes to the US and Europe surpassing domestic consumption. Bangladesh is the largest denim exporter to Europe and the third-largest in the US after Mexico and China. Bangladeshi denim holds a 22.88% share in the European Union and an 11.35% share

in the US market, having grown at a CAGR of 11.16% growth during the past five years. The Asia-Pacific region is expected to be the fastest-growing market for denim jeans (CAGR of 12.23% till 2020). Looking ahead, the global market for denim jeans is expected to reach US\$79.2 billion by 2022. [Source: Wazir Advisors, Euromonitor]

## Projected growth in denim market

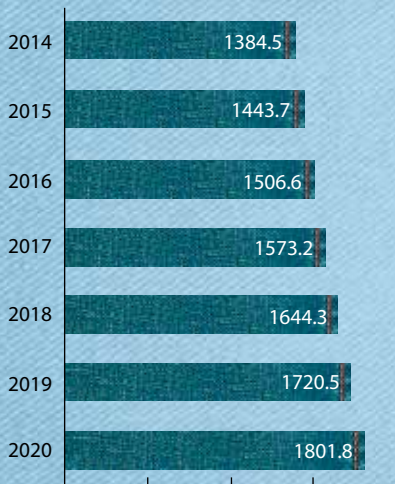
- 12% Asia
- 15% Latin America
- 10% North America
- 4% Europe



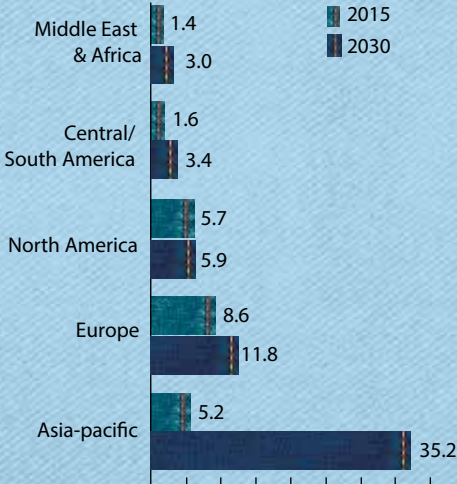
Robust retail apparel industry supported by lavish spending on clothing by the growing base of affluent middle-class population to benefit the denim jeans market

Research insights and findings

Global Retail Sales of Apparel (in US\$ billion)



Global Middle Class Spending (in US\$ trillion) by region



- Westernisation of work culture
- Casualisation of attire in workplace
- Growing popularity of premium denim jeans
- Aggressive promotions of innovatively styled denim garments
- Consumer demand for light washed and medium hued denims

The Global Denim Jeans Market (MCP-6234)

## India's denim story

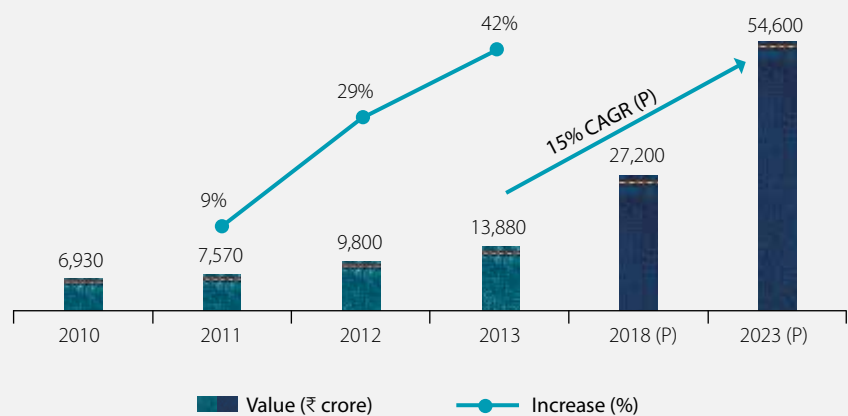
Since the introduction of denim in India in 1986, the industry has evolved continuously, witnessing healthy growth over the past decade. There are close to 40 denim manufacturers in India. Cotton yarn is the key raw material used for manufacturing denim fabrics. Denim is witnessing one of the fastest growth rates as an apparel fabric segment, growing at a CAGR of around 15% in the last five years.

The domestic capacity of this fast-growing fabric is currently around 1,500 million metres as against 500 million metres in 2010, thus registering an impressive growth of around 140%. As cotton is a seasonal commodity and its availability is dependent on the vagaries of the monsoons, timely procurement is critical. As India has an adequate availability of cotton, it enjoys a cost advantage over other countries such as Turkey and Indonesia.

Although the urban and rural Indian markets contribute fully to the overall share of denim, the average number of denim items owned by Indian consumers is much lower (0.3) in comparison to other

markets like the US (9), the UK (8) and Brazil (7), among others. This demonstrates the huge potential that still remains untapped in the domestic market. [Source: <http://www.textileexcellence.com>, CRISIL]

## India Denim Market Overview



## Indian denim market



The Indian denim industry accounts for a 5% share of the global denim market. Leveraging strong growth prospects, brands are offering innovative products such as breathable denims, water repellent denims, weather adaptable denims, among others to attract the youth (~73% of India's population). While the men's segment accounts for the bulk of the sales in the Indian denim market, the women and kid segments have also exhibited strong growth prospects.

Denim accounts for a sizeable share of India's total textile exports with production levels expected to increase to 1.5 billion metres by 2020 (currently, 35% of the overall output gets exported). The denim segment grew at a CAGR of 13-15% y-o-y at a time when the overall apparel sector clocked a lacklustre 3-5%, (down from 12-15% growth seen during the past couple of years). With Bangladesh stepping up its game, Indian businesses have doubled their installed capacity to 1.5 billion metres per annum during the past five years at an investment of ~₹60 crore per million metres.

Average realisations from denim fabric manufacturers catering to domestic

demand remained steady, in view of higher cotton prices during the first three quarters of FY17. Denim garment manufacturers are likely to perform better than fabric manufacturers, because of better margins, demand, trends, etc. India Ratings and Research expects the denim sector to post robust volume growth (>10-15%) riding on escalating disposable incomes and rapid growth of the retail sector. As per CMIE, a moderate level capacity addition will be made underway during FY18. [Source: *Business Standard, Smart Research Insights, Technopak*]

### Growth drivers

- **Multipurpose applications:** Denims come in a range of colours and can be worn as formal-wear as well as casual wear. Denim is made not just into jeans, but also into other items of clothing and accessories like shirts, shorts, dresses, bags, shoes, jackets and even upholstery products.
- **Inherent convenience:** Denim wear is comfortable, low maintenance, and long-lasting. A pair of denims can be worn on almost any occasion and is easy to care for

than formal clothes.

- **Evolving trends:** With the proportion of working women increasing, the demand for quality (yet inexpensive) apparel has risen, thereby increasing the demand for denims exponentially.
- **Fashion-conscious youth:** Denim has always been an integral part of fashion for a long time and is unlikely to go out of style anytime soon. Young Indians have become increasingly fashion-conscious and their spending power has grown hand-in-hand. This makes life easier for the fast-growing premium denim brands which are available in different colours.
- **Class-agnostic product:** Denim enjoys ubiquitous demand across various sections of the economic pyramid. Its affordability and easy availability makes it a preferred choice over other fabrics for daily use. Denim reaches out to different market segments and price points. The price of denim wear depends on a number of factors like the quality of material, texture, comfort, cut, and wash. From extremely cheap jeans for everyday use to expensive

### Recent trends

- Most denim manufacturers focus on the domestic markets as realisations remain higher
- Entrance of new fabric manufacturers is expected to make the market more price-competitive
- Although cotton remains the fibre of choice, blended denim fabrics are using man-made fibres
- Demand for stretch denims is growing rapidly
- Indian youngsters have started accepting denim in different colours

luxury denim, there are denim products available to suit everyone's budget and needs.

- **Unique proposition:** Denims are comfortable, low-maintenance and long-lasting. A pair of denims can be worn for almost any occasion and is easy to care for than formal clothes. Denims come in a range of colours and can be worn as formal-wear as well as casual wear. Denim is made not just into jeans, but also into other items of clothing and accessories like shirts, shorts, dresses, bags, shoes, jackets and even upholstery products.
- **Online retail:** Organised retail penetration is expected to increase from around 7.5% in 2013 to 10% in 2018, growing at a robust CAGR of 19-20% during the period. This growth is expected to be derived from increasing purchasing power, skewed youth demographics, rapid urbanisation, growing number of working women and availability of quality products. Due to the ease of ordering online, generous and flexible return policies, and

Organised retail penetration is expected to increase from around 7.5% in 2013 to 10% in 2018, growing at a robust CAGR of 19-20% during the period. This growth is expected to be derived from increasing purchasing power, skewed youth demographics, rapid urbanisation, growing number of working women and availability of quality products.

the cash on delivery system, the youth of India is more likely to purchase denims online.

- **Growing consumerism:** By 2020, India is projected to emerge as the world's third largest middle-class consumer market behind China and the US. By 2030, India is likely to surpass both countries with an aggregate consumer spend of nearly USD 13 trillion.
- **Purchasing power:** The per capita income in India is expected to cross ₹1 lakh in FY17, which is a 7.5% increase over that in FY16 (~₹93,000). Consumer expenditure in emerging cities of India are rising by nearly 14% and in the larger cities by about 12% a year because of rising affluence and changing lifestyles.
- **Across-the-value-chain presence:** Denim reaches different market segments at various price points. The price of denim wear depends on a number of factors like the quality of material, texture, comfort, cut, and wash. From extremely cheap jeans for everyday use to expensive luxury denim, there are denim products available to suit everyone's budget and needs.
- **Rural boom:** Rural areas are developing at a fast rate and so is their spending. The mid-value segment of denim wear, characterised by quality, value-for-money, and increasing styling quotient, is the preferred choice of people from rural areas.
- **Emerging markets:** Tier-II and III cities like Jaipur, Nagpur, Ludhiana, Vadodara, Aurangabad, and Kochi are emerging as consumption 'hot spots', catalysing the sector's transformation.
- **Work culture:** In recent times, denim

has come to be accepted as business wear. Many large companies are making denims a part of their daily work culture to promote uniformity and to create a relaxed environment which is more conducive to work in.

## Challenges for the India Denim industry

Though the denim category is among the most promising categories in apparel market of the country, it faces its own set of issue and challenges. The prudence in which various stakeholders of denim eco-system identify and address the issues and challenges associated with the value chain, will determine the growth of denim apparel market in the country. There is a need to develop a larger portfolio of denim garments and accessories, including shorts, shirts, bags, dresses, accessories among others. At present the market is skewed towards denim jeans. The weight (GSM) range of available denim fabric could be broadened to widen denim application. There is a lot of scope of improvement in right processing and value addition in denim through fashion-led processes and finishes. Establishment of high quality processing and washing units could help to improve the quality of finishes and colours, thus attracting more consumers to try denim. (Source: [indiaretailing.com](http://indiaretailing.com))

## Outlook

The denim category is expected to witness volume growth due to increased penetration in the rural geographies and smaller Indian cities and its association with 'casualisation' and fashion.

## Human resources

Nandan has strategically built its manpower base in a manner which reconciles experience with youthfulness and positions the Company as a one-stop shop. As a means to this end, it is working towards establishing an online HR platform with department-wise SOPs supplemented by all existing policies and procedures

to ensure qualitative excellence and shop-floor efficiency. Looking ahead, the Company is aiming to instill a high-performance culture through effective internal communication with stakeholders. Nandan's impressive track record allows it to recruit best-in-class talent and allow them to take their careers to the next

level. In a bid to make the organisation more agile and vibrant and to adhere to standardised industry practices, its HR policies were strategically reformulated during the fiscal gone by. As of 31st March 2017, the Company had approximately 3000 employees on its books.

## Financial performance analysis

- **Revenues:** The Company's revenues from operations increased from ₹1156.72 crore to ₹1220.41 crore registering a growth of 5.50%.
- **Gross profit:** Despite rampant volatility in raw material prices, the Company's gross margins decline from 33.73% to 32.53%
- **EBITDA:** EBITDA margins decreased to the level of ₹189.91 crore from the level of ₹191.14 crore, having decrease of 0.96%.
- **Finance costs:** Finance costs decreased from 3.56 % of sales value to 2.96 % registering decrease of 0.6 %. With a tight control over working capital deployment, the Company continues to reduce its overall costs of borrowing. Overall costs stand at ₹36.17 crore during the year.
- **PAT:** PAT decreased from ₹63.32 crore to ₹56.67 crore, a decline of 11.73 % while the revenues had grown by 5.50 %. Overall, PAT

margin decreased from 5.47 % of previous year's sales to 4.64 % during the current year.

### Balance Sheet

- **Shareholders' funds:** Shareholders' funds increased by 24.13 % from ₹338.43 crore as on 31st March, 2016 to ₹420.10 crore as on 31st March 2017.
- **Debt:** The Company's debt portfolio (long-term and short-term) increased from ₹510.63 crore as on 31st March, 2016 to ₹637.70 crore as on 31st March, 2017.
- **Long-term debt:** Long-term debt increased from ₹318.24 crore as on 31st March, 2016 to ₹422.04 crore as on 31st March, 2017 consequent to the debt incurred in order to fund its ongoing capex initiative.

### Short-term debt

- **Tangible assets:** Tangible assets increased marginally by 34.88 % from ₹570.23 crore as on 31st March, 2016 to ₹769.13 crore as on 31st March, 2017. The increase was due to purchase of assets during the year under review. The increase in tangible assets resulted in an increased provision for depreciation from ₹66.00 crore in FY16 to ₹86.16 crore in FY17.
- **Current assets:** Current assets grew from ₹428.62 crore as on 31st March 2016 to ₹464.80 crore as on March 31, 2017 owing to an increase in the operational scale. While the inventory balance upped by 10.82 % over the previous year, trade receivables balance increased by ₹ 12.96 crore over the previous year-end balance. The Company had a healthy cash balance of ₹68.54 crore as on 31st March, 2017.

## Internal control systems and their adequacy

Nandan maintains a system of well-established policies and procedures for internal control of operations and activities. It continuously strives to integrate the entire organisation – from strategic support functions like finance, human resources, and regulatory affairs to core operations like research, product

development, manufacturing and supply chain management. The internal audit function is further strengthened in consultation with statutory auditors for monitoring statutory and operational issues. The Company has appointed independent agency as Internal Auditors to access the adequacy and effectiveness

of all internal control systems and suggest improvements. Significant issues are brought to the attention of the Audit Committee for periodical review. Moreover, the Company has obtained best-in-class certifications and adheres to standard operating practices in its manufacturing and operating activities.

## Cautionary statement

The statements in this Management Discussion and Analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation

include raw material availability and prices and pricing in the Company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and

the countries with which the Company conducts business and other incidental factors.

# RISK MANAGEMENT

Nandan believes that prudent risk management is the stepping stone towards a more balanced risk-reward paradigm. Hence, it concentrates on understanding the risks that the business might be exposed to and undertakes relevant measures to mitigate them.



## INDUSTRY RISK

A slowdown in the industry can negatively impact the business

### Mitigation

During the fiscal gone by, the denim market slowed in the face of substitutes like jogging bottoms. However, denim has found a number of usages beyond conventional applications, opening up for itself avenues of revenue accretion.

The Company's decision to come up with several products to cater various sections of the socio economic pyramid brightened its prospects.

## COMPETITION RISK

Arrival of new entrants and capacity expansion initiatives undertaken by existing players can affect business profitability

### Mitigation

The Company continued to scale its manufacturing capacities and upgrade its technological competence to move up the value chain and thereby surpass the overall sector growth. The 5.50% improvement in terms of revenue achieved by the Company during the fiscal gone by, vindicates the efficacy of

the approach adopted by it. Following the completion of the ongoing capex initiative, Nandan Denim would enjoy the twin benefits of economies-of-scale and a wider product range. Tightened operational and qualitative controls led by backward integration would enable the Company to survive a downturn, if one does materialise.

## RAW MATERIAL RISK

Non-availability and price fluctuations of cotton can bring down profits

### Mitigation

As cotton is a seasonal commodity and its availability is dependent on the vagaries of the monsoons, timely procurement is critical. Nandan's facilities are located near cotton-rich belts of India. Cotton is deemed a freely-traded commodity across the globe so as to ensure optimal

the supply-demand dynamics do not get overly skewed. Furthermore, any spike in cotton prices can be passed onto the denim buyers. Finally, the Company ensures that inventory doesn't pile up beyond control and thereby keeps its working capital requirements in check.

## GEOGRAPHIC RISK

An overt dependence on a specific geography can lead to sluggish growth

### Mitigation

India is perceived as a global denim hub owing to inherent advantages like abundant availability of resources (raw materials and skilled manpower), cost advantage and favourable government

policies. A combination of the aforementioned factors is expected to result in steady export volume growth over the medium-term.

## QUALITY RISK

Inability to match up to global qualitative standards can be detrimental to the Company's brand equity

### Mitigation

The Company has invested in cutting-edge technology sourced from leading textile machinery manufacturers. This has allowed the Company to consistently

commercialise value-added products and maintains qualitative excellence. The result: Nandan's client list comprises leading brands.

## WORKING CAPITAL RISK

An inability to access adequate working capital can affect day-to-day operations of the Company

### Mitigation

The Company expends sizeable amounts of resources, financial and otherwise, to identify emerging trends and capitalise on them. A combination of state-of-the-art automation and deep sectoral knowledge has enabled the Company to address its working capital requirements with ease.

Rigorous control over fund deployment and a hands-on approach of the top management enables the Company prevent working capital deployment to spiral out of control. The Company has tied up sufficient working capital.

## PRODUCT PORTFOLIO RISK

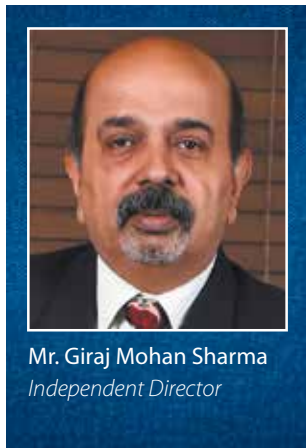
A stagnant product basket can stifle the growth of the Company

### Mitigation

The Company's products are sought by leading global brands. The Company incorporates latest variations and trends to diversify its product mix on a regular basis.

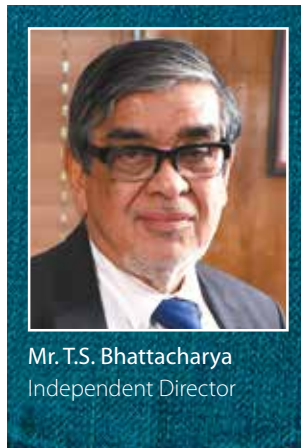
Case in point: Nandan introduced more than 15 new products during FY17 to cater to the incipient demands of its customers around the world.

## OTHER BOARD OF DIRECTORS



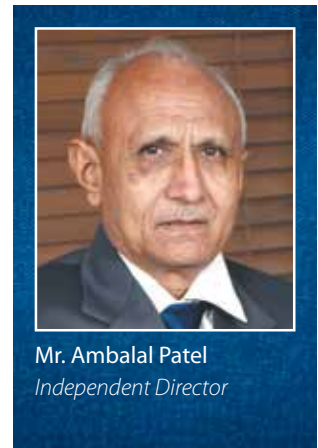
**Mr. Giraj Mohan Sharma**  
*Independent Director*

He is the Founder-Director of a Brand & Strategic Consulting boutique firm – Behind The Moon Consultants and has spent more than 15 years in the marketing industry.



**Mr. T.S. Bhattacharya**  
*Independent Director*

He retired as Managing Director of State Bank of India with more than 35 years of experience in the Banking industry. Also on the Board of major companies as IDFC Securities Limited and IDFC AMC Trustee Company Limited, amongst others.



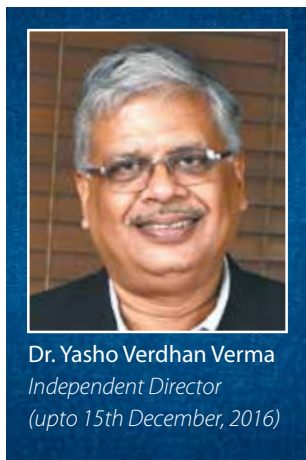
**Mr. Ambalal Patel**  
*Independent Director*

He retired from Gujarat Industrial & Investment Corporation Limited (GIIC) as Deputy General Manager and has vast experience in project evaluation and finance. He is also Director in other major companies such as Jindal Hotels Limited and Sumeru Industries Limited, amongst others.



**Ms. Pratima Ram**  
*Independent Director*

An experienced banker with three decades in corporate, international and investment banking, she has worked in India, USA and South Africa and held position of Chief General Manager and Country Head of United States operations of SBI. She was also CEO of the South African operations of the Bank. At SBI Capital Markets, she led the Corporate Advisory, M&A, & Project Appraisal businesses.



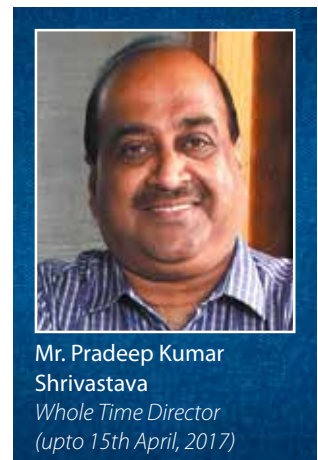
**Dr. Yasho Verdhan Verma**  
*Independent Director*  
*(upto 15th December, 2016)*

With rich experience of over 30 years in man management, he served as the Chief Operating Officer of LG Electronics India Pvt. Ltd. He has given guest lectures in London Business School, Seoul University, and Wharton Management School, Philadelphia, in addition to premier management institutes in India and has also been conferred with an Honorary Fellowship by All India Management Association for significant contribution towards people management.



**Mr. Prakash Kumar Sharma**  
*Whole-Time Director*

With a career in textile industry spanning more than 30 years, he has worked with denim and terry towel manufacturing companies. He is associated with Nandan Denim Limited for more than three years.



**Mr. Pradeep Kumar Shrivastava**  
*Whole Time Director*  
*(upto 15th April, 2017)*

He possesses around 30 years of vast experience in the field of Human Resource and has worked with Companies like Birla Textile Mill, Gujarat Ambuja Exports Limited, Modern Terry Towel Limited, Alok Industries Limited, amongst others.



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Nandan Denim Limited will be held on Friday, 29th September, 2017 at 03.00 p.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:

1. **To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 and the 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 Statements of the Company for the financial year ended 31st March, 2017 and the Report of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. **To declare Dividend on equity shares for the financial year ended 31st March, 2017 and in this regard, pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT a dividend at the rate of 16% i.e. ₹1.60 (One Rupee and Sixty Paise Only) per equity share of ₹10/- (Ten Rupees) each fully paid up, of the Company, be and is hereby declared for the financial year ended 31st March, 2017 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 31st March, 2017.”

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 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.”

4. **To appoint Auditors and fix their remuneration and in this regard, pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the

Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, M/s Samir M. Shah & Associates, Chartered Accountants (FRN: 122377W), be and are hereby appointed as Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of 23rd Annual General Meeting of the Members of the Company till the conclusion of the 28th Annual General Meeting to be held in the year 2022 (subject to ratification of their appointment by the Members at every Annual General Meeting held after this Annual General Meeting) on such remuneration plus applicable taxes, out-of-pocket expenses etc. as may be mutually agreed upon by the Board of Directors and the Auditors.”

### SPECIAL BUSINESS:

5. **To appoint Mr. Jyotiprasad Chiripal (DIN: 00155695) as Managing Director and in this regard, pass with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Mr. Jyotiprasad Chiripal (DIN: 00155695) as Managing Director of the Company, for a period of 5 (five) years from the date of his appointment by the Board, that is, with effect from 1st June, 2017, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination & Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Jyotiprasad Chiripal, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”



6. To appoint Mr. Prakashkumar Ramniwash Sharma (DIN: 06639254) as a Whole Time Director and in this regard, pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the 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), approval of the members be and is hereby accorded to appoint Mr. Prakashkumar Ramniwash Sharma (DIN: 06639254) as a Whole Time Director, designated as Executive Director of the Company, for a period of 5 (five) years from the date of his appointment by the Board, that is, with effect from 1st June, 2017 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination &

Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit.”

7. To approve the entering by the Company into 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 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (including any amendment, modification or re-enactment thereof), consent of the members of the Company be and is hereby accorded for entering into the following proposed Related Party Transactions with the respective Related Parties during the year 2017-18 and for the maximum amounts per annum, as mentioned herein below:

Sr. No.	Nature of the transactions as per section 188 of the Companies Act, 2013.	Name of the Director/KMP who is related and nature of their relationship	Name of the related party	Receipts (₹ in Crore)	Payment (₹ in Crore)
1.	Purchase / Sale of goods / Services including raw materials stock in trade, machinery, job work and others	Mr. Vedprakash Chiripal, Chairman of the Company and/or relatives being common Director(s)/ Shareholder(s) of the Company.	1. Chiripal Industries Limited 2. Nova Textiles Private Limited 3. Chiripal Poly Films Limited 4. Vishal Fabrics Limited 5. Chiripal Textile Mills Private Limited 6. Nandan Terry Private Limited	600.00	300.00
2.	Rent/ Lease of the Property / Maintenance / Electricity / Fuel Expenses	Mr. Vedprakash Chiripal, Chairman of the Company and/or relatives being common Director(s)/ Shareholder(s) of the Company.	1. Chiripal Industries Limited 2. Shanti Exports Private Limited		5.00
3.	Capital Asset Sales/ Purchase	Mr. Vedprakash Chiripal, Chairman of the Company and/or relatives being common Director(s)/ Shareholder(s) of the Company.	Chiripal Infrastructure Limited		35.00

Note: Material terms – All transactions shall be entered in ordinary course of business and at arms length. Relatives have been considered as per the definition of “Relative” under Companies Act, 2013.

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

**“RESOLVED FURTHER THAT** the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company, to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ 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 or 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.”

8. **To ratify the remuneration of Cost Auditors for the financial year ending 31st March, 2018 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(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration as approved by the Board of Directors and set out in the Statement annexed to this Notice, to be paid to the Cost Auditors appointed by the Board of Directors of the Company, for conducting the audit of cost records of the Company for the financial year ending 31st March, 2018, be and is hereby ratified.”

9. **To increase limit of Foreign Investment by Non Resident Indians (NRI) under Portfolio Investment Scheme and in this regard, pass with or without modification(s), the following resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident out side India) Regulations, 2000, the Reserve Bank of India and

all other applicable Rules, Regulations, Circulars, Directions, Notifications, Press Notes, Guidelines and Laws (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, consent of the members of the Company, be and is hereby accorded to the Board of Directors to permit increase in the limits of foreign investment by Non Resident Indians (NRIs) upto 24% (Twenty Four Percent only) of the paid up capital of the Company under Portfolio Investment Scheme (PIS), provided, however, that the shareholding of such NRIs under Portfolio Investment Scheme shall not exceed such limits as are applicable or as may be prescribed, from time to time, under applicable Acts, Laws, Rules and Regulations”.

