

3rd October, 2016

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

Scrip Code: 532641

Dear Sir,

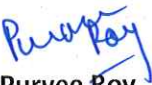
Sub.: Submission of Annual Report of Nandan Denim Limited for the year 2015-16
Ref.: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of Nandan Denim Limited for the year 2015-16 which was approved and adopted by the shareholders of the Company at the 22nd Annual General Meeting of the Company held on Wednesday, 28th September, 2016 at H.T. Parekh Convention Center, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.

You are requested to kindly take the above on record.

Thanking You,

Yours sincerely,
For **NANDAN DENIM LIMITED**


Purvee Roy
Company Secretary
Mem. No. A26925



To,
National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G – Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051.

Scrip Code: ND

Nandan Denim Limited
(Formerly known as Nandan Exim Limited)
(CIN:L51909GJ1994PLC022719)

Plant & Regd. Office:

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

Corporate House:

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



Nandan
One world with denim

Nandan Denim Limited



ANNUAL REPORT
2015-16

ONE WORLD WITH DENIM



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**GOD DID NOT
MAKE MAN
EQUAL.**

DENIM DID.

DENIM IS MORE THAN JUST ANOTHER FABRIC. IT IS A METAPHOR.

**FOR A WORLD WHERE THE RICH AND
NOT-SO-RICH ARE COMFORTABLE
WEARING THE SAME CLOTHES.**

For a world that is informally friendly world.

For a world marked by style and
contemporariness on the one hand, and
directness cum hands-on engagement on
the other.





**ONE
FABRIC.**

**ONE
WORLD.**

**VIRTUALLY EACH COUNTRY HAS
ITS OWN CULTURAL FABRIC.**

Drawn from hundreds of years.

Over the last century, a universal fabric emerged.

Denim.

Preferred across countries, climates and classes.

Connecting people, ages and backgrounds.

The world may not yet have begun to live as one; it has surely begun to dress that way.

THERE ARE SEVEN MESSAGES THAT WE NEED TO ESSENTIALLY COMMUNICATE IN THIS REPORT.

Two, we see the demand for denim growing sustainably.

One, denim is a universal garment.

Three, the most competitive denim manufacturers will come from countries with abundant cotton, enduring manufacturing tradition and a large captive consuming market.

Four, India (by virtue of all three advantages) is possibly the most attractive denim manufacturing location in the world.

Six, Nandan Denim is at the right place at the right time; its ₹612 crore expansion will commence production in FY17.

Five, India's per capita jeans consumption is one of the lowest in the world, a reality likely to be soon corrected.

Seven, following this expansion, Nandan Denim will evolve into a leading global player.

THERE ARE SOME THINGS THAT YOU NEED TO KNOW ABOUT NANDAN DENIM.

WE HAVE ALWAYS BELIEVED THAT THE MOST COMPETITIVE COMPANIES ARE THOSE THAT CONTINUE TO EXPAND CAPACITIES IN A COST-EFFICIENT WAY.

Nandan Denim grew its denim manufacturing capacity from 6 MMPA in FY04 to 71 MMPA in FY14 to a projected 110 MMPA in FY17.

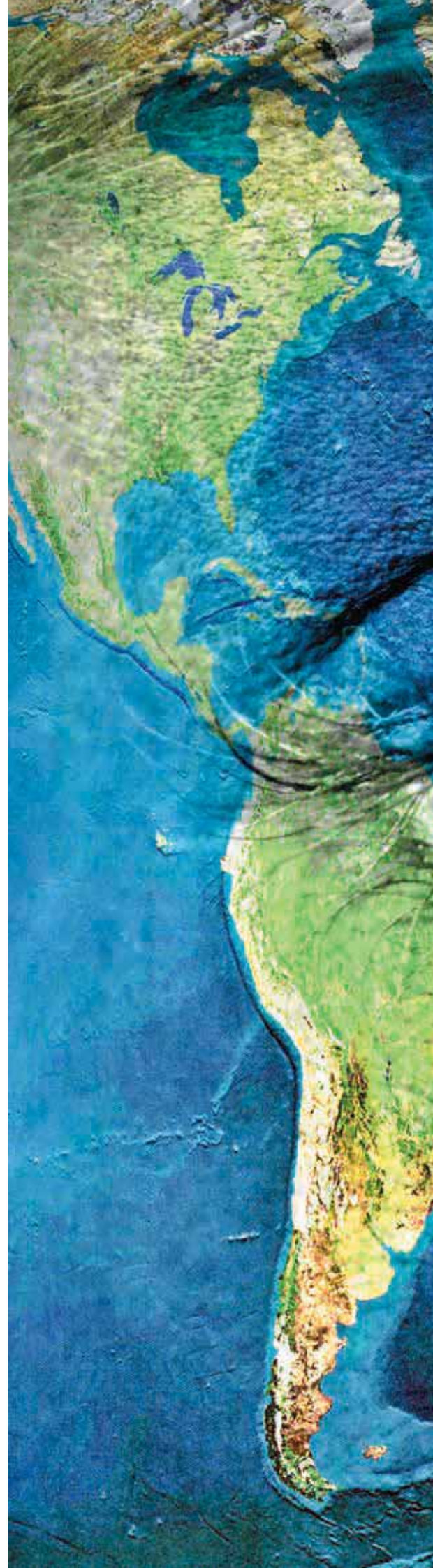
We have always believed that market-leading positions are achieved through that one defining act of boldness.

In FY14, Nandan Denim initiated its largest expansion in denim manufacturing

capacity by nearly 40 MMPA, nearly 60 per cent of its existing capacity in one stroke.

We have always believed that progressively de-risked businesses endure longer.

We have always believed that the most profitable companies enjoy the widest arbitrage between the cost of funds and business returns.





OUR STORY AT NANDAN DENIM COMES DOWN TO JUST ONE POINT. SCALE MARRIES COMPETITIVENESS.

BUSINESS SUSTAINABILITY IS BEST DERIVED FROM A COMBINATION OF SCALE AND COMPETITIVENESS.

At Nandan Denim, we possess both.

Following our expansion, Nandan Denim is likely to emerge as the fourth largest denim fabric manufacturer in the world.

Following the expansion, the Company is also likely to emerge as one of the lowest

cost denim manufacturers in the world.

We believe that this combination will translate into superior margins and higher surplus available for reinvestment.

Extending profitability to sustainability.





TO GO FORWARD IT MIGHT BE IMPORTANT TO GO BACKWARD.

AT NANDAN DENIM, THE KEY TO OUR COMPETITIVENESS LIES IN THAT WE ARE VENDOR AND CUSTOMER – END-TO-END.

This uniqueness is derived from the ability to manufacture the raw material (yarn) required in the manufacture of the end product (denim fabric).

In FY14, we invested in more than doubling our spinning capacity - from 54 TPD to 124 TPD.

This increased our ability to provide raw material for our captive needs – from 50% of our needs in FY14 to 80-85% during the year under review.

More than just provide an immediately availability of raw material, the yarn manufactured within costs the Company about 8-10% less than the outsourced equivalent.

The Company invested in state-of-the-art automated technology marked by a corresponding manpower deployment considerably lower than industry peers.

Going ahead, the proposed expansion will make it possible for the Company to enhance the quantum of value-added production from 10% to a third of sales post expansion.

This combination of backward integration and horizontal expansion is expected to enhance EBIDTA margin in 18-24 months.

Creating the foundation of a robustly profitable company.





NANDAN DENIM.

**FIFTH LARGEST
INTEGRATED DENIM
MANUFACTURER IN
THE WORLD.**

**SECOND
LARGEST DENIM
MANUFACTURING
CAPACITY IN INDIA.**

**ONE OF INDIA'S
FASTEST-GROWING
DENIM COMPANIES.**

NANDAN DENIM IS PART OF THE AHMEDABAD-BASED CHIRIPAL GROUP WITH A PRESENCE IN A MULTITUDE OF BUSINESSES (TEXTILES, PACKAGING, EDUCATION AND INFRASTRUCTURE).

Nandan Denim is one of India's fastest growing denim companies with a manufacturing capacity of 110 MMTPA (post expansion).

The Company also has 10 MMPA capacity for processing shirting fabric.

The Company's products are sought by leading brands worldwide.

The Company's shares are listed and actively traded on the Bombay Stock Exchange and National Stock Exchange.

VISION

Nandan Denim on Every Table-
A position that we sustain by producing high quality denim that is ahead of the fashion curve - and is the 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 stakeholders – 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 try to be absolutely fair and transparent in all our dealings with internal and external bodies

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 do not harm the environment or the communities we come in contact with and constantly

work towards a more sustainable future for all

Collaborative and Relationship driven - We value 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 anticipating their needs in advance and doing our best to meet them in time

KEY CUSTOMERS



OTHER INFORMATION

532641

BSE Code

NDL

NSE symbol

₹10

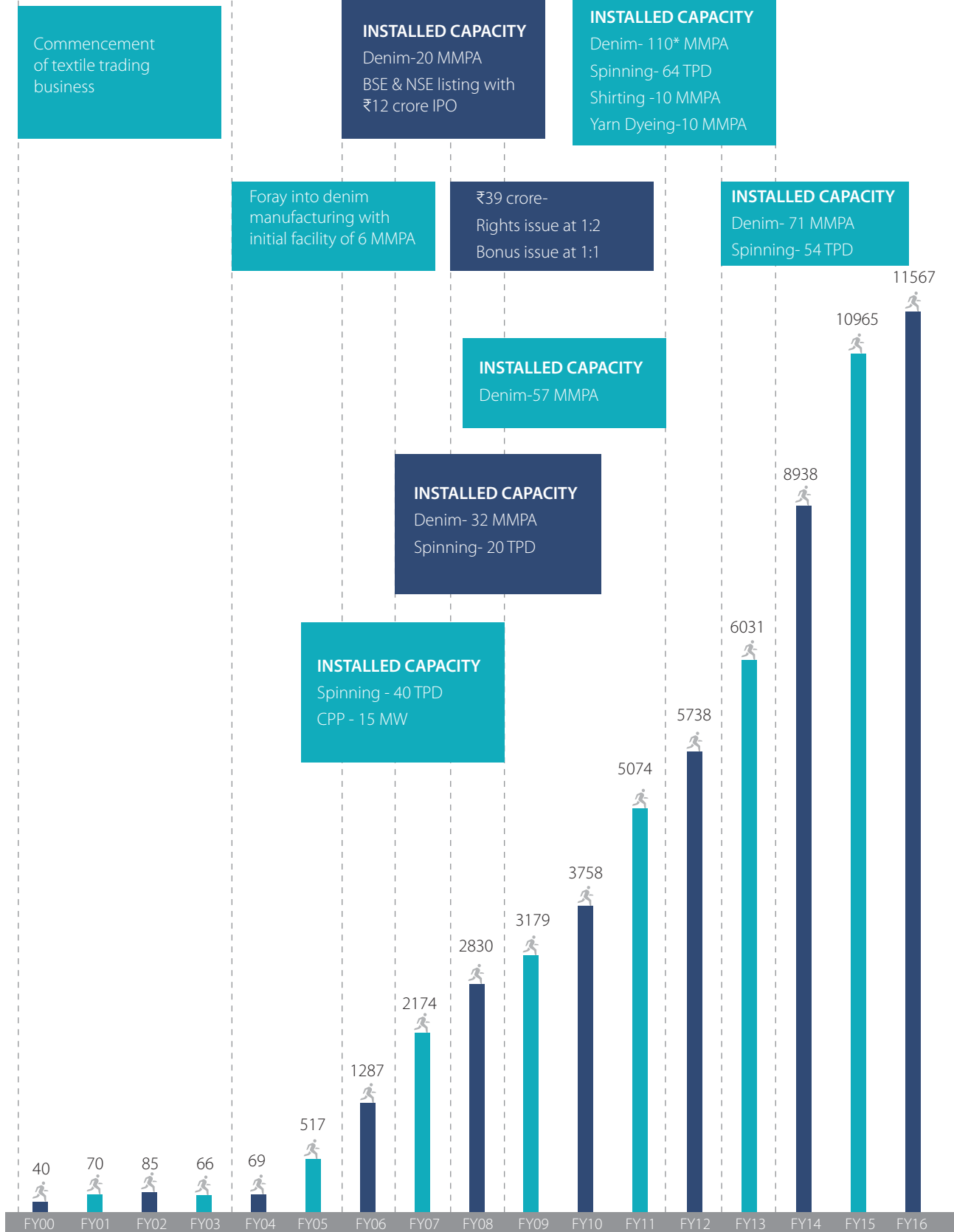
Face value per share

₹68.81

Book value per share (March 31, 2016)

OUR CORPORATE JOURNEY SO FAR

Revenues (in ₹ million)



NANDAN DENIM IN NUMBERS

61.47

Promoters' holding

March 31, 2016 (%)

5.23

Institutional holding

March 31, 2016 (%)

533.83

Market capitalisation

March 31, 2016
(₹ crore) BSE

1156.73

Revenue from operations

2015-16 (₹ crore)

191.14

EBIDTA

2015-16 (₹ crore)

63.32

Net profit

2015-16 (₹ crore)

13.90

Basic earnings per share

2015-16 (₹)

27+

Presence (nations)

136.56

Exports

2015-16 (₹ crore)



Vedprakash D. Chiripal

THE BIG QUESTION ASKED BY OUR SHAREHOLDERS: WHERE WILL WE SELL? THE BIG STRESS ON OUR MINDS: HOW WILL WE MANAGE GROWING DEMAND?

Dear shareholders,

It would be customary to begin my statement with an analysis of the previous year's performance.

I will take the opportunity to address the shareholders' apprehension about our capacity expansion, encapsulated in a single question: where will Nandan Denim market the incremental output?

This question is relevant and timely. According to media reports, India nurses excess denim capacity and needs to export to protect domestic realisations.

However, this reality is true only for the short-term.

If one takes a three to five year horizon, we foresee industry realities transforming from surplus to shortage.

The Indian denim market is growing

annually at about ~18% against the global average of 3-5%. Assuming that this growth rate continues, India would need 2000 mn metres of denim fabric to feed its rising fabric appetite.

At Nandan Denim, we believe there are a number of factors promising 18% annual growth in the domestic denim market.

India suffers from the lowest per capita denim jeans consumption in the world - 0.3 denim jeans pair - even as China's stands at 2 and US and UK at 8 and 9 respectively. This under-penetration is on account of a mere 7% of India's population driving 49% of the country's jeans consumption and nearly 85% of the

country's consumption being accounted by men.

We believe that this reality could soon change for good reasons:

Youth: India is the youngest country of the world; more than 50% Indians are below 25 years and 65% below 35 years. The aspirational youth (15-29 year olds) with rising spending power account for 26% of the consuming population. By 2020, it is estimated that the average age in the country will be 29, an attractive average of young earners and consumers desiring to try out the new.

Urbanisation: About 377 million in India's population of 1.27 billion are urban. With more than 10 million people migrating to cities and towns every year, the country's urban population is expected to reach about 600 million by 2031.

Smart Cities: The Central Government has selected 20 cities to launch its large-scale urban makeover plan. It proposes to invest ₹50,802 crore on these cities in the first phase of an ambitious plan to set up 100 'Smart Cities'.

Workforce: India is expected to add 110 million people to its labour force in 10 years. Besides, by 2020, India could have 116 million workers in the work-starting age bracket of 20-24 years (China 94 million).

Working women: The number of women joining India's workforce is increasing. India's government is preparing to extend mandatory paid maternity leave to six-and-a-half months -- among the longest such periods in the world. This could add to India's working women population and in turn add 200 bps to India's GDP according to the Organisation for Economic Cooperation & Development.

Earnings: India's per capita income has increased – from ₹71,050 in FY13

to ₹93,231 in FY16 and could cross ₹100,000 in FY17, leading to an increase in discretionary spending.

Reach: The e-commerce revolution has extended fashion awareness and apparel availability to Tier II and III cities.

During the past 12 to 18 months, there has been a decline in the production of denim fabrics in US and China, resulting in accelerated denim manufacturing opportunities: from 35% of India's total textile exports to 45% by 2020.

Business strategy

At Nandan Denim, we have drawn out a two-pronged strategy.

In-plant

- Streamline operations for maximising asset utilisation and optimising costs
- Enhance knowledge on the fashionability of denim (value-added)
- Enhance infrastructure and product development capabilities customised around select geographies and preferences

- Build expertise and capabilities to maximise value-added production

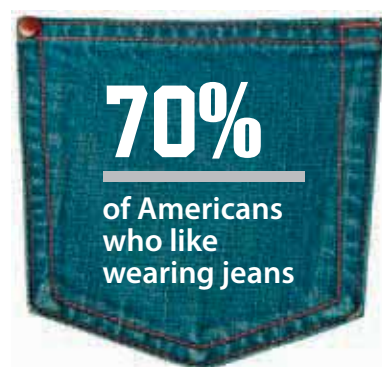
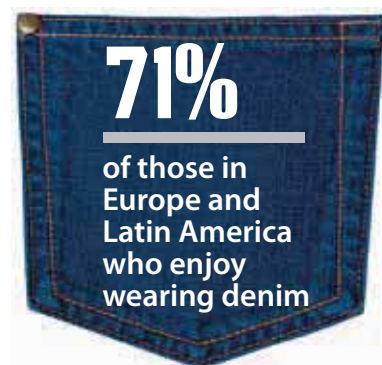
On-field

- Deepen global presence in existing and high-growth geographies
- Strengthen customer loyalty

Overview

The big message I would like to leave with shareholders is that Nandan Denim is at an inflection point where an interesting volume-value play will strengthen growth and profitability, enhancing shareholder value.

On behalf of the Board of the Company, I would like to express gratitude to our stakeholders, customers and employees for their unstinted support in growing our respect and performance.



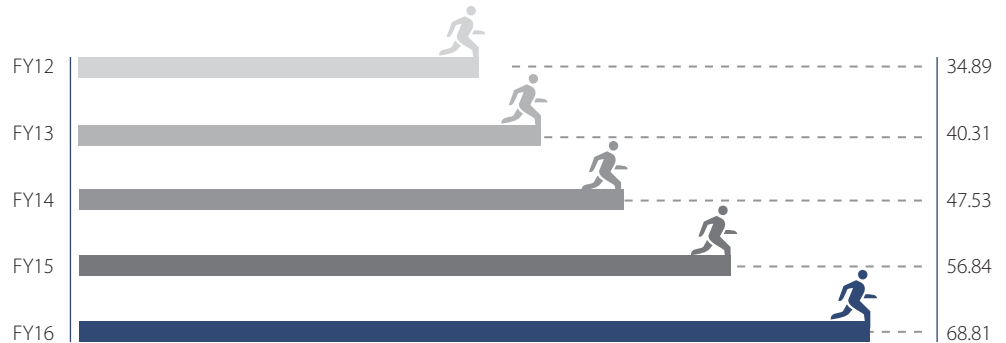
(Source: Cotton Inc.)

FROM STRENGTH TO STRENGTH



Book value per share
(₹)

CAGR: 14.55%



Debt-equity
(x)

Reduction by 14.50%



TALKING POINTS OF OUR 2015-16 PERFORMANCE

Financial performance	Financial statements	In-plant initiatives
<ul style="list-style-type: none"> Revenue from operations increased by 5.49% over 2014-15 EBIDTA increased by 15.56% over 2014-15 Net profit grew by 23.15% over 2014-15 Net cash from operations grew by 14.78% from ₹144.98 crore in 2014-15 to ₹166.41 crore in 2015-16 	<ul style="list-style-type: none"> Received ₹250 million against convertible warrants issued to Polus Global Fund 	<ul style="list-style-type: none"> Denim production increased over the previous year Manufactured new SKUs aligned to market/customer requirements Implemented numerous initiatives for cost optimisation and productivity improvement Made investments as per plan for the ongoing expansion



Deepak J. Chiripal

“OUR NEW CAPACITIES WILL BE COMMISSIONED IN THE CURRENT YEAR, WHICH WILL LEAD TO VOLUME-DRIVEN AND VALUE-LED GROWTH.”

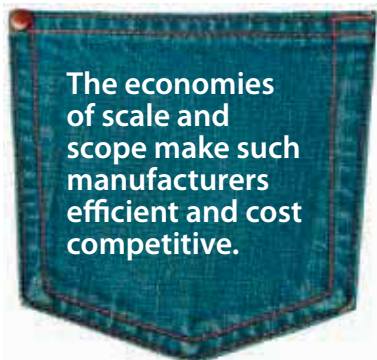
Q. What are the new trends in the space of denim fabric?

Denim is a universal boundless fabric presenting new challenges and opportunities. There is a new trend emerging virtually every day in this area. Depending on end applications, denim is designed to provide a soft or rugged feel, deep dyed or light shaded (with or without the use of clean fabrics). The use of different yarns in weaving and the application of multiple finishing technologies help introduce new product varieties and fabric weight index. Since fabric stretchability needs to be demonstrated across a longer period, there is a corresponding premium on product innovation. The fashion world is so dynamic and customer-specific that one cannot come to trend conclusions based on a single fabric. Nandan, with its

integrated manufacturing facilities and enhanced operational competence, is attractively placed to capture emerging denim-based opportunities. The Company controls quality from the fibre stage till product shipment, an advantage that is not shared by many.

Q. Is there any advantage you possess over competition following the recent addition of equipment?

Typically an OEM manufactures a machine keeping in mind the fashion trend and developments taking place in related functions, e.g. a loom manufacturer will design a machine in 2016 keeping in mind the developments in the fibre, spinning and fabric industries. From this perspective, anyone with the latest technology will enjoy an enormous flexibility in



the selection of the right product mix according to the fashion or customer requirements. The economies of scale and scope make such manufacturers efficient and cost competitive. Such facilities will be better placed to address challenging customer deadlines and provide superior service. The reality is that some contemporary machines provide features that were non-existent even as recent as five years ago, strengthening the owner's 'relevance to the market'.

Q. How do you decide on product pricing? Do raw material cost movements impact profitability?

In an open economy, it is the demand-supply and market equilibrium that influences the price. If the product is available in abundance, it gets commoditised faster and this, in turn, depresses prices quicker. However, costs have their own connotations. What is cost for others may be equivalent to some cost plus reasonable margin for Nandan. The reason: economies of scale and scope. Therefore, a player with access to the latest technologies and scale is usually insulated during a downturn. And in the case of a product that is scarce due to the 'fashion factor', prices will eventually be dictated by suppliers. In the case of commoditised products, pricing power is generally not with manufacturers; in the case of fashion products, the pricing is mutually decided.

Post expansion, Nandan will be attractively placed to optimise the product mix through manufacturing flexibility derived from state-of-the-art equipment. This will make it possible for the Company to offer the complete range of products for denim and shirting fabrics.

Q. Even as many spinners are establishing manufacturing facilities, there is a perception that it may have been a better

option for Nandan to expand downstream without integration (spinning).

The advantages of being integrated ensure quality control from the beginning of the operation, utilising the spinning competence to rationalise costs and exercising complete supply chain control to address challenging delivery schedules. If one did not possess integrated manufacturing facilities, certain customers would inevitably be lost as the manufacturer would be at the mercy of other spinners. We believe that integrated operations offer a cost advantage: the margin otherwise earned by the spinner would now accrue to the manufacturer. When such expansions are funded at competitive financial costs, they expand spinning profitability and this operation becomes margin-accretive for the manufacturer.

Q. How do you rate your product vis-à-vis your competition?

Apart from the law of demand and supply, it is the quality and service that a manufacturer offers that influences pricing. Nandan is a distinctive manufacturer offering the complete range of dressing solutions for the largest spread of customers for the intended application. From our perspective, we are confident of our quality reflected in one of the highest customer retentions and repeat orders from them. Besides, we continue to periodically add new customers.

Q. How do you intend to promote your product with additional capacities being added (by Nandan and competition)?

The domestic denim market has been growing at a CAGR of 15-18%. The e-commerce portals are growing and making it possible to tap Tier-II and Tier-III

towns. The international market is growing at CAGR of 3-5%. The consumption of the product is reasonably assured.

From a competitive perspective, we have one of the largest domestic distribution networks, which will make it possible to extend into unexplored markets (due to capacity constraint). In view of this, Nandan will not find it challenging to market additional production. Simultaneously, the addition of value-added products will enable Nandan to reach customers where it was earlier unable to match qualitative parameters. Besides, the Company intends to increase its share of exports through a focused approach that could widen marketing opportunities.

Q. On the financial front, the Company is leveraged. How does it intend to moderate risks?

Most of the risks are incurred during project execution. Once the additional capacity has been commissioned and incremental profitability kicks in, in line with management intent, the implementation risks decline. Besides, with long-term debt at a competitive cost, the debt payout and funding cost remains affordable even during a downturn. These ensure that the Company remains committed to long-term value creation.

I can assure shareholders that the risk-reward ratio in our business continues to be favourable and whatever risks are evident are transitory in nature. The Company is strengthening its manufacturing competence to drive sustainable profits through customer-product-market diversity. We are optimistic that this will yield favourable results starting from the short-term and extending well into the long-term.

MANAGEMENT DISCUSSION AND ANALYSIS



ECONOMIC OVERVIEW

Global economy

Global year 2015 was marked by slow, anemic growth in the global markets that may continue to plague to global economy in 2016 as well. The World Bank has downgraded the global growth forecast from 2.9% in January 2016 to 2.4% in June 2016 due to the sluggish growth observed in the world markets.

Factors like low commodity prices, weak trade and reducing cash flows are all reasons due to which advanced economies are suffering. The commodity exporting emerging markets and developing economies have been a few shades more resilient, even though the benefits of lower energy and commodity prices have been slow in materialising.

Countries are enhancing focus on forming and pursuing policies that would help them counter this major global economic slowdown and improve the lives of their people living in extreme poverty.

Indian economy

India has made a mark for itself in the global economy as one of the fastest growing nations in the world. Gaining momentum, the Indian economy grew by 7.9% in the last quarter of FY16 while the growth rate for the year 2015-16 was 7.6%.

This sudden spurt in the last quarter growth was mainly due to a robust growth in the manufacturing sector. The farm

sector growth a marginal growth of 1.2% as opposed to the contraction it saw in the year 2014-15.

From a look at the numbers of the nation's growth, speculation is rife that with proactive economic reforms and a better monsoon in the upcoming FY17, the Indian economy would expand at a faster pace.

Agriculture remains the highest contributor to the country's GDP, and a forecast of normal monsoons after two consecutive years of low rainfall is expected to revive agricultural output, significantly strengthening the economy, as well as increasing rural demand. Urban consumption is also expected to rise, driven by the 7th pay commission.

The external position of the Country appears to be stable as well with reduced current account gap, substantial foreign exchange reserves, and increase in Foreign Direct Investment (FDI). Three major achievements in the economy have been fiscal consolidation, improvement in the quality of Government spending and increased efficiency in indirect tax collection.

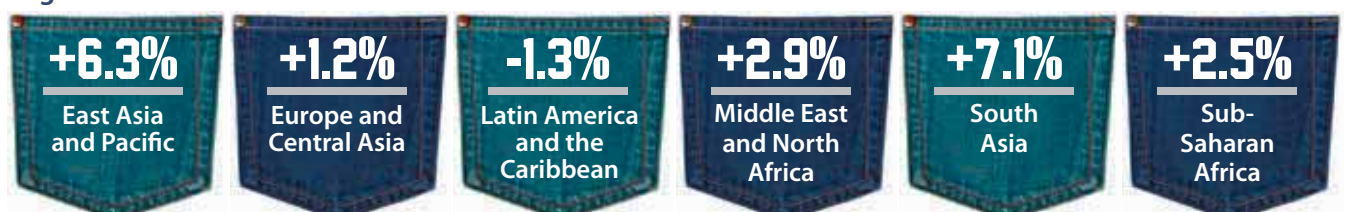
The ongoing public capital expenditure is also expected to help boost the country's economy, with growth in FY17 being pegged at 7.7%. The country's future growth is also dependent on global

growth and demand as well as the Government's reform initiatives. Improved governance, expansion of social and physical infrastructure, better access to capital and creation of skilled resources are all essential for sustained economic growth.

(Source: ET).

THE INDIAN ECONOMY GREW BY 7.9% IN THE LAST QUARTER OF FY16 WHILE THE GROWTH RATE FOR THE YEAR 2015-16 WAS 7.6%

Region-wise outlook



(Source: The World Bank)

INDUSTRY OVERVIEW

The projected increase in growth in the denim industry in the next six years, region wise.



Global denim market

The denim segment has always reigned as one of the leading segments in the fashion industry. The blue denim has been a wardrobe staple for decades and lately has become a fashion essential. Globally, the denim industry is expected to grow at a CAGR rate of over 6.5% during 2015 to 2020 from USD 113 billion to USD 153 billion. Pricing behaviour wise the growth is expected to be the highest in the Premium and Super Premium categories of the denim products with smaller base numbers.

The Latin Americas and Asia are expected to lead the growth in the segment.

India's denim market

Despite a slow-down in apparel exports and domestic market growth, the denim market in India is clocking a consistent CAGR growth rate of 15-18% per year. Denim is also witnessing the fastest growth rates as an apparel fabric. The current installed capacity of almost 1200 million meters is expected to increase to 2000 million meters in next 3-4 years owing to the huge demand of the fabric.

While India's share in the overall denim manufacturing capacities is ~10%, at present its share in the global jeans trade works out to 2.5%. With the resource advantage of all types of cottons and MMF fibres in India, the induction of state of the art technology and plants and the world leadership of companies, India surely

has potential to grab a higher share in worldwide market. Experts believe a CAGR of 10% over the period of next 10 years for the denim share in International trade offering upside for the existing players and the new denim projects.

In terms of retail sales, due to the popularity of denims in India, Denim wear market is expected to register a retail value figure of ₹361 billion by 2020 from the level of ₹177 billion in 2015, growing at a consistent CAGR above 15%. Prospects look promising for this industry due to the following main factors:

- Rising disposable incomes
- Rapid growth of the retail sector
- The westernisation trend prevalent in the nation
- Booming internet retailing sector
- Young population demographics (15-29 year olds) with higher spending power
- A wide range of consumer segment that consider denim as an apparel of choice owing to its comfort and style
- Favoured preference for denim amongst youth owing to its versatile association
- Increasing usage of denim products by women and youth in smaller cities and rural India

India's denim story

India is a big market with a lot of untapped potential for the denim industry despite of the fact that this industry has been growing robustly over the past few years.

Global denim market				Indian denim market size			
Categories	Amount in USD billion			Categories	(in ₹ crore)		
	2015	2017	2020		2015	2017	2020
Super premium jeans	12	14	17	Men	14,970	30,110	15%
Premium denim jeans	28	32	38	Women	1,732	4,047	19%
Standard jeans	39	44	53	Kids	959	1,979	16%
Pocket-friendly jeans	34	38	45				
Total	113	128	153				

(Source: ITMF and Diagonal Consulting Analysis)

For the huge population of the Indian youth, wearing denim is more of a fashion statement than just casual wear.

Almost 85% of the market is dominated by the men fraternity with insignificant 10% contribution from the female segment while kids segment contribute 5% of the market.

Male segment: The growth in the male segment of denim wear is quite significant despite enjoying lion's share in the total pie. Until a few years ago, denim was popular with men in the urban centres only. However, it has gradually gained favours in semi-urban and rural markets too. Growing awareness and increasing sense of global fashion has helped to develop this segment coupling with the continuous change in style statements. Denim is considered to be the most versatile fabric available in whatever role including casual wear, fashion fabric, work wear or for the rough usage. Product developments have taken place to make the product suitable for all possible application. And the segment is opening up for the shirting, jackets of denim.

Female segment: Among all types of denim wear, jeans or trousers are the most popular articles for this segment of the customers in India. Women in different age brackets of all shapes and sizes like this product for sheer comfiness, functionality and durability apart from low maintenance costs. Importantly, the women who are not at ease with western wear have taken up to wearing jeans by pairing them with Indian ethnic wears – Kurtas / Kurtis. This mix and match style is gradually picking up, particularly among more traditional and small town women to fuel the future growth of the segment. Fashion element so inherently present in the women segment has been taken care of through introduction of "flexible / stretch" fabric to suit different applications in the segment required for their multi-faceted role. The segment is expected to grow the fastest.

Kids segment: The smallest segment in the total market of domestic denim but is expected to grow faster than the "pop" segment primarily due to availability of the products led by the innovations in the industry for hygienic and flexible fabrics. However, the retail segment in the section has its own challenges since the larger market is dominated by unorganised sector due to pricing point disadvantages applicable to organised retailers. With parents and children becoming more conscious about kids fashion and trends, the complex kidswear segment in India is drawing attention anew. Advent of e-commerce in apparel segment is spiralling easier availability of the products though the pricing of the product remains a challenge. The increase in purchasing power with the parents is expected to take care of this issue to propel the growth.

Denim is now considered a staple product not only in the major metropolitan cities of India but also in the Tier II and III cities. There is increasing acceptability of denim amongst the Indian population of all strata's of the society. However, top 10 towns that account for less than 10% of Indian population accounts for almost 50% of the domestic denim consumption. With almost 35% sales from organised sector and 40% from the branded segment, there is a huge upside available for the denim penetration registering significant growth as compared to the one recorded in the recent past.

In line with the international trend, share of premium / luxury products is expected to register highest growth on a relatively smaller base confirming the hypotheses of increasing disposal income and fashion quotient of the youthful Indian population (*WWD, Cotton Inc., Indiainfoline*).