**“RESOLVED FURTHER THAT** Mr. Jyotiprasad Chiripal, Managing Director, Mr. Vedprakash Chiripal, Director and / or Ms. Purvee Roy, Company Secretary, be and are hereby severally authorized to do such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any other officer(s) of the Company.”

10. **To authorize the Company for making donation to bonafide charitable and other funds 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 181 and other applicable provisions, if any, of the Companies Act, 2013, consent be and is hereby accorded to the Board of Directors of the Company including any Committee thereof to contribute an amount upto ₹5 crores (Rupees Five Crores Only), in one or more tranches, in any financial year, either directly or through a Non-Profit Organization or Trust, or in any other way considered appropriate by the Board, to such bona fide charitable and other funds as may be deemed fit and appropriate by the Board.”

By order of the Board of Directors  
For Nandan Denim Limited

Purvee Roy

Company Secretary

Mem. No. F8978

14th August, 2017  
Ahmedabad

## NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered or corporate office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy of any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.

2. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to Special Business to be transacted at the Meeting is annexed hereto.
4. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting. Information and instructions including details of user id and password relating to e-voting are provided in the Notice under Note No. 21.
5. In terms of Section 152 of the Act, Mr. Vedprakash Chiripal, Director, retires by rotation at the Meeting and being eligible, offers himself for re-appointment. The Nomination & Remuneration Committee of the Board of Directors and the Board of Directors of the Company recommend his re-appointment.
6. Details of Directors retiring by rotation / seeking appointment / re-appointment at the ensuing Meeting are provided in the "Annexure to the Notice" pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standards on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.
7. Keeping in view the requirements set out in the Act, the Audit Committee and Board of Directors of the Company have recommended appointment of M/s Samir M. Shah &

Associates, Chartered Accountants (FRN: 122377W) as Auditors of the Company in place of M/s J.T. Shah & Co., Chartered Accountants for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting from this Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company. The first year of Audit by the aforesaid Auditors will be of the financial statement of the Company for the financial year ending 31st March, 2018.

M/s Samir M. Shah & Associates, Chartered Accountants have consented to and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have also confirmed that they are not disqualified to be appointed as Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

It may please be noted by the members that in the previous three Annual General Meetings, the term of M/s J.T. Shah & Co., Chartered Accountants has been mistakenly mentioned as valid till the financial year ending 2019. It may please be read as '2017' in place of '2019'.

8. Members / Proxies / Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy(ies) of their Annual Report.
9. 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 at the Meeting.

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.

10. Relevant documents referred to in the Notice are open for inspection by the members at the corporate office of the Company on all working days (that is, except Saturdays, Sundays and Public Holidays) during business hours upto the date of the Meeting. The aforesaid documents will also be available for inspection by the members at the Meeting.
11. (a) The Company has fixed 22nd September, 2017 as the "Record Date" for determining entitlement of members to dividend for the financial year ended 31st March, 2017.  
(b) The dividend on equity shares, if declared, at the Meeting as recommended by the Board of Directors, will be credited / dispatched between 3rd October, 2017 to 10th October,

2017 to those members whose names appear on the Company's Register of Members on the Record Date. In respect of the shares held in dematerialized mode, the Dividend will be paid to members whose names are furnished by National Securities Depository Services Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

12. The Company's Registrar & Transfer Agents for its share registry (both, physical as well as electronic) is Datamatics Financial Services Limited having its office at Plot No. B-5, Part B, Cross Lane, MIDC, Andheri (East), Mumbai, Maharashtra – 400 093 (Unit: Nandan Denim Limited).
13. Members holding shares in electronic mode may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of Dividend. The Company or Datamatics Financial Services Limited 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 Depository Participant (DP) by the members.
14. Members holding shares in electronic mode are requested to intimate any change in their address or bank mandates to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical mode are requested to advise any change in their address or bank mandates to the Company / Datamatics Financial Services Limited.
15. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2008-09, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 28th September, 2016 (date of previous Annual General Meeting) on the website of the Company.

Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a Company to transfer in the name of IEPF Authority all the shares in respect of which Dividend has not been paid or claimed for 7 (seven) consecutive years or more.

The shareholders who have not claimed their dividend for the financial year 2009-10 onwards are requested to claim their dividend as early as possible failing which it would be transferred to IEPF as per the governing provisions of IEPF 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 [www.nandandenim.com](http://www.nandandenim.com).

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"), all shares

on which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred to an IEPF account. All such shareholders are requested to claim their Unclaimed Dividend expeditiously failing which their shares shall be transferred to IEPF Account and no claim shall lie against the Company. The shareholders thereafter need to claim their shares from IEPF Authority by filing E-Form-5 and by following such procedures as prescribed in the IEPF Rules (as may be amended from time to time).

16. Members holding shares in physical mode:
  - (a) are required to submit their Permanent Account Number (PAN) to the Company / Datamatics Financial Service Limited, as mandated by the Securities and Exchange Board of India (SEBI) for every participant in securities market.
  - (b) are advised to make nomination in respect of their shareholding in the Company. Nomination Form is made available in 'Investor' section on the Company's website: [www.nandandenim.com](http://www.nandandenim.com).
17. Members holding shares in electronic mode:
  - (a) are requested to submit their PAN to their respective DPs with whom they are maintaining their demat accounts, as mandated by SEBI for every participant in securities market.
  - (b) are advised to contact their respective DPs for availing the nomination facility.
18. Members who have not registered / updated their email addresses with Datamatics Financial Services Limited, if shares are held in physical mode or with their DPs, if shares are held in electronic mode, are requested to do so for receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc. electronically.
19. Non Resident Indian members are requested to inform Datamatics Financial Services Limited / respective DPs, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the Bank with pin code number, if not furnished earlier.
20. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions/queries 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.
21. Information and instructions relating to e-voting are as under: Pursuant to provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to provide to its members a facility to exercise their right to vote on resolutions proposed to be passed at the meeting by electronic means ("e-voting"). The members may cast their vote(s) using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting").

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 22nd September, 2017 being the cut-off date.

## SECTION A: INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY

- (i) The voting period begins on Monday, 25th September, 2017 and ends on Thursday, 28th September, 2017. 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, 22nd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	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. <ul style="list-style-type: none"> <li>● 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).</li> </ul>

- (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 cast their vote using CDSL's mobile app m-Voting available for all mobile users. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
  - o Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - o A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - o After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - o The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - o 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

- i. The e-voting period commences on Monday, 25th September, 2017 at 9.00 a.m. (IST) and ends on Thursday, 28th September, 2017 at 05.00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off Date of 22nd September, 2017 may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company.
- iii. CS Keyur Shah, Practising Company Secretary (Membership Number: ACS 16687; CP No. 8814) (Address: B/301, Safal Pegasus, Opp. Shell Petrol Pump, Prahladnagar, Ahmedabad – 380015, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-voting process.
- iv. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit forth with to the Chairman of the Company.
- v. The results shall be declared on the date of AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.nandandenim.com](http://www.nandandenim.com) and on the website of CDSL [https:// www.evotingindia.co.in](https://www.evotingindia.co.in) within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
- vi. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.

### Contact Details

Company	: Nandan Denim Limited Corporate Office : 'Chiripal House', Near Shivrangani Cross Roads, Satellite, Ahmedabad – 380 015.
CIN	: L51909GJ1994PLC022719
Email ID	: <a href="mailto:cs.ndl@chiripalgroup.com">cs.ndl@chiripalgroup.com</a>
Registrar and Transfer Agent	: Datamatics Financial Services Limited Plot No. B-5, Part B, Cross Lane, MIDC, Andheri (east), Mumbai – 400 093
Phone	: 022-66712151-2156
E-voting Agency	: Central Depository Services (India) Limited
Email ID	: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
Scrutinizer	: CS Keyur Shah, Practising Company Secretary
Email ID	: <a href="mailto:cs.keyurshah@gmail.com">cs.keyurshah@gmail.com</a>

## 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. 5:

The Board of Directors of the Company (the 'Board'), at its meeting held on 29th May, 2017 has, subject to the approval of members, appointed Mr. Jyotiprasad Chiripal (DIN: 00155695) as Managing Director, for a period of 5 (five) years with effect from 1st June, 2017, at the remuneration recommended by the Nomination & Remuneration Committee ('NRC') of the Board and approved by the Board.

It is proposed to seek the members' approval for the appointment and remuneration payable to Mr. Jyotiprasad Chiripal as Managing Director in terms of the applicable provisions of the Act.

Broad particulars of the terms of appointment and remuneration payable to Mr. Jyotiprasad Chiripal are as under:

#### (a) Salary, Perquisites and Allowances per annum:

	(in lakhs)
Salary	144.00
Perquisites and Allowances	24.00

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

The Company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

Any increment in salary and perquisites and remuneration by way of incentive / bonus / performance linked incentive payable to Mr. Jyotiprasad Chiripal, as may be determined by the Board and / or the Nomination & Remuneration Committee of the Board, shall not be included for the purpose of computation of the aforesaid ceiling of remuneration provided that such

payment shall be within the overall ceiling of remuneration referred to in the resolution at Item No. 5 of the Notice.

#### (b) Reimbursement of Expenses:

Expenses incurred for travelling, boarding and lodging including for his spouse and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

#### (c) General:

1. The Managing Director will perform their respective duties as such with regard to all work of the Company and they will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.
2. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
3. The Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
4. The office of the Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

Mr. Jyotiprasad Chiripal satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

Details of Mr. Jyotiprasad Chiripal are provided in "Annexure to the Notice" pursuant to the provisions of (i) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Jyotiprasad Chiripal, Mr. Vedprakash Chiripal and Mr. Deepak Chiripal are interested in the resolutions set out respectively at Item No. 5 of the Notice, which pertain to appointment and remuneration payable to Mr. Jyotiprasad Chiripal.

None of the other Directors and Key Managerial Personnel of the

Company or their relatives is concerned or interested, financially or otherwise, in the said resolution, 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 of the Company ("the Board") at its meeting held on 29th May, 2017 has, subject to approval of members, appointed Mr. Prakashkumar Ramniwash Sharma (DIN: 06639254) as a Whole Time Director, designated as Executive Director, for a period of 5 (five) years from 1st June, 2017, on terms and conditions including remuneration recommended by the Nomination & Remuneration Committee of the Board and approved by the Board.

It is proposed to seek members' approval for the appointment of and remuneration payable to Mr. Prakashkumar Ramniwash Sharma as a Whole Time Director, designated as Executive Director of the Company, in terms of the applicable provisions of the Act.

Broad particulars of the terms of appointment of and remuneration payable to Mr. Prakashkumar Ramniwash Sharma are as under:

(a) **Salary, Perquisites and Allowances per annum:**

	(in lakhs)
Salary	In the scale of 13.00 to 20.00
Perquisites and Allowances	24.00

Salary, in the scale of ₹13.00 lakh to ₹20.00 lakh, shall be subject to approval of Nomination & Remuneration Committee of the Board.

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilization of gas, electricity, water, furnishing and repairs, medical assistance and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

(b) The Company's contribution to provident fund, superannuation or annuity fund, gratuity payable an encashment of leave, as per the rules of the Company, shall be in addition to the remuneration under (a) above.

(c) Increment in salary, perquisites and allowances and

remuneration by way of incentive / bonus / performance linked incentive, payable to Mr. Prakashkumar Ramniwash Sharma, as may be determined by the Board and / or the Nomination & Remuneration Committee of the Board, shall be inclusive of the remuneration under (a) above.

(d) **Reimbursement of Expenses:**

Expenses incurred for travelling, boarding and lodging for Mr. Prakashkumar Ramniwash Sharma during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.

(e) **General:**

(i) The Whole Time Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board / Managing Director from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board / Managing Director and the functions of the Whole Time Director will be under the overall authority of the Managing Director.

(ii) The Whole Time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors.

(iii) The Whole Time Director shall adhere to the Company's Code of Conduct.

(iv) The office of the Whole Time Director may be terminated by the Company or by him by giving the other 3 (three) months' prior notice in writing.

Mr. Prakashkumar Ramniwash Sharma has rich and varied experience in the industry and has been involved in the operations of the Company. It would be in the interest of the Company to avail his considerable expertise and appoint him as Whole Time Director. Accordingly approval of the members is sought for passing a Special Resolution for appointment of Mr. Prakashkumar Ramniwash Sharma as a Whole Time Director, as set out in Schedule V to the Act as also under sub-section (3) of Section 196 of the Act.

Save and except as provided in the foregoing paragraph, Mr. Prakashkumar Ramniwash Sharma satisfies all the other conditions set out in Part-1 of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified for being appointed as Director in terms of Section 164 of the Act.

Details of Mr. Prakashkumar Ramniwash Sharma are provided in



“Annexure to the Notice” pursuant to the provisions of (i) the SEBI of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Mr. Prakashkumar Ramniwash Sharma is interested in the resolution set out at Item No. 6 of the Notice.

None of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution, 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.

**Item No. 7:**

In order to sustain 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 carried on since long with Chiripal Group Companies. Considering the prevailing market trend, these transactions will continue in the year 2016-17 and thereafter. Further, the Company being in existence for more than four 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(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the Related Party, the Company must obtain the prior approval of Board of Directors and in case of the Company having a paid up share capital of Rupees Ten Crore or more, prior approval of the shareholders by way of a Special Resolution must be obtained for certain transactions. In terms of Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), all material related party transaction, i.e., transaction 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 (year to date plus proposed in 2017-18) is 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 Ordinary 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 recommend to the members for their approval.

In the light of the provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the Related Parties (as defined under section 2(76) of the Companies Act, 2013) the name of the Related Parties, name of the Director or Key Managerial Personnel who is related, if any and nature of relationship is mentioned in the resolution.

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

1. Sale, purchase or supply of any goods or materials including job work;
2. Selling or otherwise disposing of or buying, property of any kind;
3. Rent / Lease of property of any kind;
4. Repairs & Maintenance expenses;
5. Electricity & Fuel expenses;
6. Availing or rendering of any services;

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. 7 shall be entitled to vote on this resolution.

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

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

**Item No. 8:**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. A.G. Tulsian & Co., Cost Accountants, Ahmedabad as Cost Auditors to conduct the audit of the cost records maintained by the Company in respect of textiles products for the financial year ending 31st March, 2017 at

a remuneration upto ₹3.00 lacs plus service tax and out of pocket expenses. In accordance with the provisions of Section 148 of the Act read with The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, 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 the financial year ending 31st March, 2018 by passing an Ordinary Resolution as set out in Item No. 8 of the Notice.

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

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

**Item No. 9:**

As per the Portfolio Investment Scheme (PIS) under the FEMA (Transfer or issue of Security by a person resident outside India) Regulations, 2000 ("FEMA Regulations"), Non Resident Indians (NRI) can invest in aggregate upto 10% of the paid up capital which can be further increased to 24% of the paid up capital of the Company subject to shareholders approval.

Your Company feels that foreign investment by NRIs would enhance its image and will add to its growth, therefore it wishes to increase the limits of foreign investment by NRIs under PIS upto the maximum permitted limits allowed under the law.

Further, in the previous Annual General Meeting, the Company had passed special resolution for increasing the investment limit by Foreign Institutional Investors (FIIs) / Registered Foreign Portfolio Investors (RFPIs). Accordingly, Reserve Bank of India (RBI) had approved the increase in investment limits of Foreign Institutional Investors (FIIs) / Registered Foreign Portfolio Investors (RFPIs) from default limit of 24% to 49% of the paid-up share capital of the Company under Portfolio Investment Scheme (PIS).

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

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

**Item No. 10:**

It is proposed that the Board of Directors of the Company ("the Board") be authorized to contribute upto ₹5 crores (Rupees Five Crore Only) in any financial year for charitable purposes, either directly or through any Non-Profit Organization or Trust (including Chiripal Charitable Trust and Milestone Educom Trust), or in any other way considered appropriate.

As per Section 181 of the Companies Act, 2013, the Board may contribute to bonafide charitable and other funds provided that prior permission of the Company in a general meeting is obtained for making contributions, the aggregate of which, in any financial year, exceeds five percent of the average net profits of the Company for the three immediately preceding financial years.

Subject to approval of members of the Company, the Board may like to contribute to bonafide charitable and other funds during any financial year, subject to the maximum of ₹5 crores (Rupees Five Crores Only) in a financial year. Accordingly, it is proposed to obtain members' approval by way of an Ordinary Resolution for contributing upto ₹5 crores (Rupees Five Crores Only) in any financial year to bonafide charitable and other funds.

Mr. Jyotiprasad Chiripal, Mr. Vedprakash Chiripal and Mr. Deepak Chiripal are interested in the resolution set out at item No. 10 of the Notice, which pertain to contribution to charitable organisations.

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

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

**By order of the Board of Directors  
For Nandan Denim Limited**

**Purvee Roy**

*Company Secretary*

Mem. No. F8978

14th August, 2017  
Ahmedabad

## Annexure to the Notice Dated 14th August, 2017

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

Particulars	Mr. Vedprakash Chiripal	Mr. Jyotiprasad Chiripal	Mr. Prakashkumar Ramniwash Sharma
Age	65 years	64 years	58 years
Qualifications	Bachelor of Commerce	Bachelor of Commerce	Bachelor of Science and Post Graduate Diploma from Association of Textiles along with Diploma in Industrial Safety.
Experience (including expertise in specific functional area) / Brief Resume	The Chairman of the Company and the soul of Chiripal Group of Industries, he has almost 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.	He has more than four decades of 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.	He is having a wide experience of thirty years in textile industry. He was earlier associated with Denim and Terry Towel manufacturing Companies.
Terms and Conditions of Appointment / Re-appointment	As per terms and conditions mentioned in agreement entered into between Vedprakash Chiripal and Nandan Denim Limited.	As per the resolution at item no. 5 of the Notice convening Annual General Meeting on 29th September, 2017 read with explanatory statement thereto, appointment of Mr. Jyotiprasad is proposed to be ratified as Managing Director.	As per the resolution at item no. 6 of the Notice convening Annual General Meeting on 29th September, 2017 read with explanatory statement thereto, appointment of Mr. Prakashkumar Ramniwash Sharma is proposed to be ratified as Whole Time Director.
Date of first appointment on the Board	11.08.2003	01.06.2017	01.06.2017
Shareholding in the Company as on 31st March, 2017	NIL	630000 equity shares	NIL
Relationship with other Directors / Key Managerial Personnel	Brother of Jyotiprasad Chiripal (Managing Director w.e.f. 1st June, 2017) and Brijmohan Chiripal (Managing Director upto 31st May, 2017)	Brother of Vedprakash Chiripal (Chairman) and Brijmohan Chiripal (Managing Director upto 31st May, 2017). Father of Deepak Chiripal (CEO)	NA
Number of meetings of the Board attended during the year	2	NA	NA

Particulars	Mr. Vedprakash Chiripal	Mr. Jyotiprasad Chiripal	Mr. Prakashkumar Ramniwash Sharma
Directorships of other Boards as on 31st March, 2017	<ul style="list-style-type: none"> <li>○ Chiripal Industries Limited</li> <li>○ Chiripal Poly Films Limited</li> <li>○ Nandan Terry Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>○ CIL Nova Petrochemicals Limited</li> <li>○ Vishal Fabrics Limited (Managing Director upto 31st May, 2017)</li> <li>○ Chiripal Industries Limited</li> <li>○ Chiripal Poly Films Limited</li> <li>○ Chiripal Infrastructure Limited</li> <li>○ Chiripal Energy Limited</li> <li>○ Ele Mints Private Limited</li> <li>○ Vraj Spintex Private Limited</li> <li>○ Basant Bahar Gymkhana Private Limited</li> <li>○ Shanti Innovation and Research Foundation (Section 8 Company)</li> <li>○ Shanti Academic and Research Foundation (Section 8 Company)</li> </ul>	NIL
Membership / Chairmanship of Committees of other Boards as on 31st March, 2017	Chiripal Industries Limited <ul style="list-style-type: none"> <li>○ Audit Committee – Member</li> <li>○ Nomination &amp; Remuneration Committee – Member</li> </ul>	CIL Nova Petrochemicals Limited <ul style="list-style-type: none"> <li>○ Audit Committee – Member</li> <li>○ Nomination &amp; Remuneration Committee – Member</li> <li>○ Stakeholders Relationship Committee – Member</li> <li>○ Risk Management Committee – Member</li> </ul> Vishal Fabrics Limited: <ul style="list-style-type: none"> <li>○ Audit Committee – Member</li> </ul> Chiripal Poly Films Limited <ul style="list-style-type: none"> <li>○ Nomination &amp; Remuneration Committee – Member</li> </ul> Chiripal Industries Limited <ul style="list-style-type: none"> <li>○ Corporate Social Responsibility Committee – Member</li> </ul>	NIL

# Board's Report

Dear Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31st March, 2017.

The accounts for the year under review are for a period of 12 months from April 2016 to March 2017.

## FINANCIAL PERFORMANCE

Highlights of Financial Results for the year are as under:

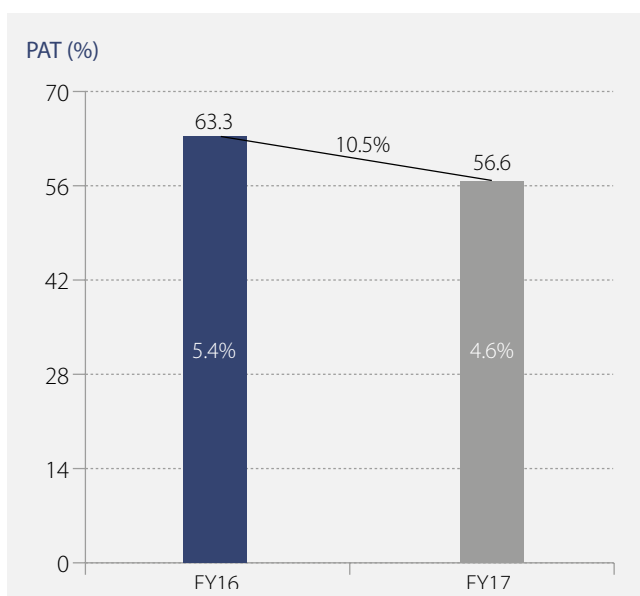
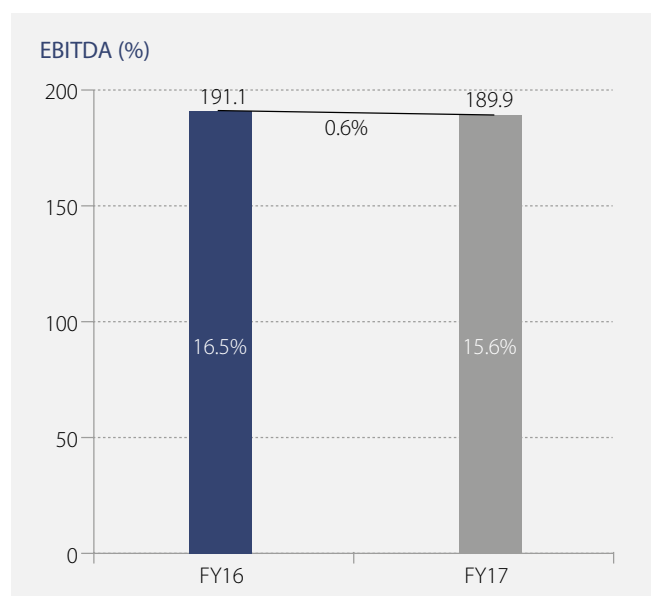
(₹ in crore)

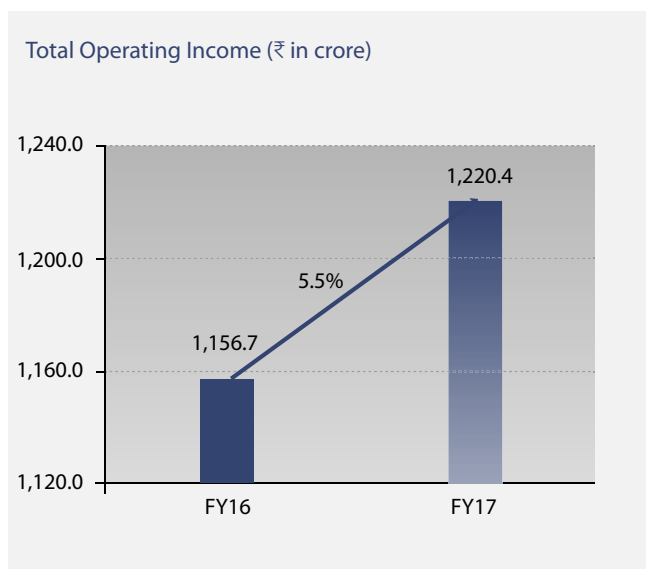
Particulars	For the year ended	
	31.03.2017	31.03.2016
Revenue from operations	1220.41	1156.73
EBITDA	189.92	191.14
Less: Finance Costs	36.17	41.17
Less: Depreciation	86.16	66.00
Profit before exceptional items and tax	70.02	88.13
Exceptional Items	0.00	0.00
Profit Before Tax	70.02	88.13
Less: Tax expense	13.35	24.81
Profit After Tax	56.67	63.32

During the year under review, the Company achieved a new revenue milestone crossing ₹1200 crore. for the first time. The Company registered a growth of 5.50% over the previous year. The improved revenue figures were mainly due to commissioning of our expansion plans and improved operational efficiencies.

Profit Before Tax (PBT) decreased by ~20% in the current year over the previous year whereas Profit After Tax (PAT) decreased by ~10% over the previous year owing to external factors beyond management control.

## PERFORMANCE OVERVIEW





The Company has progressed during the current period ended 31st March, 2017 in terms of revenue. It has achieved aggregate sales of ₹1,220.41 crore and Profit Before Tax of ₹70.02 crore.

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

A detailed analysis of the financial operations is given in the Management Discussion and Analysis Report which forms part of this Annual Report in terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'). The analysis on the Industry Scenario throws light on the important risks and concerns faced by your Company. The strategy of your Company to de-risk against these factors is also outlined in the Management Discussion and Analysis Report.

### TRANSFER TO RESERVES

The Company does not propose to transfer any amount (previous year – ₹1.30 crore) to General Reserve for the year under review.

### FINANCIAL STATEMENTS

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as '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 2016-17, 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. Please note that you will be entitled to be furnished, free of cost, the physical copy Annual Report upon receipt of written request from you, as a member of the Company.

### CREDIT RATING

During the year, Brickwork Ratings India Private Limited assigned credit rating of A+ for long term loans and A1 for short term loans.

The ratings continue to factor in Nandan's strong market position in the domestic denim industry, established distribution network and the extensive industry experience of its Promoters. The ratings further derive comfort from the integrated operations of the Company and the nearly completed plans for backward integration within the denim value chain which should help the Company respond to industry pressures and improve its profitability over the long term. The rating further notes that the Company's large capex plan towards backward integration will benefit from various government incentive schemes and on stabilisation of the operations, should result in strengthening of the operational risk profile of Nandan Denim.

### DIVIDEND

Your Directors recommend for your approval a dividend @ 16% i.e. ₹1.60 per equity share of ₹10/- each fully paid up for the year ended 31st March, 2017, aggregating to ₹7.69 crore. In addition, the applicable Corporate Dividend Tax and other taxes, if any, shall also be paid thereon at time of actual payment of Dividend.

The Dividend, if approved at the Annual General Meeting, would be paid to the eligible members within the stipulated time.

Record Date for determining payment of Dividend is Friday, 22nd September, 2017.

The dividend payout for the year under review is in accordance with the Company's policy to build long term shareholder value. It is also linked to long term growth objectives of the Company to be met by internal accruals.

The Company has formulated a 'Dividend Distribution Policy' to bring transparency in the matter of declaration of dividend and protect the interest of investors. The policy has been attached as 'Annexure – E' to this Report.

### SUBSIDIARY AND ASSOCIATE COMPANIES

Nandan Denim Limited did not have any subsidiary or associate company for the year ended 31st March, 2017.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the period under review, Dr. Yasho Verdhan Verma stepped down as Independent Director from the Board with effect from 15th December, 2016. During his association with the Company, his contribution to the Board and Nomination & Remuneration Committee has been immensely valuable.

Mr. Ganesh Khawas also resigned from the position of Whole-Time Director of the Company with effect from 4th July, 2016. The Board places on record his guidance and valuable contribution during their association with the Company.

Mr. Vedprakash Chiripal, Non-Executive Director, is liable to retire by rotation at the ensuing AGM pursuant to the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and being eligible has offered himself for re-appointment. Appropriate resolution for their re-appointment is being placed for your approval at the ensuing AGM.

Apart from the above, Mr. Brijmohan Chiripal was the Managing Director of the Company for the period ended 31st March, 2017. He resigned from the position of Managing Director w.e.f 31st May, 2017 and Mr. Jyotiprasad Chiripal stepped in as Managing Director with effect from 1st June, 2017.

Brief Particulars of Directors proposed to be appointed / re-appointed, nature of expertise, names of Companies in which they hold Directorship, Committee Chairmanships / Memberships, shareholding, etc. are furnished in the explanatory statement to the Notice of ensuing Annual General Meeting.

Mr. Ashok Bothra was appointed as the Chief Financial Officer w.e.f. 28th May, 2016 and Ms. Purvee Roy is the Company Secretary of the Company, thereby satisfying the requirements of the provisions of sections 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to Key Managerial Personnel.

### Disclosure relating to remuneration of Directors, Key Managerial Personnel

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

### Declaration of Independence

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

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

## BOARD MEETINGS

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

During the financial year 2016-17, four board meetings were held on 28th May, 2016; 10th August, 2016; 14th November, 2016 and 9th February, 2017 respectively. The gap between two Board Meetings did not exceed 120 days.

The details of the meetings of the Board of Directors and its Committees, convened during the financial year 2016-17 are given in the Corporate Governance Report which forms a part of this Report.

## BOARD COMMITTEES

Your Company had five Committees of the Board during 2016-17, namely:

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

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

## EVALUATION OF THE BOARD OF DIRECTORS

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the process, format, attributes and criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination & Remuneration Committee, based on need and new compliance requirements.

For evaluation of the entire Board and its Committees, a structured questionnaire, covering various aspects of the functioning of the Board and its Committees, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meeting, Board's focus, regulatory compliances and Corporate Governance, etc., is in place. Similarly, for evaluation of individual Director's performance, the questionnaire covers various parameters like his/her profile, contribution in Board and

Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc.

The performance of Chairman, Executive Directors and Independent Directors are evaluated on certain additional parameters depending upon their roles and responsibilities. Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2016-17.

The Independent Directors had met separately on 9th February, 2017 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of Non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non Executive Directors.

## 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 responsibilities for sustainable development of all stakeholders. Corporate Governance is the system by which business corporates are directed and controlled. The Corporate Governance structure specifies the distribution of rights and responsibilities among different positions in the organisation, such as, the board, managers, shareholders and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the Company objectives are set, and the means of attaining those objectives and monitoring performance. The concept of Corporate Governance hinges on total transparency, integrity and accountability of the management and the Board of Directors.

The Company is committed to maintaining good standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by Securities and Exchange Board of India (SEBI). Several features such as the Whistle Blower Policy, Policy on Related Party Transactions amongst others have been incorporated by the Company. The Report on Corporate Governance as stipulated under Regulation 27 of the Listing Regulations forms part of the Annual Report. The Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also published in this Annual Report.

## CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 for fair disclosure of unpublished price sensitive information and prevention of insider trading.

The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while

dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

## DISCLOSURE REQUIREMENTS

- Details of the familiarization programme of the Independent Directors are available on the website of the Company;
- Details of policy formulated by the Company with regard to Related Party Transactions is 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 has a Whistle Blower Policy for the employees to report genuine concerns / grievances to provide vigil mechanism for employees and Directors of the Company. The provisions of this policy are in line with the provisions of section 177(9) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the stock exchanges. The Policy is uploaded on the Company's website. The Policy provides a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted by them;
- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings;
- The Company does not have any scheme or provision of money for the purchase of its 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.

## SHARE CAPITAL

The paid up Equity Share Capital of the Company as on 31st March, 2017 was ₹48.04 crore as against the paid up Capital of ₹45.54 crore as on 31st March, 2016.

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. In the year under review, following shares were allotted and admitted for trading in BSE & NSE:

- 25.00 lakh equity shares were allotted to Polus Global Fund, a Foreign Portfolio Investor, on conversion of Convertible Warrants into Equity Shares on 14th May, 2016. The Convertible Warrants were issued and allotted to Polus Global Fund on 9th November, 2015, on receipt of approval from shareholders and regulatory authorities, at a conversion price of ₹200/- each inclusive of premium of ₹190/- per share.



## VIGIL MECHANISM

The Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations.

## 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 31st March, 2017, 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 31st March, 2017 and of the profit and loss of the Company for the financial year ended 31st March, 2017;
- 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.

## PUBLIC DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 [including any statutory modification(s) or re-enactment(s) for the time being in force].

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under section 134(3)(M) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, has been annexed as 'Annexure – A' to this Report.

## ENVIRONMENT AND POLLUTION CONTROL

Nandan Denim Limited strives to maintain good standards of environmental care and ensures that increasing level of operations

do not adversely impact standards of health and environment. To combat pollution and strengthen the area ecology, considerable emphasis is placed on trees. All manufacturing facilities possess the required environmental clearance from the respective Pollution Control Boards and do comply with the relevant statutory provisions.

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

## HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

### Human Resources:

Your Company attaches significant importance to continuous upgradation 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.

### 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.

## AUDITORS

### Statutory Auditor

M/s J.T. Shah & Co., Chartered Accountants, have been the Statutory Auditors of the Company since the financial year 2004-05 and their tenure will expire with the conclusion of this ensuing AGM, in accordance with 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]. Accordingly, M/s Samir M. Shah & Associates, Chartered Accountants have been recommended by the Audit Committee and by the Board to be appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the ensuing 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 may be decided by the Audit Committee of the Board. They being eligible have consented and offered themselves for appointment as Statutory Auditors for conducting audit of accounts for five consecutive financial years starting from 2017-18.

Pursuant to Section 139 and 141 of the Companies Act, 2013 and relevant Rules prescribed there under, the Company has received certificate from the Auditors to the effect, inter-alia, that their appointment, if made, would be within the limits laid down by the Act, as per the term provided under the Act and that they are not disqualified for such appointment under the provisions of applicable laws and also that the list of proceedings against them or any of their partners pending with respect to professional matter of conduct, as disclosed in the certificate, is true and correct. The Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

The Board places on record, its appreciation for the contribution of M/s J.T. Shah & Co., Chartered Accountants, during their tenure as Statutory Auditors of the Company.

The Auditors' Report for the financial year ended 31st March, 2017 does not contain any qualification, reservation or adverse remark.

#### **Cost Auditor**

The Board of Directors of the Company, on the recommendations made by the Audit Committee at its meeting held on 14th August, 2017 has approved the appointment of M/s A.G. Tulsian & Co., Cost Accountants [Firm Registration No. 100629] as the Cost Auditor of your Company for the financial year 2017-18 to conduct the audit of the cost records of your Company. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of ensuing Annual General Meeting. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment within the meaning of the said Act.

Your Company has received consent from M/s A.G. Tulsian & Co., Cost Accountants, to act as Cost Auditor for conducting audit of cost records for the financial year 2017-18 along with a certificate confirming their independence and arm's length relationship.

#### **Secretarial Auditor**

M/s Geeta Serwani & Associates, Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2016-17 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 – D" to this Report.

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the financial year 2016-17 which call for any explanation from the Board of Directors.

M/s Sandip Sheth & Associates, Company Secretaries have been appointed to conduct the Secretarial Audit of the Company for the financial year 2017-18. They have confirmed that they are eligible for the said appointment.

#### **Auditors' Certificate on Corporate Governance**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors' Certificate on Corporate Governance is enclosed as part of Board's report. The Auditors' Certificate for fiscal 2017 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 Auditor, Cost Auditor or Secretarial Auditor 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 2016-17, your Company has entered into transactions with Related Parties as defined under section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, all of which are in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules issued thereunder and the Listing Regulations.

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.

The details of the related party transactions as per Accounting Standard 18 are set out in Note 38 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" to this report.

**Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013**

Particulars of loans, guarantees and investments under Section 186 of the Act as at the end of the Financial Year 2016-17 are provided in the standalone financial statements (refer Note No. 26).

**POLICIES OF THE COMPANY**

The Company is committed to good corporate governance and has consistently maintained its organizational culture as a remarkable confluence of high standards of professionalism and building shareholder equity with principles of fairness, integrity and ethics. The Board of Directors of the Company have from time to time framed and approved various Policies as required by the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations. These Policies and Codes are reviewed by the Board and are updated, if 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 Materiality of Subsidiaries
10	Whistle Blower Policy
11	Corporate Social Responsibility Policy
12	Nomination and Remuneration Policy

The above mentioned policies and codes are also 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.

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.

**CORPORATE SOCIAL RESPONSIBILITY**

Consequent to resignation of Dr. Yasho Verdhan Verma and Mr. Brijmohan Chiripal from Directorship of the Company, the CSR Committee was reconstituted by inducting Mr. Giraj Mohan Sharma and Mr. Jyotiprasad Chiripal as members. As on the date of this report, the CSR Committee comprises of three members. Mr. Giraj Mohan Sharma, Independent Director, is the Chairman of the Committee. The other members are Mr. Vedprakash Chiripal, Non Independent Director and Mr. Jyotiprasad Chiripal, Non Independent Director.

The Board of Directors have adopted a CSR policy in line with the provisions of the Companies Act, 2013. The CSR policy, inter-alia, deals with the objectives of the Company's CSR initiatives, its guiding principles, thrust areas, responsibilities of the CSR

Committee, implementation plan and reporting framework. The main focus area of Nandan Denim Limited for the year 2016-17 was education.

A brief outline of the CSR Policy of the Company, the CSR initiatives undertaken during the financial year 2016-17 together with progress thereon and the report on CSR activities as required by the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in "Annexure C" to this Report.

## 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.

Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land, wherever we operate. Further, adequate awareness programmes were also conducted for the employees of the Company.

During the financial year 2016-17, no cases in the nature of sexual harassment were reported at any workplace of Nandan Denim Limited.

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return as on 31st March, 2017 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.

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

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

## CHANGE IN THE NATURE OF BUSINESS, IF ANY

There has been no change in the nature of business of the Company. However, updates regarding new projects undertaken by the Company are as under:

During the year, the Company has set up a new manufacturing unit at Vraj Integrated Textile Park Limited located at Bareja. Commercial production at the said unit commenced on December, 2016.

## 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. The facility of electronic voting was offered to the shareholders during the previous Annual General Meeting. In future, if any requirement of passing resolutions through postal ballot, Nandan Denim Limited will conduct the ballot process in the e-voting mechanism.

NDL has been 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.

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.

## 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 for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board of Directors

Place: Ahmedabad

Date: 14th August, 2017

**Vedprakash Chiripal**

*Chairman*

DIN: 00290454

**Jyotiprasad Chiripal**

*Managing Director*

DIN: 00155695

## Annexure 'A' to the Board's Report

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

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

**A. CONSERVATION OF ENERGY:**
**Energy and water conversion measures taken:-**

1. Replacement of pneumatic draft system to spring loaded draft system in Speed Frame
2. Replacement of 1100 Normal Tube Light to Led Tube Light
3. Injection of steam condensate in superheated steam
4. Improved air systems with high efficiency equipment
5. Installing 400 KLD STP & RO plant for domestic water reuse in plant operation

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

1. Investment and proposals of Led Tube light

2. Investment and proposals of high Efficiency equipment
3. Investment and proposals of STP plant

**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 measures, we will reduce cost by app. ₹163 Lac
2. By installation of STP Plant, we will reduce ground water consumption by 400 KLD
3. Better efficiency, optimum fuel utilisation, higher productivity and reduction in cost of production

**D. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION:**
**I. POWER & FUEL CONSUMPTION:**

	31.03.2017	31.03.2016
<b>1. ELECTRICITY</b>		
(a) Purchased		
Unit (kwh)	3851546	3916499
Total Amount	42843710	28863378
Rate / Unit (₹)	11.12	7.37
(b) Own Generation:		
i. Through Diesel Generator		
Unit (kwh)	Nil	Nil
Units per ltr of Fuel Oil / Gas	Nil	Nil
Cost / Unit (₹)	Nil	Nil
ii. Through Steam Turbine / Generator		
Unit (kwh)	171868660	135366211
Units per ltr of Fuel Oil / Gas	1.15	1.44
Cost / Unit (₹)	5.93	7.86
<b>2. LIGNITE</b>		
Quantity (Tones) / Day	13.21	4.09
Total Cost (₹)	16118313	4275527
Average Rate (₹)	3342	2864
<b>3. COAL</b>		
Quantity (Tones) / Day	529.95	529.95
Total Cost (₹)	831537716	767730163
Average Rate (₹)	4299	3639

	31.03.2017	31.03.2016
<b>4. FURNACE OIL (Used in Generation of Steam)</b>		
Quantity (Litres)	Nil	Nil
Total Amount (₹)	Nil	Nil
Average Rate (₹)	Nil	Nil
<b>5. OTHERS LSHS (Low Sulphur High Stock) (Used in Generation of Steam)</b>		
Quantity (Tones)	Nil	Nil
Total Cost (₹)	Nil	Nil
Rate / Unit (₹)	Nil	Nil

Note: The figures of previous year have been regrouped and re-arranged wherever considered necessary.

## II. CONSUMPTION PER METER OF PRODUCTION:

	31.03.2017	31.03.2016
Electricity (KWH) Per Meter	1.35	1.31
Coal (Specified Quality)	2.55	2.48
Lignite (KG) Per Meter	0.06	0.02

## E. TECHNOLOGY:

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

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

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

1. Product Innovations
2. Product Re-engineering.

**Product Innovations:** 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 dual core, two ply poly, melange
- d. New fabric construction for high fashion ladies garments.
- e. Exclusive design – peach denim.
- f. Yarn dyeing with Sulphur color

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

1. Better 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. Associations with new customer.

### 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 and 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. New dye range capable of giving extra depth of shades.
4. Participation in international fairs for product innovation.
5. New finishing machine capable of giving unique look and feel.

### Benefits Derived:

1. Better 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. Associations with new customers.

## G. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

(₹ in crore)

Particulars	31.03.2017	31.03.2016
(a) Foreign Exchange Earnings:	89.41	136.56
(b) Foreign Exchange Outgo:	4.14	5.59

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

## Annexure 'B' to the Board's Report

# FORM NO. MGT-9

### Extract of Annual Return as on financial year ended on 31st March, 2017

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

#### I. REGISTRATION AND OTHER DETAILS

i	Corporate Identification Number	L51909GJ1994PLC022719
ii	Registration Date	9th August, 1994
iii	Name of the Company	Nandan Denim Limited
iv	Category of the Company	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 Tel.: 91 – 79 – 26734660/2/3 Fax: 91 – 79 – 26768656 Website: www.nandandenim.com Email: cs.ndl@chiripalgroup.com
vi	Whether Listed Company ?	Yes
	Details of Stock Exchanges where shares are listed	BSE Limited: 532641 National Stock Exchange of India Limited: NDL
vii	Name, Address and Contact details of the Registrar & Transfer Agent, if any	Datamatics Financial Services Limited Plot No. B-5, Part B Cross Lane, MIDC, Andheri (east), Mumbai, Maharashtra – 400 093 Tel.: 91 – 22 – 66712151 – 56 Fax: 91 – 22 – 66712011 Email: 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.

Name & Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
Fabrics	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					

#### IV. SHAREHOLDING PATTERN (Equity share capital break-up as percentage to total equity)

##### A. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% to Total Shares	Demat	Physical	Total	% to Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	3032500	0	3032500	6.66	2282500	0	2282500	4.75	(1.91)
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	22462886	0	22462886	49.31	23212886	0	23212886	48.31	(1.00)
d) Banks / FIs	0								
e) Any other	2501802	0	2501802	5.49	2501802	0	2501802	5.21	(0.28)
<b>Sub Total: (A)(1)</b>	<b>27997188</b>	<b>0</b>	<b>27997188</b>	<b>61.47</b>	<b>27997188</b>	<b>0</b>	<b>27997188</b>	<b>58.27</b>	<b>(3.20)</b>
<b>(2) Foreign</b>									
a) NRI-Individuals	0	0	0	0.00	0	0	0	0	0.00
b) Other individuals	0	0	0	0.00	0	0	0	0	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0	0.00
d) Banks / FIs	0	0	0	0.00	0	0	0	0	0.00
e) Any other	0	0	0	0.00	0	0	0	0	0.00
<b>Sub Total: (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>27997188</b>	<b>0</b>	<b>27997188</b>	<b>61.47</b>	<b>27997188</b>	<b>0</b>	<b>27997188</b>	<b>58.27</b>	<b>(3.20)</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FIs	36959	0	36959	0.08	39315	0	39315	0.08	0.00
c) Central Govt.	5500	0	5500	0.01	5500	0	5500	0.01	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) FIs	2341898	0	2341898	5.14	5743851	0	5743851	11.95	6.81
g) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total: (B)(1)</b>	<b>2384357</b>	<b>0</b>	<b>2384357</b>	<b>5.23</b>	<b>5788666</b>	<b>0</b>	<b>5788666</b>	<b>12.05</b>	<b>6.81</b>
<b>(2) Non Institutions</b>									
a) Bodies Corporate									
i) Indian	3117413	0	3117413	6.84	2493108	0	2493108	5.19	(1.65)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	7217802	14852	7232654	15.88	7442399	14827	7457226	15.52	(0.36)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2173913	0	2173913	4.77	3599482	0	3599482	7.49	2.72



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% to Total Shares	Demat	Physical	Total	% to Total Shares	
c) Others (specify)									
c-i) NRI – Rep.	2487433	0	2487433	5.46	581785	0	581785	1.21	(4.25)
c-ii) NRI – Non Rep.	156098	0	156098	0.34	131601	0	131601	0.27	(0.07)
c-iii) Clearing Members									
c-iv)									
<b>Sub Total: (B)(2)</b>	<b>15152659</b>	<b>14852</b>	<b>15167511</b>	<b>33.30</b>	<b>14248375</b>	<b>14827</b>	<b>14263202</b>	<b>29.68</b>	<b>(3.61)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>17537016</b>	<b>14852</b>	<b>17551868</b>	<b>38.53</b>	<b>20037041</b>	<b>14827</b>	<b>20051868</b>	<b>41.73</b>	<b>3.20</b>
C) Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>45534204</b>	<b>14852</b>	<b>45549056</b>	<b>100.00</b>	<b>48034229</b>	<b>14827</b>	<b>48049056</b>	<b>100.00</b>	<b>0.00</b>

Note: The Company has converted 25,00,000 convertible warrants into equity shares in May 2016. The convertible warrants were issued and allotted to Polus Global Fund, a Foreign Portfolio Investor belonging to Non-Promoter Group, on 9th November, 2015.

(ii) Shareholding of Promoters:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the 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	11844270	26.00	2.20	11994270	24.96	2.08	(1.04)
2	Chiripal Exim LLP	7165556	15.73	8.78	7165556	14.91	0.00	(0.82)
3	Devkinandan Corporation LLP	3206060	7.04	0	3206060	6.67	0.00	(0.37)
4	Brijmohan D. Chiripal	2780000	6.10	0	2030000	4.22	0.00	(1.88)
5	Urmiladevi J. Chiripal	631802	1.39	1.38	631802	1.31	0.00	(0.08)
6	Jyotiprasad D. Chiripal	630000	1.38	1.38	630000	1.31	0.00	(0.07)
7	Jaiprakash D. Chiripal	630000	1.38	1.38	630000	1.31	0.00	(0.07)
8	Nandan Terry Private Limited	0	0.00	0.00	600000	1.25	0.00	1.25
9	Nishi J. Agarwal	480000	1.05	1.05	480000	1.00	0.00	(0.05)
10	Vedprakash Devkinandan Chiripal – HUF	252500	0.55	0.00	252500	0.53	0.00	(0.02)
11	Chiripal Textile Mills Private Limited	247000	0.54	0.00	247000	0.52	0.00	(0.02)
12	Deepak J. Chiripal	130000	0.28	0.28	130000	0.27	0.00	(0.01)
	<b>Total</b>	<b>27997188</b>	<b>61.47</b>	<b>16.46</b>	<b>27997188</b>	<b>58.27</b>	<b>2.08</b>	<b>(3.19)</b>

**Note:** Paid-up share capital as on 31st March, 2016 is 45549056 equity shares of ₹10/- each.

Paid-up share capital as on 31st March, 2017 is 48049056 equity shares of ₹10/- each.

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

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Chiripal Industries Limited				
	At the beginning of the year	11844270	26.00	-	-
	Purchase – 14.02.2017	50000	0.10	-	-
	Purchase – 20.02.2017	100000	0.21	-	-
	At the end of the year	-	-	11994270	24.96
2	Chiripal Exim LLP				
	At the beginning of the year	7165556	15.73	-	-
	At the end of the year	-	-	7165556	14.91
3	Devkinandan Corporation LLP				
	At the beginning of the year	3206060	7.04	-	-
	At the end of the year	-	-	3206060	6.67
4	Brijmohan D. Chiripal				
	At the beginning of the year	2780000	6.10	-	-
	Sale – 14.02.2017	50000	0.10	-	-
	Sale – 20.02.2017	100000	0.21	-	-
	Sale – 22.03.2017	300000	0.62	-	-
	Sale – 23.03.2017	300000	0.62	-	-
	At the end of the year	-	-	2030000	4.22
5	Urmiladevi J. Chiripal				
	At the beginning of the year	631802	1.39	-	-
	At the end of the year	-	-	631802	1.32
6	Jyotiprasad D. Chiripal				
	At the beginning of the year	630000	1.38	-	-
	At the end of the year	-	-	630000	1.31
7	Jaiprakash D. Chiripal				
	At the beginning of the year	630000	1.38	-	-
	At the end of the year	-	-	630000	1.31
8	Nandan Terry Private Limited				
	At the beginning of the year	0	0.00	-	-
	Purchase – 22.03.2017	300000	0.62	-	-
	Purchase – 23.03.2017	300000	0.62	-	-
	At the end of the year	-	-	600000	1.25
9	Nishi J. Agarwal				
	At the beginning of the year	480000	1.05	-	-
	At the end of the year	-	-	480000	1.00
10	Vedprakash Devkinandan Chiripal – HUF				
	At the beginning of the year	252500	0.55	-	-
	At the end of the year	-	-	252500	0.53
11	Chiripal Textile Mills Private Limited				
	At the beginning of the year	247000	0.54	-	-
	At the end of the year	-	-	247000	0.51
12	Deepak J. Chiripal				
	At the beginning of the year	130000	0.29	-	-
	At the end of the year	-	-	130000	0.27

**Note:** Paid-up share capital as on 31st March, 2016 is 45549056 equity shares of ₹10/- each.

Paid-up share capital as on 31st March, 2017 is 48049056 equity shares of ₹10/- each.

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

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year*	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Polus Global Fund				
	At the beginning of the year	135000	0.30	-	-
	Preferential Allotment	2500000	5.20	-	-
	At the end of the year	-	-	2635000	
2	Monil Chiripal	-	-	-	-
	At the beginning of the year	1623498	3.56	-	-
	Sale – 08.04.2016	100	0.00	-	-
	Purchase – 02.12.2016	1000	0.00	-	-
	Sale – 23.12.2016	1000	0.00	-	-
	Purchase – 10.02.2017	1000	0.00	-	-
	At the end of the year	-	-	1624398	3.38
3	New Leaina Investments Limited				
	At the beginning of the year	915000	2.01	-	-
	Purchase – 03.06.2016	45000	0.10	-	-
	Purchase – 08.07.2016	197999	0.41	-	-
	Purchase – 15.07.2016	90000	0.19	-	-
	Purchase – 19.08.2016	70000	0.15	-	-
	Purchase – 26.08.2016	204000	0.43	-	-
	Purchase – 09.09.2016	10000	0.02	-	-
	Purchase – 16.09.2016	30000	0.06	-	-
	Purchase – 21.09.2016	10000	0.02	-	-
	Purchase – 02.12.2016	7843	0.02	-	-
	At the end of the year	-	-	1579842	3.29
4	LTS Investment Fund Limited	-	-	-	-
	At the beginning of the year	727454	1.60	-	-
	Purchase – 08.04.2016	72136	0.16	-	-
	Purchase – 15.04.2016	6000	0.01	-	-
	Purchase – 22.04.2016	34127	0.08	-	-
	Purchase – 29.04.2016	65000	0.14	-	-
	Purchase – 06.05.2016	71000	0.16	-	-
	Purchase – 13.05.2016	32000	0.07	-	-
	Purchase – 20.05.2016	50000	0.11	-	-
	Purchase – 27.05.2016	58000	0.13	-	-
	Purchase – 10.06.2016	28292	0.06	-	-
	Purchase – 22.07.2016	20000	0.04	-	-
	At the end of the year	-	-	1164009	2.42
5	Hexa International Private Limited	-	-	-	-
	At the beginning of the year	754041	1.66	-	-
	Sale – 26.08.2016	100000	0.21	-	-
	At the end of the year	-	-	654041	1.36
6	Dolly Khanna	-	-	-	-
	At the beginning of the year	558373	1.23	-	-
	Purchase – 01.04.2016	18550	0.04	-	-
	Purchase – 08.04.2016	38154	0.08	-	-
	Purchase – 15.04.2016	21000	0.05	-	-
	Purchase – 22.04.2016	69430	0.15	-	-
	Purchase – 27.05.2016	2500	0.00	-	-

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year*	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Sale – 03.06.2016	8100	0.02	-	-
	Sale – 10.06.2016	2200	0.00	-	-
	Purchase – 17.06.2016	3550	0.01	-	-
	Purchase – 22.07.2016	3375	0.01	-	-
	Sale – 05.08.2016	2275	0.01	-	-
	Sale – 12.08.2016	14030	0.03	-	-
	Sale – 19.08.2016	4065	0.01	-	-
	Sale – 26.08.2016	2425	0.01	-	-
	Sale – 02.09.2016	7308	0.02	-	-
	Sale – 09.09.2016	8283	0.02	-	-
	Sale – 16.09.2016	3900	0.00	-	-
	Sale – 21.09.2016	6225	0.01	-	-
	Purchase – 21.10.2016	6530	0.01	-	-
	Purchase – 28.10.2016	500	0.00	-	-
	Sale – 17.02.2017	20649	0.04	-	-
	Sale – 03.03.2017	3375	0.01	-	-
	Sale – 10.03.2017	5400	0.01	-	-
	Sale – 17.03.2017	7350	0.02	-	-
	Sale – 24.03.2017	4630	0.01	-	-
	Sale – 31.03.2017	3390	0.00	-	-
	At the end of the year	-	-	618357	1.29
7	Kautilya Traders Private Limited				
	At the beginning of the year	442431	0.97	-	-
	Purchase – 03.03.2017	5000	0.01	-	-
	At the end of the year	-	-	447431	0.93
8	Orange Mauritius Investments Limited				
	At the beginning of the year	365000	0.80	-	-
	At the end of the year	-	-	365000	0.80
9	Manuj Chiripal				
	At the beginning of the year	506953	1.11	-	-
	Sale – 08.04.2016	25000	0.06	-	-
	Sale – 22.04.2016	25000	0.06	-	-
	Sale – 29.04.2016	32856	0.07	-	-
	Sale – 06.05.2016	19033	0.04	-	-
	Sale - 13.05.2016	32000	0.07	-	-
	Sale – 20.05.2016	50000	0.11	-	-
	Sale – 27.05.2016	8000	0.02	-	-
	Sale – 03.06.2016	19634	0.04	-	-
	Purchase – 17.03.2017	50000	0.10	-	-
	At the end of the year	-	-	345430	0.72
10	Rameswar Retailers Private Limited				
	At the beginning of the year	330702	0.73	-	-
	At the end of the year	-	-	330702	0.73

\* 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.
3. Paid-up share capital as on 31st March, 2016 is 45549056 equity shares of ₹10/- each.  
Paid-up share capital as on 31st March, 2017 is 48049056 equity shares of ₹10/- each.