Demand drivers and popularity

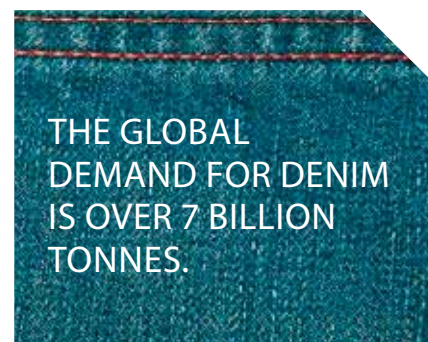
The denim industry took root in India in 1986 and has since grown immensely. India dominates the denim production in the Asia Pacific region and the total

capacity for denim fabric manufacturing in India is 1200 MMPA. About 65-70% of the total production is consumed locally. India has about 32 denim fabric mills with a range of 10MMPA to 110 MMPA of manufacturing capacity which helps in keeping the Indian industry competitive.

Though the current market skew is pro men, other segments are also catching up fast. Huge chunk of denim consumption in the Tier II and III cities is accounted for by unbranded denims. But slowly as this industry's market penetration becomes better and disposable incomes rise in the semi-urban and rural areas, general demand is expected to shift towards premium quality products and thereby, branded denims may occupy a higher share in the market in the years to come.

Quite a few yarn manufacturers have come up with innovative solutions as to bring in a fresh change to this otherwise static industry. This has led to the coming up of a lot of new varieties of denims such as blended cotton yarn, biodegradable yarn made from wood pulp etc., to attribute unique properties like softness, flexibility, comfort etc., in the denim wear. Due to these changing dynamics of the products, the denim industry continues to remain an evergreen fashion favourite among the youth.

Growth prospects and triggers: The textiles industry is one of the oldest sectors in India and contributes to around 11% of the Indian exports. Currently the value of this sector is around US\$108 billion and



it is expected to reach a market value of US\$223 billion by 2021. The textile sector also encompasses the Indian denim industry which has also shown significant growth in the last five years.

The main drivers for this increase in the denim sectors market share are:

- **Variety:** Denim is now found not only as jeans but also in other items of clothing and accessories like shirts, shorts, dresses, bags, shoes, jackets and even upholstery products etc.
- **Purpose:** In today's society, denim serves almost all purposes. It is considered both formal and casual wear and comes in a range of colours. There is a different type of denim to suit every occasion. This versatility has made economic sense to consumers to buy jeans compared to other bottoms.
- **Convenient:** Denim wear is comfortable, low maintenance and long lasting. A pair of denims would serve more purposes than any other article of clothing in a given span of time and doesn't even need to be maintained with high costs.
- **Indian women:** Indian women have traditionally been dressing in Indian attire for years. They account for almost 10% of denim consumption. However this trend

is slowly changing as the modern Indian women now wears denim in her daily life, thereby increasing the demand for denim exponentially.

- **Organised retails and E-Commerce:** Demand is fuelled and unleashed by unprecedented growth and the rise of online consumerism via a growing trend for shopping malls and e-commerce. Due to the ease of ordering online and a simple return policy and cash on delivery system, the youth of India is more likely to purchase more denims online.
- **Fashion:** Denim, especially jeans, has always been a hand in glove with fashion and style since inception and is unlikely to go out anytime. With the Indian youth becoming increasingly fashion conscious and with spending power being consistently on the rise, making life easier for the fast-growing 'premium' category of jeans wear brands. It has become a trend to own a collection of denims in different colours.
- **Prices:** Denims reach different market segments at various price points. Denim is available in a large range depending on wash, texture, comfort, material, cut etc. which all have different price points making the product affordable to all depending on the type of denim one wishes to purchase.
- **Exports:** The global demand for denim is growing at CAGR of ~6%. With abundance of raw materials coupled with adequate trained manpower availability and the state of the art technology being no barrier, huge market awaits Indian products globally. The depreciating

value of the rupee gives a competitive advantage to the Indian exporters.

- **Organised sector:** The expansion of organised retail has further added to the momentum of an increased production of denim. India is a preferred supplier of denim fabrics to almost all global brands.
- **Rural spending:** Rural areas are developing at a fast rate and so is the spending. For them, purchasing denims is now affordable and convenient as daily wear. The mid-value segment of denim wear, characterised by quality, value-for-money and increasing styling quotient is their preferred option.
- **Target market:** Earlier, denim was considered primarily for the youth from teenagers to people in their mid-30s. However, this has changed in recent years to include wide denim ranges for children and for the older citizens as well through sustainable inventions including introduction of light weight fabrics.
- **Urbanisation of work culture:** In recent times, denims has become acceptable business wear. Many large companies are making denims a part of their daily work culture to promote uniformity and a relaxed environment which is more conducive to work in. This is creating a huge demand for the denim market in India. Other places often have a "Friday Casual" concept where employees wear jeans to work at least once a week.
- **Innovation:** The denim market is constantly redefining and reinventing itself with new designs, washes, cuts and embellishments which keep the masses interested and the demand high.

INDIA HAS ABOUT 32 DENIM FABRIC MILLS WITH A RANGE OF 10 MILLION METRES PER ANNUM TO 110 MILLION METRES PER ANNUM OF MANUFACTURING CAPACITY WHICH HELPS IN KEEPING THE INDIAN INDUSTRY COMPETITIVE.

Breakdown of total sales

(in ₹ crore)

	2015	2020	CAGR
Total sales	17,661	36,136	15%
Share of low-price products	58%	48%	11%
Share of mass products	11%	12%	14%
Share of mid-range products	17%	22%	21%
Share of premium/luxury products	14%	18%	21%

Denim Exports

Besides the tremendous domestic growth prospects that the markets have to offer, the Indian denim industry is also looking to increase its share of exports from the current 35%. The position is further strengthened with the cotton availability advantage as compared to other sizable producers in the world, who have to import it from other producing nations.

A dedicated and focused approach towards increase in export revenues can boost the otherwise lower share of exports in the total revenues. Looking to an insignificant share that India commands in the international trade of textiles and clothing, any new addition in the denim manufacturing capacities can be absorbed by the international market. This increase in capacity along with encouraging textile policies and favourable exchange rate movements could help India achieve a significant export growth.

While additional capacity is added to the existing manufacturing by 2020, the

domestic and exports ratio is set to change from 65:35 to 55:45.

(Source: Business Standard).

Industry outlook

With all the initiatives that the government is taking to boost the textile sector of the nation, the coming years are going to be phenomenal for this industry. The government is to soon announce its ambitious target of achieving 20% share of the global textile trade and helping the domestic industry attain a size of US\$650 billion by 2024-25. The plan to achieve this is by means of a strong investment focus, better labour law reforms and skill enhancement.

With the government taking such a strong stand to boost the nation's textile sector, its benefits would also percolate to the Indian denim industry in the coming years and ensure its steady growth which will be further fuelled by the various demand drivers for this sector in India.

(Source: www.indiantextilemagazine.in)



THE GOVERNMENT IS TO SOON ANNOUNCE ITS AMBITIOUS TARGET OF ACHIEVING 20% SHARE OF THE GLOBAL TEXTILE TRADE AND HELPING THE DOMESTIC INDUSTRY ATTAIN A SIZE OF US\$650 BILLION BY 2024-25.

HUMAN RESOURCES

Our organisational culture is fully geared to move into a space of growth, culture and strategy. We are encouraging our workforce to innovate and achieve the short-term and long-term objectives.

Through our strategised HR processes, our aim is to achieve our business goals. On a ground-level basis, we are working towards a common platform to enable HR to be driven through online systems. In another initiative, we are building an HR ecosystem with department-wise Standard Operating Procedures and also all existing policies and procedures to ensure quality deliverable at each step.

Moving forward, the core of our HR strategy is to implement the processes

and prepare deliverables and guidelines, focussing on people management. With a key focus on employee development, we are nurturing our human capital and creating a talent pool to drive business goals. We are also inculcating a culture of high-performance business outcome within the organisation through effective internal communication with stakeholders and making them highly accountable. We are increasingly focusing on attracting corporate and qualified talent with cross-

industry experience for creative execution and marketing of our scalable projects. With a scalable business, we are able to showcase the career path and progression to each of our employees. In an endeavour to make the organisation more vibrant, our rules and policies with regards to Human Resources are re-formulated, with the sole aim of enhanced employee satisfaction and to adhere to the best of industry practices.

ANALYSIS OF FINANCIAL STATEMENTS

“WE WERE ABLE TO REGISTER HEALTHY RETURN RATIOS IN FY16 SUPPORTED BY IMPROVED PROFITABILITY AND EFFICIENT CAPITAL DEVELOPMENT.”

Statement of Profit and Loss

Revenues from operations:

The Company's revenues from operations increased from ₹1096.5 crore to ₹1156.7 crore registering growth of 5.5%. The growth is attributed to healthy growth in volumes across the country despite a subdued export market. The price realisation marginally improved in line with the management actions to move up in the value added production.

Gross Profits from operations: Despite year ending volatility in the raw material prices, the Company was able to increase its gross margins from 31.09% to 33.96% validating the route taken by the Company to enhance long term value within business. The Company continues to incur costs that lead to higher margins on consistent basis.

Earnings Before Depreciation, Interest, Taxes and Amortisation (EBDITA): EBDITA margins registered growth of 144 bps and increased to the level of ₹191.1 crore from the level of ₹165.4 crore, having increase of 15.5%. In the challenging time of economic stabilisation, while the Company is in the process of establishing higher capacities, the achievements, spread over the period of last fiscal, are just one step towards realisation of the aggressive gameplan laid by the Company. The change in the product-market-customer mix is expected to add disproportionate margins in the time to come.

Finance costs: Finance costs increased from 3.43% of sales value to 3.56% level registering increase of 9.2%. With a tight control over working capital deployment, the Company continues to reduce its

overall costs of borrowing. Overall costs stand at ₹41.2 crore during the year.

Profits After Tax (PAT): PAT increased from ₹51.4 crore to ₹63.3 crore, a growth of 23.1% while the revenues had grown by 5.5%. Overall, PAT margin increased from 4.7% of previous year's sales to 5.5% of enhanced sales value of the current year. The increase is owing to: Increased focus on value addition and continuous control over the operational costs. Cash profit increased from ₹111 crore to ₹129.3 crore, registering growth of 16%.

Balance sheet

Capital employed: The capital employed in the business increased from ₹754.61 crore as on March 31, 2015 to ₹891.15 crore as on March 31, 2016. This increase was primarily due to an increase in trade payables, debt and networth.

Shareholders' funds: It increased by 31% from ₹258.88 crore as on March 31, 2015 to ₹338.43 crore as on March 31, 2016. This increase was due to the growth in the reserves and surplus balance as profits earned during the year were ploughed into the business to fund growth aspirations. The equity share capital remained unchanged at ₹45.55 crore as on 31st March 2016. During the year, the Company issued 25 lakh convertible warrants at ₹200 per warrant to Polus Global Fund to be converted into one equity share on or before May 2017. The Company received ₹25 crore in 2015-16 towards the warrants.

Debt: The Company's debt portfolio (long-term and short-term) increased from ₹470.85 crore as on March 31, 2015 to ₹529.81 crore as on March 31, 2016.

EBDITA MARGINS REGISTERED GROWTH OF 144 BPS AND INCREASED TO THE LEVEL OF ₹191.1 CRORE FROM THE LEVEL OF ₹165.4 CRORE, HAVING INCREASE OF 15.5%.

Long-term debt: It debt increased from ₹325.70 crore as on March 31, 2015 to ₹383.61 crore as on March 31, 2016. This was due to the debt taken for fund its ongoing capex initiative.

Short-term debt: It remained largely at the same level of the previous year despite an increase in the operational scale. This showcases the Company's astute liquidity management.

Trade payables: The balance under this head increased by 24% from ₹68.30 crore

as on March 31, 2015 to ₹84.48 crore as on March 31, 2016. This increase was primarily owing to the broad-basing of business operations – capacities and product basket.

Tangible assets: It increased marginally by 10% from ₹436.37 crore as on March 31, 2015 to ₹479.71 crore as on March 31, 2016. The increase was due to the part capitalisation of assets commissioned during the year under review. The increase in tangible assets resulted in an increased

provision for depreciation – from ₹59.55 crore in 2014-15 to ₹65.99 crore in 2015-16.

Current assets: The current assets balance grew from ₹387.57 crore as on March 31, 2015 to ₹428.62 crore as on March 31, 2016 owing to an increase in the operational scale. While the inventory balance upped by 38% over the previous year, trade receivables balance declined by ₹24.98 crore over the previous year-end balance. The Company has a healthy cash balance of ₹64.90 crore as on March 31, 2016.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Given the magnitude and the growth of its business, the top management of the Company regularly reviews its business outcome on regular basis to drive the growth and enhance the proprietary values attached to the control system.

The overall goal of the entire controlling processes is to have an inverse pyramid of management in place over the period of time to bring controls where they matter the most. The Company engages services of external agencies to support

its management team to have focused review of the processes and keeps aligning its policies in line with the industry benchmarking practices. The audit reports are pursued in positive direction to derive maximum business value.

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, cyclical demand 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

MANAGING BUSINESS UNCERTAINTIES

Risk management at Nandan Denim is an essential part of the business model, concerned with moderating the adverse influence of risks and threats on the Company's business goals. The Company uses its multi-decade experience to strengthen shareholder confidence in its business strategies that promise profitable business growth. The Company adopts an intensive and well formulated risk management approach in tandem with prudential standards, well-thought-out reporting and effective control mechanisms.

Industry risk

Slowdown in the denim industry could impact business growth of Nandan Denim.

Mitigation: Denim is increasingly being accepted as an all-purpose fabric -- for fashion, casual and business wear. This is borne out from an important statistics - the Indian denim apparel market (CAGR of 15-18%) is fast outpacing the global denim apparel market (CAGR of 3%-5%). And this trend is expected to continue driven by:

- Rising youth in India's population

- Rising demand from the women-wear segment
- Rising disposable incomes and fashion consciousness
- Rising acceptance of denim jeans as an office-wear and fashion statement
- Rising demand from Tier II & III cities driven by expanding organised retail industry and e-commerce

Competition risk

Growing capacities by existing players and new players entering the denim market could adversely affect realisations and business profitability

Mitigation: While the demand has been growing at CAGR of 15-18% before a formal evolution of e-commerce to drive future growth in tier-II and tier-III towns, the additional capacities being created by competitors are not going to compete with each other. There is enough room for additional capacities within domestic market while the enhanced export potential offers upside for further addition of capacities.

The Company continues to upgrade its manufacturing capacities to move up in the value chain to distant itself from the seasonal vagaries and stabilise its product distribution and profitability

at a scale above the normal industry standard. The recent movement in the profitability curve of the Company is a testimonial for the correct direction of the business approach adopted by the Company.

The Company, post completion of the ongoing expansion program would have the best of the economies of scale and scope to offer the complete range of denim at the most competitive manufacturing costs. A tighter control on costs and quality led by the backward integration would enable Company to stand strong in case of an unlikely event of long lasting downturn.

Geographic risk

An overdependence on a single geography could impact business growth going forward.

Mitigation: Despite majority of the Company's revenues accrue from India, the Company does not anticipate that as a roadblock to business growth. For an important reason: India is being looked upon as a hub for the global denim sector owing to its inherent advantages-

- Abundant availability of resources (raw materials and skilled manpower)
- India's low manufacturing cost advantage

- Favourable government policies catalysing capital investments
- China's decreasing competitive advantage

This would result in increasing exports of denim fabric and garments from India to global destinations over the medium term. While India will continue to remain a focused market for growth, the management is also working on strengthening its global presence.

Raw material risk

Non-availability of adequate cotton and volatility in the prices of cotton could impede business profits and prospects.

Mitigation: Nandan Denim is located in Gujarat - the cotton hub of India. Further, cotton is a freely traded commodity across the globe to manage cost and quantity. Further, any spike in prices

of cotton is a pass-through in Denim manufacturing. As a result, the Company does not keep huge inventory of cotton normally - optimising its working capital requirement and cost.

Quality risk

Inability to match the stringent quality standards of leading retail brands consistently could impact product offtake.

Mitigation: The Company has invested in cutting-edge technology sourced from the leading textile machinery manufacturers globally that allows the Company to commercialise value-added

products and maintains product quality consistently. The team's ability in meeting customer requirement consistently is reflected in its client list, which comprises some of the leading retail brands.

Working capital risk

Increased business scale would necessitate increased working capital requirement.

Mitigation: The Company invests heavily into the market intelligence to drive its revenues. The internet of things backed with own wisdom has enabled the Company to maintain its working capital requirement in line with the market requirement to avoid unwarranted blocking of working capital. The tight control over funds deployment with the conventional "hands-on" approach

of the top management enables the Company to restrict exposure to higher working capital deployment. With a very normal leveraging of its balance sheet, the Company is placed to mobilise additional funds at competitive costs, just in case the scales require deployment of additional funds beyond the cash accrual (FY16 had cash profit of ₹191 crore).

BOARD OF DIRECTORS



Mr. Vedprakash D. Chiripal
Chairman



Mr. Brijmohan D. Chiripal
Managing Director



Mr. Giraj Mohan Sharma
Independent Director



Mr. T.S. Bhattacharya
Independent Director



Ms. Pratima Ram
Independent Director



Dr. Yasho Verdhan Verma
Independent Director



Mr. Ambalal Patel
Independent Director

STATUTORY REPORTS



NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Shareholders of the Company will be held on Wednesday, 28th September, 2016 at 10.30 a.m. at H.T. Parekh Convention Center, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2016, including Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the Financial Year ended on that date together with Reports of the Board and Auditors thereon.

"RESOLVED THAT the Audited Financial Statements of the Company including Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the financial year ended on that date along with notes thereon and the reports of the Board of Directors ("the Board") and Auditors thereon be and are hereby received, considered and adopted"

2. To confirm the annual dividend of ₹0.80 as an Interim Dividend and another dividend of ₹0.80 paid during the year as second Interim Dividend per fully paid Equity Share of Face Value of ₹10.00, declared and distributed by the Board of Directors for the financial year ended on 31st March, 2016.

"RESOLVED THAT annual dividend of ₹0.80 as an Interim Dividend and another dividend of ₹0.80 paid during the year as second Interim Dividend per fully paid Equity Share of Face Value of ₹10.00, declared by the Board of Directors at their meeting held on 12th February, 2016 and 11th March, 2016 respectively for the financial year ended on 31st March, 2016 and paid to the Members whose names appeared on the Register of Members as on the Record Date of 24th February, 2016 and 26th March, 2016 respectively, be and are hereby approved and confirmed."

3. To appoint a Director in place of Mr. Brijmohan Chiripal (DIN:00290426), who retires by rotation and being eligible offers himself for reappointment.

"RESOLVED THAT Mr. Brijmohan Chiripal (DIN:00290426), who retires by rotation and being eligible offers himself for

re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation"

4. To ratify the appointment of Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the appointment of M/s. J.T. Shah & Co., Chartered Accountants (FRN: 109616W), who were appointed by the shareholders to hold office up to the conclusion of the twenty fifth Annual General Meeting to be held in the year 2019 as Statutory Auditors of the Company, be and is hereby ratified until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. **Revision in terms of remuneration of Mr. Brijmohan D. Chiripal, Managing Director of the Company**

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

"RESOLVED THAT in partial modification of the resolution passed by the shareholders at the 21st Annual General Meeting of the Company held on 29th September, 2015 for the re-appointment of Mr. Brijmohan Chiripal (DIN:00290426) as the Managing Director of the Company and the terms of remuneration payable to him and pursuant to Sections 196, 197 and other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, the Company hereby approves with effect from 1st October, 2016, the revision in the salary of Mr. Brijmohan Chiripal, in the salary scale of ₹9,00,000 to ₹12,00,000 per month as detailed in the statement forming part of this notice."

"RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and are hereby authorised to fix his salary within the salary scale approved, increasing thereby, proportionately, all benefits related to the quantum of salary."

"RESOLVED FURTHER THAT notwithstanding anything contained to the contrary in the Companies Act, 2013, wherein any financial year the Company has no profit or has

inadequate profit, Mr. Brijmohan Chiripal will be paid minimum remuneration as stated in the Explanatory Statement or such remuneration as may be approved by the Board within the ceiling prescribed under schedule V of the Companies Act, 2013 or any modification or re-enactment thereof at relevant time.”

“**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

“**RESOLVED FURTHER THAT** Mr. Vedprakash Chiripal, Chairman and Ms. Purvee Roy, Company Secretary be and are hereby severally authorised to file necessary forms with the Registrar of Companies, Gujarat and to do or cause to do such other acts, deeds and things as may be considered necessary in connection with or incidental to the above.”

6. **Revision in terms of remuneration of Mr. Deepak J. Chiripal, Chief Executive Officer of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Articles of Association of the Company read with Section 196 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) subject to such other consents, approvals and permissions, if any needed, remuneration of Mr. Deepak J. Chiripal, Chief Executive Officer of the Company, be and is hereby revised on the terms and conditions hereinafter mentioned with effect from 1st October, 2016:

Consolidated Salary: In the salary scale of ₹8.00 lakhs to ₹10.00 lakhs per month which includes the variable pay and perquisites, with the authority to Board to fix the salary within the said maximum amount from time to time.

Benefits over annual CTC: Incentives, Medclaim and other Insurance Coverage and Gratuity: as per Company policy.”

“**RESOLVED FURTHER THAT** all other terms and conditions as per the HR policy of the Company be and is hereby applicable including Earned/Privilege leave, contribution to Provident Fund, Superannuation fund or annuity fund/Gratuity in terms of applicable provisions of the relevant statutes.”

“**RESOLVED FURTHER THAT** pursuant to provisions of the Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 the revised remuneration of Mr. Deepak J. Chiripal, Chief Executive Officer of the Company is hereby confirmed that it is well within the prescribed limit mentioned in the said section.”

“**RESOLVED FURTHER THAT** Mr. Vedprakash Chiripal, Chairman and Ms. Purvee Roy, Company Secretary be and are hereby severally authorised to file necessary forms with the Registrar of Companies, Gujarat and to do or cause to do such other acts, deeds and things as may be considered necessary in connection with or incidental to the above.”

7. **Ratification of appointment of Mr. Pradeep Kumar Shrivastava as Whole-Time Director of the Company**

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

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, 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), and also subject to the approval of the Central Government, if required, the Company hereby accords its approval to the appointment of Mr. Pradeep Kumar Shrivastava (DIN: 07493616), as a Whole Time Director of the Company for a period of 5 (five) years w.e.f. 11th March, 2016 on the terms and conditions including terms of remuneration as set out in the Explanatory Statement attached hereto and forming part of this notice with a liberty to Board of Directors to alter and vary the terms and conditions of the said appointment and /or remuneration so as the total remuneration payable to him shall not exceed the limits specified in Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force and as agreed by and between the Board of Directors and Mr. Pradeep Kumar Shrivastava.”

“**RESOLVED FURTHER THAT** notwithstanding anything contained to the contrary in the Companies Act, 2013, where in any financial year the Company has no profits or has inadequate profit, Mr. Pradeep Kumar Shrivastava will be paid minimum remuneration as stated in the Explanatory Statement or such remuneration as may be approved by the Board within the ceiling prescribed under schedule V of the Companies Act, 2013 or any modification or re-enactment thereof at relevant time.”

“**RESOLVED FURTHER THAT** in the event of any statutory amendment or modification by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorised to vary and alter the terms of appointment including salary, commission, perquisites, allowances etc. payable to Mr. Pradeep Kumar Shrivastava within such prescribed limit or ceiling and as agreed by and between the Company and Mr. Pradeep Kumar Shrivastava without any further reference to the Company in General Meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution.”

8. **Approval of Related Party Transactions:**

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory

modification(s) or re-enactment thereof for the time being in force), Listing Agreement and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, the consent of the Company be and is hereby accorded to the Audit Committee and the Board of Directors of the Company to authorise the management of the Company to carry out transactions with related parties and for the maximum amounts per annum, as mentioned herein below for the year 2016-17:

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.	Sale of goods	Mr. Vedprakash Chiripal, Chairman and Mr. Brijmohan Chiripal, Managing Director of the Company and their relatives being common Director(s)/ Shareholder(s) of the Company.	Chiripal Industries Limited Nova Textiles Private Limited	450.00	
2.	Purchase of goods / raw material / stock-in-trade	Mr. Vedprakash Chiripal, Chairman and Mr. Brijmohan Chiripal, Managing Director of the Company and their relatives being common Director(s)/ Shareholder(s) of the Company.	Chiripal Poly Films Limited Chiripal Industries Limited Vishal Fabrics Limited Nova Textiles Private Limited		200.00
3.	Rent/ Lease of the Property	Mr. Vedprakash Chiripal, Chairman and Mr. Brijmohan Chiripal, Managing Director of the Company and their relatives being common Director(s)/ Shareholder(s) of the Company.	Chiripal Industries Limited Shanti Exports Private Limited		20.00
4.	Job work Charges	Mr. Vedprakash Chiripal, Chairman and Mr. Brijmohan Chiripal, Managing Director of the Company and their relatives being common Director(s)/ Shareholder(s) of the Company.	Chiripal Industries Limited Nova Textiles Private Limited		80.00
5.	Maintenance Expense	Mr. Vedprakash Chiripal, Chairman and Mr. Brijmohan Chiripal, Managing Director of the Company and their relatives being common Director(s)/ Shareholder(s) of the Company.	Shanti Exports Private Limited		1.00
6.	Electricity Expenses	Mr. Vedprakash Chiripal, Chairman and Mr. Brijmohan Chiripal, Managing Director of the Company and their relatives being common Director(s)/ Shareholder(s) of the Company.	Shanti Exports Private Limited		1.00
7.	Capital Asset Sales/ Purchase	Mr. Vedprakash Chiripal, Chairman and Mr. Brijmohan Chiripal, Managing Director of the Company and their relatives being common Director(s)/ Shareholder(s) of the Company.	Chiripal Infrastructure Limited Chiripal Industries Limited		35.00

Note: Relatives have been considered as per the definition of 'Relative' under the 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.”

“RESOLVED FURTHER THAT the Board of Directors of the Company and/or a committee thereof, be and is hereby,

authorised to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties that may arise with regard to any transactions 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.”

9. **Payment of remuneration to Cost Auditors for the financial year 2016-17:**

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

“RESOLVED THAT pursuant to the provisions of section 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 payable to M/s. A.G. Tulsian & Co., Cost Accountants, Ahmedabad having Firm Registration No. 100629, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records maintained by the Company in respect of textiles for the financial year ending 31st March, 2017, at a remuneration not exceeding ₹50,000 p.a. (Rupees Fifty Thousand Only) as also the payment of service tax as applicable and re-imbursment of out of pocket expenses at actuals, if any incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

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

10. **Raising of funds through preferential allotment**

To consider, and if deemed fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification or re-enactment thereof for the time being in force and hereinafter collectively referred as “Act”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “SEBI ICDR Regulations”)

as amended and any other rules / regulations / guidelines and clarifications issued by the Securities and Exchange Board of India as also by any other statutory/regulatory authorities, the Listing Agreement entered into between the Company and BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, and the Foreign Exchange Management Act, 1999 (the “FEMA”), and any other rules, regulations notified under FEMA and circulars issued under FEMA and subject to all necessary statutory or regulatory approvals, consents, permissions and / or sanctions as may be deemed necessary including without limitation, approvals from the Government of India, Foreign Investment Promotion Board (FIPB), Reserve Bank of India (RBI) and subject to all such other approvals, permissions, consents and sanctions of any authorities, as may be necessary, and all other relevant third party consents and approvals as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions which may be agreed to by the Board of Directors, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the Board which term shall be deemed to include duly authorised committee thereof constituted to exercise the powers conferred on the Board by this resolution) to create, offer, issue and allot from time to time in one or more tranches, upto 50,00,000 (Fifty Lakh Only) convertible warrants on preferential basis to the following entities, through offer letter and/or circular and/or information memorandum and/or such other documents / writings, in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion, at an exercise price of ₹200/- (Rupees Two Hundred Only) [including premium of ₹190/- (Rupees One Hundred and Ninety Only)], per equity share or such higher price as may be arrived at in accordance with the ICDR Regulations (“Issue Price”) provided that each such warrant shall entitle to the holder(s) thereof to subscribe for and be allotted one equity share of face value of ₹10/- of the Company (“Equity Share”).

Sr. No.	Names of the Proposed Allottees	No. of convertible warrants proposed to be allotted	PAN	Category	Allottee is: QIB / MF / FI / Trust / Banks / Limited Liability Partnership
1.	LTS Investment Fund Limited	25,00,000	AACCL0500F	Foreign Portfolio Investor	FPI
2.	LGOF Global Opportunities Limited	25,00,000	AACCL7654E	Foreign Portfolio Investor	FPI

“RESOLVED FURTHER THAT the issue and allotment of the warrants to the above referred entities (the “Allottees”) shall be on the following terms and conditions:

1. The Relevant Date for the preferential issue, as per the SEBI (ICDR) Regulations, as amended from time to time, for the determination of price for the issue of the above mentioned warrants shall be 29th August, 2016, being the date 30 days prior to the date of Annual General Meeting (i.e. 28th September, 2016) to approve the proposed preferential issue in terms of section 62(1)(c) of the Act.
2. The warrants by itself do not give to the warrant holders any rights of the shareholders of the Company.
3. The warrant holders shall be entitled to convert the warrants into equal number of equity shares of face value of ₹10/- each, in one or more tranches, within a period of 18 months from the date of their allotment;
4. The warrant holders shall pay an amount equivalent to at least 25% of the price fixed per warrant in terms of the SEBI (ICDR) Regulations on or before the allotment of warrants. If the option to acquire equity shares pursuant to conversion of warrants is not exercised as per above clause (3), the amount paid under this clause (4) shall be forfeited by the Company.
5. The number of shares that each warrant converts into and the price per share upon conversion of the warrants, shall be appropriately adjusted for the corporate actions such as bonus issues, rights issues, stock split or any capital or corporate restructuring.
6. The allotment of warrants, allotment of equity shares pursuant to conversion of warrants, conditions of payment of consideration and other terms and conditions thereof shall be subject to any statutory amendment and modification, notification, rules, regulations under any applicable law as the case may be for the time being in force.”

“RESOLVED FURTHER THAT:

- i) the requisite number of equity shares against the warrants to be so allotted in favour of the Allottees as aforesaid, be issued in favour of Allottees upon receipt of the balance 75% of the conversion price from such Allottees, at the time of allotment of equity shares pursuant to exercise of option against each such warrant by the warrant holder;
- ii) the consideration price of the warrants, if paid in cash, shall be received from respective allottee’s bank account;
- iii) the equity shares allotted pursuant to the conversion of the warrants shall rank pari passu in all respects with the

existing fully paid up equity shares of the Company, from the date of their allotment. Such new equity shares when issued and allotted as aforesaid shall also be entitled for dividend as per the regulations/ notifications/ clarifications issued by SEBI in this regard;

- iv) the Equity shares to be issued and allotted on conversion of the warrants shall be listed and traded on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- v) the equity shares allotted pursuant to exercise of options attached to the warrants issued on preferential basis to such persons, shall remain locked in as per the provisions of SEBI (ICDR) Regulations.
- vi) the Board be and is hereby authorised to accept any modification(s) to or to modify the terms of issue of the warrants or equity shares on conversion thereof, subject to the provisions of the Act and SEBI (ICDR) Regulations, without being required to seek any further consent or approval of the members of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take all such steps and give all such directions as the Board may consider necessary, expedient or desirable, including but without limitation, to prescribe the forms of application, allotment and by way of further calls, if any, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle all questions, difficulties or doubts that may arise in relation to the proposed issue, offer and allotment of any of the said warrants and the utilisation of the issue proceeds and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards to the terms and conditions as may be required by the SEBI, stock exchanges, Registrar of Companies or other authorities or agencies involved or concerned with regard to the issue and allotment of warrants and the shares proposed to be allotted pursuant to the conversion thereto.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolutions, the Board be and is hereby authorised to appoint consultants, advisors, manager to the issue and pay their fees, remuneration, charges, etc. as provided under the regulations and as may be warranted.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred by the above resolutions to any Director or Directors or to any

Committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolution.”

11. To increase the limit of Foreign Institutional Investors / Foreign Portfolio Investors for acquiring and holding equity shares up to an aggregate limit of 49% of the paid up capital of the Company:

To consider, and if deemed fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 and all other applicable rules, regulations, 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 concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board of Directors of the Company (herein after referred to as the “Board”, which terms shall include a duly authorised committee of Directors for the time being exercising the powers conferred by the Board of Directors), consent of the Company be and is hereby accorded to the Board of Directors of the Company to permit Foreign Institutional Investors (the “FIIs”) / Foreign Portfolio Investors (the “FPIs”) registered with the SEBI to acquire and hold on their own account and on behalf of each of their sub-accounts registered with SEBI, equity shares up to an aggregate limit of 49% of the paid up capital of the Company for the time being provided, however, that the equity shareholding of each FII / FPI shall not exceed such limits as are or as may be prescribed, from time to time, under applicable laws, rules and regulations”.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised 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 the matter connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any committee of Directors or any Director(s) or officer(s) of the Company.”