## (iii) Change in Shareholding of Directors and Key Managerial Personnel (Specify if there is no change):

Sr. 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
<b>Directors:</b>					
1	Vedprakash Chiripal				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease in shareholding during the year	0	0.00		
	At the end of the year			0	0.00
2	Brijmohan Chiripal	-	-	11994270	24.96
	At the beginning of the year	2780000	6.10	-	-
	Date wise increase / decrease in shareholding during the year	(750000)	1.56	-	-
	At the end of the year	-	-	2030000	4.22
3	Tara Sankar Bhattacharya				
	At the beginning of the year	0	0.00	-	-
	Date wise increase / decrease in shareholding during the year	0	0.00	-	-
	At the end of the year	-	-	0	0.00
4	Ambalal Patel	2780000	6.10	-	-
	At the beginning of the year	1000	0.00	-	-
	Date wise increase / decrease in shareholding during the year	0	0.00	-	-
	At the end of the year	-	-	1000	0.00
5	Pratima Ram				
	At the beginning of the year	0	0.00	-	-
	Date wise increase / decrease in shareholding during the year	0	0.00	-	-
	At the end of the year	-	-	0	0.00
6	Giraj Mohan Sharma				
	At the beginning of the year	0	0.00	-	-
	Date wise increase / decrease in shareholding during the year	0	0.00	-	-
	At the end of the year	-	-	0	0.00
7	Yasho Verdhan Verma				
	At the beginning of the year	0	0.00	-	-
	Date wise increase / decrease in shareholding during the year	0	0.00	-	-
	At the end of the year	-	-	0	0.00
8	Pradeep Kumar Shrivastava*				
	At the beginning of the year	0	0.00	-	-
	Date wise increase / decrease in shareholding during the year	0	0.00	-	-
	At the end of the year	-	-	0	0.00
9	Ganesh Khawas**				
	At the beginning of the year	0	0.00	-	-
	Date wise increase / decrease in shareholding during the year	0	0.00	-	-
	At the end of the year	-	-	0	0.00

Sr. 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
Key Managerial Personnel					
1	Deepak Chiripal				
	At the beginning of the year	130000	0.29	-	-
	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	-	-
	Date wise increase / decrease in shareholding during the year	0	0.00	-	-
	At the end of the year	-	-	0	0.00
3	Purvee Roy				
	At the beginning of the year	0	0.00	-	-
	Date wise increase / decrease in shareholding during the year	0	0.00	-	-
	At the end of the year	-	-	0	0.00

\* Mr. Pradeep Kumar Shrivastava resigned on 15th April, 2017

\*\* Mr. Ganesh Khawas resigned on 4th July, 2016

\*\*\* Mr. Ashok Bothra was appointed on 28th May, 2016

**Note:** Paid-up share capital as on 31st March, 2016 is 45549056 equity shares of ₹10/- each.

Paid-up share capital as on 31st March, 2017 is 48049056 equity shares of ₹10/- each.

## 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	3836124036	-	-	3836124036
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	16616117	-	-	16616117
<b>Total (i+ii+iii)</b>	<b>3852740153</b>	-	-	<b>3852740153</b>
Change in Indebtedness during the financial year				
Additions	968775307	-	-	968775307
Reduction	-	-	-	-
Net Change	968775307	-	-	968775307
Indebtedness at the end of the financial year				
i) Principal Amount	4800087997	-	-	4800087997
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21427463	-	-	21427463
<b>Total (i+ii+iii)</b>	<b>4821515460</b>	-	-	<b>4821515460</b>

**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
		Mr. Brijmohan Chiripal (Managing Director)	Mr. Pradeep Kumar Shrivastava (Whole-Time Director)	Mr. Ganesh Khawas (Whole-Time Director)	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	8136540	948577	53465	9138582
	(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	2656386	30000	-	2686386
	<b>Total (A)</b>	10792926	978577	53465	11824968
	Ceiling as per the Act	10% of the Net Profits of the Company			

Note: Mr. Ganesh Khawas resigned w.e.f. 4th July, 2016.

**B. Remuneration to other Directors**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the Directors @					Total Amount
		TSB	AP	YVV	PR	GMR	
1	Independent Directors						
	(a) Fee for attending board / committee meetings	210000	100000	150000	200000	150000	810000
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	210000	100000	150000	200000	150000	810000
2	Other Non-Executive Directors	VDC					
	(a) Fee for attending board / committee meetings	-					
	(b) Commission	-					
	(c) Others, please specify	-					
	Total (2)	-					
	Total (B)=(1+2)	-					810000
	Ceiling as per the Act	1% of the Net profits of the Company					

@ TSB – Mr. Tara Sankar Bhattacharya

YVV – Dr. Yasho Verdhan Verma (resigned w.e.f. 15th December, 2016)

AP – Mr. Ambalal Patel

PR – Ms. Pratima Ram

GMS – Mr. Giraj Mohan Sharma

VDC – Mr. Vedprakash Chiripal

**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	6509238	2274948	759108	9543294
	(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	2125110	115200	-	2240310
	<b>Total</b>	<b>8634348</b>	<b>2390148</b>	<b>759108</b>	<b>11783604</b>

# CEO – Mr. Deepak Chiripal

CFO – Mr. Ashok Bothra (w.e.f. 28th May, 2016)

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			NONE		
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

**Vedprakash Chiripal**

*Chairman*

(DIN: 00290454)

## Annexure 'C' to the Board's Report

# CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to Section 135 of the Companies Act, 2013]

**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 CSR Policy of the Company inter-alia specifies the broad areas of CSR activities that could be undertaken by the Company for undertaking CSR projects and the monitoring mechanism. The Company believes that economic value and social value are interlinked. A firm creates economic value by creating social value.

In accordance with the CSR Policy of the Company, the CSR initiatives for the year were focused on education. One of the most significant indicators of social progress is education, which also plays a decisive role for a society to achieve self – sustainable and equitable development. Infusing innovation in education will enable further impact. With an increasing global realization of how business community can and should contribute to social objectives, education deserves a higher level of corporate involvement. Nandan Denim Limited aspires to enormously contribute to improve and facilitate the literacy levels at various sections of society by providing better experience of education and continuous focus on overall development of students. The Company aims at making a positive impact on society through educational development directly through its registered trusts namely 'Chiripal Charitable Trust' and 'Milestone Educom Trust', both of which are having an established track record of more than three years.

The CSR activities are as per the provisions of Schedule VII of the Companies Act, 2013.

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

**2. Organization Set-Up:**

The CSR projects are implemented under the guidance of the CSR Committee of Directors, which presently comprises three Directors. The terms of reference of the Committee inter-alia includes:

- a. Recommend, for approval of the Board, the amount of expenditure to be incurred on the activities in a financial year along with projects to be undertaken earmarking funds for broad area wise projects;
- b. Monitor from time to time the implementation of the CSR projects undertaken by the Company.

**3. Composition of the CSR Committee as on 31st March, 2017:**

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

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

₹ 72.04 crore

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

₹ 1.44 crore

**6. Details of CSR spent for the financial year:**

- a. Total amount spent for the financial year: ₹1.50 crore
- 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 using internal resources or through collaboration with NGOs / specialized agencies / trusts / institutions / foundations / societies / Government bodies etc. in accordance with the provision of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014:

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 2016-17	Amount spent on the Projects or Programs		Cumulative Expenditure upto the reporting period	Amount spent directly or through implementing agency
					Direct Expenditure	Overheads		
1	Promoting education by providing educational material, computer & study material, student books & periodicals, teaching aids, setting up of libraries, scholarships, coaching classes, computer hardware & software for smart classes, building infrastructure at schools, laboratory expenses and other student welfare and related expenses	Education	Ahmedabad & Surat	₹1.50 crore	₹1.50 crore	–	₹1.50 crore	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 Committee confirms that 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.

**Vedprakash Chiripal**

*Chairman*

DIN: 00290454

Annexure 'D' to the Board's Report

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

#### Form MR-3

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

To,  
The Members,

#### NANDAN DENIM LIMITED

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

- I. The Secretarial Standards issues by the Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Accordingly, the Industry specific major Acts as applicable to the Company are complied.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review, were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in

the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year under review, the Company has not undertaken any event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

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

**(Geeta Serwani)**

*Proprietor*

FCS: 8991

CP: 8842

Date: 14<sup>th</sup> August, 2017

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

## Annexure 'A' to the Secretarial Audit Report

To,  
The Members,

**NANDAN DENIM LIMITED**

Survey No 198/1 203/2 Saijpur Gopalpur

Pirana Road, Piplej

Ahmedabad.

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about compliance of laws, rules and regulations and happenings of events, etc.

5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**(Geeta Serwani)**

*Proprietor*

FCS: 8991

CP: 8842

Date: 14<sup>th</sup> August, 2017

## Annexure 'E' to the Board's Report

# DIVIDEND DISTRIBUTION POLICY

### INTRODUCTION:

The Dividend Distribution Policy ("the policy") establishes the principles to ascertain amounts that can be distributed to equity shareholders as Dividend by the Company as well as enable the Company to strike balance between pay-out and retained earnings, in order to address future needs of the Company.

### OBJECTIVE:

The objective of the policy is to specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect Dividend and how the retained earnings shall be utilised, etc.

The Board of Directors (Board) may consider declaration of Interim Dividend depending upon the cash flow situation of the Company. The dividend distribution shall be as per the recommendations of the Board and shall always be decided at an Annual General Meeting of shareholders in case of Final Dividend. Depending on the long term growth strategy of the Company and the prevailing circumstances, the Board may consider a higher dividend payout ratio, while trying to ensure that sufficient funds are retained for growth of the Company.

### DECLARATION AND PAYMENT OF DIVIDEND:

In compliance with Section 51 of the Companies Act, 2013, the Company shall pay dividend proportionately, i.e. in proportion to the amount paid-up on each share. Final dividend for a financial year shall be paid after the annual financial statements of the Company are finalised and the amount of distributable profits is available. The declaration and payment of Dividend shall be in accordance with the provisions of Sections 123 to 127 of the Act. Pursuant to the provisions of Section 123 of the Act, the Board shall recommend Dividend for any financial year subject to the following:

(a) out of the profits of the Company for that year arrived after providing for depreciation; or

(b) out of the profits of the Company for any previous financial year(s) arrived at after providing for depreciation and remaining undistributed; or

(c) out of both (a) and (b)

Dividend declared will be distributed amongst all shareholders, based on their shareholding on the Record Date.

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act. The Board may also declare Interim Dividend as may be permitted by the Companies Act.

The Company has had a consistent Dividend policy that balances the objective of appropriately rewarding shareholders through Dividends and to support the future growth.

As in the past, subject to the provisions of the applicable law, the Company's Dividend payout will be determined based on available financial resources, investment opportunities and taking into account optimal shareholder return. Within these parameters, the Company would endeavor to maintain a total Dividend pay-out ratio in the range of 12% to 20% of the annual standalone Profits after Tax (PAT) of the Company.

### PARAMETERS:

While determining the nature and quantum of the dividend payout, including amending the suggested payout range as above, the Board would take into account the following factors:

#### o Internal Factors:

- i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
  - a. Previous years; and
  - b. Internal budgets
- ii. Cash flow position of the Company

- iii. Accumulated reserves
- iv. Earnings stability
- v. Future cash requirements for growth / expansion and / or for other purposes
- vi. Brand acquisitions
- vii. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities
- viii. Deployment of funds in short term marketable investments
- ix. Long term investments
- x. Capital expenditure(s), and
- xi. The ratio of debt to equity (at net debt and gross debt level).

o **External Factors:**

- i. Business cycles
- ii. Economic environment
- iii. Cost of external financing
- iv. Applicable taxes including tax on dividend
- v. Industry outlook for the future years
- vi. Inflation rate, and
- vii. Changes in the Government policies, industry specific rulings & regulatory provisions.

Apart from the above, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. In such event, the Board will provide rationale in the Annual Report.

**CLASS OF SHARES:**

The Company currently has only one class of shares i.e. equity shares.

The retained earnings of the Company may be used in any of the following ways:

- i. Capital expenditure and working capital,
- ii. Growth and / or expansion
- iii. Investment in new business(es) and / or additional investment in existing business(es)
- iv. Declaration of Dividend
- v. Capitalisation of shares
- vi. Buy back of shares
- vii. General corporate purposes, including contingencies
- viii. Correcting the capital structure
- ix. Any other permitted usage as per the Companies Act, 2013.

**AMENDMENT:**

In case of any subsequent changes in the provisions of the Act or Regulations or Income Tax Act, 1961 or any other regulations which makes any of the provisions of this Policy inconsistent with the Act or such other regulations, then the provisions of the Act or such other regulations would prevail over this Policy and the relevant provisions contained in this Policy would be modified accordingly in due course to make it consistent with applicable laws.

This policy may be reviewed periodically by the Board. Any changes or revisions to the policy will be communicated to shareholders in a timely manner.

**Vedprakash Chiripal**  
*Chairman*  
DIN: 00290454

## Annexure 'F' to the Board's 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 2016-17 is as follows:

(₹ in lakhs)

Name of Director(s)	Total Remuneration (in ₹)	Ratio of Remuneration of Director to the Median Remuneration *
Vedprakash Chiripal	NIL	NA
Brijmohan Chiripal	107.93	118.60
Tara Sankar Bhattacharya	2.10	2.30
Ambalal Patel	1.00	1.10
Yasho Verdhan Verma	1.50	1.65
Pratima Ram	2.00	2.20
Giraj Mohan Sharma	1.50	1.65
Pradeep Kumar Shrivastava	9.79	10.76
Ganesh Khawas	0.53	0.58

**Notes:**

- \*Median remuneration for the financial year 2016-17 is ₹90,588/-.
- The aforesaid details are calculated on the basis of remuneration for the financial year 2016-17.
- 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 2016-17.

- B. Details of percentage increase in the remuneration of each Director, CFO & Company Secretary in the financial year 2016-17 are as follows:

Name of Director	Remuneration (in ₹)		Increase / (Decrease) %
	2016-17	2015-16	
Vedprakash Chiripal	Nil	Nil	NA
Brijmohan Chiripal	10792926	6720000	60.61
Tara Sankar Bhattacharya	210000	250000	(16.00)
Ambalal Patel	100000	200000	(50.00)
Yasho Verdhan Verma	150000	200000	*
Pratima Ram	200000	200000	0.00
Giraj Mohan Sharma	150000	250000	(40.00)
Pradeep Kumar Shrivastava	978577	48870	*
Ganesh Khawas	53465	20772	*

Name of Key Managerial Personnel	Remuneration (in ₹)		Increase / (Decrease) %
	2016-17	2015-16	
Deepak Chiripal	8634348	4800000	79.88
Ashok Bothra	2390148	NA	NA
Purvee Roy	759108	608072	24.83

**Notes:**

- \*Percentage increase in remuneration is not reported as they were holding Directorship for the part of financial year 2015-16 and 2016-17, thus remuneration is proportionately adjusted.



2. \*\*Mr. Pradeep Kumar Shrivastava was appointed on 11th March, 2016, thus salary has been displayed accordingly.
  3. The remuneration to Directors is within the overall limits approved by the shareholders of the Company.
  4. 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 2016-17. The sitting fees paid for the financial year 2016-17 are lower than the sitting fees paid for the financial year 2015-16, based on the number of meetings held during the financial year 2016-17.
- C. Percentage increase in the median remuneration of all employees in the financial year 2016-17: 11%**
- D. Number of permanent employees on the rolls of the Company as on 31st March, 2017: 3690**
- 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 86% and for other employees was about 10%. There was no exceptional increase in remuneration of Key Managerial Personnel except Mr. Brijmohan Chiripal and Mr. Deepak Chiripal.
- 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.

**Vedprakash Chiripal**

*Chairman*

(DIN: 00290454)

## Annexure 'G' to the Board's 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	NIL
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	

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

Name(s) of the related party / parties and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any
Chiripal Industries Limited	● Purchase / sale / supply of goods or materials including raw materials and stock in trade	-	At market price	28.05.2016 10.08.2016 14.11.2016 09.02.2017	-
Nova Textiles Private Limited		-			-
Vishal Fabrics Limited	● Selling or otherwise disposing of or buying property of any kind or any capital asset	-			-
Chiripal Poly Films Limited		-			-
Shanti Exports Private Limited	● Giving / taking on rent or leasing of property of any kind ● Availing or rendering of services including job work ● Purchase or sale of investment ● Maintenance, repairs, electricity, fuel	-			

# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to good corporate governance practices aimed at increasing value for all stakeholders. The Company, as a constituent of Chiripal Group, has always been a value driven Company. The Company's corporate governance philosophy is based on values of Chiripal Group focusing on fairness, responsibility, openness, trust, reliability, credibility and legality.

Nandan's values and Code of Business Conduct provides necessary framework in running the business with high moral standards and enable the Company to fulfill its legal, financial and ethical objectives. The Company has a well – informed and independent Board for ensuring the same.

## BOARD OF DIRECTORS

### o Composition of the Board and Category of Directors:

The composition of the Board of Directors of the Company is governed by the provisions of Companies Act, 2013 (the "Act"), Articles of Association of the Company and Listing Agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). The Board comprises of an optimum mix of Executive and Non-Executive Directors. The Board has one Woman Director. More than half of the Board comprises of Independent Directors. The Directors of the Company are persons of eminence having vast and varied experience in manufacturing, marketing, sales, banking, financial and business administration.

The composition of the Board as on 31st March, 2017 is as under:

Sr. No.	Name of Director	Category
1	Mr. Vedprakash Chiripal	Chairman – Non Executive
2	Mr. Brijmohan Chiripal	Managing Director – Executive
3	Mr. Tara Sankar Bhattacharya	Independent – Non Executive
4	Mr. Ambalal Patel	Independent – Non Executive
5	Ms. Pratima Ram	Independent – Non Executive
6	Mr. Giraj Mohan Sharma	Independent – Non Executive
7	Mr. P.K. Shrivastava	Whole-Time Director - Executive

During the year, Mr. Ganesh Khawas resigned as Whole-Time Director of the Company as on 4th July, 2016. Dr. Yasho Verdhan Verma stepped down as Independent Director with effect from 15th December, 2016.

Further, Mr. Pradeep Kumar Shrivastava resigned as Whole-Time Director of the Company as on 15th April, 2017. Mr. Prakash Kumar Sharma was appointed as Whole-Time Director w.e.f. 1st June, 2017. Mr. Brijmohan Chiripal stepped down as Managing Director w.e.f. 31st May, 2017 and Mr. Jyotiprasad Chiripal assumed the position of Managing Director w.e.f. 1st June, 2017.

### o Attendance at Board Meetings and Annual General Meeting:

Four Board Meetings were held during the year under review on 28th May, 2016, 10th August, 2016, 14th November, 2016 and 9th February, 2017 respectively.

Details of attendance of Directors at the Board Meetings are given below:

Name of Director	Board Meeting			
	2016			2017
	28th May	10th August	14th November	9th February
Mr. Vedprakash Chiripal	Yes	No	No	Yes
Mr. Brijmohan Chiripal	Yes	Yes	Yes	Yes
Mr. Tara Sankar Bhattacharya	No	Yes	Yes	Yes
Mr. Ambalal Patel	Yes	Yes	Yes	Yes
Dr. Yasho Verdhan Verma	Yes	Yes	Yes	NA
Ms. Pratima Ram	Yes	Yes	Yes	Yes
Mr. Giraj Mohan Sharma	Yes	No	Yes	Yes
Mr. Pradeep Kumar Shrivastava	Yes	Yes	Yes	Yes
Mr. Ganesh Khawas	Yes	NA	NA	NA

Note: Mr. Ganesh Khawas and Dr. Yasho Verdhan Verma resigned on 4th July, 2016 and 15th December, 2016 respectively.

o **Particulars of the directorship of Board, Membership and Chairmanship of Board Committees of the Directors across all Listed Companies including Nandan Denim Limited as on 31st March, 2017 are given below:**

Name of Director	Directorships held	Committee	
		Membership	Chairmanship
Mr. Vedprakash Chiripal	1	2	0
Mr. Brijmohan Chiripal	1	0	0
Mr. Tara Sankar Bhattacharya	4	5	0
Mr. Ambalal Patel	7	9	3
Ms. Pratima Ram	5	3	0
Mr. Giraj Mohan Sharma	1	1	2
Mr. P.K. Shrivastava	1	0	0
Mr. Ganesh Khawas	1	0	0

o **Relation between Directors:**

The Chairman, Mr. Vedprakash Chiripal and Mr. Brijmohan Chiripal, Managing Director as on 31st March 2017 are brothers. Further, Mr. Jyotiprasad Chiripal who assumed the roles and responsibilities of Managing Director w.e.f. 1st June, 2017 is also brother of Mr. Vedprakash Chiripal.

Mr. Deepak Chiripal, Chief Executive Officer of the Company, is son of Mr. Jyotiprasad Chiripal.

o **Details of shareholding of Directors in the Company as on 31st March, 2017:**

Name of Director	Category	Shares held by Director in the Company
Mr. Vedprakash Chiripal	Chairman	NIL
Mr. Brijmohan Chiripal	Managing Director	20,30,000
Mr. Tara Sankar Bhattacharya	Independent Director	NIL
Mr. Ambalal Patel	Independent Director	1000
Ms. Pratima Ram	Independent Director	NIL
Mr. Giraj Mohan Sharma	Independent Director	NIL
Mr. Pradeep Kumar Shrivastava	Whole-Time Director	NIL

Since the Company has not issued any convertible instruments during 2016-17, disclosure in this respect is not applicable.

o **Independent Directors:**

In terms of the provisions of the Act, the Independent Directors were appointed for a period of 5 years w.e.f. 15th September, 2014. A letter of appointment encompassing the terms and conditions of appointment, roles, duties and liabilities were issued to the Independent Directors. The main terms of appointment can be accessed at: [www.nandandenim.com/Pdf/FamiliarizationPolicy.pdf](http://www.nandandenim.com/Pdf/FamiliarizationPolicy.pdf)

As mandated by the Listing Regulations, the Independent Directors on Nandan's Board:

- Are persons of integrity and possess relevant expertise and experience, in the opinion of the Board of Directors;
- Are not a Promoter of the Company or its holding, subsidiary or associate company;
- Are not related to Promoters or Directors in the Company, its holding, subsidiary or associate company;
- Apart from receiving Director's remuneration, have or had no material pecuniary relationship with the Company, its

holding, subsidiary or associate company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year;

- Have no relative, who has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their Promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither themselves nor any of their relatives –
  - hold or have held the position of a Key Managerial Personnel or are or have been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which they were proposed to be appointed;
  - are or have been an employee or proprietor or a partner,

in any of the three financial years immediately preceding the financial year in which they were proposed to be appointed, of —

- A. a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate company; or
- B. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) hold together with their relatives two per cent or more of the total voting power of the Company; or

(iv) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty five per cent or more of its receipts or corpus from the Company, any of its Promoters, Directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company;

(v) is a material supplier, service provider or customer or a lessor or lessee of the Company;

g. are not less than 21 years of age.

The Independent Directors have confirmed that they meet the criteria of independence laid down under the Companies Act, 2013 and the Listing Regulations.

**o Familiarization Programme for Independent Directors:**

Familiarization Programme for Independent Directors generally forms part of the Board process. The Independent Directors are updated on an ongoing basis on the Board / Committee meetings, inter alia, on the following:

- Nature of the industry in which the Company operates;
- Business environment and operational model of various business divisions of the Company including important developments thereon;
- Roles, rights and responsibilities of Directors;
- Important changes in regulatory framework having an impact on the Company;
- Manufacturing facilities of the Company at various locations.

Details of the familiarization programme for Independent Directors can be accessed at: [www.nandandenim.com/Pdf/FamiliarizationPolicy.pdf](http://www.nandandenim.com/Pdf/FamiliarizationPolicy.pdf)

**o Separate Meeting of Board of Directors:**

Independent Directors of the Company met separately on 9th February, 2017 without the presence of Non-Independent Directors and members of management. In accordance with the Listing Regulations, following matters were, inter alia, reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board of Directors as a whole;

- Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors;

- Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**o Information supplied to the Board:**

The Board has complete access to all information with the Company. All Board Meetings are governed by a structured agenda which is backed by comprehensive background information. Since the year 2014-15, as a part of green initiative, the agenda and related papers are provided to the Board members through email, in paperless form. The information pertaining to mandatory items as specified in the Listing Regulations, Companies Act, 2013 and other applicable laws, along with other business issues, is regularly provided to the Board, as part of the agenda papers at least seven days in advance of the Board Meetings (except for certain unpublished price sensitive information which is circulated at a shorter notice). Action Taken Report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board.