12. To approve availing of the financial assistance having an option available to the lenders for conversion of such financial assistance into equity shares of the Company upon occurrence of certain events:

To consider, and if deemed fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

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

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

distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said shares shall rank pari passu with the existing equity shares of the Company in all respects. The Company shall, at all times, maintain sufficient un-issued authorised equity shares for the above purpose; and

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

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

"RESOLVED FURTHER THAT on receipt of the Notice of Conversion, the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary and shall allot

and issue requisite number of fully paid up equity shares in the Company to such Lenders."

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

"RESOLVED FURTHER THAT the Board be and is hereby authorised to accept such modifications and to accept such terms and conditions as may be imposed or required by the Lenders arising from or incidental to the aforesaid terms providing for such option and to all such acts and things as may be necessary to give effect to this resolution."

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

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

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

Purvee Roy
Company Secretary
Mem. No. A26925

10th August, 2016
Corporate Office
Chiripal House, Near Shivranjani Cross Roads,
Satellite, Ahmedabad - 380 015.
CIN: L51909GJ1994PLC022719

NOTES:

1. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A SHAREHOLDER.
A person can act as a proxy on behalf of shareholders 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 shareholder holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy of any other person or shareholder.
2. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office or Corporate Office of the Company not less than 48 hours before the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. A shareholder would be entitled to inspect the proxies lodged at any time, except the date of AGM, during the business hours of the Company. The required statutory registers will be made available at the AGM venue for inspection by the shareholders at the AGM.
4. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
5. Shareholders are requested to bring their copy of the Annual Report to the meeting. The Shareholders/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
6. Shareholders intending to require information about Accounts to be explained in the Meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
7. The shareholders, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company or its Registrar and Transfer Agent (RTA) viz. Datamatics Financial Services Limited, Unit: Nandan Denim Limited, Plot No. B-5, Part B, Cross Lane, MIDC, Andheri (East) Mumbai 400 093. Those holding shares in dematerialised form may intimate any change in their addresses or bank details / mandates to their Depository Participants (DP) immediately. Shareholders holding shares in dematerialised form may note that bank details registered against their respective depository accounts will be used by the Company for payment of dividend in future. The Company or its RTA cannot act on any request directly received from any shareholder holding shares in dematerialised form for any change in such details. Such changes are to be advised only to the DP of the shareholders.

8. As of 31st March, 2016, we have a total unclaimed amount of ₹2,02,48,856 as given below:

Year	Dividend			Total
	1st Interim	2nd Interim	Final	
2009-10	-	-	-	-
2010-11	-	-	-	-
2011-12	-	-	7,28,462.00	7,28,462.00
2012-13	-	-	6,87,819.20	6,87,819.20
2013-14	4,10,132.20	-	3,64,090.00	7,74,222.20
2014-15	4,42,140.40	-	8,85,320.00	13,27,460.40
2015-16	20,78,803.40	1,46,52,089.00	-	1,67,30,892.40

The shareholders, who have not claimed their share of above dividend(s), are requested to write to the Registrar and Transfer Agent to claim the amount.

It may be noted that the Company has transferred the unclaimed amount upto the year 2008-09 laid in the dividend accounts to the Investor Education and Protection Fund during the year under review. The shareholders are requested to note that no claim shall lie against the Company in respect of

unclaimed dividends before the year 2008-09 which have been transferred to IEPF.

Pursuant to section 124 of the Companies Act, 2013 (section 205C of the erstwhile Companies Act, 1956), if the dividend amount is not claimed within seven years from the date they become due for payment; such unclaimed amount will be transferred to the Investor Education and Protection Fund and accordingly no claim shall lie against the Company.

9. The Register of Shareholders and Share Transfer Books of the Company will remain closed from Friday, 23rd September, 2016 to Wednesday, 28th September, 2016 (both days inclusive).
10. Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day up to and including the date of the Annual General Meeting of the Company.
11. The Notice of the 22nd Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2016 is available on the Company's website www.nandan denim.com and may be accessed by the shareholders. The physical copies of the aforesaid documents are available at the Company's registered office for inspection during normal business hours on working days. Even after registering for soft copy of the Annual Report for the year 2015-16, shareholders are entitled to receive such communication in physical form, upon making a request for the same. For any communication or queries, the shareholders may also send request by an email to cs.ndl@chiripalgroup.com.
12. Additional information pursuant to the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the AGM are furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
13. Soft copy of the Annual Report for FY 2015-16 (including the Notice of the 22nd AGM, instructions for e-voting, Attendance Slip and Proxy Form) is being sent by electronic mode to all the shareholders whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any shareholder has requested for a hard copy of the same. For shareholders who have not registered their email address, physical copies of the Annual Report for FY 2015-16 is being sent through the permitted mode and the Notice of the 22nd AGM, instructions for remote e-voting, Attendance Slip and Proxy Form are being sent by Registered / Speed Post / Courier.
14. The Company is concerned about the environment and utilises natural resources in a sustainable way. To support such 'Green Initiative', we request you to update your email address with your Depository Participant to enable us to send you the reports and other communications via email.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Shareholders holding shares in electronic form, are therefore, requested to submit (PAN) to their Depository Participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form can submit their PAN details to the Registrar and Transfer Agents i.e. Datamatics Financial Services Limited, Unit: Nandan Denim Limited, Plot No. B-5, Part B, Cross Lane, MIDC, Andheri (East) Mumbai 400 093.
16. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder and regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the shareholders are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in the Notice.
17. The e-voting period commences on Saturday, 24th September, 2016 (9.00 a.m. IST) and ends on Tuesday, 27th September, 2016 (5.00 p.m. IST). During this period, shareholders of the Company holding shares of the Company either in physical form or dematerialised form, as on Wednesday, 21st September, 2016 (cut – off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently. The voting rights of shareholders shall be in proportion to their shares of the paid – up equity share capital of the Company as on 21st September, 2016.

Shareholder Instructions for E-Voting

SECTION A: VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, the Company is pleased to provide shareholders facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by shareholders using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).

The facility for voting through ballot paper shall be made available at the AGM and the shareholders attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The shareholders who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The Company has appointed Mr. Keyur Shah (Membership Number: ACS 16687; Certificate of Practice No.: 8814) of M/s. Keyur J. Shah & Associates, Practising Company Secretary as the scrutiner 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 21st September, 2016 being the cut-off date.

Those who are not a member as on the cut-off date shall treat this notice for information purpose only.

The process and manner of remote e-voting are as under:

SECTION A: SHAREHOLDERS INSTRUCTIONS FOR E-VOTING

- (i) The voting period begins on 24th September, 2016 at 9.00 a.m. and ends on 27th September, 2016 at 05.00 p.m. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 21st September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

For Shareholders holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is mentioned in the mail / physical copy sent. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the shareholder id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Shareholders 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same 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) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a compliance user should

be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

- i. The e-voting period commences on Saturday, 24th September, 2016 (9.00 a.m.) and ends on Tuesday, 27th September, 2016 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the Cut-Off Date of 21st September, 2016 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; Certificate of Practice No.: 8814) (Address: HSA, 6-Darpan Society, Above Central Bank, St. Xaviers Loyola Road, Darpan Six Cross Roads, Ahmedabad - 380 013, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-voting process.
- iv. The Scrutinizer shall, within a period not exceeding two (2) 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 forthwith 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.nandanenim.com and on the website of CDSL <https://www.evotingindia.com> within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and

National Stock Exchange of India Limited, where the shares of the Company are listed.

- vi. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- vii. For shareholders holding shares in physical form, the password and default number can be used only for e-voting on the resolutions given in the notice.
- viii. Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to log on to [https:// www.evotingindia.com](https://www.evotingindia.com) and register themselves as Corporates, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. They should also upload a scanned copy of the Board Resolution/Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in pdf format in the system for the scrutinizer to verify the vote.
- ix. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the shareholder forgets the password and the same needs to be reset.
- x. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Contact Details

Company	: Nandan Denim Limited Corporate Office: 'Chiripal House', Near Shivranjani Cross Roads, Satellite, Ahmedabad – 380 015.
CIN	: L51909GJ1994PLC022719
Email ID	: cs.ndl@chiripalgroup.com
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	: helpdesk.evoting@cdslindia.com
Scrutinizer	: CS Keyur Shah, Practising Company Secretary
Email ID	: cs.keyurshah@gmail.com

Explanatory Statement

[Pursuant to Section 102 of the Companies Act, 2013]

As required by section 102 of the Companies Act, 2013 (the "Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 12 of the accompanying Notice:

Item No. 5:

The shareholders of the Company at the 21st Annual General Meeting of the Company held on 29th September, 2015, had approved the appointment of Mr. Brijmohan Chiripal as Managing Director of the Company and the terms of remuneration payable to him for the period from 1st October, 2014 to 30th September, 2019. The shareholders had inter alia approved, salary of ₹5,00,000 per month. Taking into consideration his present salary and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting on 10th August, 2016 decided to revise the salary payable to Mr. Brijmohan Chiripal from the existing ₹5,00,000 per month to such amount falling within the salary scale of ₹9,00,000 to ₹12,00,000 per month. All other terms and conditions relating to his appointment and remuneration as approved earlier by the shareholders remain unchanged.

In the event of absence or inadequacy of profits of the Company in any financial year, Mr. Brijmohan Chiripal will be entitled to receive the remuneration, perquisites and benefits as aforesaid or such remuneration as may be approved by the Board, subject to the compliance with the applicable provisions of Schedule V of the Act.

Details of remuneration paid to Mr. Brijmohan Chiripal during the Financial Year 2015-16 have been disclosed in the annexure to the Directors' Report.

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 except Mr. Brijmohan Chiripal to whom the resolution relates.

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

Item No. 6:

As per Section 188(1)(a) of the Companies Act, 2013 and Director's relatives (Office or Place of Profit) Rules, 2014, no relative etc. of any director should either hold or continue to hold any office or place of profits in the company except with the prior consent of the Company by a Special Resolution. Mr. Deepak Chiripal, Son of Mr. Jyotiprasad Chiripal who is brother of Mr. Vedprakash Chiripal, Chairman and Mr. Brijmohan Chiripal, Managing Director of the Company would be covered by the above mentioned Section and Rules. Mr. Deepak

Chiripal is a dynamic executive. He takes very keen interest in the business of the Company and is responsible for material planning, production planning, operational control and total management of Nandan Denim Limited. Your directors are fully confident that his services to the Company would be of great value. The remuneration committee in its meeting held on 10th August, 2016 has approved the resolution. Your directors in their meeting held on 10th August, 2016 have approved the revision in remuneration on terms and conditions as given below:-

Remuneration in the salary scale of ₹8,00,000 to ₹10,00,000 per month, P.F. on basic and other perquisites as admissible to the status and grade w.e.f. 1st October, 2016.

In the event of absence or inadequacy of profits of the Company in any financial year, Mr. Deepak Chiripal will be entitled to receive the remuneration, perquisites and benefits as aforesaid or such remuneration as may be approved by the Board, subject to the compliance with the applicable provisions of Schedule V of the Act.

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

Item No. 7:

Mr. Pradeep Kumar Shrivastava was appointed as an Whole-Time Director of the Company on 11th March, 2016 by the Board of Directors of the Company. According to the provisions of Section 161 of the Companies Act, 2013, he holds office as Director only upto the date of ensuing Annual General Meeting. As required under the Companies Act, 2013, notice has been received from a member signifying its intention to propose the appointment of Mr. Pradeep Kumar Shrivastava as a Director along with the deposit of requisite amount.

On the recommendation of the Nomination & Remuneration Committee of the Company, the Board, at its meeting held on 11th March, 2016, has appointed Mr. Pradeep Kumar Shrivastava as a Whole-Time Director unanimously for a period of five years w.e.f. 11th March, 2016, on a remuneration of ₹75,748/- per month which includes salary, perks and other benefits. It is recommended that his remuneration should fall in the scale of ₹75,000 – 2,00,000 per month including salary, perks and other benefits plus any increment in remuneration by way of bonus/incentive/performance linked incentive, if any, payable to Mr. Pradeep Kumar Shrivastava with a liberty to the Board of Directors or Nomination and Remuneration

Committee to revise the remuneration without approval of Shareholders within the aforementioned salary scale, the prescribed ceiling limit of Schedule V and other applicable provisions of the Companies Act, 2013.

In the event of absence or inadequacy of profits of the Company in any financial year, Mr. Pradeep Kumar Shrivastava will be entitled to receive the remuneration, perquisites and benefits as aforesaid or such remuneration as may be approved by the Board, subject to the compliance with the applicable provisions of Schedule V of the Act.

Mr. Pradeep Kumar Shrivastava has rich and diversified experience of over 25 years in the field of Human Resource. He has been working with Nandan Denim Limited for more than 18 months as Vice – President (Human Resource), during which, he was a member of the CSR Committee of the Board. He has done Masters in Arts, Diploma in Social Work, Post Graduate in Personnel Management and LLB. Earlier he has worked as G.M. - Human Resource at Gujarat Ambuja and Modern Terry Towel Limited, amongst others. The Whole Time Director shall be liable to retire by rotation and shall not be paid any sitting fees for attending any meetings of Board or Committees thereof. The Board of Directors felt that it is in the interest of the Company to continue to avail services of Mr. Pradeep Kumar Shrivastava as a Whole-Time Director.

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 shareholders.

Item No. 8:

As per the provisions of Section 188 of the Companies Act, 2013 read with rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter "SEBI Listing Regulations, 2015") except with the approval of the Shareholders by way of resolution, a company shall not enter into any transactions with any Related Party for availing or rendering of any service exceeding 10% of the consolidated turnover of the company or ₹100 crore, whichever is lower.

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, the Listing Agreement and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, requires that for entering into any contract or arrangement with the related party, the Company must obtain the prior approval of the Audit Committee and the Board of Directors and, if required, prior approval of the shareholders by way of a Special Resolution must be obtained for material transactions. There is no exemption thereunder even if such transaction is in the ordinary course of business of the entity and on arm's length

basis. A transaction with a related party shall be considered material if the transaction / transactions in a contract to be entered into individually or taken together with previous transactions during a financial year, exceed(s) ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

The Board of Directors of the Company are of the opinion that the Company being in existence for last three decades has developed into an organisation with efficient systems, competent credit management practices and stringent operational control processes, thus, may extend and avail the required support to and from its Group Companies.

In the light of the provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013) the name of the related parties, name of the Director or Key Managerial Personnel who is related, if any and nature of relationship is mentioned in the resolution. The amount involved in the related party transactions entered into by the Company are within the limits prescribed and the condition specified by the Act and the Listing Agreement in addition to being in the ordinary course of business and at arms' length, but as a good corporate governance practice, the Company desires to pass an Ordinary Resolution for the same.

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

1. Sale, purchase or supply of any goods or materials or stock-in-trade;
2. Selling or otherwise disposing of or buying, property of any kind or any capital asset;
3. Giving on rent or leasing of property of any kind;
4. Availing or rendering of any services including job work.

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 respective transactions have been carried out on arm's length basis and all factors relevant to the respective transactions have been considered by the Board.

The Company is of the opinion that the aforesaid related party transactions are in the best interest of the Company.

The shareholders are further informed that no shareholder(s) of the Company being a related party or having any interest in the resolution as set out at Item No. 8 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. 8 of the Notice for the approval of the shareholders.

Item No. 9:

The Board of Directors at its meeting held on 10th August, 2016, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. A.G. Tulsian & Co., Cost Accountants, Ahmedabad (FRN: 100629) as Cost Auditors to conduct the audit of the cost accounting records maintained by the Company in respect of textiles for the financial year ending 31st March, 2017 at a remuneration not exceeding ₹50,000/- plus service tax and re-imbursment of out of pocket expenses at actuals, if any, in connection with the audit.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Record and Audit) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the shareholders is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company, if required, for the financial year ending 31st March, 2017.

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

The Board accordingly recommends the Ordinary Resolution as set out in Item No. 9 of the Notice for the approval of the shareholders.

Item No. 10

The Board of Directors of the Company at their meeting held on 10th August, 2016, subject to necessary approval(s), has approved the proposal of issue of upto 50,00,000 (Fifty lacs Only) convertible warrants on preferential basis to FII's / FPIs.

Your Company is primarily engaged in the business of textile industry. Over the years the magnitude of the operations of the Company has increased manifold. The Company has the strategic vision of emerging as a global leader in the textile industry. To fast track this strategic vision, the Company requires the infusion of the additional funds.

In view of the same, the Board of Directors at their meeting held on 10th August, 2016 considered it appropriate that more capital be infused in the Company to add more credibility to the Business.

Your Company thinks that one way of achieving this would be through the preferential allotment of warrants convertible into equity shares, to the Non-Promoter Group. Further, the Board believes that the proposed preferential allotment would allow the Company to raise additional capital as against the alternative of raising additional capital by way of debt financing, which would entail significant interest costs.

Accordingly, it is proposed to offer to the Persons belonging to the Non- Promoter Group, 50,00,000 (Fifty Lacs Only) fully convertible warrants, each of which would, entitle them to acquire equivalent number of equity shares of face value ₹10/- (Rupees Ten only) each at an exercise price of ₹200/- (Rupees Two Hundred only) per equity share as determined in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the "SEBI ICDR Regulations").

Pursuant to provisions of Section 62(1)(c) of Companies Act, 2013, any preferential allotment of securities needs to be approved by the shareholders by way of Special Resolution. The Listing Agreements executed by the Company with the Stock Exchanges also provides that the Company shall, in the first instance, offer all securities for subscription pro- rata to the shareholders unless the shareholders in a general meeting decide otherwise. The proposed issue of warrants is in accordance with the provisions of SEBI (ICDR) Regulations and other applicable regulations. In terms of the provisions of the Companies Act, 2013 read with Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and the aforesaid SEBI (ICDR) Regulations, the relevant disclosures / details are given below:

- i. The Objects of the issue through preferential offer:
The proceeds will be utilised for any one or in combination with any one or more of the purposes viz to augment the net worth and the capital base of the Company required for its business growth; to infuse the funds to the existing or proposed subsidiaries ; to meet the long term working capital requirement of the Company; to improve the capital structure of the Company; general corporate purposes.
- ii. The intention / proposal of the Promoters/Directors/Key Managerial Personnel of the issuer to subscribe to the offer:
The issue would be subscribed by Non-Promoter entities. None of the Promoters, Directors and Key Managerial Personnel (KMP) would subscribe to the offer.
- iii. Relevant Date:
The Relevant Date for the preferential issue, as per the SEBI (ICDR) Regulations, as amended from time to time, for the determination of price for the issue of the above mentioned Warrants is fixed as 29th August, 2016, being the date 30 days prior to the date of shareholders meeting.
- iv. Pricing of Preferential Issue:
The equity shares and the Warrants will be allotted in accordance with the price determined in terms of Regulation 76 of the SEBI (ICDR) Regulations.
For the proposed allotment of warrants, the issue price shall be ₹200/- (Rupees Two Hundred Only) per security which will be not less than the price, determined as per the Regulation 76 of the SEBI (ICDR) Regulations.
- v. Terms of Issue of warrants:
The proposed Allottees of warrants shall, on or before the date

of allotment, pay an amount equivalent to at least 25% of the consideration determined in terms of Regulation 76 of the SEBI, (ICDR) Regulations, 2009 against each warrant;

The holder of each warrant will be entitled to apply for and obtain allotment of one equity share of face value of ₹10/- each of the Company against each warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. At the time of exercise of entitlement for the equity shares, the warrant holder(s) shall pay the balance 75% of the consideration towards the price fixed for the warrant;

The consideration price of the warrants shall be received from Allottees' bank account;

If the entitlement against the warrants to apply for the equity shares is not exercised within the aforesaid period, the entitlement of the warrant holders to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited;

Upon receipt of the requisite payment as above, the Board (or a Committee thereof) shall allot one equity share per warrant by appropriating ₹10/- (Rupees Ten only) towards equity share capital and the balance amount paid against each warrant, towards the securities premium account;

The number of shares that each warrant converts into and the price per share upon conversion of the warrants, shall be appropriately adjusted for the corporate actions such as bonus issues, rights issues, stock split or any capital or corporate restructuring;

1. The warrant(s) by itself until converted into equity shares, does not give to the holder(s) thereof any rights with

respect to that of a shareholder of the Company except as specified above;

2. The equity shares allotted pursuant to exercise of options attached to the warrants issued on preferential basis to the person other than Promoter and Promoter Group under SEBI [ICDR] Regulations shall be locked in for a period of one year from the date of Trading Approval to be received from the Stock Exchanges (the date of trading approval shall mean the latest date when trading approval has been granted by recognised stock exchanges viz. BSE and NSE). The entire pre preferential allotment shareholding of the Allottees, if any, shall be locked in from the relevant date up to a period of six months from the date of Trading Approval to be received from the Stock Exchanges.
3. The warrants and the equity shares allotted on conversion of warrants shall not be transferred by the Allottees till the trading approval is granted by recognised stock exchanges viz. BSE and NSE and for a period of one year in respect of Allottees;
4. The equity shares issued as above shall rank pari passu in all respects including with respect to dividend, with the then fully paid up equity shares of the Company, from the date of their allotment. Such new equity shares when issued and allotted as aforesaid shall be entitled for dividend as per the SEBI regulations/ clarifications rules in this regards;
5. The equity shares to be issued and allotted on conversion of the warrants shall be listed and traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;

vi. Identity of the proposed Allottees:

The identity of the proposed Allottees, the percentage of post preferential issue capital consequent to the conversion of warrants issued on preferential basis is as under:

Sr. No.	Identity of the proposed allottees	Category	Pre Issue Holding		No. of Convertible Warrants to be allotted	Post Issue Holding	
			No. of Shares	Percen-tage		No. of Shares	Percen-tage
1.	LTS Investment Fund Limited	Foreign Portfolio Investor Non- Promoter	11,64,009	2.42	25,00,000	36,64,009	6.91
2.	LGOF Global Opportunities Limited	Foreign Portfolio Investor Non-Promoter	0	0.00	25,00,000	25,00,000	4.71

Consequent to the aforesaid preferential issue, there would be no change in the control or management of the Company.

- vii. Particulars of the proposed allottees and the Identity of the natural persons who are the ultimate beneficial owners of the warrants/ equity shares proposed to be allotted and / or who ultimately control the proposed allottees:

Sr. No.	Name of the proposed Allottees	Category	Identity of the natural person who are the ultimate beneficial owners/holding ultimate control
1.	LTS Investment Fund Limited	Foreign Portfolio Investor	Alastair Daniel Guggenbuhl-Even & Yonca Even Guggenbuhl Address: Schweiz Suisse Svizzera Svizra Switzerland
2.	LGOF Global Opportunities Limited	Foreign Portfolio Investor	Antonius Rudolphus Wilhelmus Knipping Address: 116 Kim Seng RD # 07-05, Singapore - 239434

- viii. Shareholding Pattern pre and post preferential offer:

The present shareholding pattern and the shareholding pattern assuming full allotment of equity shares on conversion of Warrants to the above mentioned allottees are given below:

- (a) Pre-Issue Shareholding Pattern (as on 5th August, 2016, being the latest practicable date on which shareholder data was available prior to the approval and issuance of the notice to shareholders):

Sr. No.	Shareholder Category	No. of Shares	Percentage of Holding
A	Promoter's Holding		
	(a) Individuals / HUF	55,34,302	11.52
	(b) Bodies Corporate	2,24,62,886	46.75
	Total (A)	2,79,97,188	58.27
B	Public Shareholding		
	1. Institutional Investors		
	(a) Mutual Funds & UTI	0	0.00
	(b) Financial Institutions / Banks	19,906	0.04
	(c) Government	5,500	0.01
	(d) FIs/FPIs	54,51,444	11.35
	Total (B)1	54,76,850	11.40
	2. Non – Institutional		
	(a) Bodies Corporate	31,31,935	6.52
	(b) NRI	23,68,462	4.93
	(c) Individuals / HUF	90,74,621	18.89
	Total (B)2	1,45,75,018	30.34
	Total (A)+(B)	4,80,49,046	100.00

- (b) Post-Issue Shareholding Pattern*:

Sr. No.	Shareholder Category	No. of Shares	Percentage of Holding
A	Promoter's Holding		
	(a) Individuals / HUF	55,34,302	10.43
	(b) Bodies Corporate	2,24,62,886	42.34
	Total (A)	2,79,97,188	52.78
B	Public Shareholding		
	1. Institutional Investors		
	(a) Mutual Funds & UTI	0	0.00
	(b) Financial Institutions / Banks	19,906	0.04
	(c) Government	5,500	0.01
	(d) FIs/FPIs	1,04,51,444	19.70
	Total (B)1	1,04,76,850	19.75
	2. Non – Institutional		
	(a) Bodies Corporate	31,31,935	5.90
	(b) NRI	23,68,462	4.46
	(c) Individuals / HUF	90,74,621	17.11
	Total (B)2	1,45,75,018	27.47
	Total (A)+(B)	5,30,49,056	100.00

The above shareholding is based on the shareholding pattern as on 5th August, 2016 being the latest practicable date on which shareholder data was available prior to the approval and issuance of the notice to shareholders and new issue of Equity Shares on conversion of warrants into equity shares of the face value ₹10/- (Rupees Ten Only) each.

The above post – issue shareholding pattern assumes that the investor (Non-Promoter) will participate in the preferential issue to the full extent proposed in present resolution and entire warrants shall be converted into Equity shares.

The voting rights will change in tandem with the change in shareholding pattern. The above conversion of warrant will be made in one or more tranches in compliance to the SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 2011. Further the Company would comply with the prescribed minimum public shareholding requirements of the listing agreement.

ix. Requirement as to re-computation of price

As the shares of the Company have been listed for a period of more than twenty six weeks on the both stock exchanges as on relevant date, the price of the warrants has been determined in terms of Regulation 76 of the SEBI (ICDR) Regulations.

The Company undertakes to re-compute the price of the specified securities, if required, in terms of the provisions of the SEBI (ICDR) Regulations if it is required to do so, and the amount payable on account of the re-computation of price if not paid

within the time stipulated in these regulations, the specified equity shares shall continue to be locked-in till the time such amount is paid by the allottee.

- x. Proposed time within which the allotment shall be completed: As required under the SEBI (ICDR) Regulations, the allotment of warrants pursuant to the special resolution shall be completed within a period of fifteen days from the date of passing of this special resolution approving allotment.

Provided that where the allotment is pending on account of any approval of such allotment by any regulatory authority including stock exchanges or the Central Government, the allotment shall be completed within 15 days from the date of such approval.

- xi. Change in control, if any, in the Company that would occur consequent to the preferential offer: There will be no change in management or control of the Company pursuant to the issue of the warrants or the resultant conversions.

- xii. Lock in period: Warrants as well as the equity shares to be allotted on conversion of warrants into equity on preferential basis shall be subject to lock in as per the applicable SEBI (ICDR) Regulations, 2009.

Details of lock-in of pre preferential holding and post preferential holding are as under:

Detail of lock-in for Pre preferential Share holding

Name of the Investor	Category	No. of Equity Shares	Lock In Period
LTS Investment Fund Limited	Foreign Portfolio Investor	11,64,009	From Relevant date upto a period of six months from trading approval to be received from stock exchanges
LGOF Global Opportunities Limited	Foreign Portfolio Investor	0	Not Applicable

Details of lock-in for securities to be issued on preferential basis

Name of the Investor	Category	No. of convertible warrants to be allotted	No. Of shares proposed to be issue on conversion	Lock In Period
LTS Investment Fund Limited	Foreign Portfolio Investor	25,00,000	25,00,000	One Year from the date of Trading Approval to be received from Stock Exchanges.
LGOF Global Opportunities Limited	Foreign Portfolio Investor	25,00,000	25,00,000	One Year from the date of Trading Approval to be received from Stock Exchanges.

xiii. Auditors Certificate:

It is proposed to obtain a certificate from M/s. J.T. Shah & Co., Statutory Auditors of the Company, certifying that the issue of equity shares is being made in accordance with requirements of SEBI (ICDR) Regulations. This certificate will be made available for inspection on any working day between 11.00 a.m. to 01.00 p.m. after the Relevant Date and upto the date of the Annual General Meeting.

xiv. Number of persons to whom allotment on preferential basis has been made in terms of number of securities as well as price:

Post 31st March, 2015 and up to the date this Notice, the following preferential allotments have been made:

Date of Allotment	No. of Securities allotted	Issue Price	No. of Allottees	Type of security
Of convertible warrants: 9th November, 2015	25,00,000	₹200/- each	1 (one)	Convertible warrants
Of equity shares pursuant to conversion: 14th May, 2016				Equity shares

xv. Others:

- a. The holder of the warrants will be entitled to apply for and be allotted, in one or more tranches, 1 (one) equity share of ₹10/- (Rupees Ten Only) each of the Company per warrant at any time after the date of allotment thereof but within 18 months from the date of allotment;
- b. If entitlement against the warrants to apply for equity shares were not exercised within the aforesaid period, the entitlement of the warrant holder(s) to apply for the equity shares of the Company along with the rights attached thereto shall expire and any amount paid on warrants shall stand forfeited;
- c. The equity shares to be issued and allotted by the Company on exercise of the warrant in the manner as aforesaid shall be in dematerialised form and subject to the Memorandum and Articles of Association of the Company and shall rank paripassu in all respects including dividend with the then existing equity shares of the Company and be listed on Stock Exchanges where equity shares of the Company are listed.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, Special Resolution is required to be approved by members pursuant to the provisions of Section 62(1)(c) of the Companies Act, 2013 read with Chapter VII of the SEBI (ICDR) Regulations. Your Directors, therefore, recommend the resolution for your approval.

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

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

Item No. 11:

Considering the continuous increase in the holding of FII / FPIs, it is anticipated that FII / FPIs may further buy the shares of the Company which may result into exceeding the general limit of 24% provided under the FDI policy. FII / FPIs play a crucial role to unfold the Company's value to further levels by attracting new investments into the Company. In view of this and considering various advantages in attracting institutional investors which would be beneficial to the Company in the long run it is proposed to increase the aggregate limit for holding shares by the FII / FPIs to 49% from 24%.

As per the FDI policy, the Company shall obtain the approval of its shareholders by way of special resolution to increase the said limits with a prior intimation to Reserve Bank of India. The members are, therefore, requested to accord their approval, for the purpose of increasing the aggregate limits as set out in the 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, if any, in the Company.

The Board accordingly recommends the resolution set out in Item No. 11 of the Notice for the approval of the shareholders.

Item No. 12:

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

In terms of the provisions of section 180(1)(a) and section 180(1)(c) of the Companies Act, 2013, the shareholders of the Company have already accorded approval to the Board of Directors of the Company to borrow money / moneys upto an amount of ₹2500.00 crores (Rupees Two Thousand Five Hundred Crores only) and to create charges on the Company's properties for securing the borrowing within the above limits and working capital facilities availed or to be availed by passing a special resolution at the Annual General Meeting of the Company held on 15th September, 2014.

For the purposes of such Borrowings, the Company may, from time to time, be required to execute financing documents, which provides for an enabling option to the Lenders, to convert the whole or any part of such outstanding Financial Assistance (comprising loans, debentures or any other financial assistance categorised as loans), into fully paid up Equity Shares of the Company;

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

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

In line with the regulatory changes in the recent past, the changes in the Companies Act, 1956 and in line with the various directives issued by Reserve Bank of India, from time to time, the Company has been advised to pass special resolution under section 62(3) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder to enable the banks and financial institutions (hereinafter referred to as the

"Lenders") to convert the Facilities together with the outstanding loans or any other financial assistance (hereinafter referred to as the "Loans"), in foreign currency or Indian Rupee, already availed from the lenders or as may be availed from the Lenders, from time to time, at their option, into equity shares of the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable laws at the time of such conversion.

Accordingly, the Board recommends the resolution as set out in Item No. 12 to enable the Lenders, in terms of the lending arrangements, entered or to be entered and as may be specified under the Financing Documents already executed or to be executed in respect of the Loans availed or to be availed, at their option, to convert the whole or part of their respective Loans into equity shares of the Company, upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable law at the time of such conversion.

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

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

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

The Board accordingly recommends the resolution set out in Item No. 12 of the Notice for the approval of the shareholders.

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

Purvee Roy
Company Secretary
Mem. No. A26925

10th August, 2016
Ahmedabad

Corporate Office
Chiripal House, Near Shivranjani Cross Roads,
Satellite, Ahmedabad-380015
CIN: L51909GJ1994PLC022719

Annexure to Item No. 3 & 7 of the Notice

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting:

((Pursuant to regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

Name of Director	Mr. Brijmohan Chiripal	Mr. P. K. Shrivastava
Director Identification Number (DIN)	00290426	07493616
Date of Birth	15th July, 1961	11th May, 1963
Nationality	Indian	Indian
Date of Appointment on the Board	14th December, 1998	11th March, 2016
Qualifications	B.E. (Chemicals)	M.A., PGDBM (Personnel Management) DSW, LLB
Expertise in specific functional area	Textile	Human Resource
Number of shares held in the Company	27,80,000	NIL
List of Directorships held in other Companies (excluding foreign, private and section 8 companies)	<ul style="list-style-type: none"> • Chiripal Lifestyle Limited • Chiripal Industrial Park Limited • Prizm Club Limited 	NIL
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across public companies including Nandan Denim Limited	NIL	NIL
Relationship between Directors inter-se	Brother of Vedprakash Chiripal, Chairman of Nandan Denim Limited	NIL

BOARD'S REPORT

Dear members,

Your Directors have pleasure in presenting the Twenty Second Annual Report together with the Audited Financial Statements of the Company for the period from 1st April, 2015 to 31st March, 2016. The working and operational parameters of all the plants of the Company were quite satisfactory during the year.