**o Committees of the Board:**

The Company had constituted following five Committees of the Board during the year 2016-17:

**A. AUDIT COMMITTEE (AC)**

The Board has an Audit Committee which has been constituted in compliance with the provisions of section 177 of the Companies Act, 2013 and regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Terms of Reference:**

The terms of reference given by the Board of Directors pursuant to Section 177 of the Act and the Listing Regulations are given below:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommend appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;

<p>b. changes, if any, in accounting policies and practices and reasons for the same;</p> <p>c. major accounting entries involving estimates based on the exercise of judgment by management;</p> <p>d. significant adjustments made in the financial statements arising out of audit findings;</p> <p>e. compliance with listing and other legal requirements relating to financial statements;</p> <p>f. disclosure of any related party transactions;</p> <p>g. qualifications in the draft Audit Report;</p> <p>5. Reviewing with the management: the quarterly financial statements before submission to the Board for approval, 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 steps in this matter;</p> <p>6. Review and monitor the auditor's independence and performance, and effectiveness of audit process;</p> <p>7. Approval or any subsequent modification of transactions of the Company with Related Parties;</p> <p>8. Scrutiny of inter-corporate loans and investments;</p> <p>9. Valuation of undertakings or assets of the Company, wherever it is necessary;</p> <p>10. Evaluation of internal financial controls and risk management systems;</p>	<p>11. Reviewing with the management, performance of Statutory and Internal Auditors and adequacy of the internal control systems;</p> <p>12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;</p> <p>13. Discussion with Internal Auditors of any significant findings and follow up thereon;</p> <p>14. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;</p> <p>15. Discussion with 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;</p> <p>16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;</p> <p>17. To review the functioning of the Whistle Blower mechanism;</p> <p>18. 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, background, etc., of the candidate; and</p> <p>19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee by the Act, the Listing Regulations or by the Board from time to time.</p> <p>Such other matters as may be prescribed under the Act, Listing Regulations and by the Board of Directors of the Company from time to time.</p>
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#### Composition, name of Members and Chairperson, Meetings held during the year and Attendance at the Meetings:

During the year under review, four meetings of the Audit committee were held on 28th May, 2016; 10th August, 2016; 14th November, 2016 and 9th February, 2017 respectively.

The constitution and number of meetings attended by the Members of the Committee are given below:

Name of Director	Category	Number of Audit Committee Meetings attended during the year
Mr. Ambalal Patel	Chairperson – Independent Director	4
Mr. Tara Sankar Bhattacharya	Member – Independent Director	3
Ms. Pratima Ram	Member – Independent Director	4
Mr. Vedprakash Chiripal	Member – Non Executive Non Independent Director	2

Mr. Ambalal Patel attended the last Annual General Meeting of the Company as the Chairman of the Audit Committee.

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.

All the members of the Audit Committee are financially literate and have accounting and related financial management expertise.

#### Related Party Transaction Policy:

Company has formulated a Policy on Related Party Transactions as per the requirements of Listing Agreement / Regulations. The Policy is available on the website of the Company.

## B. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

The Board has a Stakeholders Relationship Committee, which has been constituted in compliance with the provisions of section 178 of Companies Act, 2013 and regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Terms of Reference:

The Committee performs the following functions:

1. Transfer/ transmission of shares.
2. Split up/ sub-division and consolidation of shares.
3. Dematerialization/ rematerialization of shares.
4. Issue of new and duplicate share certificates.

5. Registration of Power of Attorneys, Probate, Letters of transmission or similar other documents.
6. To open / close bank account(s) of the Company for depositing share / debenture applications, allotment and call monies, authorize operation of such account(s) and issue instructions to the Bank from time to time in this regard.
7. To look into redressal of shareholders' and investors' complaints like transfer of shares, non receipt of Annual Report, non receipt of declared dividends, etc.
8. Such other matters as may be prescribed under the Act, Listing Regulations and by the Board of Directors of the Company from time to time.

Details of complaints received and resolved by the Company during the financial year 2016-17 are given below:

Nature of Complaint	As on 1st April, 2016	Received during 2016-17	Disposed of during 2016-17	As on 31st March, 2017
Non receipt of certificates lodged for Transfer / Transmission, issue of Duplicate shares	Nil	Nil	Nil	Nil
Non-receipt of Dividend	Nil	37	37	Nil
Others (Non-receipt of bonus shares/ POA/ change of signatures/ address etc.)	Nil	Nil	Nil	Nil
<b>Total</b>	Nil	37	37	Nil

### Composition, name of Members and Chairperson, Meetings held during the year and Attendance at the Meetings:

During the year under review, four meetings of the Stakeholders Relationship Committee were held on 28th May, 2016; 10th August, 2016; 14th November, 2016 and 9th February, 2017 respectively.

The constitution and number of meetings attended by the Members of the Committee are given below:

Name of Director	Category	Number of Stakeholders Relationship Committee Meetings attended during the year
Mr. Giraj Mohan Sharma	Chairperson – Non Executive Independent Director	3
Ms. Pratima Ram	Member – Non Executive Independent Director	4
Mr. Vedprakash Chiripal	Member – Non Executive Non Independent Director	2

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

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

## C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSRC)

The Board has a Corporate Social Responsibility (CSR) Committee which has been constituted in compliance with the provisions of section 135 of the Companies Act, 2013 and regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Terms of Reference:

1. 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;

2. Recommending to the Board the amount of expenditure to be incurred;
3. Monitoring the implementation of framework of CSR Policy;
4. Ensuring that implementation of the projects and programmes is in compliance with the CSR policy of the company.
5. Such other matters as may be prescribed under the Act, Listing Regulations and by the Board of Directors of the Company from time to time.

During the year under review, two meetings of the Corporate Social Responsibility Committee were held on 28th May, 2016 and 14th November, 2016 respectively.

The constitution and number of meetings attended by the Members of the Committee are given below:

Name of Director	Category	Number of stakeholders Relationship Committee Meetings attended during the year
Mr. Giraj Mohan Sharma	Chairman – Non Executive Independent Director	2
Mr. Brijmohan Chiripal	Member – Executive Director	2
Mr. Vedprakash Chiripal	Member – Non Executive Independent Director	1

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

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

#### D. NOMINATION & REMUNERATION COMMITTEE (NRC):

The Board has Nomination and Remuneration Committee which has been constituted in compliance with the provisions of section 178 of the Companies Act, 2013 and regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### Terms of Reference:

1. Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board including carrying out evaluation of every Director's performance;

3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal; and
5. Such other matters as may be prescribed under the Act, Listing Regulations and by the Board of Directors of the Company from time to time.

##### Composition, name of Members and Chairperson, Meetings held during the year and Attendance at the Meetings:

During the year under review, three meetings of the Nomination & Remuneration Committee were held on 28th May, 2016, 10th August, 2016 and 9th February, 2017.

The constitution and number of meetings attended by the Members of the Committee are given below:

Name of Director	Category	Number of Nomination & Remuneration Committee Meetings attended during the year
Mr. Tara Sankar Bhattacharya	Chairperson – Independent Director	2
Mr. Ambalal Patel	Member – Independent Director	3
Mr. Vedprakash Chiripal	Member – Non Executive Non Independent Director	2

The Company Secretary acts as the Secretary to the Committee.

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

##### Performance evaluation criteria for Independent Directors:

Details relating to manner in which evaluation of the performance of the Board / Individual Directors (including Independent Directors) was carried out, is provided in the Directors' Report.

#### E. PREFERENTIAL ALLOTMENT COMMITTEE (PAC):

The Company had allotted 25,00,000 convertible warrants to a Foreign Portfolio Investor non – promoter entity (FII) namely Polus Global Fund on 9th November, 2015 pursuant to receipt of shareholders' approval at the Annual General Meeting of the Company held on 29th September, 2015 and on receipt of In – Principle Approval from the stock exchanges where the Company's shares are listed. The warrants were allotted at a conversion price of ₹200 (Rupees Two Hundred only) each inclusive of premium of ₹190 (Rupees One Hundred and Ninety only) per share.

##### Terms of Reference:

The Preferential Allotment Committee was constituted for the purpose of better corporate governance and for smooth operations of conversion of warrants into equity shares and also to take note of the amount, as and when received in tranches

##### Composition, name of Members and Chairperson, Meetings held during the year and Attendance at the Meetings:

During the year under review, one meeting of the Preferential Allotment Committee was held 14th May, 2016.



The constitution and number of meetings attended by the Members of the Committee are given below:

Name of Director	Category	Number of Preferential Allotment Committee Meetings attended during the year
Mr. Vedprakash Chiripal	Chairperson – Non Executive Promoter Director	2
Mr. Brijmohan Chiripal	Member – Executive Promoter Director	2
Mr. Ambalal Patel	Member – Non Executive Independent Director	2

The Company Secretary acts as the Secretary to the Committee.

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

The Company converted 25,00,000 (Twenty Five Lakh only) convertible warrants allotted to Polus Global Fund into equivalent quantity of equity shares on receipt of entire amount of ₹50.00 crore (Rupees Fifty Crores only) in four tranches.

## REMUNERATION OF DIRECTORS

a) Directors have no pecuniary relationship with the Company other than receiving remuneration as Directors.

b) Details of Remuneration

**Whole-Time Directors/Executive Directors:** The remuneration payable to the Executive Directors are governed by the Act, Listing Regulations and Nomination Remuneration Policy of the Company and is subject to approval of the shareholders. Remuneration of Executive Directors consists of a fixed salary. The Board of Directors on the recommendation of Nomination Remuneration Committee determines the remuneration to be given to Directors. In addition, Executive Directors receive benefits as per the Company policy and the Agreement entered with them.

Details of remuneration paid to Executive Directors during the financial year are given below:

Particulars	Mr. Brijmohan Chiripal	Mr. Pradeep Kumar Shrivastava	Mr. Ganesh Khawas
	Managing Director	Whole-Time Director	Whole-Time Director
Salary	8136540	948577	53465
Commission / Bonus	Nil	Nil	Nil
Contribution to Provident Fund & other Funds	2656386	30000	Nil
Other perquisites as per Income Tax Rules	Nil	Nil	Nil
Stock Options	Nil	Nil	Nil
<b>Total</b>	<b>10792926</b>	<b>978577</b>	<b>53465</b>

Mr. Ganesh Khawas resigned w.e.f. 4th July, 2016.

### Non-Executive Directors:

Remuneration to Non-Executive Directors is paid by way of Sitting Fee for attending the meetings of the Board, Audit and other Committees in addition to reimbursement of expenses incurred for attending the Board / Committee meetings.

Details of Sitting Fees paid to Non-Executive Directors for the financial year ended 31st March, 2017 is given below:

Particulars	Sitting Fees	Commission	Total
Mr. Tara Sankar Bhattacharya	210000	-	210000
Mr. Ambalal Patel	100000	-	100000
Dr. Yasho Verdhan Verma *	150000	-	150000
Ms. Pratima Ram	200000	-	200000
Mr. Giraj Mohan Sharma	150000	-	150000

\* Dr. Yasho Verdhan Verma resigned from the Board w.e.f. 15th December, 2016.

## DISCLOSURES:

- i. During the year ended 31st March, 2017, there has been no materially significant transaction entered by the Company with any party which is considered to have potential conflict of interest with the Company at large. The details of all Related Party transactions are placed and approved by the Audit Committee and Board of Directors on periodical basis.
- ii. During the last three years, there has been no instance of non-compliance and no penalties or strictures imposed on the Company by Stock Exchanges or the SEBI or any other statutory authorities on any matter related to capital market.
- iii. In accordance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, 2015, the Company has formulated a 'Vigil Mechanism/Whistle

Blower Policy' which provides an avenue to the Directors and employees of the Company to directly report, their genuine concerns including unethical behavior and violation of code of conduct, to the Chairman of the Audit Committee. No person has been denied access to the Chairman of the Audit Committee of the Board of Directors of the Company.

- iv. The Company has complied with the mandatory requirements of Listing Regulations, 2015. Compliance status about the non-mandatory requirements of the Listing Regulations, 2015 are disclosed separately elsewhere.

### Disclosures of Accounting Treatment:

While preparation of Financial Statements, the Accounting Standards, issued by The Institute of Chartered Accountants of India (ICAI), have generally been followed.

## GENERAL BODY MEETINGS

Location and time of last 3 Annual General Meetings is given below:

Financial Year	Date	Time	Venue
2015-16	September 28, 2016	10.30 a.m.	H.T. Parekh Convention Centre, AMA, ATIRA, Panjarapole, Ahmedabad – 380 015
2014-15	September 29, 2015	9.30 a.m.	J. B. Auditorium, AMA, Near Panjarapole, Ahmedabad - 380 015
2013-14	September 15, 2014	10.00 a.m.	Lions Hall, Mithakhali Six Road, Nr. Nalanda Hotel, Ellisbridge, Ahmedabad-380 006

Particulars of Special Resolutions passed in the last three Annual General Meetings are given below:

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

Year	No. of special resolutions
2015-16	6
2014-15	5
2013-14	5

### Resolutions passed through Postal Ballot:

There was no item during the year under review that was required to be passed through the process of Postal Ballot. Further, there is no special resolution proposed to be passed at the ensuing Annual General Meeting which is required to be approved by the shareholders through Postal Ballot.

Requirement of Postal Ballot shall be complied with, wherever applicable, as required by law.

## MEANS OF COMMUNICATION

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

Quarter / Half Year / Year	In the month of
Quarter ending 30th June	August 2017
Quarter / Half Year ending 30th September	November 2017
Quarter / Nine Months ending 31st December	February 2018
Year ending 31st March	May 2018

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

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

### 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.

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

NSE and BSE have developed web based applications for corporates. All compliances like Financial Result, Shareholding Pattern, Corporate Governance Report, etc. are filed electronically on NEAPS/ BSE 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 has appointed an Investor Relation Agency namely Dickenson Seagull IR to take care of its investor requirements. The Agency 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 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.

**ADOPTION OF DISCRETIONARY REQUIREMENTS:**

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.

**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:** 29th September, 2017

**Time:** 03:00 p.m.

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

**Financial Year**

1st April, 2016 to 31st March, 2017

**Dividend**

Dividend Warrants / Demand Drafts / Multi City Cheques are posted to Members at their registered address usually within seven working days of the declaration of dividend at the Annual General Meeting.

The dividend for the year ended 31st March, 2017, if approved at the Annual General Meeting will be paid before 10th October, 2017. Dividend Warrants / Demand Drafts / Multi City Cheques in respect of shares held in electronic / dematerialized form are posted to the beneficial owners at their address 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, 23rd September, 2017 to Friday, 29th September, 2017 (both days inclusive) for the purpose of payment of dividend and 23rd Annual General Meeting.

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

Year	Dividend per share (₹)	Percentage
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%

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

**Electronic Clearing Service:**

The Company makes payment of dividend through Electronic Clearing Service (ECS)/National Electronic Clearing Service to the members. Under this system, the shareholders get the credit of dividend directly in their designated bank account. This ensures direct and immediate credit with no chance of loss of warrant / cheque in transit or its fraudulent encashment. However, where it is not possible to use electronic mode of payment, Demand Drafts / Multi City Cheques would be issued. The Company will print the bank account details of the investors on such payment instruments and in cases where the bank details of investors are not available, the address of the investor on such payment instructions will be printed.

The Company/Registrar updates the details of the bank accounts of the shareholders, in case of shareholders holding shares in

dematerialized form, by seeking the same from depositories and in case of shareholders holding share certificates, by updating the details maintained by the Company / Registrar.

We request the members to opt for electronic mode of payments. Members holding shares in electronic form are requested to approach their DP for updating the bank details.

**Particulars of Dividend remaining unclaimed:**

In terms of section 125 of The Companies Act, 2013, amounts transferred to the Unpaid Dividend Account of the Company, which remain unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund (the Fund) established by the Central Government.

**Brief particulars of dividend amount remaining unclaimed are given below:**

Financial Year	Declared at the AGM / Board Meeting held on	Balance in the Unpaid Dividend Account as on 31.03.2017
2011-12 – Final Dividend	26-09-2012	728462.00
2012-13 – Final Dividend	29-08-2013	687819.20
2013-14 – Interim Dividend	04-02-2014	410132.20
2013-14 – Final Dividend	15-09-2014	363862.00
2014-15 – Interim Dividend	03-02-2015	439574.80
2014-15 – Final Dividend	29-09-2015	884820.00
2015-16 – 1st Interim Dividend	12-02-2016	441594.60
2015-16 – 2nd Interim Dividend	11-03-2016	469601.00

Details of the unclaimed dividend pertaining to the years 2012 to 2016 is hosted on Company's website.

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

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

**Listing of shares and stock code:**

The Company's equity shares are listed at the following Stock

Exchanges and Listing Fees for the year 2016-17 has been paid to the Stock Exchanges:

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

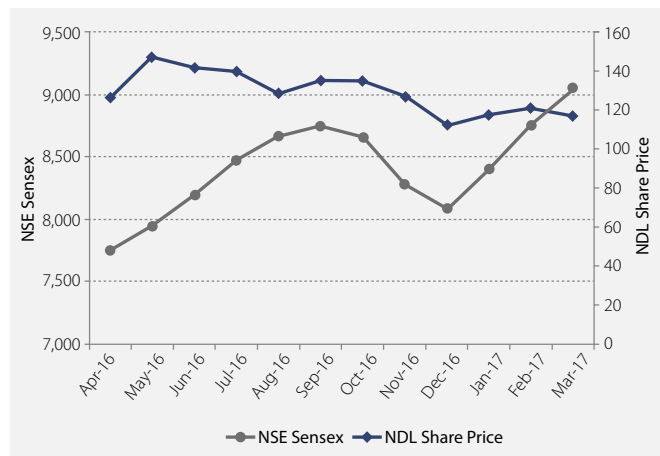
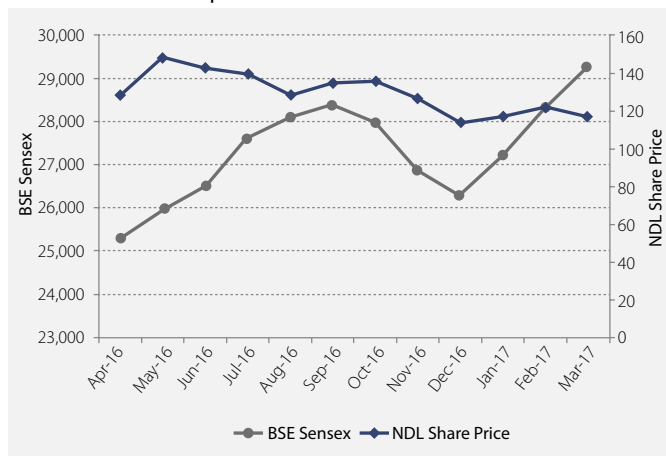
Bloomberg Code: NAND:IN

Reuters Code: NANE:NS

The International Securities Identification Number (ISIN) for the Company's Shares is INE875G01030

MONTH	Share Price BSE		Volume No. of shares	Share Price NSE		Volume No. of shares
	High (₹)	Low (₹)		High (₹)	Low (₹)	
Apr-16	140.90	115.50	21,51,098	140.00	113.60	31,46,808
May-16	165.80	131.00	28,08,278	165.90	130.25	47,29,233
June-16	154.85	131.00	28,78,816	154.50	130.55	39,05,332
July-16	147.85	132.50	20,09,668	148.35	132.50	28,28,629
Aug-16	136.90	120.00	27,47,133	137.80	120.60	36,60,093
Sep-16	151.00	118.90	36,53,402	152.00	118.95	55,58,442
Oct-16	144.00	127.80	33,43,723	143.90	128.00	44,34,125
Nov-16	147.90	105.40	12,90,562	148.00	106.55	24,54,844
Dec-16	120.20	107.00	1,76,113	119.90	105.00	4,44,128
Jan-17	126.85	107.05	4,06,118	126.80	109.00	16,19,173
Feb-17	131.50	112.25	5,11,592	132.00	111.20	13,76,004
Mar-17	122.85	111.75	7,79,768	122.90	111.90	10,79,653

**Performance in comparison to broad based indices:**



**Details of securities suspended:**

Not applicable

**Registrar and Share Transfer Agents (RTA):**

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

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: investorqry@dfssl.com

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

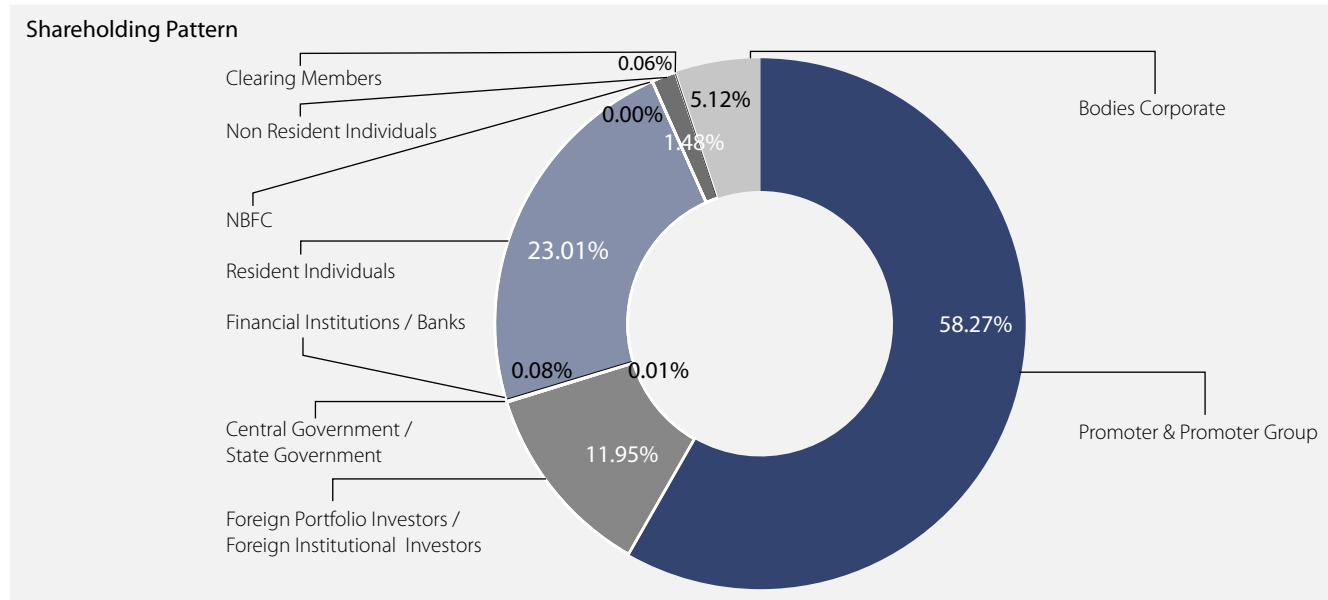
Pursuant to the provisions of section 72 of the Companies Act, 2013, and Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014, members may file Nomination in respect of their shareholdings. Members holding shares in physical form willing to avail this facility may submit to the Company the prescribed Form SH-13 and any change or variation in the nomination in prescribed Form SH-14, which is also available on Company's website.

**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 31st March, 2017):

Particulars	No. of Shareholders	No. of Shares Held	Percentage of Shareholding
Promoter & Promoter Group	12	27997188	58.27
Foreign Portfolio Investors / Foreign Institutional Investors	4	5743851	11.95
Central Government / State Government	1	5500	0.01
Financial Institutions / Banks	2	39315	0.08
Resident Individuals	31371	11056708	23.01
NBFC	1	500	0.00
Non Resident Individuals	399	713386	1.48
Clearing Members	38	30346	0.06
Bodies Corporate	314	2462262	5.12
<b>Total</b>	<b>32130</b>	<b>48049056</b>	<b>100.00</b>



## Equity evolution during the year:

During the year under review, 25,00,000 convertible warrants allotted to Polus Global Fund, a Foreign Portfolio Investor, in November 2015 at a conversion price of ₹200 each (inclusive of premium of ₹190) got converted into 25,00,000 equity shares on receipt of entire amount of ₹50,00,00,000 (Rupees Fifty Crore only) in four tranches. Post conversion, the paid up capital of the Company increased to ₹48,04,90,560 (Rupees Forty Eight Crore Four Lakh Ninety Thousand Five Hundred and Sixty only) consisting of 4,80,49,056 (Four Crore Eighty Lakh Forty Nine Thousand and Fifty Six only) equity shares of ₹10 (Rupees Ten only) each. The warrants got converted into equity shares in May 2016.

## Top ten Public shareholders as on 31st March, 2017:

Name	No. of Shares Held	Percentage of Shareholding
Polus Global Fund	2635000	5.48
Monil Chiripal	1624398	3.38
New Leaina Investments Limited	1579842	3.29
LTS Investment Fund Limited	1164009	2.42
Hexa International Private Limited	654041	1.36
Dolly Khanna	618357	1.29
Kautilya Traders Private Limited	447431	0.93
Orange Mauritius Investments Limited	365000	0.76
Manuj Chiripal	345430	0.72
Rameswar Retailers Private Limited	330702	0.69

**Distribution of Shareholding (as on 31st March, 2017):**

Sr. No.	Shares Range		Shares	% to Capital	No. of Holders	% to No. of Holders
	From	To				
1	1	500	3430034	7.14	29530	90.45
2	501	1000	1360162	2.83	1724	5.28
3	1001	2000	1106578	2.30	735	2.25
4	2001	3000	670004	1.39	263	0.81
5	3001	4000	341081	0.71	95	0.29
6	4001	5000	377491	0.79	81	0.25
7	5001	10000	868453	1.81	118	0.36
8	10001	50000	1292876	2.69	69	0.21
9	50001	9999999999	38602377	80.34	32	0.10
<b>TOTAL</b>			<b>48049056</b>	<b>100.00</b>	<b>32647</b>	<b>100.00</b>

**Shares in physical and electronic mode:**

Particulars	Position as on 31st March, 2016		Position as on 31st March, 2017		Net Change during 2016-17	
	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding
<b>Physical</b>	<b>14852</b>	<b>0.03</b>	<b>14827</b>	<b>0.03</b>	<b>(25)</b>	<b>0.00</b>
Demat:						
NSDL	2510 5497	55.12	29354901	61.09	4249404	8.84
CDSL	20428707	44.85	18679328	38.88	(1749379)	(3.64)
<b>Total</b>	<b>45549056</b>	<b>100.00</b>	<b>48049056</b>	<b>100.00</b>	<b>2500000</b>	<b>5.20</b>

25,00,000 equity shares were allotted to Polus Global Fund on conversion of warrants.

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 31st March, 2017, 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 reducing this risk in the long-term. Hedging is also used as a tool to manage the foreign exchange risk.

**Plant Locations:**

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

Plot No. 4 & 5,  
Vraj Integrated Textile Park Limited  
National Highway No. 8,  
Bidaj, Gujarat – 387 420

**Investor Service Centre:**

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

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

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

Compliance Officer: Ms. Purvee Roy, Company Secretary

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

**Subsidiary Company:**

The Company does not have any material non-listed Indian subsidiary. Pursuant to the explanation under Regulation 16(1)(c) of the Listing Regulations, the Company has made a policy for determining 'material' subsidiary and the same can be accessed at the website 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 31st March, 2017, pursuant to Regulation 17(8) of the Listing Regulations read with Part B of Schedule II thereof, was placed before the Board at its meeting held on 14th August, 2017.