FINANCIAL PERFORMANCE

Highlights of Financial Results for the year are as under:

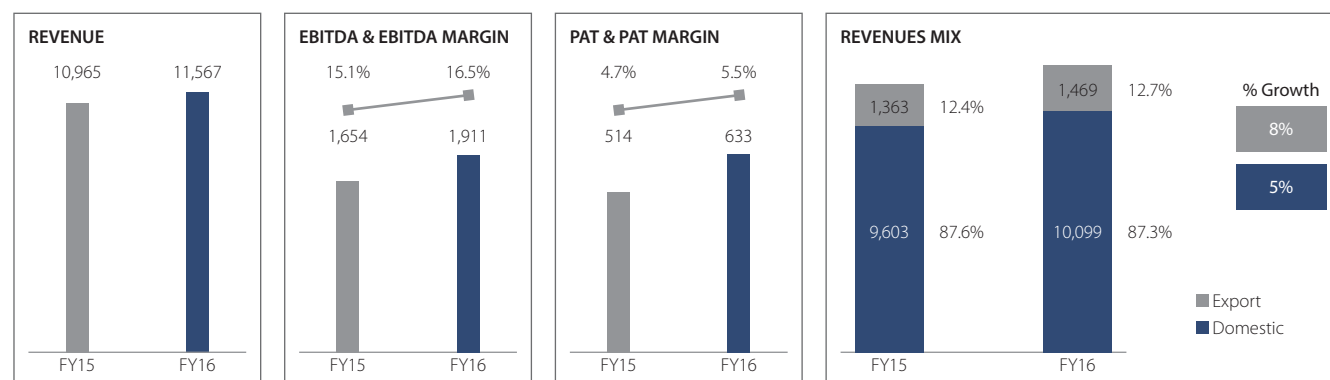
(Amount in ₹)

Particulars	For the year ended	
	31.03.2016	31.03.2015
Revenue from operations	11567254246	10965333603
EBITDA	1911440057	1654429970
Less: Finance Costs	411714806	377085653
Less: Depreciation	659985984	595503285
Profit before exceptional items and tax	881283985	712263781
Exceptional Items	Nil	Nil
Profit Before Tax	881283985	712263781
Less: Tax expense	248061835	197926223
Profit After Tax	633222150	514337558
AMOUNT AVAILABLE FOR APPROPRIATION	1707966845	1293425130
Dividend: Interim	72878490	27329434
Proposed Final	Nil	45549056
Tax on Dividend	14836348	13917353
Transfer to General Reserve	13000000	13000000

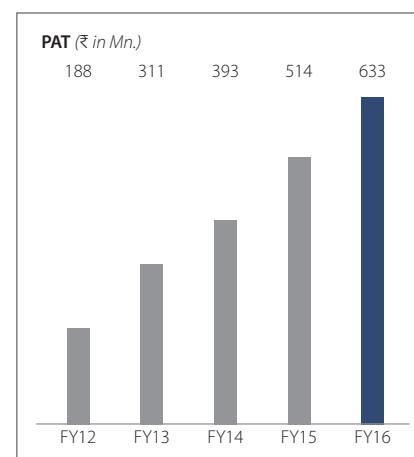
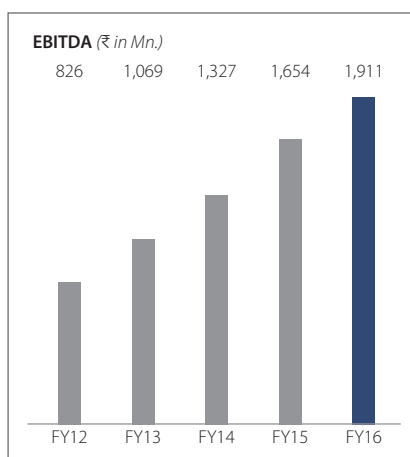
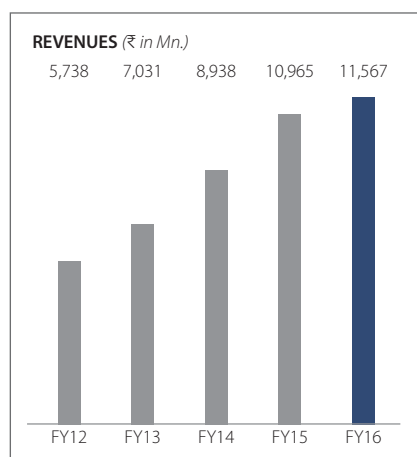
The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards. It complies with the provisions of Companies Act, 2013 and guidelines issued by SEBI. Management evaluates all recently issued or revised

accounting standards on an ongoing basis. Apart from this, the Company discloses Audited and Unaudited Financial Results on quarterly and annual basis as per Listing Agreement entered into with the stock exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PERFORMANCE OVERVIEW



FINANCIAL SUMMARY



It is evident from the above graphs that your Company has progressed during the current period ended 31st March, 2016. It has achieved aggregate sales of ₹1156.72 crores as compared to sales of ₹1096.53 crores in last fiscal And Profit Before Tax of ₹88.12 crores as compared to Profit Before Tax of ₹71.22 crores last year.

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

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. 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.

SUBSIDIARY AND ASSOCIATE COMPANIES

Nandan Denim Limited did not have any subsidiary or associate company for the year ended 31st March, 2016.

DIVIDEND

The dividend payout for the year under review is in accordance with the Company's policy to build long term shareholder value and considering the long term growth objectives of the Company.

The Board, at its meeting held on 12th February, 2016, declared an Interim Dividend of Re. 0.80/- (i.e. 8%) per equity share of face value

of ₹10/- each. A second Interim Dividend of Re. 0.80/- (i.e. 8%) per equity share of face value of ₹10/- each was further declared at the Board Meeting held on 11th March, 2016. The total dividend for the year works out to ₹1.60/- (i.e. 16%) per equity share on a face value of ₹10/- per share. Last year, the dividend was paid at the same rate. The Company has paid dividend distribution tax plus applicable surcharge, education cess and / or any other cess applicable on the dividend distribution tax at the time of declaration and payment of dividend.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Nandan Denim Limited has a broad-based Board of Directors, constituted in compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with good corporate governance practices. The Board functions either as a full Board or through various committees constituted to oversee specific areas.

The Board of Directors at their meeting held on 29th April, 2015 approved the appointment of Dr. Yasho Verdhan Verma as Additional Director of the Company in the capacity of Independent Director. He was further regularised as Director in the Annual General Meeting of the Company held on 29th September, 2015.

On the recommendation of the Nomination and Remuneration Committee, at the Board Meeting held on 11th March, 2016, Mr. Pradeep Kumar Shrivastava and Mr. Ganesh Khawas were appointed as Additional Directors in the capacity of Whole – Time Directors. As

Additional Directors, they hold office up to the date of forthcoming Annual General Meeting and are eligible for appointment as Directors. Later, Mr. Ganesh Khawas stepped down from his position as Whole – Time Director effective from the close of business hours on 4th July, 2016 which was approved via circular resolution by the Board of Directors. The Board places on record its appreciation for his contribution towards the Company.

Independent Directors

The Board of the Company as on 31st March, 2016 consisted of 9 Directors, out of which five were Independent Directors, two were Promoter Directors and two were Whole – Time Directors.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which have been relied on by the Company and were placed at the Board Meeting held on 28th May, 2016.

Retirement by rotation

Mr. Brijmohan Chiripal, Managing 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 resolutions for their re-appointment are being placed for your approval at the ensuing AGM.

Appointment/Re-appointment of Directors

In compliance with requirements of the Companies Act, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resume and expertise of persons proposed to be appointed / re-appointed as Directors is mentioned below. Details of other directorships, memberships in committees of other Companies and shareholding in the Company have been mentioned in the Annexure to the Notice.

Mr. Brijmohan Chiripal is the Managing Director of Nandan Denim Limited. Aged 55 years, he has done his Bachelors in Engineering (Chemicals) and has almost three decades of experience in the field of manufacturing, trading and export of various textile products. He takes keen interest in the marketing aspects of the Company.

Mr. Pradeep Kumar Shrivastava is the Whole Time Director of the Company. He has done his Post Graduation in Personnel Management apart from M.A. and Diploma in Social Work. He also holds degree in law. He has worked with Companies like Gujarat Ambuja Exports Limited and Modern Terry Towel Limited, amongst others. He possesses around 30 years of experience in the field of Human Resource.

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the number of Committees (Audit Committee and Stakeholders Relationship Committee) of public limited companies in which a Director is a member/chairman were within the limits provided under listing regulations, for all the Directors of the Company. The number of directorships of each independent Director is also within the limits prescribed under listing regulations.

Key Managerial Personnel

During the period under review, Mr. Sanjay Agrawal vacated office as Chief Financial Officer from the Company with effect from 31st March, 2016. The Board places on record appreciation for his valuable contribution during his association with the Company. Thereafter, Mr. Ashok Bothra was appointed as the Chief Financial Officer of Nandan Denim Limited at the Board Meeting held on 28th May, 2016 and designated as Key Managerial Personnel.

Apart from the above, Mr. Brijmohan Chiripal is the Managing Director of the Company 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. In addition, Mr. Deepak Chiripal serves as Chief Executive Officer of the Company.

Annual Evaluation of Board's Performance

As required under the provisions of Section 134(3)(p) of the Companies Act, 2013; Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board has carried out an annual evaluation of its own performance, of its Committees and individual directors. The manner in which such performance evaluation was carried out is as under:

The performance evaluation framework is in place to seek their response on the evaluation of the entire board and individual directors. The Nomination and Remuneration Committee carries out evaluation of Director's performance.

The performance of the Board and Individual Directors was evaluated by the Board seeking input from all Directors. The performance of committees was evaluated by the Board seeking input from the committee members. The Nomination and Remuneration Committee reviews the performance of the Individual Directors. A separate meeting of the Independent Directors was also held to review the performance of non-independent Directors; performance of the Board as a whole and performance of the Chairman of the Company, taking into account the views of executive as well as non-executive Directors.

The criteria of evaluation of Board includes mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board based on the criteria laid down by Nomination and Remuneration Committee which includes attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest, adherence to Code of Conduct and business ethics, monitoring of regulatory compliance, risk management and review of internal control system, etc.

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(1)(b) 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 2015-16, six board meetings were held on 29th April, 2015; 29th May, 2015; 5th August, 2015; 3rd November, 2015; 12th February, 2016 and 11th March, 2016 respectively. The gap between two Board Meetings did not exceed 120 days.

Details of composition of Board and its committees and of the meetings held, attendance of the Directors and other relevant details are provided in the Corporate Governance Report.

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013; Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Board had originally constituted its Remuneration Committee much before the coming into force of the Companies Act, 2013 as part of good corporate governance practice. The current policy is to ensure that the Board and Top Management is appropriately constituted to meet its fiduciary obligations to stakeholders, to identify persons who are qualified to become Directors or who may be appointed in senior management as / or Key Managerial Personnel of the Company and that the level and composition

of remuneration is reasonable and sufficient to attract, retain and motivate Directors and meets appropriate benchmarks.

The remuneration paid to the Directors is in accordance with the Nomination and 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) for the time being in force]. The Managing Director and CEO do not receive remuneration from any other Company.

The Nomination & Remuneration Committee, at its sole discretion, consider the integrity, qualification, expertise and experience of the person for appointment as a Director and then recommend the Board of his/her appointment. The policy has been attached as 'Annexure – D' to the Boards Report.

BOARD COMMITTEES

Your Company has four Committees of the Board, namely:

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

Apart from the above, a Preferential Allotment Committee was also formed to take care of matters related to preferential issue of convertible warrants and conversion thereof.

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

The Company has devised a policy for performance evaluation of its individual directors, the Board and the Committees constituted by it, which includes criteria for performance evaluation.

In line with the requirements of the Companies Act, 2013; Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board has carried out an annual evaluation of its own performance, working of the Committees, and the Directors individually. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of processes and information provided to the Board, etc.

The Nomination and Remuneration Committee has also reviewed the performance of the individual directors based on their knowledge, level of preparation and effective participation in meetings, understanding of their roles as Directors, etc.

CORPORATE GOVERNANCE

Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving.

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organisation. We are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, good credit ratings, governance processes and an entrepreneurial performance focused work environment. Additionally, our customers have benefited from high quality products delivered at extremely competitive prices.

Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated. Stakeholders' interests are taken into account, before making any business decision. Nandan Denim Limited has the distinction of consistently rewarding its shareholders.

It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance and Assurance teams, Auditors and the senior management. Our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity.

In accordance with regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and listing agreement entered into with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), the report containing the details of Corporate Governance systems and processes at Nandan Denim Limited forms part of this Annual Report.

Further, a certificate obtained from the statutory auditors, M/s J.T. Shah & Co., Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been annexed as part of the Corporate Governance Report.

LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on 2nd September, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from 1st December, 2015. Accordingly,

all listed entities were required to enter into the Listing Agreement within six months from the date of notification of the regulations. The Company entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited during February 2016.

SHARE CAPITAL

The paid up Equity Share Capital of the Company as on 31st March, 2016 was ₹45.54 crores. There has been no change in the Equity Share Capital of the Company during the year.

CONVERTIBLE WARRANTS

Nandan Denim Limited had taken shareholder's approval at the Annual General Meeting of the Company conducted on 29th September, 2015 for issue of 25,00,000 convertible warrants to a non – promoter entity at a conversion price of ₹200/- (Rupees Two Hundred only) each. Pursuant to in – principle approval received from stock exchanges, the convertible warrants were allotted on 9th November, 2015. The entire amount of ₹50.00 crores (Rupees Fifty crores only) was received in tranches. Thereafter, the warrants were converted into equity shares in the month of May, 2016. Listing approval and trading approval has been received from both the exchanges.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's business, internal controls and their adequacy, risk management systems and other material developments during the financial year 2015-16.

VIGIL MECHANISM

In accordance with Section 177 of the Companies Act, 2013; Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Whistle Blower Policy to address the genuine concerns, if any, of the employees wherein employees can raise any suspected or actual violations of the Code of Conduct. Specifically, employees can raise concerns regarding any discrimination, harassment, victimisation, any other unfair practice being adopted against them or any instances of fraud by or against the Company.

The details of the same have been stated in the Report on Corporate Governance and the policy can also be accessed on the Company's website at <http://www.nandandanim.com/Pdf/WhistleBlowerPolicy.pdf>.

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.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state that:

- i. in the preparation of the annual financial statements for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. such accounting policies have been selected and applied consistently and made such 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 the end of the financial year 31st March, 2016 and of the profit and loss of the Company for that period;
- iii. proper and sufficient care have been taken for the 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 fraud and other irregularities;
- iv. the annual financial statements have been prepared on a going concern basis;
- v. internal financial controls have been laid down and followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were 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 up gradation of Human Resources for achieving the highest levels of efficiency, customer satisfaction and growth. As part of the overall HR Strategy, training programs have been organised for employees at all levels through both internal and external faculties during the year under review. As on 31st March, 2016, the employee strength was approximately 2900.

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 shareholders and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the shareholders at the corporate office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. If any shareholder is interested in obtaining a copy thereof, such shareholder may write to the Company Secretary in this regard.

None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself

or along with his / her spouse and dependent children) more than two percent of the equity shares of the Company.

The ratio of remuneration of each director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Board's report.

AUDITORS

Statutory Auditor

M/s. J.T. Shah & Co., the Statutory Auditors of the Company, were appointed for a period of five years at the Annual General Meeting of the Company held on 15th September, 2014. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. J.T. Shah & Co., Chartered Accountants, as Statutory Auditors of the Company is placed for ratification by the shareholders. In this regard, the Company has received a written consent and certificate stating that they satisfy the criteria provided under section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors), Rules, 2014 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules issued thereunder. As required under the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. J.T. Shah & Co., Chartered Accountants, have also confirmed that they hold a valid certificate issued by the Peer Review Board of Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) for the time being in force].

The Auditors' Report for the financial year ended 31st March, 2016 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 10th August, 2016 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 2016-17 to conduct the audit of the cost records of your Company. The remuneration proposed to be paid to the Cost Auditor, subject to the ratification by the members at the ensuing AGM would be not exceeding ₹50,000/- (Rupees Fifty Thousand Only) plus taxes and out of pocket expenses, if any.

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 2016-17 along with a certificate confirming their independence and arm's length relationship.

Secretarial Audit

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company at its meeting held on 10th August, 2016 has appointed Ms. Geeta Serwani of M/s. Geeta Serwani & Associates, Practising Company Secretary [Membership No.: 24479 and Certificate of Practice No.: 8842] as the Secretarial Auditor to conduct an audit of the secretarial records for the financial year 2016-17.

The Company has received consent from Ms. Geeta Serwani to act as the auditor for conducting audit of the secretarial records for the financial year ending 31st March, 2017.

The Secretarial Audit Report for the financial year ended 31st March, 2016 is annexed herewith as Annexure – C to this report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

DISCLOSURE UNDER SCHEDULE V(F) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) 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 2015-16, 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; Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, there were no transactions with related parties which qualify as material transactions under 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 which are of repetitive nature, entered in the ordinary course of business and are on arm's length basis in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder; Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of the related party transactions as per Accounting

Standard 18 are set out in Note 39 to the Financial Statements forming part of this report.

The policy on Related Party Transactions is available on the website of the Company at <http://www.nandandenim.com/Pdf/RelatedPartyTransactionPolicy.pdf>.

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 – F to the Directors Report.

LOANS AND INVESTMENTS BY THE COMPANY

Details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31st March, 2016, are set out in Notes to the Financial Statements forming part of this report.

DETAILS OF INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

Your Company has put in place adequate internal financial controls with reference to the financial statements.

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 information accurately. 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.

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

In order to prevent sexual harassment of women at workplace, a new legislation - The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act, every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at workplace of any woman employee.

Nandan Denim Limited has adopted a policy for prevention of Sexual Harassment of Women at Workplace and has constituted the Internal Complaints Committee (ICC) with an NGO as one of its Members. 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 2015-16, no cases in the nature of sexual harassment were reported at any workplace of Nandan Denim Limited.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014. The Corporate Social Responsibility Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company. The CSR policy may be accessed on the Company's website at the link: <http://www.nandandenim.com/Pdf/CorporateSocialResponsibilityPolicy.pdf>.

The CSR Committee of the Board consists of Dr. Yasho Verdhana (Independent Director) as Chairman. Mr. Giraj Mohan Sharma (Independent Director) and Mr. Vedprakash Chiripal (Promoter Director) are its members.

Over the years, the Company has aligned its business processes and goals to make a more deep-rooted impact on the society's sustainable development. A detailed update on the CSR initiatives of the Company is provided in the Corporate Social Responsibility and Sustainability Report, which forms part of the Annual Report.

As a responsible corporate citizen, the Company has been implementing societal activities since many years. As per the strict interpretation of the new CSR rules, some of these initiatives may not be eligible under the 2% CSR spend. As these activities are integral to the business, the Company has decided to continue with them.

During the year, the Company was in the process of evaluating the focus areas / locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact. As a socially responsible Company, your Company is committed to increase its CSR impact and spend over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

For the year ended 31st March, 2016, the calculated amount towards its CSR activities as required under the Act lies unspent. The reason for not spending the required amount towards CSR activities was mainly due to extraneous factors and due to better negotiation by the Company with the service providers / external agencies which resulted into savings and ultimately could not be spent as budgeted. The Company has been however extremely committed towards exercising its social responsibilities and is dedicated to spend, to achieve better results. The Company is confident about its work in the social space and is sensitive to the requirements of the Companies Act, 2013. In view of the same, your Company is confident of a turnaround as far as the CSR numbers are concerned in the next financial year.

The Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013 providing necessary disclosures is annexed as Annexure – B to this Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return as on 31st March, 2016 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 – E to this report.

CEO & CFO CERTIFICATION

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certification by the Chief Executive Officer and Chief Financial Officer on the financial statements and internal controls relating to financial reporting has been obtained.

A copy of the certificate on the financial statements for the financial year ended 31st March, 2016 is annexed as Annexure to the Corporate Governance 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 was no change in the nature of business of the Company during the financial year ended 31st March, 2016.

CREDIT RATING

During the year under review, ICRA assigned credit rating of A- for Long Term with stable outlook and A2+ for Short Term for Nandan Denim Limited.

The assigned ratings take into account NDL's strong market position in the domestic denim industry, established distribution network and the extensive industry experience of its promoters. The rating further derives comfort from partially integrated operations of the Company and the 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 ratings also take into account the improving financial risk profile of NDL characterised by consistent growth in scale and profitability resulting in improvement in capital structure and debt protection metrics. ICRA further notes that company is in the midst of a large capex plan towards backward integration which 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 Ltd.

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, 2013. 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 also. The facility of electronic voting was offered to the shareholders for the postal ballot process undertaken by the Company for approval of issue of shares on preferential basis in February, 2015, the issue was later on withdrawn. 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 started sending documents like notices convening General Meetings, Financial Statements, etc. including Annual Reports in electronic form, to the email addresses made available to us by the depositories from time to time. We appreciate the initiative taken by MCA as it helps in prompt receipt of correspondence and also avoids delay or losses caused through post. Therefore, we are publishing only the statutory disclosures in the print edition of the Annual Report. Annual Report containing additional data is available on our website namely www.nandandenim.com.

Further, as a member, you will be entitled to be furnished with a

copy of the above mentioned documents as required, upon receipt of a requisition any time. We would appreciate your support on our desire to participate in the green initiative.

GENERAL

- The Company has not issued equity shares with differential voting rights as to dividend, voting or otherwise; and
- The Company does not have any ESOP scheme for its Directors / employees.

APPRECIATIONS

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, bankers, financial institutions, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

For and on behalf of the Board of Directors

Place: Ahmedabad

Date: 10th August, 2016

Vedprakash Chiripal

Chairman

DIN: 00290454

Brijmohan Chiripal

Managing Director

DIN: 00290426

Annexure 'A' To The Board's Report

Energy conservation, technology absorption and foreign exchange earnings and outgo

A. CONSERVATION OF ENERGY:

(a) ENERGY CONSERVATION:

1. Reduce the pressure drop across of compressor & dryer carrying out modification of dryer
2. Conversion stenters heating fuel from gas to coal
3. Reduction in compressed air consumption by reducing leakages in plant
4. Reduction in compressed air consumption on Loom by carrying out maintenance and standardising the setting of Looms
5. Reduction in consumption of steam by carrying out automation on machine

(b) WATER CONSERVATION:

1. Recycling of ETP treated water for Toilets and Gardening
2. Recycling finishing water in process

B. ADDITIONAL INVESTMENTS AND PROPOSALS

We are installing heat recovery system on our compressors, after success of which first heat recovery system to compressor will be installed. Hot water generated To Compressor will be used in power 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 all above work, we have reduced cost by app. ₹150 Lac/Annum
2. By recycling water, we have reduced ground water consumption by 100 M3/Day

D. Total Energy Consumption and energy consumption per Unit of Production:

I. POWER & FUEL CONSUMPTION:

Power and Fuel Consumption:	31.03.2016	31.03.2015
1. Electricity		
(a) Purchased		
Unit (kwh)	1,27,32,120	87,20,040
Total Amount	8,61,64,915	7,11,07,877
Rate / Unit (₹)	6.77	8.15
(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)	13,53,66,211	15,30,45,137
Units per ltr of Fuel Oil / Gas	1.44	1.44
Cost / Unit (₹)	5.96	5.02
2. LIGNITE		
Quantity (Tones) / Day	4.09	368.34
Total Cost (₹)	42,75,527	43,45,74,881
Average Rate (₹)	2,864	3,232

Power and Fuel Consumption:	31.03.2016	31.03.2015
3. COAL		
Quantity (Tonnes) / Day	529.95	233.48
Total Cost (₹)	70,38,25,766	30,85,75,363
Average Rate (₹)	3,639	3,621
4. FURNACE OIL (Used in Generation of Steam)		
Quantity (Litres)	NIL	NIL
Total Amount (₹)	NIL	NIL
Average Rate (₹)	NIL	NIL
5. OTHERS LSHS (Low Sulphur High Stock)		
(Used in Generation of Steam)		
Quantity (Tonnes)	NIL	NIL
Total Cost (₹)	NIL	NIL
Rate / Unit (₹)	NIL	NIL

II. CONSUMPTION PER METER OF PRODUCTION:

	31.03.2016	31.03.2015
Electricity (KWH) Per Meter	1.31	1.67
Coal (Specified Quality)	2.48	1.21
Lignite (KG) Per Meter	0.02	1.90

E. TECHNOLOGY: RESEARCH AND DEVELOPMENT (R&D)

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

- Specialised high value yarn development in spinning
- New shade with new colour
- Special fancy dobby weave
- New over dyeing shade
- New coating
- New special finish
- New fibre

2. Benefits derived as a result of the Above R & D

- All the new R&D works are resulting in innovating products.
- Better sales realisation.
- Better brand image of the Company
- Acquisition of new customer
- Increase in sales volume

3. Future Plan of Action

- More new fancy yarn development.
- New weave development
- New special shade development
- Value added finish development

F. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Efforts made

- Added New contamination clears in Blow room machine & Winding
- New & Different color in Denim added
- Develop Fiber dyed Yarn
- Added Laser Ingraving Product
- Added sueding Product
- Added new over dyed product

G. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

(₹ in crores)

Particulars	31.03.2016	31.03.2015
(a) Foreign Exchange Earnings:	136.56	133.31
(b) Foreign Exchange Outgo:	5.59	3.94

Annexure 'B' To The Board's Report

CORPORATE SOCIAL RESPONSIBILITY (CSR)

What does it take for a Company to be socially responsible? Social responsibility refers to business decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest. CSR plays a fundamental role in cultivating corporate goodwill.

Economic values and social values are interlinked. A firm creates economic value by creating social value – by bringing difference in to the lives of its key stakeholders. Furthermore, a firm cannot do this in isolation; it needs the support and participation of other constituents of the ecosystem. Sustainability comes from well developed partnerships in the ecosystem.

The CSR activities and programs are initiated towards the communities and environment in which the Company operates. It represents the continuing commitment and actions of the Company towards socio-economic development. The Board of Directors at its meeting held on 11th November, 2014 approved the CSR Policy of your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

While the Ministry of Corporate Affairs has spelt out the CSR activities under Schedule VII to the Companies Act, 2013, in order to build focus and have a more impactful execution, with a view to make a difference, NDL's CSR efforts will be primarily dedicated in areas which include the following:

Community Development

Community development is integral for building a harmonious relationship with the community dwelling in the periphery where NDL operates which will go long in supporting one another for a sustainable growth. NDL will therefore work towards the upliftment of communities and villages that border NDL's workplaces / units.

Education

One of the most significant indicators of social progress is education, which also plays a decisive role for the society to achieve self – sustainable and equitable development. With an increasing global realisation of how business community can and should contribute to social objectives, education deserves a higher level of corporate

involvement. NDL aspires to enormously contribute to facilitate literacy levels at various sections of the society. Research is currently being undertaken by the Company for identifying locations and manner in which education activities can be initiated. It also plans to develop anganwadis' in nearby village areas for development of infants and providing necessary facilities therein.

Health Care

Our aim is towards preventative as well as facilitative health care of the area surrounding our plant locations. The Company plans to deliver facilities to communities and other sections of the society in the form of primary health care support through diagnosis and treatments, promoting preventive healthcare, building awareness about sanitation, setting up medical camps, creating awareness through various programmes, etc.

Livelihood enhancement

Creating sustainable livelihood and enhanced earning potential to the communities surrounding our factories through knowledge, innovation and transformative actions is another thrust of our CSR.

The Company actively seeks engagement and partnerships with stakeholders to optimise positive impact in these focus areas, while managing its commitments to environmental and social sustainability, necessary for the sustainable growth and development of the communities where it operates.

The Company will continue to engage with stakeholders including villagers, experts, NGOs and the Government and would take up such other CSR activities in line with Government's intent and which are important for society. The above areas are mapped with the activities as prescribed in Schedule VII to the Companies Act, 2013.

The CSR Policy of the Company is disclosed on the website of the Company and can be accessed through the following link:

<http://www.nandandenim.com/PdfCorporateSocialResponsibilityPolicy.pdf>

While the focus of CSR efforts will be in the areas surrounding the Company operations, the Company may also undertake projects where societal needs are high or in special situations (such as in the case of natural disasters etc.).

Implementation Strategy

NDL aims to achieve its CSR objectives through:

- Directly by Nandan Denim Limited;
- Chiripal Charitable Trust, a trust registered under the Bombay Public Trust Act with an established track record of three years;
- Any other implementing agency

1. Composition of the CSR Committee:

The composition of the CSR Committee as on 31st March, 2016 is as follows:

Name of the Member	Nature of Directorship
Dr. Yasho Verdhan Verma	Independent Director
Mr. Giraj Mohan Sharma	Independent Director
Mr. Vedprakash Chiripal	Promoter Director

Dr. Yasho Verdhan Verma is the Chairman of the Committee.

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

1. Average Net Profit of the Company for the last 3 financial years: ₹54,57,37,236/-
2. Prescribed CSR expenditure (2% of this amount as in Sr. No. 1 above): ₹1,09,14,745/-
3. Details of CSR spend for the financial year:
 - (a) Total amount spent for the financial year: NIL
 - (b) Amount unspent, if any: ₹1,09,14,745/-

(c) Manner in which the amount was spent during the financial year is detailed below:

CSR Projects / Activities	Sector in which the project is covered	Location where project is undertaken (Local Area / District)	Amount outlay (budget) Project / Program wise	Amount spent on the Projects or Programs	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
NIL						

Reasons for not spending / underspending the amount as mentioned in clause c hereinabove:

As a responsible corporate citizen, the Company has been implementing societal activities since many decades. As per the strict interpretation of the new CSR rules, some of these initiatives may not be eligible under the 2% CSR spend. As these activities are integral to the business, the Company has decided to continue with them.

During the year, the Company was in the process of evaluating the focus areas / locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact. As a socially responsible Company, your Company is committed to increase its CSR impact and spend over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

The reason for not spending the required amount towards CSR activities was mainly due to extraneous factors and due to better negotiation by the Company with the service providers / external agencies which resulted into savings and ultimately could not be spent as budgeted. The Company has been however extremely committed towards exercising its social responsibilities and is dedicated to spend, to achieve better results. The Company is confident about its work in the social space and is sensitive to the

requirements of the Companies Act, 2013. In view of the same, your Company is confident of a turnaround as far as the CSR numbers are concerned in the next financial year.

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

The Company is part of the Chiripal Group, which is diversified across several businesses like Textiles, Petrochemicals, Chemicals, Packaging, Infrastructure and Education. Chiripal Group strongly believes that in order to continue to prosper over the long-term, the community and society at large must also prosper. The Company believes it has the greatest opportunity to drive value through initiatives in areas pertaining to awareness on health & sanitation, education and livelihood enhancement and has been committed to improving the quality of life in communities since many years.

In 2015, in compliance with its CSR Policy, the Company focused its activities on education through Chiripal Charitable Trust, a registered trust run by Chiripal Group.

Annexure 'C' To The Board's Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

Form MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,

NANDAN DENIM LIMITED

Survey No 198/1 and 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 31st March, 2016 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 31st March, 2016 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-law 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 clause of the following;

- I. The Secretarial Standards issued 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 decision 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 report, 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 as above.

Geeta Serwani & Associates
(Practicing Company Secretary)

(Geeta Serwani)

Proprietor

ACS: 24479

CP: 8842

Date: 10th August, 2016

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 and 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 the 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

ACS: 24479

CP: 8842

Date: 10th August, 2016

Annexure 'D' To The Board's Report

NOMINATION & REMUNERATION POLICY

The purpose of the Nomination & Remuneration Committee of the Board of Directors of Nandan Denim Limited is to ensure that the Board and top management is appropriately constituted to meet its fiduciary obligations to stakeholders, to identify persons who are qualified to become Directors and who may be appointed in senior management and/or as Key Managerial Personnel (KMP) of the Company in accordance with the criteria's laid down, recommend to the Board the appointment, removal, remuneration of the Directors, KMP and SMP and evaluation of every Director's performance, in line with the provisions of the Companies Act, 2013 and rules prescribed therein, as amended from time to time and as per the Listing Agreement with Stock Exchange(s), as amended from time to time and/or such other statutory notification, amendment or modification, as may be applicable.

INTERPRETATION

In the interpretation of this Policy, the following expressions shall have the following meanings, unless repugnant to the subject or context.

Company means "NANDAN DENIM LIMITED"

Board means "Board of Directors of the Company"

Directors means "Directors of the Company"

Committee means "Nomination & Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time"

Independent Director means "Independent Director as prescribed in the Companies Act, 2013 and rules therein, as may be amended from time to time and Listing Agreement with Stock Exchanges, as may be amended from time to time" and SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015)

SMP means "Senior Management Personnel i.e. members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads and such other officer as may be prescribed under the applicable statutory provisions / regulations"

KMP means "Key Managerial Personnel i.e.

- (i) Chief Executive Officer or the Managing Director or the Manager;
- (ii) Chief Financial Officer;
- (iii) Company Secretary."