**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.

**Prohibition of Insider Trading and Code of Conduct for Directors, etc.**

The Company has adopted a "Code of Conduct to regulate, monitor and report trading by Employees and other Connected Persons" and

"Code of Fair Disclosure" pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Reconciliation of Share Capital:**

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

**Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account:**

Not Applicable

**Compliance with Secretarial Standards:**

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

**Governance Process:**

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

Ahmedabad

14th August, 2017



## CODE OF CONDUCT

The Company has in place a comprehensive Code of Conduct ('the Code') applicable to the Directors 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](http://www.nandandenim.com). The Code has been circulated to Directors and Senior Management Personnel, and its compliance is affirmed by them annually.

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

### DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

This is to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel, which is available on the Company's website at [www.nandandenim.com](http://www.nandandenim.com).

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2017.

Place: Ahmedabad  
Date: 14th August, 2017

**Brijmohan Chiripal**  
*Managing Director*  
(upto 31st May, 2017)

**Jyotiprasad Chiripal**  
*Managing Director*  
(W.e.f. 1st June, 2017)

## AUDITORS' CERTIFICATE

ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 34 READ WITH SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To  
The Members of  
**Nandan Denim Limited**

We have reviewed the implementation of Corporate Governance procedures by NANDAN DENIM LIMITED for the financial year ended on 31st March, 2017, with the relevant records and documents maintained by the Company, furnished to me for my review and the report on Corporate Governance as approved by the Board of Directors.

The compliances of conditions of Corporate Governance are the responsibility of the management. Our examination was limited to a review of procedures and implementations thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**For, M/s. J.T. Shah & Co.**  
*Chartered Accountants*  
(FRN: 109616W)

Place: Ahmedabad  
Date: 14th August, 2017

**J.T. Shah**  
*Partner*  
(Mem. No. 3983)

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

To,  
The Board of Directors  
**Nandan Denim Limited**

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Nandan Denim Limited (the Company), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2017 and to the best of our knowledge and belief, we state that:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - (ii) 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.
- (b) 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.
- (c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (f) 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  
14th August, 2017

**Deepak Chiripal**  
CEO

**Ashok Bothra**  
CFO

# FINANCIAL STATEMENTS

# Independent Auditor's Report

To,  
The Members  
**NANDAN DENIM LIMITED**  
Ahmedabad

## 1. Report on the Financial Statements

We have audited the accompanying financial statements of **NANDAN DENIM LIMITED** ("the Company"), which comprise the Balance Sheet as at **31st March, 2017**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3. Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## 4. Opinion

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 Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- ii. In the case of the Statement Profit and Loss Account, of the profit for the year ended on that date; and
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## 5. Report on Other Legal and Regulatory Requirements

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

- (ii) As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors as on 31st March, 2017 taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2017 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 its financial statements – Refer Note 26 to the financial statements;
    - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management– Refer Note 46 to the financial statements.

**For, J. T. Shah & Co.**  
*Chartered Accountants,*  
[Firm Regd. No. 109616W]

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

Place : Ahmedabad  
Date : 29/05/2017

## Annexure-A to the Auditor's Report

Referred to in paragraph 5(i) of our Report of even date to the Members of NANDAN DENIM LIMITED for the year ended 31st March, 2017.

### 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. 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. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Accounting Records) Rule, 2011 prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013. 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, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were outstanding as at 31st March, 2017 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, 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	2007-08	26 12 375	Commissioner of Income Tax (Appeals)
	Income Tax Demand	2012-13	2 09 37 906	Commissioner of Income Tax (Appeals)
	Income Tax Penalty	2010-11	5 05 674	Commissioner of Income Tax (Appeals)
Value Added Tax	Value Added Tax Demand	2010-11	27 16 318	Joint Commissioner (Appeals)
	Value Added Tax Interest & Penalty	2010-11	40 02 472	Joint Commissioner (Appeals)

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, paragraph 3(xii) of the Company's (Auditor's Report) Order, 2016 is not applicable.
13. In our opinion and according to the information and explanations given to us, the transactions entered by the

Company with related parties are in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 and details thereof are properly disclosed in the financial statements as required by the applicable accounting standard.

14. During the year, the Company has converted warrants in to equity shares issued previously through preferential allotment of Shares and has complied with the requirement of Section 42 of the Companies Act, 2013, further amount raised by said preferential issue have been used for the purpose for which Fund were raised (Refer Note No. 45).
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 (xvi) 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, J. T. Shah & Co.**  
*Chartered Accountants,*  
[Firm Regd. No. 109616W]

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

Place : Ahmedabad  
Date : 29/05/2017

## Annexure "B" referred to in paragraph 5(ii) (f) to The Independent Auditor's Report of Even Date on The Financial Statements of Nandan Denim Limited

### 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** ("the Company") as of **31st March 2017**, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's 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 judgement, 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 31st March 2017, 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, J. T. Shah & Co.**  
Chartered Accountants,  
[Firm Regd. No. 109616W]

**(J. T. Shah)**  
Partner

Place : Ahmedabad  
Date : 29/05/2017

[M. No. 3983]



# Balance Sheet

as at 31st March, 2017

(amount in ₹)

Particulars	Note No.	As at	
		31st March, 2017	31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>[1] Shareholders' Funds :</b>			
[a] Share Capital	2	48 04 90 560	45 54 90 560
[b] Reserves & Surplus	3	3 72 05 18 464	2 67 88 47 462
[c] Money Received Against Share Warrants	4	Nil	25 00 00 000
		4 20 10 09 024	3 38 43 38 022
<b>[2] Non-Current Liabilities :</b>			
[a] Long Term Borrowings	5	4 22 04 32 873	3 18 24 25 453
[b] Deferred Tax Liabilities (Net)	6	20 77 68 416	22 89 23 384
[c] Long-Term Provisions	7	Nil	Nil
		4 42 82 01 289	3 41 13 48 837
<b>[3] Current Liabilities</b>			
[a] Short-Term Borrowings	8	1 57 69 41 549	1 27 01 99 591
[b] Trade Payables			
(i) Total outstanding dues to Micro Small Enterprise & Small Enterprise	9	Nil	Nil
(ii) Total outstanding dues to other than Micro Small Enterprise & Small Enterprise	9	1 35 50 51 415	1 03 66 40 829
[c] Other Current Liabilities	10	85 85 08 514	91 39 61 488
[d] Short term Provisions	7	3 42 11 746	16 08 14 064
		3 82 47 13 224	3 38 16 15 972
<b>Total .....</b>		<b>12 45 39 23 537</b>	<b>10 17 73 02 831</b>
<b>ASSETS :</b>			
<b>[1] Non-Current Assets</b>			
[a] [i] Property, Plant & Equipments	11	7 61 99 38 174	4 79 71 45 317
[a] [ii] Intangible Assets	11	77 84 012	15 44 335
[a] [iii] Capital Work in Progress		6 35 67 093	90 36 01 258
		7 69 12 89 279	5 70 22 90 910
[b] Non-Current Investments	12	3 19 80 379	7 32 32 399
[c] Long-term Loans and Advances	13	7 91 34 094	9 38 25 244
[d] Other Non-Current Assets	14	35 13 120	2 17 28 171
		11 46 27 593	18 87 85 814
<b>[2] Current Assets</b>			
[a] Inventories	15	2 16 21 68 634	1 95 10 63 920
[b] Trade receivables	16	1 35 20 47 337	1 22 24 15 642
[c] Cash & Bank Balances	17	68 54 26 935	64 90 23 608
[d] Short term Loans and advances	13	44 83 63 759	46 37 22 937
		4 64 80 06 665	4 28 62 26 107
<b>Total .....</b>		<b>12 45 39 23 537</b>	<b>10 17 73 02 831</b>
Significant Accounting Policies	1		
Notes forming part of Financial Statements	2 to 46		

As per our report of even date attached herewith

For, **J.T. Shah & Co**

Chartered Accountants

[Firm Regd. No. 109616W]

[J.T. Shah]

Partner

[M.No. 3983]

Place : Ahmedabad

Date: 29/05/2017

For and on Behalf of the Board

**Vedprakash Chiripal**

[Chairman]

[DIN:00290454]

**Ashok Bothra**

[Chief Financial Officer]

**Brijmohan Chiripal**

[Managing Director]

[DIN:00290426]

**Purvee Roy**

[Company Secretary]

## Statement of Profit & Loss for the year ended 31st March, 2017

(amount in ₹)

Particulars	Note No.	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>INCOME</b>			
Revenue from Operations	18	12 20 41 02 674	11 56 72 54 246
Other Income	19	2 42 00 981	4 15 44 718
<b>Total Revenue</b>		<b>12 22 83 03 655</b>	<b>11 60 87 98 964</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	20	7 88 86 15 913	7 80 32 71 375
Purchase of Stock in Trade	21	43 73 08 845	10 14 91 396
Change in Inventories of Finished Goods, Work in Process and Stock in Trade	22	(9 23 95 008)	(23 88 86 196)
Employee Benefits Expense	23	57 80 48 334	54 52 05 438
Finance Costs	24	36 16 81 567	41 17 14 806
Depreciation and Amortisation expense	11	86 15 51 103	65 99 85 984
Other Expenses	25	1 49 33 28 958	1 44 47 32 176
<b>Total Expenses</b>		<b>11 52 81 39 712</b>	<b>10 72 75 14 979</b>
<b>Profit before exceptional and extraordinary item and Tax</b>		<b>70 01 63 943</b>	<b>88 12 83 985</b>
Exceptional Items		Nil	Nil
<b>Profit Before Tax</b>		<b>70 01 63 943</b>	<b>88 12 83 985</b>
<b>Less : Tax expense:</b>			
- Current Tax		15 03 33 400	26 06 49 519
- Deferred Tax		(2 11 54 967)	(1 98 04 487)
Short/(Excess) Provision Of Income Tax of earlier year		43 14 507	72 16 803
<b>Profit After Tax</b>		<b>56 66 71 003</b>	<b>63 32 22 150</b>
Basic earnings per share of ₹10 each		11.87	13.90
Diluted earnings per share of ₹10 each		11.87	13.57
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 46		

As per our report of even date attached herewith

For, **J.T. Shah & Co**

Chartered Accountants

[Firm Regd. No. 109616W]

**[J.T. Shah]**

Partner

[M.No. 3983]

Place : Ahmedabad

Date: 29/05/2017

For and on Behalf of the Board

**Vedprakash Chiripal**

[Chairman]

[DIN:00290454]

**Ashok Bothra**

[Chief Financial Officer]

**Brijmohan Chiripal**

[Managing Director]

[DIN:00290426]

**Purvee Roy**

[Company Secretary]

# Cash Flow Statement

for the year ended 31st March, 2017

(amount in ₹)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016
<b>A. Cash from Operating Activity</b>			
Net Profit Before Tax from Continuing Operation		70 01 63 943	88 12 83 985
		70 01 63 943	88 12 83 985
Non Cash Adjustment to reconcile profit before tax to net cash flows			
Depreciation	86 15 51 103		65 99 85 984
Bad Debts Written Off	Nil		42 40 195
Provision for Gratuity	Nil		1 00 87 584
(Profit)/Loss on sale of fixed assets (net)	Nil		Nil
(Profit)/Loss From Sale Of Investments	Nil		(4 03 150)
Interest Received	(2 35 10 577)		(3 38 17 713)
Provision/(Reversal) for Doubtful debts	55 25 011		37 88 596
		84 35 65 536	64 38 81 497
Dividend Income	(1 590)		(17 750)
Interest and Finance Charges	36 16 81 568		41 17 14 806
		36 16 79 978	41 16 97 056
Adjustment for Movements in Working Capital:			
Increase/(decrease) in Trade Payable	31 84 10 589		16 17 25 862
Increase/(decrease) in long-term Provision	Nil		Nil
Increase/(decrease) in short-term Provision	(89 33 024)		(1 85 002)
Increase/(decrease) in other current liability	3 79 85 373		(4 72 63 767)
Increase/(decrease) in other long-term liability	Nil		Nil
Decrease/(increase) in Trade receivable	(13 51 56 708)		24 18 30 271
Decrease/(increase) in Inventories	(21 11 04 715)		(54 17 19 603)
Decrease/(increase) in long term loans and advances	(4 19 337)		6 07 400
Decrease/(increase) in short term loans and advances	1 66 15 357		(8 77 61 664)
Decrease/(increase) in other current assets	Nil		Nil
Decrease/(increase) in other non-current assets	Nil		Nil
		1 73 97 534	(27 27 66 501)
<b>CASH GENERATED FROM OPERATIONS</b>		<b>1 92 28 06 992</b>	<b>1 66 40 96 038</b>
Direct Taxes paid	(27 23 17 201)		(19 80 51 586)
		(27 23 17 201)	(19 80 51 586)
<b>NET CASH FLOW FROM OPERATIONS</b>		<b>1 65 04 89 791</b>	<b>1 46 60 44 452</b>

# Cash Flow Statement

for the year ended 31st March, 2017

(amount in ₹)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016
<b>B. Cash flow from investing activities</b>			
Purchase of Fixed Assets (Incl. WIP)	(2 84 38 22 230)		(1 82 06 86 271)
Sale of Fixed Assets	Nil		Nil
Purchase of non-current Investments	Nil		(7 86 762)
Sale of non-current Investments	4 12 52 020		14 54 367
Margin Money Deposit(Net)	(3 89 99 892)		(1 52 76 768)
Interest Received	2 22 54 398		3 42 44 333
Dividend Income	1 590		17 750
<b>NET CASH USED IN INVESTING ACTIVITY</b>		<b>(2 81 93 14 114)</b>	<b>(1 80 10 33 352)</b>
<b>C. Cash flow from financing activities</b>			
Long Term Borrowing Taken during the year	1 61 76 62 544		1 05 89 20 706
Long Term Borrowing Paid during the year	(65 36 98 583)		(47 98 91 157)
Increase in Short Term Borrowing (Net)	30 67 41 957		1 05 86 252
Share Capital	25 00 00 000		Nil
Money Received against Share Warrants	Nil		25 00 00 000
Interest paid	(35 68 70 222)		(39 57 09 426)
Share Application money refunded	Nil		(1 25 704)
Dividend paid (Incl. Dividend Distribution Tax)	Nil		(12 57 41 327)
<b>NET CASH USED IN FINANCING ACTIVITY</b>		<b>1 16 38 35 697</b>	<b>31 80 39 344</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>		<b>(49 88 626)</b>	<b>(1 69 49 556)</b>
Cash and cash equivalent Opening Balance		17 46 92 957	19 16 42 513
Cash and cash equivalent Closing Balance		16 97 04 331	17 46 92 957
<b>Net Increase/(Decrease) in cash and cash equivalents</b>		<b>(49 88 626)</b>	<b>(1 69 49 556)</b>

## Notes:

The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard - 3 issued by Companies (Accounting Standard) Rules, 2008.

As per our report of even date attached herewith

For, **J.T. Shah & Co**

Chartered Accountants

[Firm Regd. No. 109616W]

[J.T. Shah]

Partner

[M.No. 3983]

Place : Ahmedabad

Date: 29/05/2017

For and on Behalf of the Board

**Vedprakash Chiripal**

[Chairman]

[DIN:00290454]

**Ashok Bothra**

[Chief Financial Officer]

**Brijmohan Chiripal**

[Managing Director]

[DIN:00290426]

**Purvee Roy**

[Company Secretary]

# Notes to the Financial Statement for the year ended 31st March, 2017

## Note No. 1: SIGNIFICANT ACCOUNTING POLICIES

### i) Basis of Preparation of Financial Statements

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

### ii) Use of estimates

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

### iii) Property, Plant & Equipment

Property, Plant & Equipment are stated at cost of acquisition less accumulated depreciation. All costs including financial costs till commencement of commercial production are capitalized to the cost of qualifying assets. CENVAT credit, Grants, Foreign Exchange Fluctuation claims, SHIS Licenses and other credits, if any, are accounted for by reducing the cost of capital goods.

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

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

Depreciation on Property, Plant & Equipments (excluding intangible assets & Free Hold Land) of the company is provided on straight-line method on the basis of useful life of assets as specified under Schedule II of the Companies Act, 2013 except depreciation on incremental cost arising on account of translation of foreign currency liabilities incurred for the purpose of acquiring fixed assets, which is amortized over the residual life of the respective asset.

### iv) Intangible Assets

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

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

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

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

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

### v) Impairment of Assets

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

### vi) Investments

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

# Notes to the Financial Statement for the year ended 31st March, 2017

## Note No. 1: SIGNIFICANT ACCOUNTING POLICIES (contd.)

### vii) Inventories

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

### viii) Excise duty

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

### ix) Revenue Recognition

- (a) Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of the products are transferred to the customers, net of rate difference and discount given.
- (b) Dividend on investment is recognized when the right to receive the payment is established.
- (c) Exports entitlement under the FPS/FMS scheme are recognized in the Statement of Profit and Loss Account when the right to receive credit as per the terms of scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.
- (d) Subsidy under Textiles Up gradation Fund Scheme (TUFS) and claims in respect of insurance are recognized when there is reasonable certainty regarding the realization of the same.

### x) Government Grants & Other Claims

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

### xi) Borrowing costs

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

### xii) Leases

#### Where the Company is the lessee

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

### xiii) Employee benefits

- (a) The employee and Company make monthly fixed contribution to Government of India Employee's Provident fund equal to a specified percentage of the covered employee's salary. Provision for the same is made in the year in which services are rendered by the employees.
- (b) The Liability for Gratuity to employees, which is a defined benefit plan, is determined on the basis of Actuarial Valuation based on Projected Unit Credit method. Actuarial gain/Loss in respect of the same is charged to the profit and loss account.
- (c) Short Term benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.

# Notes to the Financial Statement for the year ended 31st March, 2017

## Note No. 1: SIGNIFICANT ACCOUNTING POLICIES (contd.)

### xiv) Foreign Currency Transactions / Exchange Fluctuation

- (a) Monetary Transactions related to foreign currency are accounted for at the equivalent rupee converted at the rates prevailing at the time of respective transactions and outstanding in respect thereof are translated at period end rates. Exchange difference is charged to the revenue account except arising on account of conversion related to the purchase of fixed asset is adjusted therewith if initial period of buyers credit arrangements is in excess of 360 days.
- (b) Non-monetary foreign currency items are carried at cost.

### xv) Provision for Current Tax & Deferred Tax

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

### xvi) Provisions and Contingencies

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

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

### xvii) Earning per Share

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

Note No. 2: SHARE CAPITAL		(amount in ₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016	
<b>[a] Authorised :</b>			
10000000 ( Previous Year 10000000 ) Equity Shares of ₹10/- (P.Y. ₹10/-) each	1 00 00 00 000	1 00 00 00 000	
<b>[b] Issued, Subscribed &amp; Paid-up Capital :</b>			
48049056(Pr. Year 45549056) Equity Shares of ₹10/- (P.Y. ₹10/-) each fully paid up	48 04 90 560	45 54 90 560	
<b>Total</b>	<b>48 04 90 560</b>	<b>45 54 90 560</b>	

Refer Note Number 40 for details of basic and diluted shares

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

During the year ended on 31st March, 2017, the Company has recommended Dividend of ₹1.60 (P.Y. ₹ NIL ) per share as distribution to it's Equity Shareholders. No Interim Dividend was declared by the board of directors during the year (P.Y. ₹1.60).

The Company declares and pays dividend in Indian Rupees.

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

The Company has not issued any shares in pursuant to a contract without receiving the payment in cash during the last five years. The Company has also not issued any bonus share during last five years.

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

# Notes to the Financial Statement for the year ended 31st March, 2017

Note No. 2: **SHARE CAPITAL (contd.)** (amount in ₹)

The details of shareholders holding more than 5% shares as at 31/03/2017 and 31/03/2016 is set out below.

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	% held	No. of Shares	% held
Chiripal Industries Ltd.	1 19 94 270	24.96%	1 18 44 270	26.00%
Chiripal Exim LLP	71 65 556	14.91%	71 65 556	15.73%
Devkinandan Corporation LLP	32 06 060	6.67%	32 06 060	6.52%
Polus Global Fund	26 35 000	5.48%	1 35 000	0.30%
Brijmohan D. Chiripal	15 30 000	3.18%	27 80 000	6.10%

The Reconciliation of the number of shares outstanding and the amount of share capital as at 31/03/2017 & 31/03/2016 is set out below:-

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	₹	No. of Shares	₹
Shares at the beginning of Face Value of ₹10/- (P.Y. ₹10/-)	4 55 49 056	45 54 90 560	4 55 49 056	45 54 90 560
Addition in Number Equity Shares of ₹10/-	25 00 000	2 50 00 000	Nil	Nil
Deduction in Number of Equity Shares of ₹10/-	Nil	Nil	Nil	Nil
Shares at the end of Face Value of ₹10/-	4 80 49 056	48 04 90 560	4 55 49 056	45 54 90 560

Note No. 3: **RESERVES & SURPLUS** (amount in ₹)

Particulars	As at	
	31st March, 2017	31st March, 2016
<b>Security Premium Reserve</b>		
Balance as per last financial statement	36 28 33 156	36 28 33 156
Add: Share premium received during the year	47 50 00 000	Nil
Closing Balance	83 78 33 156	36 28 33 156
<b>General Reserve</b>		
Balance as per last financial Statement	7 55 40 148	6 25 40 148
Less : Amount of depreciation in respect of Property, Plant & Equipment whose useful life has expired on adoption to Schedule I of the Companies Act'2013	Nil	Nil
Add : Amount of reversal of Deferred Tax Liability in respect of fixed assets whose useful life has expired on adoption of Schedule II of the Companies Act'2013	Nil	Nil
Add. : Transfer from Statement of Profit and Loss	Nil	1 30 00 000
Closing Balance	7 55 40 148	7 55 40 148
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial Statement	2 24 04 74 157	1 70 79 66 845
Add : Profit for the year	56 66 71 003	63 32 22 150
<b>Less: Appropriations</b>		
Transferred to General Reserve		1 30 00 000
Interim Dividend	Nil	7 28 78 490
Tax on interim Dividend	Nil	1 48 36 348
Proposed Final Dividend	Nil	Nil
Tax on Proposed Final Dividend	Nil	Nil
		10 07 14 838
Closing Balance	2 80 71 45 160	2 24 04 74 157
<b>Total</b>	<b>3 72 05 18 464</b>	<b>2 67 88 47 462</b>



## Notes to the Financial Statement for the year ended 31st March, 2017

Note No. 4: MONEY RECEIVED AGAINST SHARE WARRANTS		(amount in ₹)	
Particulars	As at		
	31st March, 2017	31st March, 2016	
Money received against Share Warrants	Nil	25 00 00 000	
<b>Total</b>	<b>Nil</b>	<b>25 00 00 000</b>	

Money received against share warrants represents amounts received towards warrants which entitles the warrant holders, the option to apply for and be allotted equivalent number of equity shares of the face value of Rs 10 each.

Last year the Company had issued 2,500,000 convertible warrants to Foreign Institutional Investor at issue price of ₹200 each, having option to apply for and be allotted an equivalent number of equity shares of face value of ₹10 each at a premium of ₹190 each determined in accordance with Regulation 76 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"). During the year, the holder of the warrants have exercised their option in respect of Conversion of Warrants to Equity Shares and due payment for the same has been received.

Note No. 5: LONG TERM BORROWINGS		(amount in ₹)			
Particulars	Non-Current		Current		
	As at	As at	As at	As at	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	
Term Loan - From Banks *	4 21 73 12 156	2 31 58 43 873	57 78 38 263	65 12 42 510	
(Indian rupee loan from Banks)					
Buyers Credit Arrangements **	Nil	86 15 91 409	Nil	Nil	
Vehicle Loans ***	31 20 717	49 90 171	18 16 861	24 56 073	
	4 22 04 32 873	3 18 24 25 453	57 96 55 124	65 36 98 583	
The above amount Includes					
Secured Borrowings	4 22 04 32 873	3 18 24 25 453	57 96 55 124	65 36 98 583	
Amount disclosed under the head 'Other Current Liabilities' (Note No. 10)	Nil	Nil	(57 96 55 124)	(65 36 98 583)	
<b>Total</b>	<b>4 22 04 32 873</b>	<b>3 18 24 25 453</b>	<b>Nil</b>	<b>Nil</b>	

### Security :

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

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

### Interest:

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

\*\*\* Vehicle Loans carry an interest rate ranging between 10.50% to 11.01% p.a.

### Repayment:

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

Particulars	(amount in ₹)			
	Upto 1 year	2 to 4 Years	5 to 7 years	More than 7 years
Term Loan Repayments	57 78 38 263	1 95 90 24 000	2 25 82 88 156	Nil

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

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

Particulars	(amount in ₹)		
	Upto 1 year	2 to 5 Years	6 to 8 years
Vehicle Loans Repayments	18 16 861	31 20 717	Nil

## Notes to the Financial Statement for the year ended 31st March, 2017

Note No. 6: DEFERRED TAX <span style="float: right;">(amount in ₹)</span>		
Particulars	Current	
	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Assets arising out of timing difference relating to:		
Allowable under Income Tax Act, 1961 in succeeding years	1 10 31 850	1 65 83 664
(Amount Allowable under provisions of the Income Tax Act, 1961 in subsequent years)		
<b>Total Deferred Tax Assets</b>	<b>1 10 31 850</b>	<b>1 65 83 664</b>
Deferred Tax Liability arising out of timing difference relating to :		
Difference of Depreciation as per Income Tax and Company Law	21 88 00 266	24 55 07 047
<b>Total Deferred Tax Liability</b>	<b>21 88 00 266</b>	<b>24 55 07 047</b>
<b>Net Deferred Tax Liability</b>	<b>20 77 68 416</b>	<b>22 89 23 384</b>

Note No. 7: PROVISIONS <span style="float: right;">(amount in ₹)</span>				
Particulars	Non-Current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Provision for employee benefits				
Provision for Leave encashment	Nil	Nil	12 48 130	12 14 778
For Gratuity	Nil	Nil	1 30 11 870	2 10 88 881
Less : Plan Assets	Nil	Nil	(1 18 90 662)	(1 10 01 296)
	Nil	Nil	23 69 338	1 13 02 363
Provision for Taxation	Nil	Nil	76 56 83 889	69 03 22 479
Less : Advance Tax and TDS	Nil	Nil	(73 38 41 481)	(54 08 10 778)
	Nil	Nil	3 18 42 408	14 95 11 701
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>3 42 11 746</b>	<b>16 08 14 064</b>

Note No.8: SHORT-TERM BORROWINGS <span style="float: right;">(amount in ₹)</span>		
Particulars	Current	
	As at 31st March, 2017	As at 31st March, 2016
Working Capital Loan from Banks@	1 57 69 41 549	1 27 01 99 591
(including Foreign Currency Loan of ₹Nil, Previous Year ₹204,146,488/-)		
	<b>1 57 69 41 549</b>	<b>1 27 01 99 591</b>
<b>The above amount Includes</b>		
Secured Borrowings	1 57 69 41 549	1 27 01 99 591
Unsecured Borrowings	Nil	Nil
<b>Total</b>	<b>1 57 69 41 549</b>	<b>1 27 01 99 591</b>

### Security :

- @ Working Capital loans under consortium finance are secured by first charge on Book Debts, Stocks and other Current Assets and second charge on all the Fixed Assets, both present and future of the Company and also further guaranteed by Promoter Directors.