RESPONBILITIES AND DUTIES

The Committee shall undertake the specific duties and responsibilities listed below and shall also undertake such other duties as the Board prescribes from time to time. Specific duties and responsibilities of the Committee include:

1. Formulating criteria for determining qualifications, positive attributes and independence of a director;
2. Identifying persons who are qualified to become Directors and who may be appointed in SMP and as KMP of the Company in accordance with the criteria laid down, recommend to the Board their appointment and removal;
3. Recommending to the Board a policy, relating to the remuneration of the Directors, SMP, KMP and other employees, as may be applicable;
4. Formulating criteria for evaluation of Independent Directors and the Board and carry out evaluation of every Director's performance;
5. Devising a policy on Board diversity;
6. Ensuring that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
7. Carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable;
8. Performing such other functions as may be necessary or appropriate for the performance of its duties.

POWERS

In discharging its responsibilities and duties, the powers of the Committee will include:

1. Sole authority to retain, compensate and terminate any search firm to be used to identify Director candidate(s) and these agencies will be accountable only to the Committee;
2. Identifying, screening and reviewing individuals qualified to serve as Directors and recommending to the Board, candidates for nomination to fill Board vacancies / additions;
3. Overseeing the Company's policies and procedures for the receipt of stakeholder suggestions regarding Board composition and recommendations of candidates for membership of the Board;
4. Conducting or authorising studies of matters within the Committee's scope of responsibility with full access to all books, records, facilities and personnel of the Company;
5. To retain outside counsel for these activities, if required and determine the compensation;
6. To sub-delegate such power and authority as the Committee deems appropriate with the purpose of meeting its objectives and duties within the scope of its terms of reference. The Committee shall, however not delegate any power or authority required by law, regulation or listing standards to be exercised solely by the Committee as a whole.

MEMBERSHIP

The Committee shall consist of at least three directors, all of whom shall be non-executive directors and at least half shall be independent.

The Chairman of the committee shall be an Independent Director.

The members of the Committee shall be appointed by the Board of Directors. The Board has the power to constitute/ reconstitute the Committee consistent with the Company's policy and applicable law/regulations.

MEETINGS

The Committee will meet as often as it considers necessary, in person and/or telephonically and/or video conferencing or by other audio visual means. Any member may call a meeting of the Committee, as per requirement.

All meetings of the Committee shall be presided over by the Chairman of the Committee.

Other Directors, employees or such persons as may be deemed appropriate by the Chairman / Member(s) of the Committee may be invited to attend the meeting(s).

QUORUM

The quorum for meetings of the Committee shall be one third of total strength or two members whichever is higher.

The participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

MINUTES

The Committee shall maintain written minutes of its meetings, including any formal discussions and taking on record any action taken by written consent, which shall be presented to the Board and shall be part of minutes of the Board Meeting.

COMPENSATION TO COMMITTEE MEMBERS

The Company shall not pay any remuneration to the Committee Members except sitting fees for each meeting of the Committee attended by the Non-Executive Independent Directors, as may be determined by the Board from time to time.

APPLICABILITY

The Policy shall be applicable to:

1. The Board of Directors of the Company
2. KMP of the Company
3. SMP of the Company
4. Such other person(s) as may be prescribed by the law time being in force

EFFECTIVE DATE

This policy shall be effective from 11th November, 2014.

GUIDELINES FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SMP

Appointment criteria and qualifications:

1. The Committee shall identify and determine the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at SMP level and recommend to the Board his / her appointment.
2. A person should possess requisite qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether the qualification, expertise and experience possessed by a candidate are adequate for the concerned proposed position.
3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy

years with the approval of shareholders by passing a special resolution and compliance of applicable provisions of law/regulations.

Term / Tenure:

I. Managing Director / Whole-time Director:

The Company shall appoint / re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

II. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for another term of five years on passing of a special resolution by the members of the Company, subject to the compliance of applicable law/regulations/ listing agreement etc.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for a term of five years only.

A person may be appointed as an Independent Director, only if the proposed appointment is within the limits prescribed under law / regulations / listing agreement to act as an Independent Director by such person in any listed Company including Nandan Denim Limited.

III. Evaluation:

The Committee shall carry out need based evaluation of performance of every Director, KMP and SMP at regular intervals / Human Resources (HR) policy of the Company.

IV. Removal:

The Committee, if think fit, may recommend removal of a Director, KMP or SMP to the Board with reasons recorded in writing due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, Company policy,

subject to the provisions and compliance of the said Act, rules and regulations and Company policy.

V. Retirement:

A Director, KMP and SMP shall retire as per the applicable provisions of the Companies Act, 2013 and the extant policy of the Company. The Board will have the discretion to retain the Director, KMP, SMP in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to the recommendation of the Committee.

GUIDELINES RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SMP

General:

1. The remuneration / compensation / commission, etc. to the Whole-time Director, KMP and SMP will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc. shall be subject to the terms of appointment and / or prior / post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Whole-time Director(s) shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company / terms of appointment approved by the Board or shareholders, as the case may be and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders / Central Government in the case of Whole-time Director. Increments will be effective as per the terms of appointment or 01 April as the case may be, subject to compliance of applicable law / regulations, HR policy of the Company.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive officer, Chief Financial officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Whole-time / Executive / Managing Director, KMP and SMP:
1. Fixed & Incentive pay:

The Whole-time Director / KMP and SMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee, subject to compliance of applicable law / regulations. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such excess remuneration to the Company and until such sum is refunded, hold it in trust

for the Company. The Company shall not waive recovery of such sums refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Director:
1. Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of sitting fees of such amount as may be approved by the Board from time to time for attending meetings of Board or Committee thereof. Provided that the amount of such sitting fees shall not exceed ₹1,00,000/- (Rupees One Lakh only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit prescribed under the provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

Annexure 'E' To The Board's Report

EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH, 2016

FORM NO. MGT 9

[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
v	Sub-Category of the Company	Limited by Shares
vi	Address of the Registered Office & Contact Details	Survey No.198/1 & 203/2, Saijpur – Gopalpur, Pirana Road, Pipej, Ahmedabad, Gujarat – 382 405 Tel.: 91 – 79 – 26734660/2/3 Fax: 91 – 79 – 26768656 Website: www.nandandenim.com Email Address: cs.ndl@chiripalgroup.com
vii	Whether Listed Company ?	Yes
viii	Details of Stock Exchanges where shares are listed	BSE Limited: 532641 National Stock Exchange of India Limited: NDL
ix	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 Address: investorqry@dfssl.com

II. PRINCIPLE BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
Cotton spinning, weaving and processing in mills	235	99.64

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Nandan Denim Limited does not have any holding, subsidiary or associate company as on 31st March, 2016.

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

A. Category-wise Shareholding:

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the Year
		Demat	Physical	Total	% to Total Shares	Demat	Physical	Total	% to Total Shares	
A	Promoters									
1)	Indian									
a.	Individuals / HUF	5534302	0	5534302	12.15	5534302	0	5534302	12.15	0.00
b.	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c.	State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d.	Bodies Corporate	22224418	0	22224418	48.79	22462886	0	22462886	49.32	0.53
e.	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f.	Any other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	27758720	0	27758720	60.94	27997188	0	27997188	61.47	0.53
2)	Foreign									
	NRI Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
	Any other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter(s) (A)=(A)(1)+(A)(2)	27758720	0	27758720	60.94	27997188	0	27997188	61.47	0.53
1	Institutions									
a.	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
b.	Banks / FI	16253	0	16253	0.04	36959	0	36959	0.08	0.04
c.	Central Govt./ State Govt.(s)	5500	0	5500	0.01	5500	0	5500	0.01	0.00
d.	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e.	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
f.	FIs/ FPIs	1409062	0	1409062	3.09	2341898	0	2341898	5.14	2.05
g.	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
h.	Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	1430815	0	1430815	3.14	2384357	0	2384357	5.23	2.09
2)	Non-Institutions									
a.	Body Corporates									
	i. Indian	3366317	0	3366317	7.39	3117413	0	3117413	6.84	(0.55)
	ii. Overseas	-	-	-	-	-	-	-	-	-
b.	Individual shareholders:									
	i. Holding nominal share capital upto ₹1 lakh	7104767	15552	7120319	15.64	7217802	14852	7232654	15.88	0.24

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the Year
		Demat	Physical	Total	% to Total Shares	Demat	Physical	Total	% to Total Shares	
	ii. Holding nominal share capital in excess of ₹1 lakh	3407005	0	3407005	7.48	2173913	0	2173913	4.77	(2.71)
c.	Others (specify)									
	i. Non-Resident Indian	2465880	0	2465880	5.41	2643531	0	2643531	5.80	0.39
	ii. Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
	iii. Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
	iv. Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
	v. Trust	0	0	0	0.00	0	0	0	0.00	0.00
	vi. Foreign Bodies	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(2)	16343969	15552	16359521	35.92	15152659	14852	15167511	33.30	(2.62)
	Total Public Shareholding (B)=(B)(1)+(B)(2)	17774784	15552	17790336	39.06	17537016	14852	17551868	38.54	(0.53)
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	45533504	15552	45549056	100	45534204	14852	45549056	100	0.00

B&C. Shareholding of Promoters & Changes in Promoters' Shareholding:

Sr. No.	Name	Shareholding at the beginning(01.04.2015)/ end of the year(31.03.2016)		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Chiripal Industries Limited	11844270	26.00	01-Apr-15	0	Not Applicable	11844270	26.00
		11844270	26.00	31-Mar-16	0			
2.	Chiripal Exim LLP	7165556	15.73	01-Apr-15	0	Not Applicable	7165556	15.73
		7165556	15.73	31-Mar-16	0			
3.	Brijmohan D. Chiripal	2780000	6.10	01-Apr-15	0	Not Applicable	2780000	6.10
		2780000	6.10	31-Mar-16	0			
4.	Devkinandan Corporation LLP	2967592	6.52	01-Apr-15	0	Acquisition	3206060	7.04
				13-Oct-15	20000			
				13-Oct-15	20000			
				14-Oct-15	20000			
				14-Oct-15	20000			
				15-Oct-15	18076			
				15-Oct-15	21565			
				16-Oct-15	17649			
				16-Oct-15	22351			
				09-Nov-15	10000			
				09-Nov-15	9084			
				10-Nov-15	10000			
				10-Nov-15	10000			
				11-Nov-15	5000			
				11-Nov-15	5000			
				13-Nov-15	1051			
				19-Nov-15	5000			
				19-Nov-15	5000			
				20-Nov-15	8692			
20-Nov-15	10000							
		3206060	7.04	31-Mar-16	0			
5.	Urmiladevi J. Agarwal	631802	1.39	01-Apr-15	0	Not Applicable	631802	1.39
		631802	1.39	31-Mar-16	0			
6.	Jyotiprasad D. Agarwal	630000	1.38	01-Apr-15	0	Not Applicable	630000	1.38
		630000	1.38	31-Mar-16	0			
7.	Jayprakash D. Agarwal	630000	1.38	01-Apr-15	0	Not Applicable	630000	1.38
		630000	1.38	31-Mar-16	0			
8.	Nishi J. Agarwal	480000	1.05	01-Apr-15	0	Not Applicable	480000	1.05
		480000	1.05	31-Mar-16	0			
9.	Vedprakash Devkinandan Chiripal - HUF	252500	0.56	01-Apr-15	0	Not Applicable	252500	0.56
		252500	0.56	31-Mar-16	0			
10.	Chiripal Textile Mills Private Limited	247000	0.54	01-Apr-15	0	Not Applicable	247000	0.54
		247000	0.54	31-Mar-16	0			
11.	Deepak J. Agarwal	130000	0.29	01-Apr-15	0	Not Applicable	130000	0.29
		130000	0.29	31-Mar-16	0			
Total		27758720	60.94	01-Apr-15	0	Not Applicable	27997188	61.47
		27997188	61.47	31-Mar-16	0			

D. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Shareholder's Name	Shareholding				Date #	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at beginning of year (01.04.2015)	No. of Shares at end of year (31.03.2016)	% of total shares at beginning of year (01.04.2015)	% of total shares at end of year (31.03.2016)				No. of Shares	% of total Shares of the Company
1	Monil Chiripal	1623398	1623398	3.56	3.56	Not Applicable	0	Not applicable	1623398	3.56
2	New Leaina Investments Limited	895000	915000	1.97	2.00	During the financial year	20000	Purchase	915000	2.00
3	Hexa International Private Limited	813041	754041	1.78	1.66	During the financial year	(59000)	Sale	754041	1.66
4	Manuj Chiripal	638820	506953	1.40	1.11	During the financial year	(131867)	Sale	506953	1.11
5	Dolly Khanna	506754	558373	1.11	1.23	During the financial year	51619	Purchase	558373	1.23
6	Orange Mauritius Investments Limited	500000	365000	1.10	0.80	During the financial year	(135000)	Sale	365000	0.80
7	Bhavana Textiles Private Limited	488432	414433	1.07	0.91	During the financial year	(73999)	Sale	414433	0.91
8	Kautilya Traders Private Limited	442431	442431	0.97	0.97	Not Applicable	0	Not applicable	442431	0.97
9	Rameswar Retailers Private Limited	330702	330702	0.73	0.73	Not Applicable	0	Not applicable	330702	0.73
10	Merit Credit Corporation Limited*	316514	0	0.69	0.00	During the financial year	(316514)	Sale	0	0.00
11	LTS Investment Fund Limited	0	727454	0.00	1.60	During the financial year	727454	Purchase	727454	1.60
12	Anandbhai Nathubhai Agrawal	0	360066	0.00	0.79	During the financial year	360066	Purchase	360066	0.79

*Ceased to be a top ten shareholder as on 31st March, 2016

The shares of the Company are traded on a daily basis and hence the date-wise increase / decrease in shareholding is not indicated

E. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholder's Name	Shareholding				Date #	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at beginning of year (01.04.2015)	No. of Shares at end of year (31.03.2016)	% of total shares at beginning of year (01.04.2015)	% of total shares at end of year (31.03.2016)				No. of Shares	% of total Shares of the Company
1	Mr. Vedprakash Chiripal	0	0	0.00	0.00	Not applicable	0	Not applicable	0	0.00
2	Mr. Brijmohan Chiripal	2780000	2780000	6.10	6.10	Not applicable	0	Not applicable	2780000	6.10
3	Mr. Tara Sankar Bhattacharya	0	0	0.00	0.00	Not applicable	0	Not applicable	0	0.00
4	Mr. Ambalal Patel	1000	1000	0.00	0.00	Not applicable	0	Not applicable	1000	0.00
5	Ms. Pratima Ram	0	0	0.00	0.00	Not applicable	0	Not applicable	0	0.00
6	Mr. Giraj Mohan Sharma	0	0	0.00	0.00	Not applicable	0	Not applicable	0	0.00
7	Dr. Yasho Verdhan Verma	0	0	0.00	0.00	Not applicable	0	Not applicable	0	0.00
8	Mr. Pradeep Kumar Shrivastava*	0	0	0.00	0.00	Not applicable	0	Not applicable	0	0.00
9	Mr. Ganesh Khawas*	0	0	0.00	0.00	Not applicable	0	Not applicable	0	0.00
Key Managerial Personnel										
1	Mr. Deepak Chiripal	130000	130000	0.29	0.29	Not applicable	0	Not applicable	130000	0.29
2	Mr. Sanjay Agrawal**	0	0	0.00	0.00	Not applicable	0	Not applicable	0	0.00
3	Ms. Purvee Roy	0	0	0.00	0.00	Not applicable	0	Not applicable	0	0.00

* Mr. Pradeep Kumar Shrivastava and Mr. Ganesh Khawas were appointed on the Board w.e.f. 11th March, 2016. Mr. Ganesh Khawas resigned from directorship w.e.f. 4th July, 2016

** Mr. Sanjay Agrawal, Chief Financial Officer, resigned from the Company w.e.f. 31st March, 2016

V. INDEBTEDNESS

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

Particulars	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3257094487	NIL	NIL	3257094487
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	18646234	NIL	NIL	18646234
Total (i+ii+iii)	3275740721	NIL	NIL	3275740721
Change in indebtedness during the financial year				
Additions (Principal) (net)	576999432	NIL	NIL	576999432
Reduction (Principal)	-	NIL	NIL	-
Net Change	576999432	NIL	NIL	576999432
Indebtedness at the end of the financial year				
i) Principal Amount	3836124036	NIL	NIL	3836124036
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	16616117	NIL	NIL	16616117
Total (i+ii+iii)	3852740153	NIL	NIL	3852740153

I. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of Managing Director / Whole-Time Director / Manager #			Total Amount
		BDC	PKS	GK	
	Gross salary				
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6000000	48870	20772	6069642
	(b) Value of perquisites u/s, 17(2) Income-tax Act, 1961	720000	-	-	720000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
	Commission				
4.	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total (A)	6720000	48870	20772	6789642
	Ceiling as per the Act	10% of the Net Profit of the Company			

BDC – Mr. Brijmohan Chiripal

GK – Mr. Ganesh Khawas

PKS – Mr. Pradeep Kumar Shrivastava

Mr. Pradeep Kumar Shrivastava and Mr. Ganesh Khawas were appointed w.e.f. 11th March, 2016.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Director %					Total Amount
		TSB	AP	YV	PR	GMS	
	Independent Directors	TSB	AP	YV	PR	GMS	
1.	• Fee for attending board committee meetings	278135	215980	204780	205600	261780	1166275
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	• Total (1)	278135	215980	204780	205600	261780	1166275
	Other Non-Executive Directors	VDC					
2.	• Fee for attending board committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	278135	215980	204780	205600	261780	1166275
	Total Managerial Remuneration						
	Overall Ceiling as per the Act	1% of the Net Profit of the Company					

% TSB – Mr. Tara Sankar Bhattacharya

AP – Mr. Ambalal Patel

GMS – Mr. Giraj Mohan Sharma

YV – Dr. Yasho Verdhan Verma

PR – Ms. Pratima Ram

VDC – Mr. Vedprakash Chiripal

Above mentioned sitting fees is inclusive of service tax.

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel #			
		CEO	CFO	Company Secretary	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,00,000	10,45,000	6,08,072	64,53,072
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2.	Stock Option	-	-	-	-
3.	Sweat Equity Commission	-	-	-	-
4.	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify				
6.	Total	48,00,000	10,45,000	6,08,072	64,53,072

CEO – Mr. Deepak Chiripal

CFO – Mr. Sanjay Agrawal (till 31st March, 2016)

Company Secretary – Ms. Purvee Roy

II. 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			NONE		
Compounding					
B. Directors					
Penalty					
Punishment			NONE		
Compounding					
C. Other Officers In Default					
Penalty					
Punishment			NONE		
Compounding					

Annexure 'F' To The Board's Report

FORM NO. AOC – 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (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
 - a) Name(s) of the related party/parties and nature of relationship
 - b) Nature of contracts / arrangements / transactions
 - c) Duration of contracts / arrangements / transactions
 - d) Salient terms of the contracts / arrangements / transactions
 - e) Justification for entering into such contracts / arrangements / transactions
 - f) Date(s) of approval by the Board
 - g) Amount paid as advances, if any
 - h) Date on which special resolution was passed in general meeting as required under first proviso to section 188

} NIL

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

There are no related party transactions during the year.

Name(s) of the related party/parties and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of the 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	-			-
Nova Textiles Private Limited	● Selling or otherwise disposing of or buying property of any kind or any capital asset	-		29.05.2015	-
Vishal Fabrics Limited		-	At market price	05.08.2015	-
Chiripal Poly Films Limited	● Giving on rent or leasing of property of any kind	-		03.11.2015	-
Shanti Exports Private Limited	● Availing or rendering of services including job work	-		12.02.2016	-

Annexure 'G' To The Board's Report

PARTICULARS OF EMPLOYEES AND OTHER RELATED DISCLOSURES

I. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Name and Designation of the Director / Key Managerial Personnel (KMP)	Remuneration for FY 2015-16 (₹ in lakhs)	% increase in remuneration in FY 2015-16	Ratio of remuneration of each Director to median remuneration of employees in FY 2015-16	Comparison of remuneration of the KMP against the performance of the Company
1.	Vedprakash Chiripal Non-Executive Chairman	-	-	Not Applicable	-
2.	Brijmohan Chiripal Managing Director	67.20	-	37.19	Refer Note no. 2
3.	Tara Sankar Bhattacharya Non – Executive Independent Director	2.78	-	0.58	-
4.	Ambalal Patel Non – Executive Independent Director	2.16	-	0.23	-
5.	Yasho Verdhan Verma Non – Executive Independent Director	2.05	-	0.16	-
6.	Pratima Ram Non – Executive Independent Director	2.06	-	0.17	-
7.	Giraj Mohan Sharma Non – Executive Independent Director	2.62	-	0.49	-
8.	Deepak Chiripal Chief Executive Officer	48.00	-	26.27	-
9.	Pradeep Kumar Shrivastava Whole Time Director	0.49	-	(2.59)	-
10.	Ganesh Khawas Whole Time Director	0.21	-	(7.38)	-
11.	Sanjay Agrawal Chief Financial Officer	10.45	-	Not Applicable	Refer Note no. 2
12.	Purvee Roy Company Secretary	6.08	0.18	Not Applicable	Refer Note no. 2

Notes:

- The Company does not pay any remuneration to Non – Executive Directors except sitting fees to Independent Directors for each Board / Committee meeting attended by them.
- The remuneration is as per prevailing Budget of the Company and Salary Review Guidelines.
- Mr. Pradeep Kumar Shrivastava and Mr. Ganesh Khawas were appointed as Whole-Time Directors w.e.f. 11th March, 2016.
- Mr. Sanjay Agrawal resigned as Chief Financial Officer w.e.f. 31st March, 2016.

OTHER INFORMATION

I. The percentage increase in the median Remuneration of employees in the FY 2015-16:	22%																
II. The number of permanent employees on the rolls of the Company as on 31st March, 2016:	2855																
III. The explanation on the relationship between average increase in remuneration and company performance	The percentage increase in salary is in line with the market situation, business performance, financial position of the Company and industry trends.																
IV. Comparison of the remuneration of the Key Managerial Personnel	(₹ in crores)																
	<table border="1"> <thead> <tr> <th></th> <th>2014-15</th> <th>2015-16</th> <th>% increase / (decrease)</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>1096.53</td> <td>1156.73</td> <td>5.49</td> </tr> <tr> <td>PBT</td> <td>78.23</td> <td>88.13</td> <td>12.65</td> </tr> <tr> <td>Remuneration</td> <td>1.21</td> <td>1.32</td> <td>0.11</td> </tr> </tbody> </table>		2014-15	2015-16	% increase / (decrease)	Sales	1096.53	1156.73	5.49	PBT	78.23	88.13	12.65	Remuneration	1.21	1.32	0.11
	2014-15	2015-16	% increase / (decrease)														
Sales	1096.53	1156.73	5.49														
PBT	78.23	88.13	12.65														
Remuneration	1.21	1.32	0.11														
V. Variation in the Market Capitalisation of the Company (BSE)	During 2015-16, market capitalisation increased from ₹280.35 crores to ₹533.83 crores																
VII. Price Earnings Ratio as at the closing date of FY 2015-16 and FY 2014-15	During 2015-16, Price Earnings Ratio increased from 5.47 to 8.43																
VIII. Percentage increase over / decrease in the market Quotations of the shares of the Company in Comparison to the rate at which the Company came out with the last public offer	As compared to last public offer (rights issue) price of ₹3/- (face value ₹1/- per share) the market price was ₹117.20/- (face value ₹10/- per share)																
IX. Average percentile increase already made in the salary 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 0.19% and for other employee was about 21%. There is no exceptional increase in remuneration of employees.																
X. The key parameters for any variable component of remuneration availed by the Directors	The key parameters for variable component for compensation to Directors include individual Performance and Company performance																
XI. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	There are no such employees																
XII. Affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that remuneration is as per the remuneration policy of the Company																

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY @ NDL

Corporate Governance is the framework of rules and practices by which the Board of Directors ensure accountability, fairness and transparency in a Company's relationship with all its stakeholders. Corporate Governance by Nandan is manifestation of its culture and internal policies which founded its way back in 2004, long before this concept was reckoned by the Indian Corporate World, which is based on the ideology that "In business world one must be ethical, decent and honest. If the contracting party or competitor behaves unfairly, this does not give us a right to deviate from this principle." Firm commitment to our values is vital to gain and retain trust of our stakeholders.

Over the years, we have reinforced the Corporate Governance practices and during the year under review, the Company has embraced the corporate governance guidelines as required by the Companies Act, 2013, Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations, 2015'),

Following are the salient features of your Company's Corporate Governance Philosophy:

- Act in the spirit of law and not just the letter of law;
- Do what is right and not what is convenient;
- Provide complete transparency on our operations; and
- Follow openness in our communication to all our stakeholders

BOARD OF DIRECTORS

Board's Composition:

The Company has a balanced mix of executive and non – executive directors. As on 31st March, 2016, the Board of Directors of the Company comprised of nine Directors which includes a Non – Executive Chairman, a Managing Director, two Whole – Time Directors and five Non – Executive Independent Directors including a Woman Director.

The composition of the Board represents a fine blend of professionals from diverse backgrounds which enables the Board to discharge its responsibilities more efficiently and provide effective leadership by taking Company's business to achieve greater heights.

The composition of the Board is in conformity with the provisions of the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All statutory and material information is made available to the Board of Directors to ensure adequate disclosures and transparent decision making.

Independent Directors:

None of the Directors of the Company serve as an Independent Director in more than 7 listed Companies and where the Director is serving as a Whole-time Director in any listed Company, such Director is not serving as an Independent Director in more than 3 listed Companies. Further, none of the Directors is a Member of more than 10 Committees or Chairman of more than 5 Committees across all Indian companies.

Independent Directors are Non-Executive Directors as defined under the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All Independent Directors fulfil the criteria to be independent as specified by the Listing Regulations and Section 149 of the Act.

The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms and conditions of appointment of independent directors are placed on the Company's website www.nandandanim.com.

• Brief profile of Directors:

Mr. Vedprakash Chiripal

Chairman

Mr. Vedprakash Chiripal is the Chairman of the Company and Founder of Chiripal Group of Industries. He is widely recognised for his path breaking and visionary contribution to the denim sector in India. He has three decades of vast experience and expertise in the field of manufacturing, trading and export of various textile products. Having started his textile business with

12 looms in 1974, he subsequently set up various processing and manufacturing units of textile products. Under his visionary leadership, the Group's business and revenues have grown manifold and emerged as a large conglomerate with diversified interests.

Mr. Brijmohan Chiripal

Managing Director

Mr. Brijmohan Chiripal is the Managing Director of the Company and the younger brother of Vedprakash Chiripal. He is a Chemical Engineer, with nearly 20 years of business experience in Textile Processing. Along with Vedprakash Chiripal, he spearheaded and promoted Nandan Denim Limited. Driven by strategic global thinking on a global scale, he achieved experience in the export and domestic market. His astute leadership has resulted in the Company emerging as a leading denim manufacturer.

Mr. Tara Sankar Bhattacharya

Independent Director

Mr. T. S. Bhattacharya is an MBA and Master of Science in Nuclear Physics. He retired as Managing Director of State Bank of India. He has over 35 years of experience in the Banking industry. He is also Director on the Boards of other major companies such as Jindal Stainless Limited, IDFC Securities Limited, IDFC AMC Trustee Company Limited, etc.

Dr. Yasho Verdhan Verma

Independent Director

Dr. Yasho V. Verma has a rich experience of over 30 years in Man Management. He served as the Chief Operating Officer of LG Electronics India Pvt. Ltd. until June 2013. He has given Guest Lectures in London Business School, Seoul University, and Wharton Management School, Philadelphia in addition to premier Management Institutes in India. He has also been conferred with an Honorary Fellowship by All India Management Association for significant contribution towards People Management. He is an engineering graduate with Post Graduation in Business Administration and Ph.D. in area of Organisational Behaviour from Indian Institute of Technology, Kharagpur.

Ms. Pratima Ram

Independent Director

Ms. Pratima Ram is an experienced banker with three decades in Corporate, International and Investment Banking. She has worked in India, USA and South Africa. She held the position of Chief General Manager and Country Head of United States operations

of State Bank of India. Prior to this, she was the CEO of the South African operations of the Bank. At SBI Capital Markets, she led the Corporate Advisory, M&A, & Project Appraisal businesses. She has graduated from University of Virginia, USA and Bangalore University.

Mr. Giraj Mohan Sharma

Independent Director

Mr. Giraj Mohan Sharma is the Founder-Director of a Brand & Strategic Consulting boutique firm – BehindTheMoon Consultants, which facilitates companies strengthen their Brands by working strategically around their Brand's Identity and Values. He is a Mathematics Graduate from University of Delhi. He spent fifteen years in the marketing industry, twelve of these with Onida (a leading Indian Brand for consumer durables) as the Head of Marketing & Sales.

Mr. Ambalal Patel

Independent Director

Mr. Ambalal Patel has done his B.E. in Metallurgy and BSc in Chemistry. 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 the Director in other major companies such as Jindal Hotels Limited, SAL Steel Limited, and Sumeru Industries Limited.

Mr. Pradeep Kumar Shrivastava

Whole Time Director

Mr. Pradeep Kumar Shrivastava has done his Post Graduation in Personnel Management apart from M.A. and Diploma in Social Work. He also holds degree in law. He has worked with companies like Hastings Jute Mills, Birla Textile Mill, Gujarat Ambuja Exports Limited, Modern Terry Towel Limited and Alok Industries Limited. He possesses around 30 years of experience in the field of Human Resource. He has been associated with Nandan Denim Limited for more than 18 months.

● **Details of Board Meetings:**

During the financial year ended 31st March, 2016, the Board of Directors held six meetings, as follows:

- On 29th April, 2015 & 29th May, 2015 in Quarter I
- On 5th August, 2015 in Quarter II
- On 3rd November, 2015 in Quarter III
- On 12th February, 2016 & 11th March, 2016 in Quarter IV

Necessary quorum was present for all the Board meetings.

Video / Teleconferencing facilities are also used to facilitate Directors travelling or residing abroad or at any other location to participate in meetings.

• **Meeting of Independent Directors:**

As per requirements of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of section 149 read with Schedule IV of Companies Act, 2013, an exclusive meeting of Independent Directors was also held without the presence of Non – Independent Directors & members of management, on 12th February, 2016, at which all Independent Directors were present. In the said meeting, the Independent Directors reviewed the matters as required under

the Listing Agreement, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that of Companies Act, 2013. The following matters were discussed at the meeting:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- iii. assess 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.

Action items, if any, were communicated and tracked to closure to the satisfaction of Independent Directors.

Name of Director	Category	Number of Board Meetings attended during the year	Attendance at the last AGM held on 29.09.2015	Number of Directorships held as on 31.03.2016 in other Indian Companies (Public & Private)		Number of Committee Memberships, in other Public Limited Companies as on 31.03.2016	
				As Chairman	As Director	As Chairman	As Member
Mr. Vedprakash Chiripal	Promoter – Non Executive	6	Yes	0	10	0	3
Mr. Brijmohan Chiripal	Promoter – Executive	5	Yes	0	8	0	0
Mr. Tara Sankar Bhattacharya	Independent – Non Executive	5	No	0	9	1	5
Mr. Ambalal Patel	Independent – Non Executive	6	Yes	0	8	4	5
Dr. Yasho Verdhan Verma	Independent – Non Executive	4	No	0	2	0	1
Ms. Pratima Ram	Independent – Non Executive	4	No	0	6	2	3
Mr. Giraj Mohan Sharma	Independent – Non Executive	5	No	0	2	0	1
Mr. PK Shrivastava	Whole – Time Director – Executive	0	NA	0	0	0	0
Mr. Ganesh Khawas*	Whole – Time Director – Executive	0	NA	0	0	0	0

* Mr. Pradeep Kumar Shrivastava and Mr. Ganesh Khawas were appointed on the Board w.e.f. 11th March, 2016 and Mr. Ganesh Khawas resigned from directorship w.e.f. 4th July, 2016.

- None of the Directors are related to each other except Mr. Vedprakash Chiripal and Mr. Brijmohan Chiripal who are brothers.
- Number of Directorships held in other companies includes all companies, whether listed or unlisted. The limits on Directorship of Independent Directors and Executive Directors are within the permissible limits.
- The necessary disclosure regarding change in Committee positions, if any, have been made by all the Directors, during the year under review.
- Chairmanships and memberships in Audit Committee and Stakeholders Relationship Committee have only been considered.
- Independent Director means a non – executive Director who

fulfils the criteria as laid down under the Listing Agreement, the SEBI (LODR) Regulations, 2015 and Companies Act, 2013 and any amendments thereto. Each Independent Director brings value to the Company through his / her specialisation.

- The Chief Financial Officer and the Company Secretary & Compliance Officer in consultation with the CEO and President, formalise the agenda for each of the Board /Committee Meetings.
- The Company ensures compliance with Secretarial Standards issued by the Institute of Company Secretaries of India in respect of the meetings of the Board/Committee and Shareholders.
- The Company has complied with the provisions of the SEBI Regulations including the circulars issued thereunder from time to time.