## Notes to the Financial Statement for the year ended 31st March, 2017

Note No.9: TRADE PAYABLES		(amount in ₹)	
Particulars	Current		
	As at 31st March, 2017	As at 31st March, 2016	
Micro, Small and Medium Enterprises @	Nil	Nil	
Others	1 35 50 51 415	1 03 66 40 829	
@The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, hence disclosures, if any, relating to amounts unpaid as at year end together with interest paid/ payable as required under the said Act have not been made.			
<b>Total</b>	<b>1 35 50 51 415</b>	<b>1 03 66 40 829</b>	

Note No.10: OTHER CURRENT LIABILITIES		(amount in ₹)	
Particulars	Current		
	As at 31st March, 2017	As at 31st March, 2016	
Current Liabilities of long term borrowings (Note No. 5)	57 96 55 124	65 36 98 583	
Creditors for Capital Goods	7 79 92 196	8 63 75 440	
Creditors for Expenses	5 03 42 003	5 01 98 810	
Advance received from customers	2 08 45 116	1 67 30 146	
Interest accrued but not due	2 14 27 463	1 66 16 117	
Salary & Wages Payable	6 03 53 863	4 99 04 236	
Unclaimed dividend @	44 25 866	2 02 48 856	
Credit Balance in Current Bank Account	Nil	20 71 630	
Other payables	2 01 326	2 30 245	
Other Statutory dues	4 32 65 557	1 78 87 425	
<b>Total</b>	<b>85 85 08 514</b>	<b>91 39 61 488</b>	

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

# Notes to the Financial Statement

for the year ended 31st March, 2017

Note No. 11: Carrying Value	PROPERTY, PLANT & EQUIPMENTS										(amount in ₹)	
	Free Hold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Computers	Vehicles	Office Equipment	Total Tangible Assets	Licence & Software	Total Intangible Assets		
<b>01.04.2015</b>	2 53 84 992	1 41 04 41 336	5 60 60 34 437	2 16 82 127	1 79 02 482	2 51 98 892	1 81 84 269	7 12 48 28 535	2 14 54 535	2 14 54 535		
Addition	4 75 65 999	22 60 68 745	81 63 42 237	66 03 075	64 89 022	19 78 500	11 11 912	1 10 61 59 490	6 500	6 500		
Disposal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
Other Adjustment*	Nil	Nil	(1 39 22 010)	Nil	Nil	Nil	Nil	(1 39 22 010)	Nil	Nil		
<b>At 31.03.2016</b>	<b>7 29 50 991</b>	<b>1 63 65 10 081</b>	<b>6 40 84 54 664</b>	<b>2 82 85 202</b>	<b>2 43 91 504</b>	<b>2 71 77 392</b>	<b>1 92 96 181</b>	<b>8 21 70 66 015</b>	<b>2 14 61 035</b>	<b>2 14 61 035</b>		
Addition	18 87 781	64 77 68 314	3 12 86 84 856	49 08 480	28 98 063	4 05 532	43 08 339	3 79 08 61 364	88 46 933	88 46 933		
Disposal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
Other Adjustment*	Nil	Nil	(10 91 24 660)	Nil	Nil	Nil	Nil	(10 91 24 660)	Nil	Nil		
<b>At 31.03.2017</b>	<b>7 48 38 772</b>	<b>2 28 42 78 395</b>	<b>9 42 80 14 860</b>	<b>3 31 93 682</b>	<b>2 72 89 567</b>	<b>2 75 82 924</b>	<b>2 36 04 520</b>	<b>11 89 88 02 719</b>	<b>3 03 07 968</b>	<b>3 03 07 968</b>		
<b>Accumulated Depreciation</b>												
<b>01.04.2015</b>	Nil	21 68 76 735	2 50 48 56 166	97 56 016	1 21 94 387	94 19 742	80 40 821	2 76 11 43 866	1 87 07 550	1 87 07 550		
Change for the year	Nil	4 91 75 806	59 63 56 721	30 12 819	39 69 944	29 74 239	32 87 304	65 87 76 833	12 09 150	12 09 150		
Disposal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
Other Adjustment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
<b>At 31.03.2016</b>	Nil	26 60 52 541	3 10 12 12 887	1 27 68 835	1 61 64 331	1 23 93 981	1 13 28 125	3 41 99 20 700	1 99 16 700	1 99 16 700		
Change for the year	Nil	5 98 85 585	78 48 01 450	27 69 198	47 71 642	31 51 962	35 64 008	85 89 43 845	26 07 257	26 07 257		
Disposal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
Other Adjustment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
<b>At 31.03.2017</b>	<b>Nil</b>	<b>32 59 38 126</b>	<b>3 88 60 14 337</b>	<b>1 55 38 033</b>	<b>2 09 35 973</b>	<b>1 55 45 943</b>	<b>1 48 92 133</b>	<b>4 27 88 64 545</b>	<b>2 25 23 957</b>	<b>2 25 23 957</b>		
<b>Net Carrying Value</b>												
<b>AS AT 31.03.2016</b>	7 29 50 991	1 37 04 57 539	3 30 72 41 777	1 55 16 367	82 27 173	1 47 83 411	79 68 057	4 79 71 45 316	15 44 335	15 44 335		
<b>AS AT 31.03.2017</b>	<b>7 48 38 772</b>	<b>1 95 83 40 269</b>	<b>5 54 20 00 523</b>	<b>1 76 55 649</b>	<b>63 53 594</b>	<b>1 20 36 981</b>	<b>87 12 387</b>	<b>7 61 99 38 174</b>	<b>77 84 011</b>	<b>77 84 011</b>		

\*Note:1.Other Adjustment to Cost of Assets represent a sum of ₹10 91 24 660/- (P.Y. ₹₹1 39 22 010/-) towards various subsidiaries received, which are hereto decapitalised by the Company.

## Notes to the Financial Statement for the year ended 31st March, 2017

Note No.12: NON CURRENT INVESTMENTS <span style="float: right;">(amount in ₹)</span>		
Particulars	Current	
	As at 31st March, 2017	As at 31st March, 2016
<b>Investment in Equity Shares (Quoted) [Non-Trade]</b>		
(1) 64000 (Previous year 64000) Equity Shares of CIL Nova Petrochemicals Ltd.of ₹10/- (P.Y. ₹10/-) each	19 20 000	19 20 000
(2) 3500 (Previous year 3500) Equity Shares of UCO Bank Ltd.of ₹10/- each	51 317	51 317
(3) 200 (Previous year 200) Equity Shares of Asian Paints of ₹1/- each	1 69 927	1 69 927
	<b>21 41 244</b>	<b>21 41 244</b>
<b>Investment in Equity Shares (Unquoted) [Non-Trade]</b>		
(1) 2 500 (Previous year 2 500) Equity Shares of The Saraswat Co. Op. Bank Ltd. of ₹10/- each.	25 000	25 000
(2) 17 17 985 (Previous Year 57 98 187) Equity shares of Vraj Integrated Textile Park of ₹10/-each	1 71 97 400	5 79 99 420
	<b>1 72 22 400</b>	<b>5 80 24 420</b>
<b>Investment in Mutual Funds (Quoted) [Non-Trade]</b>		
46 692.075 (Previous year 46 692.075) Units of Union KBC Dynamic Bond Fund -Regular Growth	6 16 835	6 16 835
1 99 990 (Previous year 1 99 990) Units of Union KBC Small and Mid Cap Fund - Regular Plan - Growth	19 99 900	19 99 900
	<b>26 16 735</b>	<b>26 16 735</b>
<b>Investment in Bonds [At Cost]</b>		
10 Bonds of (Previous year 10 ) LVB Unsecure Non-Convtable Redeemable Basel III Bond Face Value of ₹10 Lakh	1 00 00 000	1 00 00 000
	<b>1 00 00 000</b>	<b>1 00 00 000</b>
<b>Investment in Limited Liability Partnership (LLP)</b>		
Fixed Capital In Nandan Chiripal Energy Corporation LLP	Nil	4 50 000
	Nil	4 50 000
<b>Total</b>	<b>3 19 80 379</b>	<b>7 32 32 399</b>
Aggregate amount of quoted investments	21 41 244	21 41 244
Market Value of quoted investments	18 03 830	17 65 655
Aggregate amount of Unquoted investments	1 72 22 400	5 80 24 420
Aggregate amount of Mutual Funds	26 16 735	26 16 735
<b>NAV of Mutual Funds</b>	<b>34 45 255</b>	<b>28 77 026</b>

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

Name of the Partner	Share in Profit/Loss		Closing Balance of Fixed	
	As at	As at	As at	As at
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Nandan Denim Limited	Nil	45%	Nil	4 50 000
Chiripal Industries Limited	Nil	55%	Nil	5 50 000
<b>Total</b>			<b>Nil</b>	<b>10 00 000</b>

## Notes to the Financial Statement for the year ended 31st March, 2017

Note No. 13: LOANS AND ADVANCES		(amount in ₹)			
Particulars	Non-Current		Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016	
<b>(Unsecured, Considered good unless stated otherwise)</b>					
Capital Advances	7 73 26 429	9 24 36 916	Nil	Nil	
Security Deposits	29 49 257	25 29 920	Nil	Nil	
Less : Provision for Doubtful Deposits	(1141592)	(1141592)	Nil	Nil	
	18 07 665	13 88 328	Nil	Nil	
Advance recoverable in cash or kind	Nil	Nil	10 77 52 078	10 12 31 530	
Less : Provision for Doubtful Advance	Nil	Nil	(5468701)	(5468701)	
	Nil	Nil	10 22 83 377	9 57 62 829	
Balance With Govt Authorities	Nil	Nil	31 11 79 322	33 02 92 026	
Interest Receivable	Nil	Nil	42 56 104	29 99 925	
Prepaid Expenses	Nil	Nil	2 90 31 563	3 22 83 074	
Loans to Employees	Nil	Nil	17 27 154	24 98 845	
Less : Provision for Doubtful Loan	Nil	Nil	(113761)	(113761)	
	Nil	Nil	16 13 393	23 85 084	
<b>Total</b>	<b>7 91 34 094</b>	<b>9 38 25 244</b>	<b>44 83 63 759</b>	<b>46 37 22 937</b>	

Note No.14: OTHER NON-CURRENT ASSETS		(amount in ₹)	
Particulars	Non-Current		
	As at 31st March, 2017	As at 31st March, 2016	
Margin Money deposit	35 13 120	2 17 28 171	
(Transfer from other Bank Balances Note No. 17)			
<b>Total</b>	<b>35 13 120</b>	<b>2 17 28 171</b>	

Note No.15: INVENTORIES		(amount in ₹)	
Particulars	As at	As at	
	31st March, 2017	31st March, 2016	
Raw Material	1 15 34 28 656	1 02 53 63 874	
Work-in-Process	35 53 57 436	21 63 37 382	
Finished Goods	49 64 64 234	54 44 15 254	
Stock in Trade	4 24 15 005	4 10 89 031	
Stores & Spares	7 66 97 693	6 02 20 703	
Fuel	2 05 71 889	6 13 61 092	
Packing Material	1 72 33 721	22 76 583	
<b>Total</b>	<b>2 16 21 68 634</b>	<b>1 95 10 63 919</b>	

## Notes to the Financial Statement for the year ended 31st March, 2017

Note No. 16: TRADE RECEIVABLES <span style="float: right;">(amount in ₹)</span>		
Particulars	Current	
	As at 31st March, 2017	As at 31st March, 2016
<b>(Unsecured, Considered good unless stated otherwise)</b>		
Outstanding for a period exceeding Six Months from the date they are due for Payment		
Considered Good	4 56 67 043	3 85 54 746
Considered Doubtful	2 40 36 707	1 85 11 696
	<b>6 97 03 750</b>	<b>5 70 66 442</b>
Less: Provision for doubtful receivables	2 40 36 707	1 85 11 696
	<b>4 56 67 043</b>	<b>3 85 54 746</b>
<b>Other Receivables</b>		
Others - Considered Good	1 30 63 80 294	1 18 38 60 896
Others - Considered Doubtful	Nil	Nil
	<b>1 30 63 80 294</b>	<b>1 18 38 60 896</b>
Less : Provision for doubtful receivables	Nil	Nil
	<b>1 30 63 80 294</b>	<b>1 18 38 60 896</b>
<b>Total</b>	<b>1 35 20 47 337</b>	<b>1 22 24 15 642</b>

Note No. 17: CASH AND BANK BALANCES <span style="float: right;">(amount in ₹)</span>				
Particulars	Non-Current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
<b>A. Cash and cash equivalents</b>				
Cash on hand	Nil	Nil	12 37 525	19 79 552
Balance With Banks	Nil	Nil	16 84 66 806	17 27 13 405
	<b>Nil</b>	<b>Nil</b>	<b>16 97 04 331</b>	<b>17 46 92 957</b>
<b>B. Other Bank Balance</b>				
Margin Money deposit	35 13 120	2 17 28 171	51 12 96 738	45 40 81 795
Unclaimed dividend Account	Nil	Nil	44 25 866	2 02 48 856
	<b>35 13 120</b>	<b>2 17 28 171</b>	<b>51 57 22 604</b>	<b>47 43 30 651</b>
Less Amount disclosed Under Non Current Assets (Note No. 14)	(3513120)	(21728171)	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>68 54 26 935</b>	<b>64 90 23 608</b>

The Other Bank balance includes ₹44 25 866/- (P.Y. ₹20 248 856/-) towards unclaimed dividend which have been kept in separate earmarked account and no transactions except for the stated purpose are done through such account.

## Notes to the Financial Statement for the year ended 31st March, 2017

Note No. 18: REVENUE FROM OPERATIONS		(amount in ₹)	
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016	
<b>Sale of Products</b>	11 76 35 85 151	11 33 74 93 828	
<b>Other Operating Revenue</b>			
Sale of Waste	9 92 21 921	10 90 96 482	
Export Incentives	6 87 04 842	9 11 62 174	
Job Work Income	27 25 90 760	2 95 01 763	
<b>Total</b>	<b>12 20 41 02 674</b>	<b>11 56 72 54 246</b>	
<b>Details of Products Sold</b>			
<b>Finished goods sold</b>			
Denim	9 67 62 37 085	9 42 61 57 717	
Shirting Fabric	77 11 22 641	76 69 44 212	
Bottom Weight	6 22 44 273	17 60 87 607	
Others	79 58 81 326	85 96 17 494	
	<b>11 30 54 85 326</b>	<b>11 22 88 07 031</b>	
<b>Traded goods sold</b>			
Fabrics	43 39 51 889	10 86 86 797	
Printed Fabrics	Nil	Nil	
Others	2 41 47 936	Nil	
	<b>45 80 99 825</b>	<b>10 86 86 797</b>	
	<b>11 76 35 85 151</b>	<b>11 33 74 93 828</b>	

Note No. 19: OTHER INCOME		(amount in ₹)	
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016	
<b>Interest Income On</b>			
Bank Deposits	2 22 02 433	3 14 88 922	
Others	13 08 144	23 28 791	
Profit on Sale of Non Current Investment	Nil	4 03 150	
Dividend Income of Non Current Investments	1 590	17 750	
Miscellaneous Income	6 88 814	73 06 106	
<b>Total</b>	<b>2 42 00 981</b>	<b>4 15 44 719</b>	

Note No. 20 COST OF MATERIALS CONSUMED		(amount in ₹)	
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016	
Opening Stock of Raw Material	1 02 53 63 874	72 71 42 037	
Purchase	8 01 66 80 695	8 10 14 93 213	
Closing Stock of Raw Material	1 15 34 28 656	1 02 53 63 874	
	<b>7 88 86 15 913</b>	<b>7 80 32 71 376</b>	
<b>Details of Raw Material Consumption</b>			
Yarn	3 79 02 01 934	3 94 47 58 608	
Cotton	2 73 42 14 964	2 57 38 21 626	
Other raw materials	1 36 41 99 015	1 28 46 91 142	
	<b>7 88 86 15 913</b>	<b>7 80 32 71 376</b>	
<b>Details of Inventory</b>			
Yarn	34 71 42 143	29 04 43 921	
Cotton	65 13 49 480	41 97 03 179	
Other raw materials	15 49 37 033	31 52 16 775	
	<b>1 15 34 28 656</b>	<b>1 02 53 63 874</b>	



# Notes to the Financial Statement for the year ended 31st March, 2017

## Note No. 20: COST OF MATERIALS CONSUMED (contd.)

Details of Value of Imported & Indigenous Raw Material consumed

Particulars	Raw Materials			
	%		Value (₹)	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
i. Imported	6.36	8.05	50 16 25 027	62 83 47 104
ii. Indigenous	93.64	91.95	7 38 69 90 886	7 17 49 24 271
	100.00	100.00	7 88 86 15 913	7 80 32 71 375

## Note No. 21: PURCHASE OF STOCK IN TRADE (amount in ₹)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Trading Purchase	43 73 08 845	10 14 91 396
	43 73 08 845	10 14 91 396
<b>Details of Purchase of traded goods</b>		
Fabrics	41 87 41 620	10 14 91 396
Printed Fabrics	Nil	Nil
Others	1 85 67 225	Nil
	43 73 08 845	10 14 91 396

## Note No. 22: CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE (amount in ₹)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>Commencing Stock</b>		
Work-in-process	21 63 37 382	15 20 74 548
Finished Goods	54 44 15 254	36 75 58 288
Stock in Trade	4 10 89 031	4 33 22 634
	80 18 41 667	56 29 55 470
<b>Closing Stock</b>		
Work-in-process	35 53 57 436	21 63 37 382
Finished Goods	49 64 64 234	54 44 15 254
Stock in Trade	4 24 15 005	4 10 89 031
	89 42 36 675	80 18 41 667
<b>Decretion / (Accretion) to Stock</b>	(9 23 95 008)	(23 88 86 196)
<b>Details of Finished Goods</b>		
Denim	47 85 11 435	51 87 72 326
Bottom Weight	1 79 52 798	2 50 97 716
Others	Nil	5 45 212
	49 64 64 234	54 44 15 254
<b>Details of Stock in Trade</b>		
Printed Fabrics	3 79 36 113	3 79 36 113
Fabric	44 78 892	31 52 918
Others	Nil	Nil
	4 24 15 005	4 10 89 031

# Notes to the Financial Statement for the year ended 31st March, 2017

Note No. 23: EMPLOYEE BENEFIT EXPENSE	(amount in ₹)	
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Salary, Wages & Bonus	56 17 37 427	51 02 56 297
Contribution to Provident Fund & Other Funds	65 80 390	2 57 14 821
Staff Welfare Expense	97 30 517	92 34 320
<b>Total</b>	<b>57 80 48 334</b>	<b>54 52 05 438</b>

## Retirement Benefits

As per revised Accounting Standard 15, "Employees Benefits", the Company has recognized in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March, 2017.

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

Particulars	2016-17	2015-16
Present Value of Funded Obligations	1 30 11 870	2 10 88 880
Fair value of plan assets	1 18 90 662	1 10 01 296
Present value of unfunded obligations	Nil	Nil
Unrecognized past service cost	Nil	Nil
Net liability/(Asset)	11 21 208	1 00 87 584
<b>Amounts in the balance sheet:</b>		
Liabilities	1 30 11 870	2 10 88 880
Assets	1 18 90 662	1 10 01 296
<b>Net liability/(Asset)</b>	<b>11 21 208</b>	<b>1 00 87 584</b>

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

Particulars	2016-17	2015-16
Current service cost	28 47 821	38 06 394
Interest on obligation	16 87 110	9 36 061
Expected return on plan assets	(8 80 104)	(8 39 055)
Net actuarial losses / (gains) recognized in year 2016-2017	(1 26 21 203)	59 99 182
Past service cost	Nil	Nil
Losses / (Gains) on curtailments and settlement	Nil	Nil
<b>Total included in 'Employee Benefit Expense'</b>	<b>(89 66 376)</b>	<b>99 02 582</b>

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

Particulars	2016-17	2015-16
Opening Defined Benefit Obligation on 1-4-2016	2 10 88 880	1 03 55 364
Service cost	28 47 821	38 06 394
Interest cost	16 87 110	9 36 061
Actuarial losses (gains)	(1 26 11 941)	59 91 061
Losses (gains) on curtailments	Nil	Nil
Liabilities extinguished on settlements	Nil	Nil
Liabilities assumed in an amalgamation in the nature of Purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefits paid	Nil	Nil
<b>Closing defined benefit obligation 31-3-2017</b>	<b>1 30 11 870</b>	<b>2 10 88 880</b>

# Notes to the Financial Statement for the year ended 31st March, 2017

Note No. 23: **EMPLOYEE BENEFIT EXPENSE** (contd.)

4. Details of changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof in respect of gratuity are as follows:

(amount in ₹)

Particulars	2016-17	2015-16
Opening fair value of plan assets as on 01-April -2016	1 10 01 296	1 01 70 363
Expected return	8 80 104	8 31 905
Actuarial gains and (losses)	9 262	(972)
Assets distributed on settlements	Nil	Nil
Contributions by employer	Nil	Nil
Assets acquired in an amalgamation in the nature of purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefits paid	Nil	Nil
Closing fair value of plan assets as on 31-March-2017	1 18 90 662	1 10 01 296

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

(amount in ₹)

Particulars	2016-17	2015-16
Government of India Securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Policy of insurance	100%	100%
Bank Balance	-	-

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

(amount in ₹)

Particulars	2016-17	2015-16
Discount rate as on 31-03-2017	8.00%	8.00%
Expected return on plan assets at 31-03-2017	8.00%	8.25%
Proportion of employees opting for early retirement	-	-
Annual increase in Salary costs	5.00%	5.00%

7. Details of Defined benefit pension plans for the current and previous periods are as follows:

(amount in ₹)

Particulars	31st March, 2017	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013
Defined Benefit	1 30 11 870	2 10 88 880	1 03 55 364	1 13 55 971	87 43 466
Plan assets	1 18 90 662	1 10 01 296	1 01 70 363	93 30 608	85 60 191
Surplus/(deficit)	(11 21 208)	(1 00 87 584)	(1 85 001)	(20 25 363)	(1 83 275)
Experience adjustments on plan liabilities	Nil	Nil	(4510 304)	5 67 915	(23 18 592)
Experience adjustments on plan assets	Nil	Nil	Nil	Nil	Nil

# Notes to the Financial Statement for the year ended 31st March, 2017

## Note No. 23: EMPLOYEE BENEFIT EXPENSE (contd.)

The expected benefits are based on the same assumptions used to measure Group's gratuity obligations as at 31st March, 2017. The Company is expected to contribute ₹12 00 000/- to gratuity funds for the year ended 31st March, 2018.

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

### A. The Amounts (In ₹) Recognized In the Balance Sheet Are As Follows:

(amount in ₹)

Particulars	Defined Benefit Obligation	
	31st March, 2017	31st March, 2016
Present value of funded obligations	12 48 130	12 14 778
Fair value of plan assets	Nil	Nil
Present value of unfunded obligations	12 48 130	12 14 778
Unrecognized past service cost	Nil	Nil
Net liability	12 48 130	12 14 778
Amounts in the balance sheet:		
Liabilities	12 48 130	12 14 778
Assets	Nil	Nil
Net liability	12 48 130	12 14 778

### B. The Amounts (In ₹) Recognized In The Statement Of Profit And Loss Are As Follows :

(amount in ₹)

Particulars	Defined Benefit Obligation	
	31st March, 2017	31st March, 2016
Current service cost	8 71 008	7 91 919
Interest on obligation	94 145	-
Expected return on plan assets	Nil	Nil
Net actuarial losses (gains) recognized in year	(9 31 801)	-
Past service cost	Nil	4 22 860
Losses (gains) on curtailments and settlement	Nil	Nil
Total, included in 'employee benefit expense'	(9 31 801)	12 14 779
Actual return on plan assets	Nil	Nil

### C. Changes In The Present Value Of The Defined Benefit Obligation Representing Reconciliation Of Opening And Closing Balances thereof Are As Follows:

(amount in ₹)

Particulars	Defined Benefit Obligation	
	31st March, 2017	31st March, 2016
Opening defined benefit obligation	12 14 778	Nil
Service cost	8 71 008	7 91 919
Prior Service Cost	Nil	4 22 860
Interest cost	94 145	Nil
Actuarial losses (gains)	(9 31 801)	Nil
Losses (gains) on curtailments	Nil	Nil
Liabilities extinguished on settlement	Nil	Nil
Liabilities assumed in an amalgamation in the nature of purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefits paid	Nil	Nil
Closing defined benefit obligation	12 48 130	12 14 778

## Notes to the Financial Statement for the year ended 31st March, 2017

Note No. 23: **EMPLOYEE BENEFIT EXPENSE** (contd.)