Additional information on the Directors of the Company is provided below:

Name of Director	Age (in years)	Designation / Position	Date of Appointment	Director Identification Number
Mr. Vedprakash Chiripal	64	Chairman – NED	11.08.2003	00290454
Mr. Brijmohan Chiripal	55	Managing Director – ED	01.10.2009	00290426
Mr. Tara Sankar Bhattacharya	68	Independent Director – NED	06.02.2013	00157305
Mr. Ambalal Patel	76	Independent Director – NED	21.02.2007	00037870
Dr. Yasho Verdhan Verma	58	Independent Director – NED	29.04.2015	06389278
Ms. Pratima Ram	66	Independent Director – NED	11.11.2014	03518633
Mr. Giraj Mohan Sharma	54	Independent Director – NED	11.11.2014	01215950
Mr. Pradeep Kumar Shrivastava	53	Whole Time Director – ED	11.03.2016	07493616
Mr. Ganesh Khawas*	38	Whole Time Director – ED	11.03.2016	02676657

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

ED – Executive Director

NED – Non Executive Director

Details of shareholding of Directors in the Company as on 31.03.2016:

Name of Director	Opening balance (No. of equity shares of ₹10/- each)	Additions during the year (No. of equity shares of ₹10/- each)	Deletions during the year (No. of equity shares of ₹10/- each)	Closing balance (No. of equity shares of ₹10/- each)
Mr. Vedprakash Chiripal	NIL	NIL	NIL	NIL
Mr. Brijmohan Chiripal	27,80,000	NIL	NIL	27,80,000
Mr. Tara Sankar Bhattacharya	NIL	NIL	NIL	NIL
Mr. Ambalal Patel	1000	NIL	NIL	1000
Dr. Yasho Verdhan Verma	NIL	NIL	NIL	NIL
Ms. Pratima Ram	NIL	NIL	NIL	NIL
Mr. Giraj Mohan Sharma	NIL	NIL	NIL	NIL
Mr. Pradeep Kumar Shrivastava*	NIL	NIL	NIL	NIL
Mr. Ganesh Khawas*	NIL	NIL	NIL	NIL

* Mr. Pradeep Kumar Shrivastava and Mr. Ganesh Khawas were appointed on the Board w.e.f. 11th March, 2016 and Mr. Ganesh Khawas resigned from directorship w.e.f. 4th July, 2016.

- **Familiarisation Programme for Independent Directors:**

The Independent Directors are already conversant about their roles, rights, duties and responsibilities in the Company, nature of business in which the Company operates, business model of the Company, etc. as they have been associated with the Company for quite some time.

Further, they are regularly informed about relevant updates relating to the requirements of Companies Act, 2013, Listing Regulations, along with changes / amendments proposed by SEBI, MCA and other such authorities, industry status, business model, etc. by the Company Secretary of the Company, from time to time.

- **Appointment of Director(s):**

At the AGM of the Company conducted on 29th September, 2015, appointment of Ms. Pratima Ram (Independent Director), Mr. Giraj Mohan Sharma (Independent Director) and Dr. Yasho Verdhan Verma (Independent Director) was approved by the shareholders for a term of five years keeping in view provisions of Companies Act, 2013.

- **Resignation of Director(s):**

There were no resignations during the year under review. However, Mr. Ganesh Khawas resigned from directorship w.e.f. 4th July, 2016.

- **Re-appointment of Director, retiring by rotation:**

Mr. Brijmohan Chiripal will be retiring by rotation and being eligible, offers himself for re-appointment in the ensuing Twenty Second Annual General Meeting. The brief resume of the Director is furnished in the notice to the Twenty Second Annual General Meeting pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and secretarial standards.

COMMITTEES OF THE BOARD: THE COMPANY HAS CONSTITUTED FOLLOWING

FOUR COMMITTEES OF THE BOARD: AUDIT COMMITTEE (AC)

Terms of reference:

The Audit Committee provides direction to the audit function in the Company and monitors/reviews the quality of financial management and internal audit. It also oversees the financial reporting process for proper disclosure in the financial statements and recommends appointment, re-appointment and removal of the auditors and about fixing their remuneration.

The Committee also reviews the quarterly, half-yearly as well as annual financial statements before the same are submitted to the Board, with particular reference to matters to be included in Directors' Responsibility Statement, changes, if any, in the accounting policies and practices, major accounting entries involving estimates based on exercise of judgment by the management, significant adjustments made in financial statements, compliance with listing and other legal requirements relating to financial statements, disclosure and approval of related party transactions, qualifications, if any, in the draft audit report, etc. It also oversees the working of the Internal Audit system, including the internal control mechanism of the Company.

Composition:

The Audit committee presently comprises of four Directors:

- Mr. Ambalal Patel
- Mr. Tara Sankar Bhattacharya
- Ms. Pratima Ram
- Mr. Vedprakash Chiripal

All members are financially literate and have the required accounting and financial management expertise.

Meetings and Attendance:

Four meetings of the Audit committee of the Board of Directors took place during the year under review.

As at 31/03/2016, the composition of the committee and the attendance details of Members at the four Committee Meetings held on 29th May, 2015; 5th August, 2015; 3rd November, 2015 and 12th February, 2016, during the year under review, is as follows:

Name of Director	Category	Position	Number of Audit Committee Meetings	
			Held	Attended by the Director*
Mr. Ambalal Patel	ID – NED	Chairman	4	4
Mr. Tara Sankar Bhattacharya	ID – NED	Member	4	3
Ms. Pratima Ram	ID – NED	Member	4	3
Mr. Vedprakash Chiripal	PD – NED	Member	4	4

* Meetings attended includes attendance through audio visual means / video conferencing.

ID – Independent Director PD – Promoter Director NED – Non Executive Director

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

Representatives of Statutory Auditors and Internal Auditors are invited to the meetings. Senior Officials of the Company along with the Chief Financial Officer are invitees to the meetings of the Committee.

The Internal Auditor reports directly to the Audit Committee.

Ms. Purvee Roy, Company Secretary & Compliance Officer, is the Secretary to the Committee.

Related Party Transactions:

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 at the following link: <http://www.nandandenim.com/Pdf/RelatedPartyTransactionPolicy.pdf>.

All related party transactions (RPTs), which were entered into during the financial year were on arms' length basis and were in the ordinary course of business. During the year 2015-16, as required under section 177 of the Companies Act, 2013. Listing Agreement and SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, maximum limit of all RPTs were placed before Audit Committee for prior approval. A summary statement of transactions with related parties was placed periodically before the Audit Committee during the year.

A statement showing the disclosure of transactions with related parties as required under Accounting Standard 18 is set out separately in this Annual Report.

There were no material transactions entered into with related parties, during the period under review, which may have had any potential conflict with the interests of the Company.

STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

Terms of reference:

The salient functions of the Stakeholders' Relationship Committee (SRC) include, overseeing the allotment/ approvals & rejections of transfer/transmission of shares etc.; issue of duplicate share certificates; review and redressal of investors' complaints; and compliance with listing requirements for securities of the Company, including dematerialisation and/or rematerialisation of securities and all allied matters related thereto.

Composition:

In accordance with the provisions of Section 178 of Companies Act, 2013, Listing Agreement and Regulation 20 of Listing Regulations, 2015, the Company has constituted SRC, comprising of three directors.

- Ms. Pratima Ram
- Mr. Giraj Mohan Sharma
- Mr. Vedprakash Chiripal

A Non-executive & Independent Director, Ms. Pratima Ram, a banker by profession, chairs the meetings of the Committee.

Meetings & Attendance:

Four meetings of the Stakeholders Relationship Committee of the Board of Directors took place during the year under review.

As at 31/03/2016, the composition of the committee and the attendance details of Members at the four Committee Meetings held on 29th May, 2015; 5th August, 2015; 3rd November, 2015 and 12th February, 2016, during the year under review, is as follows:

Name of Director	Category	Position	Number of Nomination and Remuneration Committee Meetings	
			Held	Attended by the Director*
Ms. Pratima Ram	ID – NED	Chairman	4	3
Mr. Giraj Mohan Sharma	ID – NED	Member	4	4
Mr. Vedprakash Chiripal	PD – NED	Member	4	4

*Meetings attended includes attendance through audio visual means/video conferencing

ID – Independent Director PD – Promoter Director NED – Non Executive Director

The Company Secretary monitors the share transfer process and reports to the Company's Board in each meeting apart from liaising with the authorities such as SEBI, stock exchanges, ROC, etc. and investors with respect to implementation of various clauses, rules, regulations and other directives of such authorities and investor service & complaints related matter. There is no share transfer pending for more than 15 days.

We have a designated email ID, cs.ndl@chiripalgroup.com for the redressal of shareholders / investors grievances.

Senior Officials of the Company along with the Chief Financial Officer are invitees to the meetings of the Committee.

Ms. Purvee Roy, Company Secretary & Compliance Officer, is the Secretary to the Committee.

Details of Investor Complaints received & disposed off during the year are as follows:

Particulars	Related to Share Transfers	Other Complaints
Number of complaints pending as on 01.04.2015	NIL	NIL
Number of complaints received during the period from 01.04.2015 to 31.03.2016	0	15
Number of complaints disposed off during the period from 01.04.2015 to 31.03.2016	0	15
Number of complaints pending as on 31.03.2016	NIL	NIL

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition:

The CSR Committee presently comprises of three directors, all of whom are Non-executive Directors.

- Dr. Yasho Verdhan Verma
- Mr. Giraj Mohan Sharma
- Mr. Vedprakash Chiripal

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

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

Meetings & Attendance:

Four meetings of the CSR committee of the Board of Directors took place during the year under review.

As at 31/03/2016, the composition of the committee and the attendance details of Members at the four Committee Meetings held on 29th May, 2015; 5th August, 2015; 3rd November, 2015 and 12th February, 2016, during the year under review, is as follows:

Name of Director	Category	Position	Number of Nomination and Remuneration Committee Meetings	
			Held	Attended by the Director*
Dr. Yasho Verdhan Verma	ID – NED	Chairman	4	3
Mr. Giraj Mohan Sharma	ID – NED	Member	4	4
Mr. Vedprakash Chiripal	PD – NED	Member	4	4

*Meetings attended includes attendance through audio visual means/video conferencing

ID – Independent Director PD – Promoter Director NED – Non Executive Director

Senior Officials of the Company along with the Chief Financial Officer are invitees to the meetings of the Committee.

Ms. Purvee Roy, Company Secretary & Compliance Officer, is the Secretary to the Committee.

NOMINATION & REMUNERATION COMMITTEE (NRC)

Terms of Reference:

Salient Features of NRC includes, recommending to the Board about appointment and removal of Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP); carry out evaluation of every director's performance and recommend to the Board a Policy pertaining to remuneration for Director(s), KMPs, SMPs and other employees.

Composition:

NRC of the Board of Directors comprises of three Non-executive Directors, two of whom are Independent Directors.

- Dr. Yasho Verdhan Verma
- Mr. Tara Sankar Bhattacharya
- Mr. Vedprakash Chiripal

Meetings & Attendance:

Three meetings of the Nomination & Remuneration committee of the Board of Directors took place during the year under review

As at 31/03/2016, the composition of the committee and the attendance details of Members at the three Committee Meetings held on 29th April, 2015; 5th August, 2015 and 11th March, 2016, during the year under review, is as follows:

Name of Director	Category	Position	Number of Nomination and Remuneration Committee Meetings	
			Held	Attended by the Director*
Dr. Yasho Verdhan Verma	ID – NED	Chairman	3	2
Mr. Tara Sankar Bhattacharya	ID – NED	Member	3	3
Mr. Vedprakash Chiripal	PD – NED	Member	3	3

*Meetings attended includes attendance through audio visual means/video conferencing

ID – Independent Director PD – Promoter Director NED – Non Executive Director

The frequency, agenda, duration, etc. are set as per requirements.

Criteria of selection of Directors and Senior Management Personnel:

- Relevant expertise and experience in the field to which they belong i.e. information technology, sales / marketing, finance, taxation, law, etc.;
- In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors;

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non – Executive or Independent Directors.

Details of remuneration paid to Independent Directors during the financial year 2015-16 is provided in Form MGT – 9 annexed to the Directors Report, as required under the provisions of section 92 of the Companies Act, 2013.

During the year 2015-16, the Company has not advanced any loans to any of its Directors.

The appointment of the Managing Director and Executive Director / Whole – Time Director(s) is governed by the Articles of Association of the Company, the resolutions passed by the Board of Directors and the Members of the Company along with Service / Employment Contracts.

Senior Officials of the Company along with the Chief Financial Officer are invitees to the meetings of the Committee except where

it involves matters concerning them.

Ms. Purvee Roy, Company Secretary & Compliance Officer, is the Secretary to the Committee.

PREFERENTIAL ALLOTMENT COMMITTEE (PAC):

The Company had allotted 25,00,000 convertible warrants to a non – promoter entity (FII) 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.

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:

PAC of the Board of Directors comprises of three Directors, one of whom is an Independent Director

- Mr. Vedprakash Chiripal
- Mr. Brijmohan Chiripal
- Mr. Ambalal Patel

Meetings & Attendance:

Three meetings of the Preferential Allotment committee of the Board of Directors took place during the year under review.

As at 31/03/2016, the composition of the committee and the attendance details of Members at the three Committee Meetings held on 9th November, 2015; 24th February, 2016 and 18th March, 2016, during the year under review, is as follows:

Name of Director	Category	Position	Number of Preferential Allotment Committee Meetings	
			Held	Attended by the Director*
Mr. Vedprakash Chiripal	PD-NED	Chairman	3	3
Mr. Brijmohan Chiripal	PD-ED	Member	3	3
Mr. Ambalal Patel	ID-NED	Member	3	3

* Meetings attended includes attendance through audio visual means / video conferencing.

ID - Independent Director, PD - Promoter Director, NED - Non Executive Director, ED - Executive Director.

The quorum for meetings of Preferential Allotment Committee, duly convened and held, was decided as one third of the total number of members or two members, whichever shall be higher.

The Preferential Allotment Committee will be authorised to convert the convertible warrants into equity shares on receipt of entire amount, issue and allot resultant equity shares, subject to such conditions or modifications that may be imposed, required or suggested by the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Stock Exchange(s) or other authorities and to settle all questions or difficulties that may arise with regard to the aforesaid in such manner as it may determine in its absolute discretion and to take such steps and to do all such acts, deeds, matters and things as may be required, necessary, proper or expedient.

Senior Officials of the Company along with the Chief Financial Officer are invitees to the meetings of the Committee.

Ms. Purvee Roy, Company Secretary & Compliance Officer, is the Secretary to the Committee.

POLICIES

Compliance

Compliance Certificates confirming due compliance with statutory requirements are placed at the Board Meeting for review by the Directors. A system of ensuring material compliance with the laws, orders, regulations and other legal requirements concerning the business and affairs of the Company is in place. Instances of non-compliance, if any, are also separately reported to the Board and subsequently rectified.

Code of Conduct

The Code of Conduct is available on the website of the Company at http://www.nandandenim.com/Pdf/CODE_OF_CONDUCT.pdf. All the Directors and the Senior Management Personnel have affirmed their compliance with the Code of Conduct. A declaration to this effect signed by the Managing Director forms part of this report.

Code of Conduct for prevention of Insider Trading

The Company has in place the Code of Conduct for prevention of Insider Trading to regulate, monitor and report trading by insiders pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The code is applicable to all the Directors, Officers, Designated Employees of the Company and their Dependent Family Members as defined therein. The code is posted on the Company's website at <http://www.nandandenim.com/Pdf/CodeofPracticesandProceduresforFairDisclosureofUJPSI.pdf>.

Prevention of Sexual Harassment of Women at Workplace

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on Prevention of Sexual Harassment at Workplace. During 2015-16, no complaint was received by the Committee set up pursuant to the aforesaid Policy.

Related Party Transactions

The Company has formulated a Related Party Transactions Policy and the same is disclosed on the website of the Company at <http://www.nandandenim.com/Pdf/RelatedPartyTransactionPolicy.pdf>.

'Material' Subsidiary Companies

The Company has formulated a policy for determining 'material' subsidiary companies and the same is disclosed on the website of the Company.

Familiarisation Programmes

The details of familiarisation programmes imparted to Independent Directors are disclosed on the website of the Company at <http://www.nandandenim.com/Pdf/FamilirisationPolicy.pdf>

Whistle Blower Policy

As a conscious and vigilant organisation, Nandan Denim Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In its endeavour to provide its employees a secure and a fearless working environment, Nandan Denim Limited has established the "Whistle Blower Policy".

The purpose of the policy is to create a fearless environment for the employees to report any instance of unethical behaviour, actual or suspected fraud or violation of Nandan Denim's code of conduct or ethics policy. The framework of the policy strives to foster responsible and secure whistle blowing.

The policy is available at <http://www.nandandenim.com/Pdf/WhistleBlowerPolicy.pdf>.

Corporate Social Responsibility Policy

The distribution of wealth is as important as its legal and ethical creation. A strong sense of social responsibility is therefore an integral part of our value system.

For details regarding the policy of Nandan Denim Limited on CSR activities, please visit <http://www.nandandenim.com/Pdf/CorporateSocialResponsibilityPolicy.pdf>.

PERFORMANCE EVALUATION CRITERIA OF DIRECTORS

The committee shall carry out the evaluation of performance of every Director and forward the report along with its recommendation, if any, to the Board on annual basis.

Remuneration Policy:

Executive Directors including Managing Director (MD) and Whole

Time Director (WTD) shall be paid remuneration comprising several components (including fixed as well as variable), as the case may be, decided and approved by the Board from time to time, on the recommendation of the Committee and also approved by the shareholders and the Central Government, if so required. Such remuneration will be determined according to the industry standards, experience, laws and regulations, prevailing market conditions and scale of Company's business relating to the position. The policy also contains the scope and criteria for evaluation of Independent Directors and the Board as a whole.

Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) shall be paid such remuneration as recommended by

the committee and approved by the Board from time to time. However, for all KMPs (except for the MD/WTD) and/or SMP or other employees the Committee/Board may also authorise the person in-charge of day-to-day affairs of the Company to decide their remuneration based on their qualification, experience, expertise and their performance.

Details of payment made to Non-Executive Directors - In order to retain seasoned professional on board & to receive their valuable guidance, the non-executive may be paid such remuneration as permissible under the applicable provisions of the Companies Act, 2013 as amended from time to time.

GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as under:

Financial Year	Details of day, date, time and venue where the AGM was held	No. of Special Resolution(s) passed
2014-15	21st AGM was conducted on Tuesday, 29th September, 2015 at 9.30 a.m. at JB Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	5
2013-14	20th AGM was conducted on Monday, 15th September, 2014 at 10.00 a.m. at Lions Hall, Mithakali Six Road, Near Nalanda Hotel, Ellisbridge, Ahmedabad – 380 006	5
2012-13	19th AGM was conducted on Thursday, 29th August, 2013 at 3.00 p.m. at Survey No. 198/1 & 203/2, Saijpur – Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405	1

The last three Extra – Ordinary General Meetings of the Company were held as under:

Financial Year	Details of day, date, time and venue where the AGM was held	No. of Special Resolution(s) passed
2014-15	No EGM was conducted	None
2013-14	No EGM was conducted	None
2012-13	No EGM was conducted	None

SPECIAL 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.

DISCLOSURES:

i. During the year ended 31st March, 2016, 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 behaviour 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 all the mandatory requirements of Corporate Governance norms as enumerated under Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the disclosure relating

to adoption of non – mandatory / discretionary requirements are provided in this report. Compliance status about the non-mandatory requirements of the said Regulations, 2015 has been 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 been followed.

MEANS OF COMMUNICATION:

- Intimation to Stock Exchanges - During the year, quarterly unaudited financial results and annual audited financial results of the Company upon their approval by Board of Directors were submitted to the Stock Exchanges along with Limited Review Report or Auditors Report through email / electronic filing mode / such other mode as prescribed by the stock exchanges within 15 minutes and 30 minutes, as applicable under the Listing Agreement or SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, from the closure of the Board Meeting.
- All information, which could have a material bearing on the share prices, is released at the earliest to the BSE in accordance with the requirements of Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Newspapers - The financial results and other communications of the Company were normally published in 'Economic Times', 'Business Standard', 'The Hindu Business Line', 'Nav Gujarat' and 'Jan Satta', both English and vernacular.
- Website - The financial Results were also displayed on the Company's website www.nandandenim.com. The Company also keeps updating the website with other relevant information, as and when required. In the segment titled 'Investor Relations', all information as required by the shareholders and investors has been provided which includes press releases, conference call transcripts, investor presentations, etc. Apart from this, the shareholding pattern and corporate governance reports have also been uploaded on the website.
- All official media release and presentations to the institutional investors or analysts made during the year under review were informed to the stock exchanges, as and when required and can also be found on the website of the Company.
- The Company uploads its disclosures and announcements under the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at the link, <https://www.connect2nse.com/LISTING/> to NSE Electronic Application Processing System (NEAPS) and to BSE Online Listing Centre at the link <http://listing.bseindia.com/>.
- The Company will be sending soft copies of Annual Report for FY 2015-16 to those shareholders whose email IDs are registered with the Depository Participants (DPs) and / or with the Company's Registrar and Share Transfer Agent, unless they have opted for a physical copy, to support the "Green Initiative in Corporate Governance", an initiative taken by the Ministry of Corporate Affairs.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

The Reconciliation of Share Capital Audit was undertaken on a quarterly basis and the audit covers the reconciliation of the total admitted capital with NSDL and CDSL and the total issued and listed capital.

The audit has also confirmed that the aggregate of the total issued / paid up capital is in agreement with the total number of shares in physical form, shares allotted and advised for demat credit but pending execution and the total number of dematerialised shares held with NSDL and CDSL.

SECRETARIAL AUDIT

During the year 2015-16, Secretarial Audit was conducted as required under the provisions of Section 204 of the Companies Act, 2013. Ms. Geeta Serwani, Practicing Company Secretary (Membership No.: 24479, Certificate of Practice No.: 8842) conducted the audit and the Secretarial Audit Report is annexed as 'Annexure – C to the Directors Report'.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

In compliance with the provisions of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors' Certificate obtained from M/s J.T. Shah & Co., Chartered Accountants, Ahmedabad has been annexed to the 'Report on Corporate Governance'.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis is provided separately as part of the Annual Report.

DISCLOSURE ON ACCOUNTING TREATMENT

In the preparation of financial statements, generally accepted accounting principles and policies are followed. The mandatory Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 were followed in the preparation of financial statements.

CEO & CFO CERTIFICATION

In compliance with the provisions of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Compliance Certificate by the CEO and CFO has been annexed to the 'Report on Corporate Governance'.

DETAILS OF CAPITAL MARKET NON – COMPLIANCE, IF ANY

There has been no non-compliance by the Company of any legal requirements; nor has there been any penalty, stricture imposed on the Company by any stock exchange, SEBI or any statutory authority on any matter related to capital markets during the period under review.

AUDIT QUALIFICATION

There are no qualifications in the financial statements of the Company for the year 2015-16.

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting

Date and Time	Wednesday, 28th September, 2016 at 10.30 a.m.
Venue	H.T. Parekh Convention Center, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015
Remote E-voting period	Saturday, 24th September, 2016 to Tuesday, 27th September, 2016
Cut – off date for remote e-voting	Wednesday, 21st September, 2016

2. Financial Year

1st April to 31st March

3. Tentative Financial Calendar for 2016-17

Audited annual results for the year ending 31st March	Last week of May 2017
Mailing of annual reports	Last week of August 2017
Annual General Meeting	Last week of September 2017
Unaudited first quarter financial results	On or before 14th August, 2016
Unaudited second quarter financial results	On or before 14th November, 2016
Unaudited third quarter financial results	On or before 14th February 2016

4. Date of Book Closure

Friday, 23rd September, 2016 to Wednesday, 28th September, 2016

5. Dividend Payment Date

Not Applicable as no dividend has been recommended

6. Listing on Stock Exchanges

BSE Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

National Stock Exchange of India Limited (NSE)
'Exchange Plaza', Bandra Kurla Complex, Bandra E, Mumbai – 400 051

7. Listing Fees

Listing Fees for the Financial Year 2015-16 has been duly paid to BSE & NSE

8. Stock Code / Symbol

Bombay Stock Exchange	532641
National Stock Exchange	NDL
Bloomberg	NAND:IN
Reuters	NANE.BO, NANE.NS
International Securities Identification Number (ISIN)	INE875G01030

9. Corporate Identity Number (CIN)

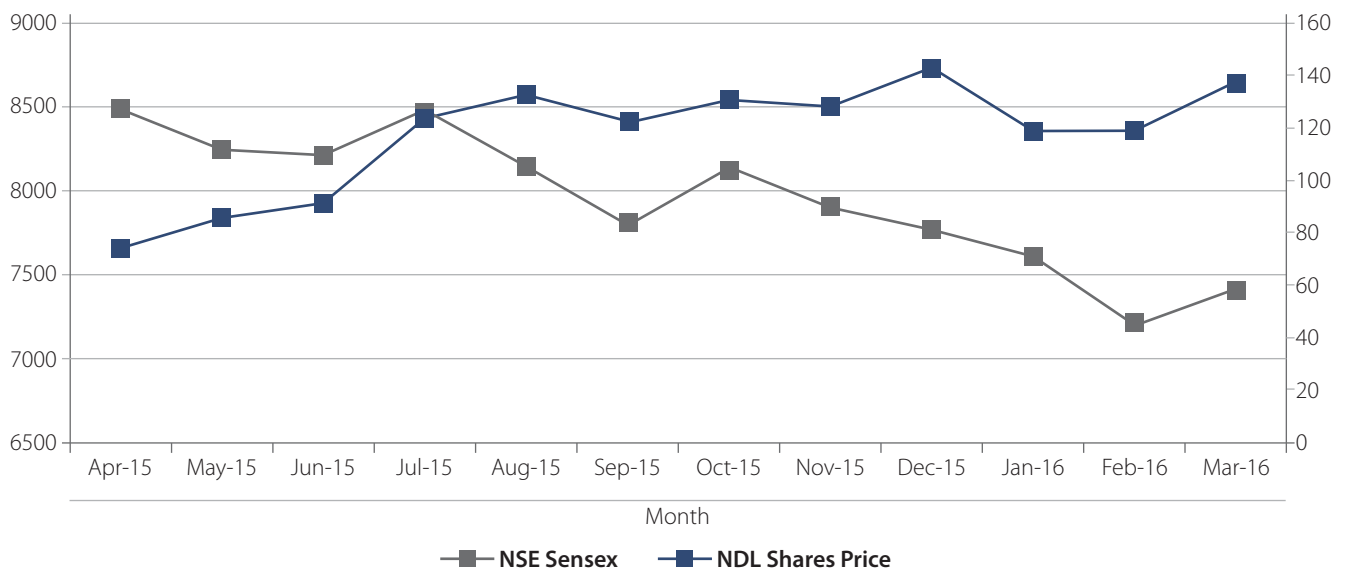
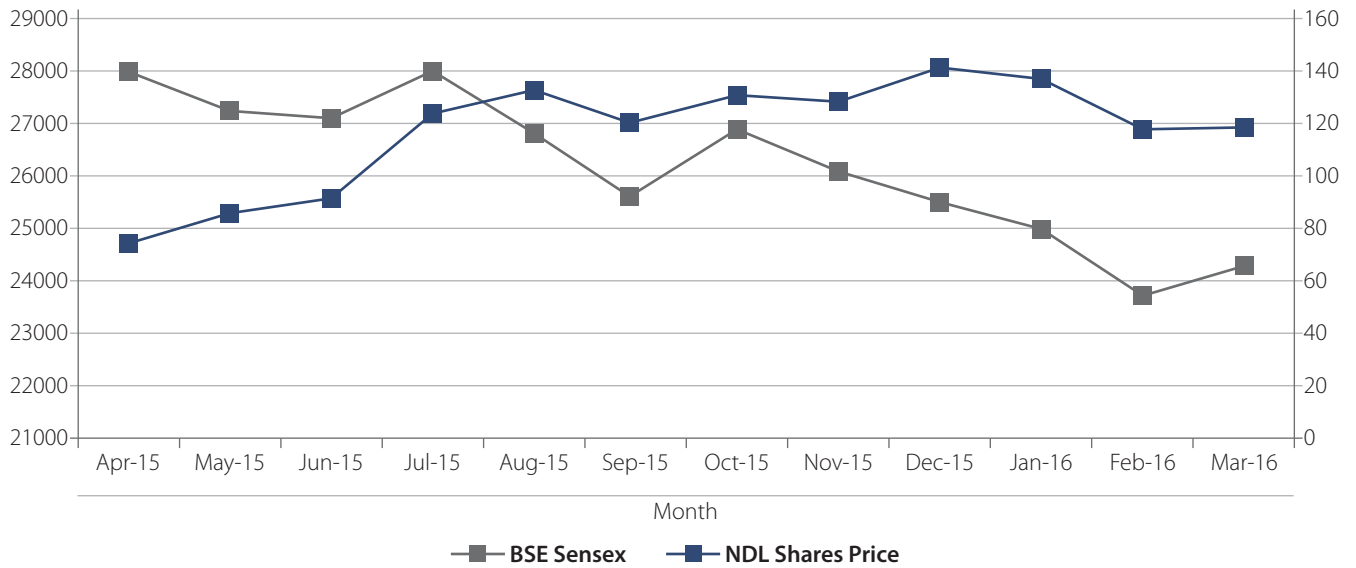
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10. Market Price Data:

The market capitalisation of the Company's scrip as on 31st March, 2016 was ₹533.83 crores on BSE and ₹531.32 crores on NSE.

MONTH	Share Price BSE		BSE Sensex		Volume No. of shares	Share Price NSE		NSE (NIFTY)		Volume No. of shares
	High	Low	High	Low		High	Low	High	Low	
Apr-15	86.50	62.15	29094.61	26897.54	29,98,508	86.50	61.55	8844.80	8144.75	36,42,387
May-15	99.45	72.40	28071.16	26423.99	26,49,923	99.50	72.05	8489.55	7997.15	36,60,607
June-15	107.00	76.00	27968.75	26307.07	26,73,144	107.20	76.30	8467.15	7940.30	62,91,303
July-15	148.80	98.80	28578.33	27416.39	32,92,996	149.45	98.20	8654.75	8315.40	85,12,911
Aug-15	174.00	92.00	28417.59	25298.42	32,40,836	174.00	92.40	8621.55	7667.25	89,05,975
Sep-15	145.00	97.00	26471.82	24833.54	26,20,468	144.00	101.00	8055.00	7539.50	51,02,527
Oct-15	143.80	119.60	27618.14	26168.71	26,53,221	143.50	116.70	8336.30	7930.65	40,26,069
Nov-15	142.40	116.00	26824.30	25451.42	28,36,088	142.40	115.00	8116.10	7714.15	41,21,188
Dec-15	156.70	127.10	26256.42	24867.73	30,41,352	157.00	128.05	7979.30	7551.05	41,53,861
Jan-16	158.80	115.50	26197.27	23839.76	28,17,123	128.00	111.10	7972.55	7241.50	32,14,421
Feb-16	140.30	97.20	25002.32	22494.61	27,20,840	140.80	97.00	7600.45	6825.80	32,67,473
Mar-16	127.50	111.00	25479.62	23133.18	24,79,542	159.35	115.25	7777.60	7035.10	34,45,598

11. Stock Performance of Nandan Denim Limited vs. BSE SENSEX and NSE NIFTY:



12. Registrar & Share Transfer Agents: Datamatics Financial Services Limited
 Plot No. B5, Part B Cross Lane, MIDC, Andheri (East),
 Mumbai, Maharashtra – 400 093
 Tel. No.: 022 – 66712001 – 06
 Fax No.: 022 – 66712011
 Email – investorqry@dfssl.com

13. Share Transfer System:

Datamatics Financial Services Limited is the Registrar and Share Transfer Agent of the Company. Transfer of shares is approved by the Board of Directors or Share Transfer Committee referred to as 'Stakeholders Relationship Committee' which meets at frequent intervals or delegated authority authorised in this behalf. Share transfers are registered and returned within 15 days from the date of receipt, if relevant documents are complete in all respects.

No shares were transferred in physical form during financial year 2015-16.

14. Shares held in physical and electronic mode:

Particulars	Position as on 31st March, 2016		Position as on 31st March, 2015		Net Change during 2015-16	
	No. of shares	% to total shareholding	No. of shares	% to total shareholding	No. of shares	% to total shareholding
Physical	14852	0.03	15552	0.03	(700)	0.00
Demat:						
NSDL	25105497	55.12	26533551	58.26	(14,28,054)	3.14
CDSL	20428707	44.85	18999953	41.71	14,28,754	3.14
Subtotal						
Total	45549056	100.00	45549056	100.00	0	0.00

15. Categories of shareholding:

Dematerialisation of shares and liquidity:

As on 31st March, 2016, 99.97% of shareholding was held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

In terms of the notification issued by SEBI, trading in the equity shares of the Company is permitted only in dematerialised form with effect from 31st May, 1999.

Outstanding GDR / ADR / Warrants or any Convertible instruments, conversion date and Impact on equity

The Company has not issued any ADR or GDR. 25,00,000 convertible warrants were issued to a non – promoter entity (FIL) on 9th November, 2015 on receipt of shareholders approval and In- Principle approval from the stock exchanges.

The warrants were converted into equity shares on May, 2016 on receipt of the entire amount, in tranches.

16. Plant locations:

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

Vraj Integrated Textile Park Limited,
National Highway No. 8,
Bidaj, Gujarat - 387 420

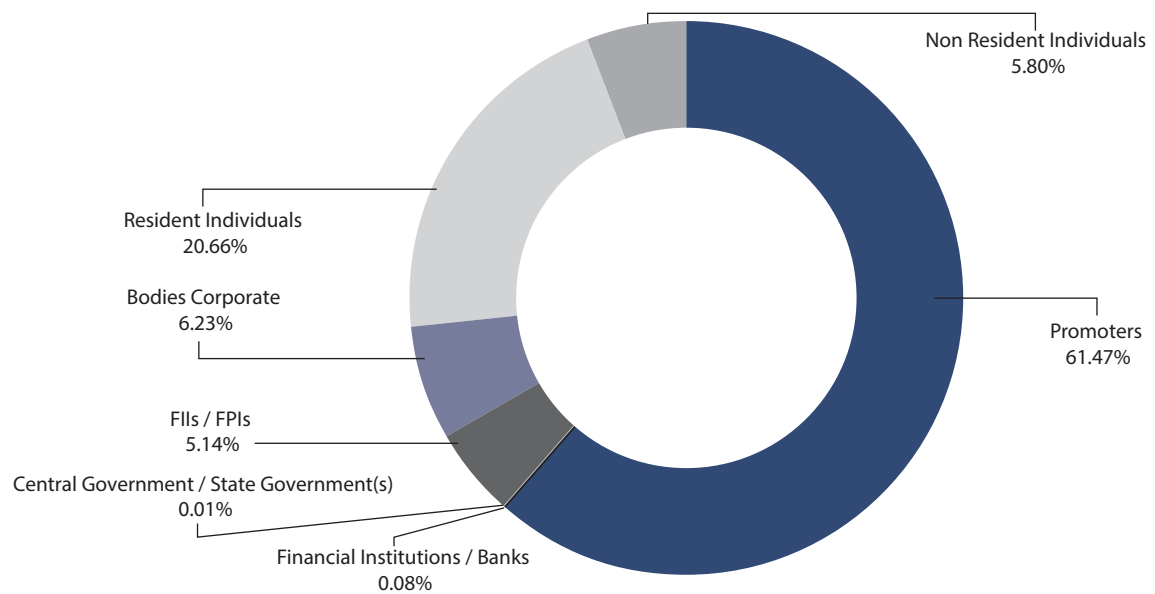
17. Distribution of shareholding:

By size of shareholding

Sr. No.	Shares Range		Shares	% To Capital	No. of Holders	% To No. of Holders
	From	to				
1	1	500	3406376	7.48	29446	90.47
2	501	1000	1352140	2.97	1732	5.32
3	1001	2000	1080456	2.37	733	2.25
4	2001	3000	610133	1.34	242	0.74
5	3001	4000	329328	0.72	91	0.28
6	4001	5000	372147	0.82	80	0.25
7	5001	10000	875575	1.92	117	0.36
8	10001	999999999	37522901	82.38	106	0.33
		Total	45549056	100.00	32547	100.00

By category of shareholders

Category	No. of shares	% of shareholding
Promoters	27997188	61.47
Mutual Funds / UTI	0	0.00
Financial Institutions / Banks	36959	0.08
Central Government / State Government(s)	5500	0.01
Insurance Companies	0	0.00
Foreign Institutional Investors / Foreign Portfolio Investors	2341898	5.14
Bodies Corporate	2833088	6.23
Resident Individuals	9406567	20.66
Trusts	176500	0.39
Foreign Bodies Corporate	0	0.00
Non Resident Individuals	2643531	5.80
Clearing Members	107225	0.22
Foreign Nationals	0	0.00
NBFC registered with RBI	600	0.00
Total	45549056	100.00



18. Adoption of non – mandatory requirements as at 31st March, 2016:

- a. Board: The Chairman of the Board is a Non – Executive Director. However, the Chairman is not entitled to any compensation for holding Chairman's office.
- b. Shareholders Rights: The quarterly and year to date financial statements are disseminated through stock exchanges, published in newspapers and also uploaded on Company's website. However, the Company does not send any other half – yearly declaration of financial performance and summary of the significant events in last six months to its shareholders.
- c. Modified opinion(s) in audit report: The Statutory Auditors of the Company have issued an unqualified Audit Report on the financial statements of the Company for year ended 31st March, 2016. The relevant information has been provided in the Directors Report.
- d. Separate posts of Chairman and CEO: The Company has appointed separate Directors as its Chairman and Managing Director. Further, the CEO of the Company is a separate person.
- e. Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee.

19. Address for correspondence:

Shareholders may correspond with –

- i. Registrar and Transfer Agents for all matters relating to transfer / dematerialisation of shares, payment of dividend, demat credits, etc. at –

Datamatics Financial Services Limited

Plot No. B5, Part B Cross Lane,

MIDC, Andheri (East),

Mumbai, Maharashtra – 400 093

Tel. No.: 022 – 66712001 – 06

Fax No.: 022 – 66712011

Email – investorqry@dfssl.com

- ii. Respective Depository Participants (DPs) for shares held in demat mode. Shareholders are requested to take note that all queries in connection with change in their residential address, bank account details, etc. are to be sent to their respective DPs.
- iii. For all investor related matters:
Ms. Purvee Roy
Company Secretary
Nandan Denim Limited

Corporate Office

Chiripal House,

Near Shivranjani Cross Roads,

Satellite, Ahmedabad – 380 015,

Gujarat

Ph.: +91 79 26734660 /2 /3

Fax: +91 79 26768656

Email Address: cs.ndl@chiripalgroup.com

20. Dividend Payment:

No dividend has been recommended for the year 2015-16. However, two Interim Dividends were paid by the Company during the year 2015-16, details of which are provided in the Directors Report.

Dividend was credited to the respective shareholders' bank account through electronic modes, as permitted, where complete banking details were available with the Registrar & Transfer Agent. For those whose banking details were not available or incorrect NECS details, the Company has issued dividend through Multi-City Cheques (MCCs).

Shareholders' who have not updated their details whether banking or otherwise are requested to get them updated with their respective depositories. Investors holding shares in dematerialised or electronic form may check the details on record with the concerned Depository Participant (DP). Pursuant to the Depository Regulations, the Company is obliged to pay dividend on dematerialised shares as per the details furnished by the concerned DP. The Company or the Registrar and Transfer Agent cannot make any change in such records received from the Depository.

21. Transfer of Unclaimed Dividend To Investor Education and Protection Fund:

In terms of the Companies Act, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.

22. Dispatch of Annual Reports:

The Annual Report will be sent through email to all those shareholders who have registered their email id with the Company and the Depository Participants. Those members who have not registered their email id, the Annual Report will be sent in physical form and these members are requested to register their email ids with the Company's Registrar and Transfer Agent i.e. Datamatics Financial Services Limited.

DECLARATION ON CODE OF CONDUCT

As required under Schedule V(D) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that all the Board Members and Senior Management personnel have complied with the Code of Conduct of the Company. It is also confirmed that the Code of Conduct has already been posted on the website of the Company.

Place: Ahmedabad

Date: 10th August, 2016

Brijmohan D. Chiripal

Managing Director

AUDITORS' CERTIFICATE

on Compliance of Conditions of Corporate Governance under Schedule V(E) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To,

The Members

Nandan Denim Limited

We have examined the compliance of conditions of Corporate Governance by Nandan Denim Limited, for the year ended 31st March, 2016 as stipulated in under Schedule V(E) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to a review of the procedures and implementation thereof, 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 above mentioned Listing Agreement. 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: 10th August, 2016

J.T. Shah

Partner

(Mem. No. 3983)

CEO / CFO CERTIFICATION

To,
The Board of Directors
Nandan Denim Limited

Sub.: Financial Statements for the period ended 31st March, 2016: Certification by CEO and CFO

We, Mr. Deepak Chiripal, CEO and Mr. Ashok Bothra, CFO, on the basis of the review of the review of the financial statements and the cash flow statement for the year ending 31st March, 2016 and to the best of our knowledge and belief, certify that –

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period ending 31st March, 2016 which are fraudulent, illegal or violative of the Company's code of conduct;
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal controls and that we have taken the required steps to rectify these deficiencies;
5. We further certify that:
 - (a) There have been no significant changes in the internal control over financial reporting during the year;
 - (b) There have been no significant changes in the accounting policies this year and that the same have been disclosed in the notes to the financial statements;
 - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Deepak Chiripal
Chief Executive Officer

Ashok Bothra
Chief Financial Officer

Place: Ahmedabad
Date: 10th August, 2016

FINANCIAL STATEMENTS

Independent Auditors' Report

To
The Members of
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, 2016, 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 March 31, 2016;
- 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 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 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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;
- i. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For, J. T. Shah & Co.
Chartered Accountants
 [FRN No. 109616W]

(J. T. Shah)

Partner

[M. No. 3983]

Place: Ahmedabad

Dated: 28/05/2016

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, 2016.

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.

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 discrepancies were 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 Act 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 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 statutory dues were outstanding as at 31st March, 2016 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, sales tax, wealth tax or service tax or duty of customs or duty of excise or value added 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	Year	Amount (₹)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	2007-08	2,612,375	Commissioner of Income Tax (Appeals)
	Income Tax Demand	2008-09	5,996,110	Commissioner of Income Tax (Appeals)
	Income Tax Penalty	2010-11	505,674	Commissioner of Income Tax (Appeals)
	Income Tax Demand	2011-12	847,220	Commissioner of Income Tax (Appeals)
Value Added Tax	Value Added Tax Demand	2010-11	2,716,318	Joint Commissioner (Appeals)
	Value Added Tax Interest & Penalty	2010-11	4,002,472	Joint Commissioner (Appeals)

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 Financial Institutions, Banks or debenture holders.

9. According to the information and explanations given to us, the company had not raised any money by way of public issue during the year. According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, in our opinion, the term loans taken during the year were applied for the purpose for which they were obtained.

10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or any fraud on the company by its officer or employees has been noticed or reported during the course of our audit.

11. In our opinion and according to the information and explanations given to us, the company had paid managerial remuneration which is in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of The Companies Act, 2013.

12. In our opinion and according to the information and explanations given to us, the provisions of special statute applicable to chit funds and nidhi / mutual benefit funds / societies are not applicable to the company. Hence, clause (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.

14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, clause (xiv) of the Company's (Auditor's Report) Order, 2016 is not applicable.

15. The company had not entered in to any non-cash transactions with the directors or persons connected with him during the year, hence section 192 of the Companies' Act, 2013 is not Applicable, hence clause (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
[FRN No. 109616W]

(J. T. Shah)

Partner

[M. No. 3983]

Place: Ahmedabad

Dated: 28/05/2016

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 as of 31st March 2016, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, 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
[FRN No. 109616W]

(J. T. Shah)

Partner

[M. No. 3983]

Place: Ahmedabad

Dated: 28/05/2016

Balance Sheet

as at 31st March, 2016

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
[1] Shareholders' Funds :			
[a] Share Capital	2	45 54 90 560	45 54 90 560
[b] Reserves & Surplus	3	2 67 88 47 461	2 13 33 40 149
[c] Money Received Against Share Warrants	4	25 00 00 000	Nil
		3 38 43 38 021	2 58 88 30 709
[2] Non-Current Liabilities :			
[a] Long Term Borrowings	5	3 18 24 25 453	2 77 72 03 330
[b] Deferred Tax Liabilities (Net)	6	22 89 23 384	24 87 27 871
[c] Long-Term Provisions	7	Nil	Nil
		3 41 13 48 837	3 02 59 31 201
[3] Current Liabilities			
[a] Short-Term Borrowings	8	1 46 20 72 308	1 45 14 86 057
[b] Trade Payables	9		
(i) Total outstanding dues to Micro Small enterprise & Small enterprise		Nil	Nil
(ii) Total outstanding dues to other than Micro enterprise & Small enterprise		84 47 68 112	68 30 42 250
[c] Other Current Liabilities	10	91 39 61 488	72 02 42 903
[d] Short term Provisions	7	16 08 14 064	12 92 36 847
		3 38 16 15 973	2 98 40 08 056
Total		10 17 73 02 832	8 59 87 69 966
ASSETS :			
[1] Non-Current Assets			
[a] Fixed Assets :			
(i) Tangible Assets	11	4 79 71 45 317	4 36 36 84 670
(ii) Intangible Assets	11	15 44 335	27 46 985
(iii) Capital Work in Progress		90 36 01 258	10 78 65 941
		5 70 22 90 910	4 47 42 97 596
[b] Non-Current Investments	12	7 32 32 399	7 34 96 854
[c] Long-term Loans and Advances	13	9 38 25 244	12 05 44 032
[d] Other Non-Current Assets	14	2 17 28 171	5 47 26 641
		18 87 85 814	24 87 67 527
[2] Current Assets			
[a] Inventories	15	1 95 10 63 920	1 40 93 44 317
[b] Trade receivables	16	1 22 24 15 642	1 47 22 74 705
[c] Cash & Bank Balances	17	64 90 23 608	60 10 28 348
[d] Short term Loans and advances	13	46 37 22 937	39 30 57 472
		4 28 62 26 107	3 87 57 04 842
Total		10 17 73 02 832	8 59 87 69 966
Significant Accounting Policies	1		
Notes forming part of Financial Statements	2 to 45		

As per our report of even date attached herewith

For, J.T. Shah & Company

Chartered Accountants

[FRN 109616W]

[J.T. Shah]

Partner

[M.No. 3983]

Place : Ahmedabad

Date: 28/05/2016

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 and Loss

for the year ended 31st March, 2016

(Amount in ₹)

Particulars	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
INCOME			
Revenue from Operations	18	11 56 72 54 246	10 96 53 33 603
Other Income	19	4 15 44 718	3 04 22 749
Total Revenue		11 60 87 98 964	10 99 57 56 352
EXPENDITURE			
Cost of materials consumed	20	7 80 32 71 375	7 22 01 24 695
Purchase of Stock in Trade	21	10 14 91 396	13 76 02 078
Change in Inventories of Finished Goods, Work in Process and Stock in Trade	22	(238886196)	21 99 17 067
Employee Benefits Expense	23	54 52 05 438	43 81 26 128
Finance Costs	24	41 17 14 806	37 70 85 653
Depreciation and Amortisation expense	11	65 99 85 984	59 55 03 285
Other Expenses	25	1 44 47 32 176	1 29 51 33 666
Total Expenses		10 72 75 14 979	10 28 34 92 571
Profit before exceptional and extraordinary item and Tax		88 12 83 985	71 22 63 781
Exceptional Items		Nil	Nil
Profit Before Tax		88 12 83 985	71 22 63 781
Less : Tax expense:			
- Current Tax		26 06 49 519	16 29 63 000
- Deferred Tax		(19804487)	3 49 63 223
Short/(Excess) Provision Of Income Tax of earlier year		72 16 803	Nil
Profit After Tax		63 32 22 150	51 43 37 558
Basic earnings per share of ₹10 each		13.90	11.29
Diluted earnings per share of ₹10 each		13.57	11.29
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 45		

As per our report of even date attached herewith

For, J.T. Shah & Company

Chartered Accountants

[FRN 109616W]

For and on Behalf of the Board

[J.T. Shah]

Partner

[M.No. 3983]

Vedprakash Chiripal

[Chairman]

[DIN:00290454]

Brijmohan Chiripal

[Managing Director]

[DIN:00290426]

Place : Ahmedabad

Date: 28/05/2016

Ashok Bothra

[Chief Financial Officer]

Purvee Roy

[Company Secretary]

Cash Flow Statement

for the year ended 31st March, 2016

(Amount in ₹)

Particulars	31-03-2016	31-03-2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax from Continuing Operation	88 12 83 985	71 22 63 781
	88 12 83 985	71 22 63 781
Non Cash Adjustment to reconcile profit before tax to net cash flows		
Depreciation	65 99 85 984	59 55 03 285
Bad Debts Written Off	4,240,195	Nil
Provision for Gratuity	10,087,584	Nil
(Profit)/Loss on sale of fixed assets (net)	Nil	Nil
(Profit)/Loss From Sale Of Investments	(403,150)	Nil
Interest Received	(33817713)	(24303844)
Excess amount of Depreciation W/Back	Nil	(2,219,692)
Provision for doubtful Advances	Nil	Nil
Reversal of Provision on Deposits	Nil	(1,112,836)
Provision/(Reversal) for Doubtful debts	37 88 596	1275339
	64 38 81 497	56 91 42 252
Dividend Income	(17750)	(9500)
Interest and Finance Charges	41 17 14 806	37 70 85 653
	41 16 97 056	37 70 76 153
Adjustment for Movements in Working Capital:		
Increase/(decrease) in Trade Payable	16 17 25 862	10 66 87 755
Increase/(decrease) in long-term Provision	Nil	Nil
Increase/(decrease) in short-term Provision	(185002)	(1840361)
Increase/(decrease) in other current liability	(47263767)	71 35 564
Increase/(decrease) in other long-term liability	Nil	Nil
Decrease/(increase) in Trade receivable	24 18 30 271	(259385662)
Decrease/(increase) in Inventories	(541719603)	(24302785)
Decrease/(increase) in long term loans and advances	607400	1253428
Decrease/(increase) in short term loans and advances	(87761664)	(38182193)
Decrease/(increase) in other current assets	Nil	Nil
Decrease/(increase) in other non-current assets	Nil	Nil
	(272766501)	(208634255)
CASH GENERATED FROM OPERATIONS	1 66 40 96 038	1 44 98 47 931
Direct Taxes paid	(198051586)	(119160731)
	(198051586)	(119160731)
NET CASH FLOW FROM OPERATIONS	1 46 60 44 452	1 33 06 87 200
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Incl. WIP)	(1820686271)	(787284291)
Sale of Fixed Assets	Nil	Nil
Purchase of non-current Investments	(786762)	(31860820)
Sale of non-current Investments	1454367	Nil
Margin Money Deposit(Net)	(15276768)	(143032323)
Interest Received	3 42 44 333	2 56 73 192
Dividend Income	17 750	9 500
NET CASH USED IN INVESTING ACTIVITY	(1801033352)	(936494743)

Cash Flow Statement

for the year ended 31st March, 2016

(Amount in ₹)

Particulars	31-03-2016	31-03-2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowing Taken during the year	1 05 89 20 706	45 00 48 997
Long Term Borrowing Paid during the year	(479891157)	(631637430)
Increase in Short Term Borrowing (Net)	1 05 86 252	37 31 70 767
Share Capital	Nil	Nil
Money Received against Share Warrants	25 00 00 000	Nil
Interest paid	(395709426)	(387284670)
Share Application money refunded	(125,704)	Nil
Dividend paid (Incl. Dividend Distribution Tax)	(125741327)	(65412910)
NET CASH USED IN FINANCING ACTIVITY	318039344	(261115244)
Net Increase/(Decrease) in cash and cash equivalents	(16949556)	133077213
Cash and cash equivalent Opening Balance	19 16 42 513	5 85 65 300
Cash and cash equivalent Closing Balance	17 46 92 957	19 16 42 513
Net Increase/(Decrease) in cash and cash equivalents	(16949556)	133077213

Notes:

The above Cash Flow Statement has been prepared under the Indirect Method set out in Accounting Standard 3 issued by the Institute of Chartered Accountants of India.

As per our report of even date attached herewith

For, J.T. Shah & Company

Chartered Accountants

[FRN 109616W]

For and on Behalf of the Board

[J.T. Shah]

Partner

[M.No. 3983]

Vedprakash Chiripal

[Chairman]

[DIN:00290454]

Brijmohan Chiripal

[Managing Director]

[DIN:00290426]

Place : Ahmedabad

Date: 28/05/2016

Ashok Bothra

[Chief Financial Officer]

Purvee Roy

[Company Secretary]

Notes to the Financial Statement for the year ended 31st March, 2016

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

iii) Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation. All costs including financial costs till commencement of commercial production are capitalized to the cost of qualifying assets. CENVAT credit, Grants, Foreign Exchange Fluctuation claims 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.

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 or disposal.

v) Depreciation

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

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

vi) Impairment of Assets

The Management Periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. If an asset is impaired, the company recognizes an impairment loss as the excess of the carrying amount of the asset over the recoverable amount. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amounts.

Notes to the Financial Statement for the year ended 31st March, 2016

Note No : 1 SIGNIFICANT ACCOUNTING POLICIES (contd...)

vii) Investments

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

viii) Inventories

(a) Inventories are valued at the Lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make sale. Cost in respect of raw materials and Stock in Trade are determined on FIFO basis. Costs in respect of all other Inventories are computed on weighted average basis method. Finished goods and process stock include cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.

(b) Waste is valued at estimated net realizable value.

ix) Excise duty

In view of the excise duty exemption route adopted by the Company from 13.07.2004 vide notification no. 30/2004 - dated 09.07.2004 of Central Excise Act, 1944 "Exemption to specified goods of public interest", the Company does not have obligation for payment of excise duty.

x) Revenue Recognition

(a) Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of the products are transferred to the customers net of rate difference and discount given.

(b) Dividend on Investment is recognized when the right to receive the payment is established.

(c) Exports entitlement under the 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) is recognized when there is reasonable certainty regarding the realization of the same.

xi) Government Grants & Other Claims

Revenue grant including subsidy / rebates, claims etc., are deducted from the related expenses. Grants relating to fixed assets are adjusted in the cost of such assets as and when the ultimate realizability of such grant etc., are established / realized.

xii) Borrowing costs

Borrowing costs, which are attributable to acquisition or construction of qualifying assets, are capitalized as part of cost of such assets till such assets are ready for its intended use. A qualifying asset is one, which necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue. Capitalization of borrowing cost is suspended when active development is interrupted or completed.

xiii) Leases

Where the Company is the lessee

Leases, wherein the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

xiv) Employee benefits

(a) The employee and Company make monthly fixed Contribution to Government of India Employee's Provident fund equal to a specified percentage of the covered employee's salary, Provision for the same is made in the year in which service are rendered by the employees.

(b) The Liability for Gratuity to employee, which is a defined benefit plan, is determined on the basis of actuarial Valuation based on Projected Unit Credit method. Actuarial gain/Loss in respect of the same is charged to the profit and loss account.

(c) Short Term benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.

xv) Foreign Currency Transactions / Exchange Fluctuation

(a) Monetary Transactions related to foreign currency are accounted for at the equivalent rupee converted at the rates prevailing at the time of respective transactions and outstanding in respect thereof are translated at period end rates. Exchange difference is charged to the revenue

Notes to the Financial Statement for the year ended 31st March, 2016

Note No : 1 SIGNIFICANT ACCOUNTING POLICIES (contd...)

account except arising on account of conversion related to the purchase of fixed asset is adjusted therewith if initial period of buyers credit arrangements is in excess of 360 days.

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

xvi) Provision for Current Tax & Deferred Tax

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or subsequently enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is virtual certainty that the assets will be realized in future.

xvii) Provisions and Contingencies

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

xviii) Earning per Share

Basic earning per share is calculated by dividing net profit after tax for the year attributable to Equity Shareholders of the company by the weighted average number of Equity Shares issued during the year. Diluted earning per share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

Note No : 2 SHARE CAPITAL		(Amount in ₹)	
Particulars	As at 31st March, 2016	As at 31st March, 2015	
[a] Authorised :			
100000000 (Previous Year 100000000) Equity Shares of ₹ 10/- (P.Y. ₹ 10/-) each	1 00 00 00 000	1 00 00 00 000	
[b] Issued, Subscribed & Paid-up Capital :			
45549056 (Pr. Year 45549056) Equity Shares of ₹ 10/- (P.Y. ₹ 10/-) each fully paid up	45 54 90 560	45 54 90 560	
Total	45 54 90 560	45 54 90 560	

Refer Note Number 41 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 2016, the company has recommended Dividend of ₹ Nil (P.Y. ₹1/-) per share as distribution to it's Equity Shareholders. An interim dividend of ₹0.80/-(P.Y. ₹0.60/-) per share was declared at the meeting of the Board of Directors held on 12th February, 2016 and the same has been paid. Second interim dividend of ₹0.80/- (P.Y. ₹ Nil) per share was declared at the meeting of the Board of Directors held on 11th March, 2016 and the same has been paid.

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 pursuance 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.

The details of shareholders holding more than 5% shares as at 31/03/2016 and 31/03/2015 is set out below.

Notes to the Financial Statement

for the year ended 31st March, 2016

Note No : 2 SHARE CAPITAL (contd...)

(Amount in ₹)

The details of shareholders holding more than 5% shares as at 31/03/2016 and 31/03/2015 is set out below.

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% held	No. of Shares	% held
Chiripal Industries Ltd.	1 18 44 270	26.00%	1 18 44 270	26.00%
Chiripal Exim LLP	71 65 556	15.73%	71 65 556	15.73%
Brijmohan D. Chiripal	27 80 000	6.10%	27 80 000	6.10%
Devkinandan Corporation LLP	32 06 060	7.04%	2967592	6.52%

The Reconciliation of the number of shares outstanding and the amount of share capital as at 31/03/2016 & 31/03/2015 is set out below:-

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
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/-	Nil	Nil	Nil	Nil
Deduction in Number of Equity Shares of ₹10/-	Nil	Nil	Nil	Nil
Shares at the end of Face Value of ₹10/-	4 55 49 056	45 54 90 560	4 55 49 056	45 54 90 560

Note No : 3 RESERVES & SURPLUS

(Amount in ₹)

Particulars	As at		As at	
	31st March, 2016		31st March, 2015	
Security Premium Reserve				
Balance as per last financial Statement		36 28 33 156		36 28 33 156
Closing Balance		36 28 33 156		36 28 33 156
General Reserve				
Balance as per last financial Statement		6 25 40 148		5 33 12 971
Less : Amount of depreciation in respect of fixed assets whose useful life has expired on adoption to Schedule II of the Companies Act,2013.		Nil		(5,715,532)
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		1,942,709
Add. : Transfer from Statement of Profit and Loss		1 30 00 000		1 30 00 000
Closing Balance		7 55 40 148		6 25 40 148
Surplus in the Statement of Profit and Loss				
Balance as per last financial Statement		1 70 79 66 845		1 29 34 25 130
Add : Profit for the year		63 32 22 150		51 43 37 558
Less: Appropriations				
Transferred to General Reserve	1 30 00 000		1 30 00 000	
Interim Dividend	7 28 78 490		2 73 29 434	
Tax on interim Dividend	1 48 36 348		46 44 637	
Proposed Final Dividend	Nil		4 55 49 056	
Tax on Proposed Final Dividend	Nil	10 07 14 838	92 72 716	
		10 07 14 838	9 97 95 843	
Closing Balance		2 24 04 74 157		1 70 79 66 845
Total		2 67 88 47 461		2 13 33 40 149

Notes to the Financial Statement for the year ended 31st March, 2016

Note No : 4 MONEY RECEIVED AGAINST SHARE WARRANTS		<i>(Amount in ₹)</i>	
Particulars	As at		As at
	31st March, 2016		31st March, 2015
Money received against Share Warrants	250,000,000		Nil
Total	25 00 00 000		Nil

Money received against share warrants represents amounts received towards warrants which entitles the warrant holder, the option to apply for and be allotted equivalent number of equity shares of the face value of Rs 10 each.

During the current year, the Company issued to Foreign Institutional Investor 2,500,000 Convertible warrants at issue price of ₹200 each, having option to apply for and be allotted an equivalent number of equity shares of a 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"). The holder of the warrants would need to exercise the option to subscribe to shares on or before May 9, 2017 upon payment of the balance amount of ₹ 250,000,000/-.

Note No : 5 LONG TERM BORROWINGS		<i>(Amount in ₹)</i>			
Particulars	Non Current		Current		
	As at	As at	As at	As at	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	
Term Loan - From Banks *	2 31 58 43 873	2 18 30 62 885	65 12 42 510	47 79 91 300	
(Indian rupee loan from Banks)					
Buyers Credit Arrangements **	86 15 91 409	58 76 13 711	Nil	Nil	
Vehicle Loans ***	49 90 171	65 26 734	24 56 073	18 99 857	
	3 18 24 25 453	2 77 72 03 330	65 36 98 583	47 98 91 157	
The above amount Includes					
Secured Borrowings	3 18 24 25 453	2 77 72 03 330	65 36 98 583	47 98 91 157	
Unsecured Borrowings	Nil	Nil	Nil	Nil	
Amount disclosed under the head 'Other Current Liabilities' (Note No. 9)	Nil	Nil	(653698583)	(479891157)	
Total	3 18 24 25 453	2 77 72 03 330	Nil	Nil	

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 is higher, payable on monthly basis.

** Buyers Credit arrangements for a period upto 90 days carry an interest rate ranging between 3ML+58 BPS P.A. to 3ML +75 BPS P.A. and interest rate up to upto 180 days carry an interest rate ranging between in case of 6ML Libor+31 BPS P.A. to 6ML Libor+190 BPS P.A.

*** 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 Monthly/Quarterly installments as follows:- *(Amount in ₹)*

Particulars	Upto 1 year	2 to 4 Years	5 to 7 years	More than 8 years
Term Loan Repayments	65 12 42 510	1 87 63 36 263	1 30 10 99 019	Nil

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

*** Vehicle Loans are repayable in following schedule in monthly installments as follows:- *(Amount in ₹)*

Particulars	Upto 1 year	2 to 5 Years	6 to 8 years
Vehicle Loans Repayments	24 56 073	49 90 171	Nil

Notes to the Financial Statement for the year ended 31st March, 2016

Note No : 6 DEFERRED TAX		(Amount in ₹)	
Particulars	As at		As at
	31st March, 2016		31st March, 2015
Deferred Tax Assets arising out of timing difference relating to:			
Allowance under Income Tax Act, 1961 in succeeding years		1 65 83 664	68 87 408
(Amount Allowable under Provisions of the Income Tax Act, 1961 in subsequent years)			
Total Deferred Tax Assets		1 65 83 664	68 87 408
Deferred Tax Liability arising out of timing difference relating to :			
Difference of Depreciation as per Tax Provision and Company Law		24 55 07 047	25 56 15 279
Total Deferred Tax Liability		24 55 07 047	25 56 15 279
Net Deferred Tax Liability		22 89 23 384	24 87 27 871

Note No : 7 PROVISIONS		(Amount in ₹)			
Particulars	Non Current		Current		
	As at	As at	As at	As at	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	
Provisions for employee benefits					
For Gratuity	Nil	Nil	21,088,881	1 03 55 365	
Less : Plan Assets	Nil	Nil	(11001296)	(10170363)	
	Nil	Nil	1 00 87 584	1 85 002	
Proposed Interim Dividend	Nil	Nil	Nil	4 55 49 056	
Provision for Tax on Proposed Interim Dividend	Nil	Nil	Nil	92 72 716	
Provision for Taxation	Nil	Nil	687,448,273	16 29 63 000	
Less : AdvanceTax and TDS	Nil	Nil	(536721794)	(88732928)	
	Nil	Nil	15 07 26 480	7 42 30 073	
Total	Nil	Nil	16 08 14 064	12 92 36 847	

Note No : 8 SHORT-TERM BORROWINGS		(Amount in ₹)	
Particulars	Current		
	As at	As at	
	31st March, 2016	31st March, 2015	
Working Capital Loan from Banks@	1 46 20 72 308	1 45 14 86 057	
(including Foreign Currency Loan of ₹204,146,488/-, Previous Year ₹Nil)			
	1 46 20 72 308	1 45 14 86 057	
The above amount Includes			
Secured Borrowings	1 46 20 72 308	1 45 14 86 057	
Unsecured Borrowings	Nil	Nil	
Total	1 46 20 72 308	1 45 14 86 057	

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, 2016

Note No : 9 TRADE PAYABLES		<i>(Amount in ₹)</i>	
Particulars	Current		
	As at 31st March, 2016	As at 31st March, 2015	
Micro, Small and Medium Enterprises @	Nil	Nil	
Others	84 47 68 112	68 30 42 250	
@ The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been made.			
Total	84 47 68 112	68 30 42 250	

Note No : 10 OTHER CURRENT LIABILITIES		<i>(Amount in ₹)</i>	
Particulars	Current		
	As at 31st March, 2016	As at 31st March, 2015	
Current Liabilities of long term borrowings (Note No. 5)	65 36 98 583	47 98 91 157	
Creditors for Capital Goods	8 63 75 440	3 38 39 976	
Creditors for Expenses	5 01 98 810	8 96 34 715	
Advance received from customers	1 67 30 146	4 31 58 685	
Interest accrued but not due on borrowings	1 66 16 117	1 86 46 234	
Salary & Wages Payable	4 99 04 236	3 69 63 609	
Unclaimed dividend @	2 02 48 856	34 53 573	
Unclaimed Share Application Money @	Nil	1 25 704	
Credit Balance in Current Bank Account	20 71 630	Nil	
Other payables	2 30 245	8 81 338	
Other Statutory dues	1 78 87 425	1 36 47 911	
Total	91 39 61 488	72 02 42 903	

@ 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, 2016

Note No. : 11	FIXED ASSETS										(Amount in ₹)	
	TANGIBLE ASSETS					INTANGIBLE ASSETS					Total Intangible Assets	
Cost of Valuation	Free Hold Land	Buildings	Plant & Machinery	Furniture & Fixtures	Computers	Vehicles	Office Equipment	Total Tangible Assets	Licence & Software	Total Intangible Assets		
01.04.2014	23,284,992	1,253,220,078	5,345,235,188	19,079,070	14,418,413	17,209,522	136,066,608	6,686,053,871	18,282,285	18,282,285		
Addition	2,100,000	157,221,258	350,539,805	2,603,057	3,484,069	7,989,370	457,7661	528,515,220	3,172,250	3,172,250		
Disposal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
Other Adjustment*	Nil	Nil	(89,740,555)	Nil	Nil	Nil	Nil	(89,740,555)	Nil	Nil		
At 31.03.2015	25,384,992	1,410,441,336	5,606,034,438	21,682,127	17,902,482	25,198,892	18,184,269	7,124,828,536	21,454,535	21,454,535		
Addition	47,565,999	226,068,745	816,342,237	6,603,075	6,489,022	1,978,500	1,111,912	1,106,159,490	6,500	6,500		
Disposal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
Other Adjustment*	Nil	Nil	(13,922,010)	Nil	Nil	Nil	Nil	(13,922,010)	Nil	Nil		
At 31.03.2016	72,950,991	1,636,510,081	6,408,454,665	28,285,202	24,391,505	27,177,392	19,296,182	8,217,066,017	21,461,035	21,461,035		
Depreciation												
01.04.2014	Nil	174,392,805	1,964,756,465	6,789,350	9,151,976	6,717,931	277,656,596	2,164,585,094	16,267,196	16,267,196		
Change for the year	Nil	41,697,204	541,478,616	3,049,290	2,390,415	2,431,010	2,792,738	593,839,274	1,664,012	1,664,012		
Disposal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
Other Adjustment	Nil	786,726	(1,378,915)	(82,625)	651,995	270,800	247,1517	2,719,498	776,341	776,341		
At 31.03.2015	Nil	216,876,735	2,504,856,166	9,756,016	12,194,387	9,419,742	8,040,821	2,761,143,866	18,707,550	18,707,550		
Change for the year	Nil	49,175,806	596,356,721	3,012,819	3,969,944	2,974,239	3,287,304	658,776,833	1,209,150	1,209,150		
Disposal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
Other Adjustment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
At 31.03.2016	Nil	266,052,541	3,101,212,887	12,768,834	16,164,331	12,393,981	11,328,125	3,419,920,699	19,916,700	19,916,700		
NET BLOCK												
AS AT 31.03.2015	25,384,992	1,193,564,601	3,101,178,272	11,926,111	5,708,096	15,779,150	10,143,449	4,363,684,670	2,746,985	2,746,985		
AS AT 31.03.2016	72,950,991	1,370,457,539	3,307,241,777	15,516,368	8,227,173	14,783,411	7,968,057	4,797,145,317	1,544,335	1,544,335		

*Notes

- Other Adjustment to Cost of Assets represent a sum of ₹13,922,010/- (P.Y. ₹89,740,555/-) towards various subsidies received, which are hereto decapitalised by the Company.
- In accordance with the provisions of Schedule II of the Companies Act, 2013 in case of fixed assets which have completed their useful life as at 1st April 2014, the carrying value (net of residual value) amounting to ₹Nil (P.Y. ₹ 5,715,532/-) (net of deferred tax of ₹Nil (P.Y. ₹ 3,772,823/-) as a transitional provision has been recognised in the Retained Earnings and such has been included in other Adjustments column in Depreciation.
- As required by the schedule II to the Companies Act 2013, due to change in estimation for useful life of the assets, depreciation charged to statement of profit and loss is higher by ₹ Nil (P.Y. ₹ 24,472,083/-).
- Amount of ₹Nil (P.Y. ₹ 22,19,692/-) has been excessively provided as depreciation expense in the prior years, which has been disclosed as Prior Period Income in the books of accounts and its corresponding adjustment has been included in the Other Adjustment Column of the Depreciation.