**D. Changes In The Fair Value Of Plan Assets Representing Reconciliation Of The Opening And Closing Balances thereof Are As Follows:** (amount in ₹)

Particulars	Defined Benefit Obligation	
	31st March, 2017	31st March, 2016
Opening fair value of plan assets	Nil	Nil
Expected return	Nil	Nil
Actuarial gains and (losses)	Nil	Nil
Assets distributed on settlements	Nil	Nil
Contributions by employer	Nil	Nil
Assets acquired in an amalgamation in the nature of purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefits paid	Nil	Nil
Closing balance of fair value of plan assets	Nil	Nil

**E. The Major Categories Of Plan Assets As A Percentage Of Total Plan Assets Are As Follows:**

(amount in ₹)

Particulars	Defined Benefit Obligation	
	31st March, 2017	31st March, 2016
Government of India Securities	0.00%	0.00%
High quality corporate bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Insurance Company	0.00%	0.00%

**F. Principal Actuarial Assumptions At The Balance Sheet Date (Expressed As Weighted Averages):**

(amount in ₹)

Particulars	Defined Benefit Obligation	
	31st March, 2017	31st March, 2016
Discount rate	7.50%	7.75%
Expected return on plan assets	0.00%	0.00%
Proportion of employees opting for early retirement	Nil	Nil
Annual increase in Salary costs	5.00%	5.00%
Future changes in maximum state health care benefits	Nil	Nil

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

**G. Amount For The Current And Previous Periods In Respect Of Defined Benefit Pension Plans Are As Follows:**

(amount in ₹)

Particulars	31st March, 2017	31st March, 2016
Defined benefit obligation	12 48 130	12 14 778
Plan assets	Nil	Nil
Surplus/(deficit)	(1248130)	(1214778)
Experience adjustments on plan liabilities	Nil	Nil
Actuarial Loss/(Gain) due to change in assumptions	Nil	Nil
Experience adjustments on plan assets	Nil	Nil

# Notes to the Financial Statement for the year ended 31st March, 2017

## Note No. 23: EMPLOYEE BENEFIT EXPENSE (contd.)

Movement In Net Liability Recognized In Balance Sheet:

(amount in ₹)

Particulars	31st March, 2017	31st March, 2016
Net opening liability	12 14 778	Nil
P&L Charge	33 352	12 14 778
Contribution paid	Nil	Nil
<b>Closing Net liability</b>	<b>12 48 130</b>	<b>12 14 778</b>

## Note No. 24: FINANCE COST

(amount in ₹)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest to Banks	32 16 53 859	34 71 51 943
Other Interest	1 01 56 992	2 37 48 130
Other Borrowing Costs	2 98 70 716	4 08 14 733
<b>Total</b>	<b>36 16 81 567</b>	<b>41 17 14 806</b>

## Note No. 25: OTHER EXPENSES

(amount in ₹)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Stores & Spares consumed	11 77 72 175	11 85 31 455
Packing materials consumed	9 31 33 491	9 48 39 673
Electricity & Fuel charges	91 72 02 707	80 93 72 437
Labour Charges	9 14 79 529	8 33 58 422
Carriage Inward	3 41 68 618	2 99 19 075
Net Foreign Exchange Loss / (Gain)	(86 02 084)	4 23 24 868
Inspection Charges	92 15 812	70 28 679
<b>Repairs To:</b>		
Building	50 59 895	42 85 807
Machinery	4 12 70 117	2 93 05 381
Others	3 96 287	8 13 427
<b>Sub Total</b>	<b>4 67 26 299</b>	<b>3 44 04 615</b>
Insurance	1 67 58 489	1 25 94 567
Rent	1 21 78 788	1 26 04 956
Rates & Taxes	68 83 944	56 34 149
Communication Expense	1 12 30 750	97 17 668
Traveling, Conveyance and Vehicle Expense	1 98 18 861	2 45 06 118
Professional Fees	1 67 36 157	2 69 12 362
<b>Auditor's Remuneration:</b>		
Audit Fees	5 40 500	5 40 500
For Tax Audit	57 500	57 500
For Income Tax	1 49 500	2 38 043
<b>Sub Total.....</b>	<b>7 47 500</b>	<b>8 36 043</b>
Freight, Clearing and Forwarding Charges	3 58 91 214	5 70 28 809
Other Selling Expense	78 78 026	1 02 70 537
Commission Expense	2 10 55 240	3 00 70 028
Donation	1 62 00 000	85 17 000
Bad debts written off	Nil	42 40 195
Provision/(Reversal of Provision) for doubtful debts	55 25 011	37 88 596
Miscellaneous Expense	2 13 28 431	1 82 31 923
	<b>1 49 33 28 958</b>	<b>1 44 47 32 176</b>

## Notes to the Financial Statement for the year ended 31st March, 2017

### Note No. 25: OTHER EXPENSES (contd.)

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

Particulars	Stores, Components & Spare parts			
	%		Value (₹)	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
i. Imported	3.45	0.75	40 64 558	8 89 976
ii. Indigenous	96.55	99.25	11 37 07 617	11 76 41 479
	100.00	100.00	11 77 72 175	11 85 31 455

### Note No. 26: CONTINGENT LIABILITIES NOT PROVIDED FOR :

(amount in ₹)

Sr. No.	Particulars	2016-17	2015-16
a)	Income Tax demands disputed in appeal by the Company/ Income Tax Authorities [Against which the Company has paid amount of ₹64 84 845/- (Previous Year ₹51 82 280/-)]	3 39 08 046	1 62 82 090
b)	Value Added Tax demands disputed in appeal by the Company/VAT Authorities [Against which the Company has paid amount of ₹10 24 310/- (Previous Year ₹10 24 310/-)]	77 43 100	77 43 100
c)	Show Cause Notice received from Various Authorities in respect of Excise & Customs	24 66 446	24 66 446
d)	Civil Suits filed against the Company by various individuals	8 93 51 200	Nil
e)	Professional Tax	3 26 375	2 85 296
f)	Estimated Amount of Contracts remaining to be Executed on Capital Account. Advance paid against such Contract is ₹Nil (Previous year ₹9 24 36 916/-) which is shown under the head advances.	8 93 50 256	1 29 86 50 764
g)	Corporate guarantee in Favour of IDBI Bank Ltd. to secure Term Loan Sanctioned to M/s Vraj Integrated Textile Park Ltd.	19 70 00 000	19 70 00 000
h)	Corporate guarantee in Favour of State Bank of Bikaner and Jaipur to secure Term Loan Sanctioned to M/s Vraj Integrated Textile Park Ltd.	Nil	16 30 00 000
i)	Letter of Credit	47 58 98 996	61 34 96 211
j)	Bank Guarantee	7 61 38 962	5 82 57 472
k)	A letter has been received by the Company from service tax Department seeking Clarification on selling Commission.	Amount not Quantifiable	Amount not Quantifiable
l)	Civil/ Labour Suits filed against the Company	Amount not Quantifiable	Amount not Quantifiable

27. The Company has imported certain capital equipments at concessional rate of custom duty under "Export Promotion Capital Goods Scheme". The Company has pending export obligation to the extent of ₹2 18 67 37 089/- (Previous year ₹17 80 77 894/-) to be fulfilled during the specified period. The liability towards custom duty payable thereon in respect of unfulfilled export obligation as on 31st March, 2017 is ₹36 44 56 182/- (Previous Year ₹2 96 79 649/-).

28. In accordance with Companies (Accounting Standards) Amendment Rules, 2009 the Company has exercised the option of adjusting exchange difference arising on reporting of long term foreign currency monetary item related to acquisition of depreciable capital assets in the cost of the assets to be depreciated over the balance life of the assets.

Exchange difference Loss relating to long-term monetary item, in so far related to acquisition of depreciable capital asset, adjusted to the Fixed Assets and amount of ₹Nil (P.Y. ₹27 35 621/-) arising during the current year are adjusted to the cost of the fixed assets and depreciated over the balance life of the fixed assets.

29. Net Foreign Exchange Gain of ₹1 37 05 093/- (Previous Year Gain of ₹2 05 39 778/-) in respect of Exports included in Other Expense. Net Foreign Exchange loss amounting to ₹51 03 008/- (Previous Year Gain of ₹6 28 64 646/-) in respect of various other items is included in Other Expense.

30. Fuel Cost is net of Fuel Income of ₹5 72 67 796/- (P.Y. ₹5 73 01 537/-).

## Notes to the Financial Statement for the year ended 31st March, 2017

31. Employee Cost is net of Labour reimbursement of ₹2 16 20 000/- (P.Y. ₹2 21 78 000/-).
32. In the opinion of the Board of Directors, Current Assets, Loans and Advances have a value on realization at least equal to the amount at which they are stated in Balance sheet. Adequate provisions have been made for all known liabilities except stated otherwise.
33. The Company has entered into certain operating lease agreements and an amount of ₹1 21 78 788/- (P.Y. ₹1 26 04 956/-) paid under such agreements has been charged to the statement of Profit & Loss. These lease are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by such agreements.
34. Borrowing costs attributable to the acquisition or construction of Qualifying Assets amounting to ₹10 46 77 771/- (Previous Year ₹2 44 82 414/-) is capitalized by the Company net of TUFS interest subsidy ₹5 39 06 313/- (Previous Year ₹Nil),
35. During the year, the Company has impaired the assets to the tune of ₹Nil (Previous Year ₹Nil).
36. Interest and Finance Charges are net of interest subsidy received/receivable under TUFS amounting to ₹17 25 05 541/- (Previous year ₹11 05 23 164/-) and Interest Subvention of ₹75 67 926/- (Previous Year ₹99 19 222/-)
37. Profit for the year has been arrived at after adjusting following prior period items:-

(amount in ₹)

Expense Head	2016-17	2015-16
Professional and Consultancy Expense	3 76 535	Nil
Carriage Expense	6 69 472	Nil
Repairs and Maintenance Expense	4 06 727	Nil
<b>Total Expense Amount (₹)</b>	<b>14 52 734</b>	<b>Nil</b>

### 38. Related Party Disclosures:

#### A) Key Management Personnel:

Sr. No.	Name	Designation
1	Vedprakash Chiripal	Chairman
2	Brijmohan Chiripal	Managing Director
3	Deepak Chiripal	Chief Executive Officer
4	Ganesh Khawas	Whole Time Director (Resigned w.e.f 04/07/2016)
5	P K Shrivastava	Whole Time Director
6	Ashok Bothra	Chief Financial Officer (Appointed w.e.f 28/05/2016)
7	Purvee Roy	Company Secretary

#### B) List of Relatives of Key Management Personnel with whom transactions have taken place during the year:

Sr. No.	Name	Nature of Relationship
1	Jaiprakash Chiripal	Relative of Managing Director
2	Babita Shrivastav	Relative of Whole Time Director
3	Mridula Bothra	Relative of Chief Financial Officer

#### C) List of Related Parties with whom transactions have taken place during the year:

Sr. No.	Name	Sr. No.	Nature of Relationship
1	Shanti Exports Pvt. Ltd.	6	Chiripal Polyfilms Ltd.
2	Chiripal Industries Ltd.	7	Nova Textiles Pvt Ltd
3	Vishal Fabrics Ltd.	8	Milestone Educom Trust
4	Chiripal Textile Mills Pvt. Ltd.	9	Nandan Terry Pvt. Ltd
5	Chiripal Lifestyle Ltd.	10	Chiripal Charitable Trust



## Notes to the Financial Statement for the year ended 31st March, 2017

### 38. Related Party Disclosures: (Contd.)

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

(amount in ₹)

Sr. No.	Nature of Transaction	Key Management Personnel	Relatives of Key Management Personnel	Related Parties	Total
<b>1</b>	<b>Unsecured Loans – Taken</b>				
	Taken during the period	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
	Repaid during the period	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
	Balance as at Balance Sheet Date	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
<b>2</b>	<b>Advances Recoverable in Cash or Kind</b>				
	Given during the period	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
	Settled during the period	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
<b>3</b>	<b>Expenditure</b>				
	Purchase of Goods	Nil (Nil)	Nil (Nil)	59 10 01 445 (67 10 11 167)	59 10 01 445 (67 10 11 167)
	Purchase of Stock in Trade	Nil (Nil)	Nil (Nil)	2 22 84 615 (3 52 61 819)	2 22 84 615 (3 52 61 819)
	Rent, Rates and Taxes	Nil (Nil)	Nil (Nil)	96 17 026 (1 14 48 576)	96 17 026 (1 14 48 576)
	Donation	Nil (Nil)	Nil (Nil)	1 50 00 000 (75 00 000)	1 50 00 000 (75 00 000)
	Repairs & Maintenance Expense	Nil (Nil)	Nil (Nil)	40 588 (Nil)	40 588 (Nil)
	Electricity Expense	Nil (Nil)	Nil (Nil)	11 18 091 (19 71 191)	11 18 091 (19 71 191)
<b>4</b>	<b>Income Received</b>				
	Sales	Nil (Nil)	Nil (Nil)	2 61 28 11 438 (2 09 87 71 038)	2 61 28 11 438 (2 09 87 71 038)
	Job Work Income	Nil (Nil)	Nil (Nil)	21 91 94 030 (3 27 135)	21 91 94 030 (3 27 135)
<b>5</b>	<b>Remuneration paid</b>	2 07 27 875 (1 40 04 008)	10 32 084 (1 51 200)	Nil (Nil)	2 17 59 959 (1 41 55 208)
<b>6</b>	<b>Dividend Paid</b>	Nil (75 66 000)	Nil (49 18 685)	Nil (5 88 21 536)	Nil (7 13 06 221)
<b>7</b>	<b>Sale of Investment</b>	4 50 000 (Nil)	Nil (Nil)	1 18 33 080 (Nil)	1 22 83 080 (Nil)

## Notes to the Financial Statement for the year ended 31st March, 2017

### 38. Related Party Disclosures: (Contd.)

#### Notes:

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 ₹)

Sr. No.	Particulars	2016-17
1.	<b>Expenditure:</b>	
	<b>Purchase of Raw Material:</b>	
	- Chiripal Industries Ltd	32 47 98 716 (33 10 17 910)
	- Nova Textiles Pvt. Ltd.	22 60 87 945 (33 62 43 973)
	<b>Purchase of Stock in Trade:</b>	
	- Chiripal Industries Ltd	2 22 84 615 (1 70 90 111)
	<b>Rent Rates and Taxes:</b>	
	- Chiripal Industries Ltd	62 52 000 (62 52 000)
	- Shanti Exports Pvt Ltd	33 65 026 (43 19 804)
	<b>Donation:</b>	
	- Chiripal Charitable Trust	1 00 00 000 (Nil)
	- Milestone Educom Trust	50 00 000 (75 00 000)
	<b>Repairs &amp; Maintenance Expense:</b>	
	-Shanti Exports Pvt Ltd	40 588 (Nil)
	<b>Electricity &amp; Fuel Expense:</b>	
	-Shanti Exports Pvt Ltd	11 18 091 (19 71 191)
3	<b>Income Received:</b>	
	<b>Sales:</b>	
	- Chiripal Industries Ltd	30 91 95 282 (13 04 47 876)
	- Nova Textiles Pvt Ltd	2 21 83 88 895 (1 96 61 47 765)
	<b>Jobwork Sales:</b>	
	- Nova Textiles Pvt. Ltd.	21 84 07 217 (3 27 135)
4	<b>Remuneration Paid:</b>	
	- Brijmohan Chiripal	91 12 925 (67 20 000)
	- Deepak Chiripal	72 90 347 (53 76 000)
	- Ashok Bothra	23 30 148 (Nil)

## Notes to the Financial Statement for the year ended 31st March, 2017

### 38. Related Party Disclosures: (Contd.)

Notes:

		<i>(amount in ₹)</i>
Sr. No.	Particulars	2016-17
<b>5</b>	<b>Dividend Paid:</b>	
	-Chiripal Exim LLP	Nil (1 86 30 446)
	- Chiripal Industries Ltd	Nil (3 07 95 102)
	- Brijmohan Chiripal	Nil (72 28 000)
	- Devkinandan Corporation LLP	Nil (80 97 288)
<b>6</b>	<b>Sale of Investment:</b>	
	-Chiripal Poly Films Ltd.	1 18 33 080 (Nil)

39. The Company is considered to be engaged in Textile Industry with all activity revolving around this business and accordingly has only one reportable business segment. The Company has identified geographical segment as its secondary business segment, the details are as follows:

#### Secondary Segment Information for the period ended 31st March, 2017

		<i>(amount in ₹)</i>		
Sr. No.	Particulars	India	Rest of World	Total
1	Segment Revenues	11 30 99 57 173 (10 09 86 80 274)	89 41 45 501 (1 46 85 73 972)	12 20 41 02 674 (11 56 72 54 246)
2	Segment Assets	12 33 04 42 132 (10 04 99 53 240)	12 34 81 405 (12 73 49 592)	12 45 39 23 537 (10 17 73 02 832)
3	Capital Expenditure during the period	3 79 97 08 296 (1 10 61 65 990)	Nil (Nil)	3 79 97 08 296 (1 10 61 65 990)

### 40. Earnings per Share

		<i>(amount in ₹)</i>		
Particulars	Unit	31st March, 2017	31st March, 2016	
Numerator used for calculating Basic and Diluted Earnings per Share (Profit after Tax)	₹	56 66 71 003	63 32 22 150	
Weighted average No. of shares used as denominator for calculating Basic	No. of Shares	4 77 54 535	4 55 49 056	
Nominal Value of Share	₹	10	10	
<b>Basic Earnings per Share</b>	<b>₹</b>	<b>11.87</b>	<b>13.90</b>	
<b>Weighted average number of shares</b>				
a) Basic	No. of Shares	4 77 54 535	4 55 49 056	
b) Nominal Value of Share	₹	10	10	
c) Effect of dilutive equity shares on account of: - Convertible warrants	No. of Shares	Nil	11 16 438	
d) Weighted average No. of shares used as denominator for calculating Diluted	No. of Shares	4 77 54 535	4 66 65 494	
<b>Diluted earnings per share</b>		<b>11.87</b>	<b>13.57</b>	

## Notes to the Financial Statement for the year ended 31st March, 2017

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

(amount in ₹)

Particulars	Amount (₹)
Raw Materials	50 16 25 027 (62 83 47 104)
Stores & Spares	40 64 558 (8 89 976)
Capital Goods	1 14 61 28 325 (67 72 74 129)
Fuel (Coal)	6 28 85 245 (Nil)

### 42. Expenditure In Foreign Currency

(amount in ₹)

Particulars	Amount (₹)
i. Traveling Expenses	72 90 681 (87 83 719)
ii. Bank Charges	35 86 276 (37 75 466)
iii. Commission paid	1 89 45 405 (2 75 60 807)
v. Testing Expense	3 65 806 (Nil)
vi. Interest on Buyer's Credit & Working Capital facilities	1 12 01 292 (84 88 930)
vii. Sales Promotion Expense	Nil (73 40 405)

### 43. Earning In Foreign Currencies

(amount in ₹)

Particulars	Amount (₹)
FOB Value of Export Goods	89 40 94 434 (1 36 56 30 394)

### 44. Details in respect of Application of Fund raised through Preferential Allotment

(amount in ₹)

Particulars	2016-17	2015-16
Opening Balance	Nil	Nil
Funds raised during the year	25 00 00 000	25 00 00 000
<b>Fund Utilized</b>		
For Long term Working Capital Requirement	25 00 00 000	25 00 00 000
For Issue Expenses	Nil	Nil
<b>Closing Balance as on 31/03/2017</b>	<b>Nil</b>	<b>Nil</b>

## Notes to the Financial Statement for the year ended 31st March, 2017

45. Disclosure of details in respect of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as required by Notification No. GSR 308(E) [F.NO.17/62/2015-CL-V-(VOL.I)], DATED 30-3-2017 are provided in the Table below:

*(amount in ₹)*

Sr. No.	Particulars	SBNs	Other denomination notes	Total
1.	Closing cash in hand as on 8-11-2016	Nil	73 87 909	73 87 909
2.	(+) Permitted receipts	Nil	Nil	Nil
3.	(+) Amount Withdrawal from Banks	Nil	26 96 482	26 96 482
4.	(-) Permitted payments	Nil	1 13 577	1 13 577
5.	(-) Amount deposited in Banks	Nil	Nil	Nil
6.	Closing cash in hand as on 30-12-2016	Nil	<b>99 70 814</b>	<b>99 70 814</b>

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

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

### Signature to Notes "1" to "46"

As per our report of even date attached herewith

For, **J.T. Shah & Co**

*Chartered Accountants*

[Firm Regd. No. 109616W]

**[J.T. Shah]**

*Partner*

[M.No. 3983]

Place : Ahmedabad

Date: 29/05/2017

For and on Behalf of the Board

**Vedprakash Chiripal**

*[Chairman]*

[DIN:00290454]

**Ashok Bothra**

*[Chief Financial Officer]*

**Brijmohan Chiripal**

*[Managing Director]*

[DIN:00290426]

**Purvee Roy**

*[Company Secretary]*



**NANDAN DENIM LIMITED**

Corporate Identification Number (CIN) – L51909GJ1994PLC022719  
Registered Office: Survey No. 198/1 & 203/2, Saijpur – Gopalpur, Pirana Road, Piplej, Ahmedabad – 382405  
Phone: +91 9879200199, Email: cs.ndl@chiripalgroup.com, Website: www.nandandenim.com

**ATTENDANCE SLIP**

(to be presented at the entrance of the hall)

DP ID: .....

Folio No. / Client Id: .....

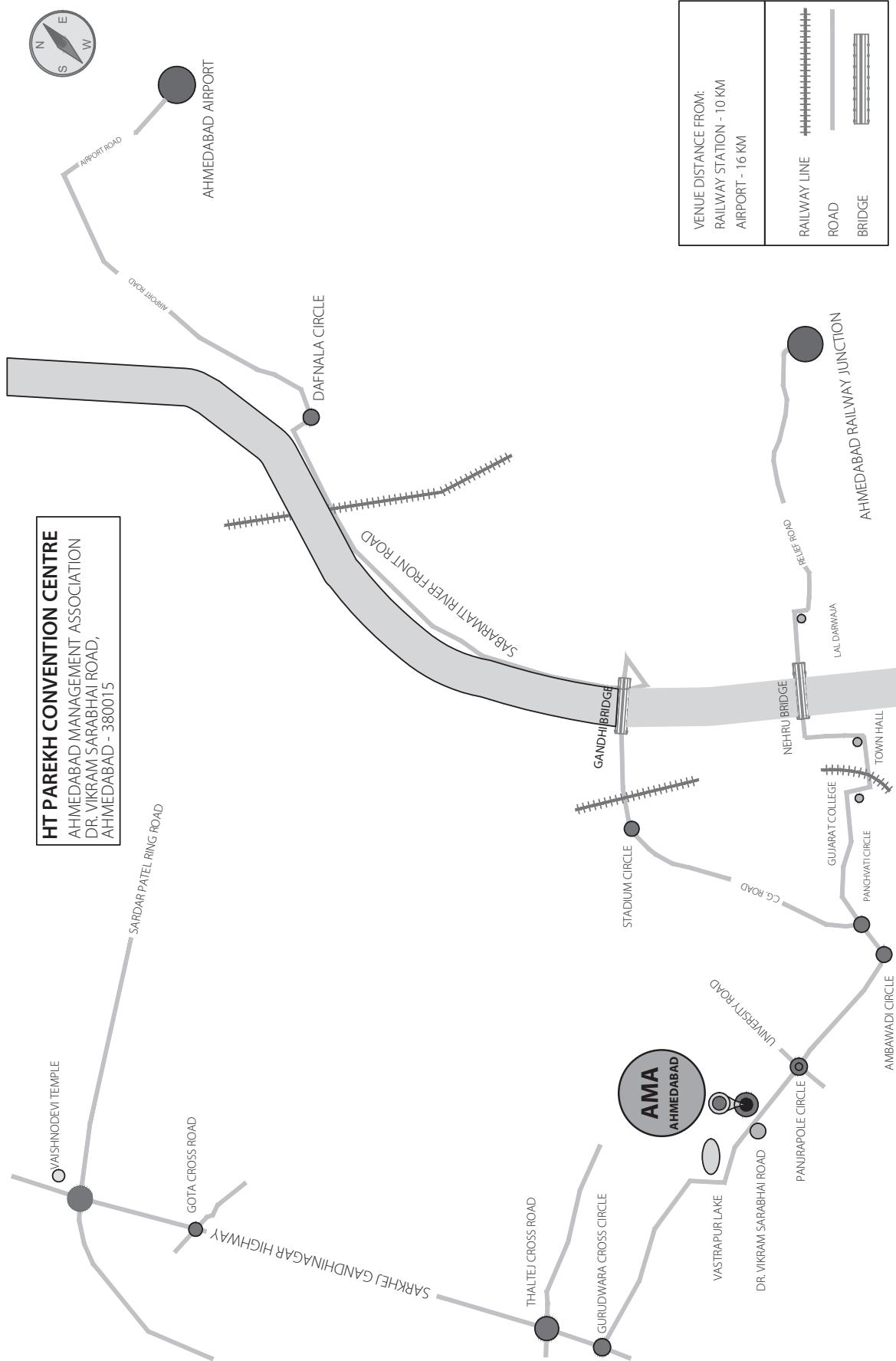
I/We ..... hereby record my/our presence at the 23rd ANNUAL GENERAL MEETING of the Company at H.T. Parekh Convention Centre, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 on Friday, 29th September, 2017 at 03.00 p.m.

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**

Corporate Identification Number (CIN) – L51909GJ1994PLC022719  
Registered Office: Survey No. 198/1 & 203/2, Saijpur – Gopalpur, Pirana Road, Piplej, Ahmedabad – 382405  
Phone: +91 9879200199, Email: cs.ndl@chiripalgroup.com, Website: www.nandandenim.com

**PROXY FORM**  
**Form No. MGT-11**

[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/her;

(2) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him/her;

(3) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Friday, 29th September, 2017 at 03.00 p.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 overleaf:





No.	Resolutions
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**Ordinary Business:**

1	To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 and the Report of the Board of Directors and Auditors thereon.
2	To declare Dividend on equity shares for the financial year ended 31st March, 2017.
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.
4	To appoint Auditors and fix their remuneration.

**Special Business:**

5	To appoint Mr. Jyotiprasad Chiripal (DIN: 00155695) as Managing Director.
6	To appoint Mr. Prakashkumar Ramniwash Sharma (DIN: 06639254) as a Whole Time Director.
7	To approve the entering by the Company into Related Party Transactions.
8	To ratify the remuneration of Cost Auditors for the financial year ending 31st March, 2018.
9	To increase limit of Foreign Investment by Non Resident Indians (NRI) under Portfolio Investment Scheme.
10	To authorize the Company for making donation to bonafide charitable and other funds.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of the Shareholder \_\_\_\_\_

Affix  
Re 1/-  
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.





# CORPORATE INFORMATION

## Nandan Denim Limited

CIN: L51909GJ1994PLC022719

### Board of Directors

Mr. Vedprakash Chiripal	- Chairman
Mr. Jyotiprasad Chiripal	- Managing Director (w.e.f. 1st June, 2017)
Mr. Brijmohan Chiripal	- Managing Director (upto 31st May, 2017)
Mr. Tara Sankar Bhattacharya	- Independent Director
Mr. Ambalal Patel	- Independent Director
Dr. Yasho Verdhan Verma	- Independent Director (upto 15th December, 2016)
Ms. Pratima Ram	- Independent Director
Mr. Giraj Mohan Sharma	- Independent Director
Mr. Pradeep Kumar Shrivastava	- Whole Time Director (upto 15th April, 2017)
Mr. Ganesh Khawas	- Whole Time Director (upto 4th July, 2016)

### Chief Executive Officer

Mr. Deepak Chiripal

### Chief Financial Officer

Mr. Ashok Bothra (w.e.f. 28th May, 2016)

### Company Secretary

Ms. Purvee Roy

### Bankers

Bank of India	Karnataka Bank	UCO Bank
Bank of Maharashtra	Lakshmi Vilas Bank	Union Bank of India
Canara Bank	Oriental Bank of Commerce	United Bank of India
Central Bank of India	Saraswat Co. Op. Bank	
Dena Bank	State Bank of India	
IDBI Bank	Syndicate Bank	

### Statutory Auditor

M/s. J.T. Shah & Co.,  
Chartered Accountants

### Cost Auditor

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

### Secretarial Auditor

M/s. Geeta Serwani & Associates,  
Company Secretaries

### Registered Office & Plant

Survey No. 198/1 & 203/2,  
Saijpur – Gopalpur, Pirana Road, Piplej,  
Ahmedabad, Gujarat – 382 405  
Tel.: 9879200199  
Email: nandan@chiripalgroup.com

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



**Registered Office**

Survey No. 198/1 & 203/2,

Saijpur-Gopalpur,

Pirana Road, Piplej,

Ahmedabad 382405, Gujarat

**P:** +91 9879200199

**E:** [nandan@chiripalgroup.com](mailto:nandan@chiripalgroup.com)

**W:** [www.nandandenim.com](http://www.nandandenim.com)