Notes to the Financial Statement for the year ended 31st March, 2016

Note No : 12 NON CURRENT INVESTMENTS		(Amount in ₹)	
Particulars	Current		
	As at 31st March, 2016	As at 31st March, 2015	
Investment in Equity Shares (Quoted) [Non-Trade]			
(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 7000) Equity Shares of UCO Bank Ltd. of ₹ 10/- each	51 317	1 02 634	
(3) 200 (Previous year Nil) Equity Shares of Asian Paints of ₹ 1/- each	1 69 927	Nil	
	21 41 244	20 22 634	
Investment in Equity Shares (Unquoted) [Non-Trade]			
(1) 2500 (Previous year 2500) Equity Shares of The Saraswat Co. Op. Bank Ltd. of ₹ 10/- each.	25 000	25 000	
(2) 5798187 (Previous Year 5798187) Equity shares of Vraj Integrated Textile Park Ltd. of ₹10/-each	5 79 99 420	5 79 99 420	
	5 80 24 420	5 80 24 420	
Investment in Mutual Funds (Quoted) [Non-Trade]			
Nil (Previous year 49990) Units of Union KBC Capital Protection Oriented Fund Series - 1-Growth	Nil	4 99 900	
Nil (Previous year 50000) Units of Union KBC Capital Protection Oriented Fund Series - 2 -Regular Growth	Nil	5 00 000	
46692.075 (Previous year Nil) Units of Union KBC Dynamic Bond Fund -Regular Growth	6 16 835	Nil	
199990 (Previous year 199990) Units of Union KBC Small and Mid Cap Fund - Regular Plan - Growth	19 99 900	1,999,900	
	26 16 735	29 99 800	
Investment in Bonds [At Cost]			
10 Bonds of (Previous year 10 Bonds) LVB Unsecure Non-Con. Redeem. Basel III Bond Face Value of ₹10 Lac	1 00 00 000	1 00 00 000	
	1 00 00 000	1 00 00 000	
Investment in Limited Liability Partnership (LLP)			
Fixed Capital In Nandan Chiripal Energy Corporation LLP	4 50 000	4 50 000	
	4 50 000	4 50 000	
Total	7 32 32 399	7 34 96 854	
Aggregate amount of quoted investments	21 41 244	20 22 634	
Market Value of quoted investments	17 65 655	16 91 750	
Aggregate amount of Unquoted investments	5 80 24 420	5 80 24 420	
Aggregate amount of Mutual Funds	26 16 735	29 99 800	
NAV of Mutual Funds	28 77 026	37 65 938	

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

Sr No	Name of the Partner	Share in Profit/Loss		Closing Balance of Fixed Capital in ₹	
		2015-16	2014-15	As at 31st March, 2016	As at 31st March, 2015
1	Nandan Denim Limited	45%	45%	4 50 000	4 50 000
2	Chiripal Industries Limited	55%	55%	5 50 000	5 50 000
	Total.....			10 00 000	10 00 000

Notes to the Financial Statement for the year ended 31st March, 2016

Note No : 13 LOANS AND ADVANCES <i>(Unsecured, Considered good unless stated otherwise)</i>		<i>(Amount in ₹)</i>			
	Non Current		Current		
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015	
Capital Advances	9 24 36 916	10 71 94 478	Nil	Nil	
Security Deposits	25 29 920	31 37 320	Nil	Nil	
Less : Provision for Doubtful Deposits	(1141592)	(1141592)	Nil	Nil	
	13 88 328	19 95 728	Nil	Nil	
Advance recoverable in cash or kind	Nil	Nil	10 12 31 530	4 84 04 443	
Less : Provision for Doubtful Advance	Nil	Nil	(5468701)	(5468701)	
	Nil	Nil	9 57 62 829	4 29 35 741	
Balance With Govt Authorities	Nil	Nil	33 02 92 026	32 09 31 466	
Interest Receivable	Nil	Nil	29 99 925	34 26 545	
Prepaid Expenses	Nil	Nil	3 22 83 074	2 50 64 426	
Advance Tax and TDS	Nil	26 57 67 808	Nil	Nil	
Less : Provision for Taxation	Nil	(254413982)	Nil	Nil	
	Nil	1 13 53 826	Nil	Nil	
Loans to Employees	Nil	Nil	24 98 845	8 13 055	
Less : Provision for Doubtful Loan	Nil	Nil	(113761)	(113761)	
	Nil	Nil	23 85 084	6 99 294	
Total	9 38 25 244	12 05 44 032	46 37 22 937	39 30 57 472	

Note No : 14 OTHER NON-CURRENT ASSETS		<i>(Amount in ₹)</i>	
Particulars	Non-Current		
	As at 31st March, 2016	As at 31st March, 2015	
Margin Money deposit	2 17 28 171	5 47 26 641	
(Transfer from other Bank Balances Note No. 17)			
Total	2 17 28 171	5 47 26 641	

Note No : 15 INVENTORIES		<i>(Amount in ₹)</i>	
Particulars	Non-Current		
	As at 31st March, 2016	As at 31st March, 2015	
Raw materials	1 02 53 63 874	72 71 42 037	
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	
Stores & Spare parts	6 02 20 703	6 76 05 922	
Fuel	6 13 61 092	4 62 26 310	
Packing Material	22 76 583	54 14 578	
Total	1 95 10 63 920	1 40 93 44 316	

Notes to the Financial Statement for the year ended 31st March, 2016

Note No : 16 **TRADE RECEIVABLES** *(Unsecured, Considered good unless stated otherwise)* *(Amount in ₹)*

Particulars	Current	
	As at 31st March, 2016	As at 31st March, 2015
Outstanding for a period exceeding Six Months from the date they are due for Payment		
Considered Good	3 85 54 746	1 80 85 284
Considered Doubtful	1 85 11 696	1 47 23 100
	5 70 66 442	3 28 08 384
Less: Provision for doubtful receivables	1 85 11 696	1 47 23 100
	3 85 54 746	1 80 85 284
Other Receivables		
Others - Considered Good	1 18 38 60 896	1 45 41 89 421
Others - Considered Doubtful	Nil	Nil
	1 18 38 60 896	1 45 41 89 421
Less : Provision for doubtful receivables	Nil	Nil
	1 18 38 60 896	1 45 41 89 421
Total	1 22 24 15 642	1 47 22 74 705

Note No : 17 **CASH AND BANK BALANCES** *(Amount in ₹)*

	Non Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
A. Cash and cash equivalents				
Cash on hand	Nil	Nil	19 79 552	19 71 092
Balance With Banks	Nil	Nil	17 27 13 405	18 96 71 421
	Nil	Nil	17 46 92 957	19 16 42 513
B. Other Bank Balance				
Margin Money deposit	2 17 28 171	5 47 26 641	45 40 81 795	40 58 06 557
Unclaimed dividend Account	Nil	Nil	2 02 48 856	34 53 574
Unclaimed Right Issue Refund	Nil	Nil		1 25 704
	2 17 28 171	5 47 26 641	47 43 30 651	40 93 85 835
Less Amount disclosed Under Non Current Assets (Note No. 14)	(21728171)	(54726641)	Nil	Nil
Total	Nil	Nil	64 90 23 608	60 10 28 348

The Other Bank balance includes ₹20,248,856/- (P.Y. ₹3,453,574/-) towards unclaimed dividend and ₹Nil (P.Y. ₹125,704/-) towards unclaimed Right Issue Refund which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such account.

Notes to the Financial Statement for the year ended 31st March, 2016

Note No : 18 REVENUE FROM OPERATIONS		<i>(Amount in ₹)</i>	
Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015	
Sale of Products	11 33 74 93 828	10 59 97 53 156	
Other Operating Revenue			
Sale of Waste	10 90 96 482	11 47 85 691	
Export Incentives	9 11 62 174	11 71 62 602	
Job Work Income	2 95 01 763	13 36 32 154	
Total	11 56 72 54 246	10 96 53 33 603	
Details of Products Sold			
Finished goods sold			
Denim	9 42 61 57 717	8 52 76 01 276	
Shirting Fabric	76 69 44 212	1 16 95 64 877	
Bottom Weight	17 60 87 607	32 25 81 097	
Others	85 96 17 494	43 67 21 176	
	11 22 88 07 031	10 45 64 68 426	
Traded goods sold			
Fabrics	10 86 86 797	14 32 84 731	
Printed Fabrics	Nil	Nil	
Others	Nil	Nil	
	10 86 86 797	14 32 84 731	
	11 33 74 93 828	10 59 97 53 156	

Note No : 19 OTHER INCOME		<i>(Amount in ₹)</i>	
Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015	
<u>Interest Income On</u>			
Bank Deposits	3 14 88 922	2 26 35 264	
Others	23 28 791	16 68 581	
Profit on Sale of Non Current Investment	4 03 150	Nil	
Dividend Income of Non Current Investments	17 750	9 500	
Miscellaneous Income	7,306,106	61 09 405	
Total	4 15 44 718	3 04 22 749	

Note No : 20 COST OF MATERIALS CONSUMED		<i>(Amount in ₹)</i>	
Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015	
Opening Stock of Raw Material	72 71 42 037	51 36 59 306	
Purchase	8 10 14 93 213	7 43 36 07 426	
Closing Stock of Raw Material	1 02 53 63 874	72 71 42 037	
	7 80 32 71 375	7 22 01 24 695	
Details of Raw Material Consumption			
Yarn	3 94 47 58 608	4 71 21 71 628	
Cotton	2 57 38 21 625	1 80 96 83 828	
Other raw materials	1 28 46 91 142	69 82 69 239	
	7 80 32 71 375	7 22 01 24 695	
Details of Inventory			
Yarn	29 04 43 921	35 63 66 480	
Cotton	41 97 03 179	14 15 36 381	
Other raw materials	31 52 16 775	22 92 39 176	
	1 02 53 63 874	72 71 42 037	

Notes to the Financial Statement for the year ended 31st March, 2016

Note No : 20 COST OF MATERIALS CONSUMED (contd...)

Details of Value of Imported & Indigenous Raw Material consumed

Particulars	Raw Materials			
	%		Value (₹)	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
i. Imported	8.05	10.40	62 83 47 104	75 06 71 463
ii. Indigenous	91.95	89.60	7 17 49 24 271	6 46 94 53 232
	100.00	100.00	7 80 32 71 375	7 22 01 24 695

Note No : 21 PURCHASE OF STOCK IN TRADE

(Amount in ₹)

Particulars	Year ended	Year ended
	31st March, 2016	31st March, 2015
Trading Purchase	10 14 91 396	13 76 02 078
	10 14 91 396	13 76 02 078
Details of Purchase of traded goods		
Fabrics	101,491,396	13 76 02 078
Others	Nil	Nil
	10 14 91 396	13 76 02 078

Note No : 22 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(Amount in ₹)

Particulars	Year ended	Year ended
	31st March, 2016	31st March, 2015
Commencing Stock		
Work-in-process	15 20 74 548	30 38 75 780
Finished Goods	36 75 58 288	43 25 77 274
Stock in Trade	4 33 22 634	4 64 19 483
	56 29 55 471	78 28 72 537
Closing Stock		
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 55 471
Decretion / (Accretion) to Stock	(238,886,196)	21 99 17 067
Details of Finished Goods		
Denim	51 87 72 326	31 93 51 043
Bottom Weight	2 50 97 716	3 24 60 342
Others	5 45 212	1 57 46 903
	54 44 15 254	36 75 58 288
Details of Stock in Trade		
Printed Fabrics	3 79 36 113	3 79 36 807
Others	31 52 918	53 85 827
Total	4 10 89 031	4 33 22 634

Notes to the Financial Statement

for the year ended 31st March, 2016

Note No : 23 EMPLOYEE BENEFIT EXPENSE		(Amount in ₹)	
Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015	
Salary, Wages & Bonus	51 02 56 297	41 95 82 129	
Contribution to Provident Fund & Other Funds	2 57 14 821	1 19 66 137	
Staff Welfare Expense	92 34 320	65 77 862	
Total	54 52 05 438	43 81 26 128	

Retirement Benefits

As per revised Accounting Standard 15 "Employees Benefits", the Company has recognized in the financial statements in respects of Employee Benefits Schemes as per Actuarial Valuation as on 31st March, 2016.

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

Particulars	2015-16	2014-15
Present Value of Funded Obligations	2 10 88 880	1 03 55 364
Fair value of plan assets	1 10 01 296	1 01 70 363
Present value of unfunded obligations	Nil	Nil
Unrecognized past service cost	Nil	Nil
Net liability/(Asset)	1 00 87 584	1 85 001
Amounts in the balance sheet:		
Liabilities	2 10 88 880	1 03 55 364
Assets	1 10 01 296	1 01 70 363
Net liability/(Asset)	1 00 87 584	1 85 001

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

Particulars	2015-16	2014-15
Current service cost	38 06 394	29 56 084
Interest on obligation	9 36 061	9 41 239
Expected return on plan assets	(839055)	(839755)
Net actuarial losses / (gains) recognized in year 2015-2016	59 99 182	(3490374)
Past service cost	Nil	Nil
Losses / (Gains) on curtailments and settlement	Nil	Nil
Total included in 'Employee Benefit Expense'	99 02 582	(432806)

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: (Amount in ₹)

Particulars	2015-16	2014-15
Opening Defined Benefit Obligation on 1-4-2015	1 03 55 364	1 13 55 971
Service cost	38 06 394	29 56 084
Interest cost	9 36 061	9 41 239
Actuarial losses (gains)	59 91 061	(3490374)
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	(1,407,556)
Closing defined benefit obligation 31-3-2016	2 10 88 880	1 03 55 364

Notes to the Financial Statement for the year ended 31st March, 2016

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:

Particulars	2015-16	2014-15
Opening fair value of plan assets as on 01-April -15	1 01 70 363	93 30 608
Expected return	8 31 905	8 39 755
Actuarial gains and (losses)	(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-2016	1 10 01 296	1 01 70 363

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

Particulars	2015-16	2014-15
Government of India Securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Policy of insurance	100%	100%
Bank Balance	-	-

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

Particulars	2015-16	2014-15
Discount rate as on 31-03-2016	8.00%	9.10%
Expected return on plan assets at 31-03-2016	8.25%	9.00%
Proportion of employees opting for early retirement	-	-
Annual increase in Salary costs	5.00%	5.00%

7. Details of Defined benefit pension plans for the current and previous periods are as follows:

Particulars	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
Defined Benefit Obligation	2 10 88 880	1 03 55 364	1 13 55 971	87 43 466	75 30 504
Plan assets	1 10 01 296	1 01 70 363	93 30 608	85 60 191	78 53 386
Surplus /(deficit)	(10087584)	(185001)	(2025363)	(183275)	3 22 882
Experience adjustments on plan liabilities	Nil	(4510304)	5 67 915	(2318592)	(3786758)
Experience adjustments on plan assets	Nil	Nil	Nil	Nil	Nil

The expected benefits are based on the same assumptions used to measure Group's gratuity obligations as at 31st March, 2016. The Company is expected to contribute ₹10,000,000/- to gratuity funds for the year ended 31st March, 2017.

Note No : 24 FINANCE COST

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest to Banks	34 71 51 943	32 73 66 129
Other Interest	2 37 48 130	41 61 976
Other Borrowing Costs	4 08 14 733	4 55 57 548
Total	41 17 14 806	37 70 85 653

Notes to the Financial Statement for the year ended 31st March, 2016

Note No : 25 OTHER EXPENSES		(Amount in ₹)	
Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015	
Stores & Spares consumed	11 85 31 455	15 15 99 037	
Packing materials consumed	9 48 39 673	8 55 29 139	
Electricity & Fuel charges	80 93 72 437	78 49 97 004	
Labour Charges	8 33 58 422	8 23 18 927	
Carriage Inward	2 99 19 075	2 86 32 287	
Net Foreign Exchange Loss / (Gain)	4 23 24 868	(87124303)	
Inspection Charges	70 28 679	77 69 465	
REPAIRS TO:			
Building	4,285,807	3,831,850	
Machinery	2 93 05 381	2 82 44 305	
Others	8 13 427	14 12 622	
Sub Total.....	3 44 04 615	3 34 88 777	
Insurance	1 25 94 567	1 18 80 307	
Rent	1 26 04 956	79 03 985	
Rates & Taxes	56 34 149	40 35 063	
Communication Expense	97 17 668	81 30 310	
Traveling, Conveyance and Vehicle Expense	2 45 06 118	3 23 16 846	
Professional Fees	2 69 12 362	1 81 42 986	
AUDITOR'S REMUNERATION:			
Audit Fees	6 32 500	6 17 980	
For Tax Audit	57 500	56 180	
For Income Tax	1 46 043	1 91 012	
Sub Total.....	8 36 043	8 65 172	
Freight, Clearing and Forwarding Expenses	5 70 28 809	6 65 69 029	
Other Selling Expense	1 02 70 537	43 61 839	
Commission Expense	3 00 70 028	2 56 30 067	
Donation Expense	85 17 000	91 00 000	
Bad debts written off	42 40 195	Nil	
Provision/(Reversal of Provision) for doubtful debts	37 88 596	12 75 339	
Miscellaneous Expense	1 82 31 923	1 77 12 389	
Total	1 44 47 32 176	1 29 51 33 666	

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

Particulars	Stores, Components & Spare parts			
	%		Value (₹)	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
i. Imported	0.75	1.76	8 89 976	26 68 183
ii. Indigenous	99.25	98.24	11 76 41 479	14 89 30 854
	100.00	100.00	11 85 31 455	15 15 99 037

Notes to the Financial Statement for the year ended 31st March, 2016

Note No : 26 CONTINGENT LIABILITIES NOT PROVIDED FOR :		(Amount in ₹)	
Sr. No.	Particulars	2015-16	2014-15
a)	Income Tax demands disputed in appeal by the Company/ Income Tax Authorities [Against which the Company has paid amount of ₹5,182,280/- (Previous Year 51,82,280/-)]	16,282,090	17,566,774
b)	Value Added demands disputed in appeal by the Company/Vat Authorities [Against which the Company has paid amount of ₹ 1,024,310/- (Previous Year ₹ Nil)]	7,743,100	7,743,100
c)	Show Cause Notice received from Various Authorities in respect of Excise & Customs	2,466,446	6,218,605
d)	Professional Tax	285,296	192,912
e)	Estimated Amount of Contracts remain to be Executed on Capital Account. Advance paid against such Contract is ₹ 92,436,916/- (Previous year ₹ 107,194,478/-) which is shown under the head advances.	1,298,650,764	1,575,751,732
f)	Corporate guarantee in Favour of IDBI Bank Ltd. to secure Term Loan Sanctioned to M/s Vraj Integrated Textile Park Ltd.	197,000,000	197,000,000
g)	Corporate guarantee in Favour of State Bank of Bikaner and Jaipur. to secure Term Loan Sanctioned to M/s Vraj Integrated Textile Park Ltd.	163,000,000	163,000,000
h)	Letter of Credit	613,496,211	94,335,301
i)	Bank Guarantee	58,257,472	19,080,200
j)	A letter has been received by the company from service tax Department seeking Clarification on selling Commission.	Amount not Quantifiable	Amount not Quantifiable
k)	Labour Suits are filled 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 of Capital Goods Scheme". The company has pending export obligation to the extent of ₹ 178,077,894/- (Previous year ₹ Nil/-) to be fulfilled during the specified period. The liability towards custom duty payable thereon in respect of unfulfilled export obligation as on 31st March, 2016 is ₹ 29,679,649/- (Previous Year ₹ Nil).
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 ₹ 2,735,621/- (P.Y. ₹ 2,057,706/-) 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 ₹ 20,539,778/- (Previous Year Gain of ₹ 16,318,059/-) in respect of Exports included in Other Expenses. Net Foreign exchange loss amounting to ₹ 62,864,646/- (Previous Year Gain of ₹ 70,806,244/-) in respect of various other items is included in Other Expenses.
30. Fuel Cost is net of Fuel Income of ₹ 57,301,537/- (P.Y. ₹ . 36,999,504/-).
31. Employee Cost is net of Labour reimbursement of ₹ 22,178,000/- (P.Y. ₹ 32,700,000/-).
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. Balances of Debtors, Creditors, Loans and Advances etc. are subject to confirmation and reconciliation.
34. The Company has entered into certain operating lease agreements and an amount of ₹ 12,604,956/- (P.Y. ₹ 7,903,985/-) 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.
35. Borrowing costs attributable to the acquisition or construction of Qualifying Assets amounting to ₹ 24,482,414/- (Previous Year ₹ 38,572,591/-) is capitalized by the company net of TUFs interest subsidy ₹ Nil (Previous Year ₹ Nil).
36. During the year, the company has impaired the assets to the tune of ₹ Nil (Previous Year ₹ Nil).
37. Interest and Finance Charges are net of interest subsidy received/receivable under TUFs scheme amounting to ₹ 110,523,164/- (Previous year ₹ 113,258,046/-) and Interest Subvention of ₹ 9,919,222/- (Previous Year ₹ Nil).

Notes to the Financial Statement for the year ended 31st March, 2016

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

(Amount in ₹)

EXPENSE HEAD	2015-16	2014-15
Rent Expenses	Nil	269,664
Total Expense Amount (₹)	Nil	269,664
INCOME HEAD		
Interest Income	Nil	286,903
Depreciation and Amortization Expense	Nil	2,219,692
Total Income Amount (₹)	Nil	2,506,595
Total Net Income / (Expense) Amount	Nil	2,236,931

39. Related Party Disclosures:

A) Key Management Personnel:

Sr. No.	Name	Designation
1	Vedprakash Chiripal	Chairman
2	Brijmohan Chiripal	Managing Director
3	Deepak Chiripal	CEO
4	Ganesh Khawas	Whole Time Director
5	P K Shrivastava	Whole Time Director
6	Sanjay Agarwal (upto 31/03/2016)	Chief Financial Officer
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	Vineeta Chiripal	Relative of Chairman
2	Urmiladevi Chiripal	Relative of CEO
3	Jaiprakash Chiripal	Relative of Managing Director & Chairman
4	Jyotiprasad Chiripal	Relative of Managing Director & Chairman
5	Vedprakash D Chiripal-HUF	Relative of Chairman

C) List of Related Parties with whom transactions have taken place during the year:

Sr. No.	Name
1	Shanti Exports Pvt. Ltd.
2	Chiripal Industries Ltd.
3	Shanti Educational Initiatives Ltd
4	Vishal Fabrics Ltd.
5	Chiripal Textile Mills Pvt. Ltd.
6	Devkinandan Corporation LLP
7	Chiripal Exim LLP
8	Nova Textiles Pvt. Ltd.
9	Milestone Educom Trust

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
1	Unsecured Loans – Taken				
	Taken during the period	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)
	Repaid during the period	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(85,850,000)	(85,850,000)
	Balance as at Balance Sheet Date	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)

Notes to the Financial Statement for the year ended 31st March, 2016

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
2	Advances Recoverable in Cash or Kind				
	Given during the period	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(583,021,266)	(583,021,266)
	Settled during the period	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(574,923,445)	(574,923,445)
3	Expenditure				
	Purchase of Goods	Nil	Nil	671,011,167	671,011,167
		(Nil)	(Nil)	(359,317,246)	(359,317,246)
	Purchase of Stock in Trade	Nil	Nil	35,261,819	35,261,819
		(Nil)	(Nil)	(137,602,078)	(137,602,078)
	Rent	Nil	Nil	11,448,576	11,448,576
		(Nil)	(Nil)	(7,004,062)	(7,004,062)
	Donation	Nil	Nil	7,500,000	7,500,000
		(Nil)	(Nil)	(9,000,000)	(9,000,000)
	Repairs & Maintenance Expense	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(21,235)	(21,235)	
Electricity Expense	Nil	Nil	1,971,191	1,971,191	
	(Nil)	(Nil)	(865,783)	(865,783)	
Capital Asset Purchased	Nil	Nil	Nil	Nil	
	(Nil)	(Nil)	(65,173,265)	(65,173,265)	
4	Income Received				
	Sales	Nil	Nil	2,098,771,038	2,098,771,038
		(Nil)	(Nil)	(1,716,597,712)	(1,716,597,712)
	Job Work Income	Nil	Nil	327,135	327,135
	(Nil)	(Nil)	(14,541,287)	(14,541,287)	
6	Remuneration paid	14,004,008	151,200	Nil	14,155,208
		(12,096,000)	(604,800)	(Nil)	(12,700,800)
7	Dividend Paid	7,566,000	4,918,685	58,821,536	71,306,221
		(3,795,000)	(2,846,162)	(25,859,691)	(32,500,853)

Note:

List of transaction, out of the transactions reported in the above table, where the transactions entered in to with single party exceed the 10% of the total related Party transactions of similar nature are as under:

(Amount in ₹)

Sr. No.	Particulars	2015-16
1	Advance Recoverable in cash or Kind:	
	Advance Given:	
	- Chiripal Industries Ltd.	Nil
		(583,021,266)
	Advance Settled:	
- Chiripal Industries Ltd.	Nil	
		(574,923,445)
2	Expenditure:	
	Purchase of Raw Material:	
	- Chiripal Industries Ltd	331,017,910
		(143,717,313)
	- Nova Textiles Pvt. Ltd.	336,243,973
		(Nil)
	Purchase of Stock-in-trade:	
- Chiripal Industries Ltd.	17,090,111	
	(63,998,633)	
- Vishal Fabrics Ltd.	Nil	
		(73,602,710)

Notes to the Financial Statement for the year ended 31st March, 2016

(Amount in ₹)

Sr. No.	Particulars	2015-16
2	Expenditure: (contd...)	
	Rent:	
	- Chiripal Industries Ltd.	6,252,000
		(6,132,000)
	- Shanti Exports Pvt Ltd	4,319,804
		(Nil)
	Donation:	
	- Chiripal Charitable Trust	Nil
		(9,000,000)
	- Milestone Educom Trust	7,500,000
		(Nil)
	Repairs & Maintenance Expense:	
	- Shanti Exports Pvt Ltd	Nil
		(21,235)
	Electricity & Fuel Expense:	
	- Shanti Exports Pvt Ltd	1,971,191
		(865,783)
	Capital Asset Purchase:	
	- Chiripal Infrastructure Ltd	Nil
		(65,173,265)
3	Income Received:	
	Sales:	
	- Chiripal Industries Ltd	130,447,876
		(160,301,990)
	- Nova Textiles Pvt Ltd	1,966,147,765
		(1,542,095,726)
	Jobwork Sales:	
	- Nova Textiles Pvt. Ltd.	327,135
		(14,541,287)
4	Remuneration Paid:	
	- Shri Brijmohan Chiripal	6,720,000
		(6,720,000)
	- Shri Deepak Chiripal	5,376,000
		(5,376,000)
5	Dividend Paid:	
	- Chiripal Exim LLP	18,630,446
		(8,504,721)
	- Chiripal Industries Ltd	30,795,102
		(14,213,124)
	- Brijmohan Chiripal	7,228,000
		(3,336,000)
	- Devkinandan Corporation LLP	8,097,288
		(Nil)

40. 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, 2016

(Amount in ₹)

Sr. No.	Particulars	India	Rest of World	Total
1	Segment Revenues	10,098,680,274	1,468,573,972	11,567,254,246
		(9,610,487,426)	(1,354,846,177)	(10,965,333,603)
2	Segment Assets	10,049,953,240	127,349,592	10,177,302,832
		(8,426,712,381)	(172,057,585)	(8,598,769,966)
3	Capital Expenditure during the period	1,106,165,990	-	1,106,165,990
		(531,687,470)	-	(531,687,470)

Notes to the Financial Statement for the year ended 31st March, 2016

41. Earnings per Share

(Amount in ₹)

Particulars	Unit	31st March, 2016	31st March, 2015
Numerator used for calculating Basic and Diluted Earnings per Share (Profit after Tax)	₹	633,222,150	514,337,558
Weighted average No. of shares used as denominator for calculating Basic	No. of Shares	45549056	45549056
Nominal Value of Share	₹	10	10
Basic Earnings per Share	₹	13.90	11.29
Weighted average number of shares			
a) Basic	No. of Shares	45549056	45549056
b) Nominal Value of Share	₹	10	10
c) Effect of dilutive equity shares on account of Convertible Warrants	No. of Shares	1116438	Nil
d) Weighted average No. of shares used as denominator for calculating Diluted	No. of Shares	46665494	45549056
Diluted earnings per share		13.57	11.29

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

Particulars	Amount (₹)
Raw Materials	628,347,104
	(750,671,463)
Stores & Spares	889,976
	(2,668,183)
Capital Goods	677,274,129
	(179,963,141)

43. Expenditure In Foreign Currency

Particulars	Amount (₹)
i. Traveling Expenses	8,783,719
	(4,722,545)
ii. Bank Charges	3,775,466
	(2,635,571)
iii. Commission paid	27,560,807
	(24,414,402)
iv. Exhibition Expense	Nil
	(619,300)
v. Testing Expense	Nil
	(376,932)
vi. Interest on Buyer's Credit & Working Capital facilities	8,488,930
	(6,642,072)
vii. Sales Promotion Expense	7,340,405
	(Nil)

44. Earning In Foreign Currencies

Particulars	Amount (₹)
FOB Value of Export Goods	1,365,630,394
	(1,333,092,133)

45. 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 "45"

As per our report of even date attached herewith

For, J.T. Shah & Company
Chartered Accountants
[FRN 109616W]

For and on Behalf of the Board

[J.T. Shah]
Partner
[M.No. 3983]

Vedprakash Chiripal
[Chairman]
[DIN:00290454]

Brijmohan Chiripal
[Managing Director]
[DIN:00290426]

Place : Ahmedabad
Date: 28/05/2016

Ashok Bothra
[Chief Financial Officer]

Purvee Roy
[Company Secretary]



NANDAN DENIM LIMITED

Corporate Identification No. (CIN) – L51909GJ1994PLC022719

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

Phone: +91 9879200199 **E-mail:** cs.ndl@chiripalgroup.com **website:** www.nandandenim.com

ATTENDANCE SLIP

(To be presented at the entrance)

22ND ANNUAL GENERAL MEETING ON 28TH SEPTEMBER, 2016 at 10:30 a.m.
at H.T. Parekh Convention Center, Ahmedabad Management Association,
AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015

Folio No. _____ DP ID No. _____ Client ID No. _____

Name of the Member _____ Signature _____

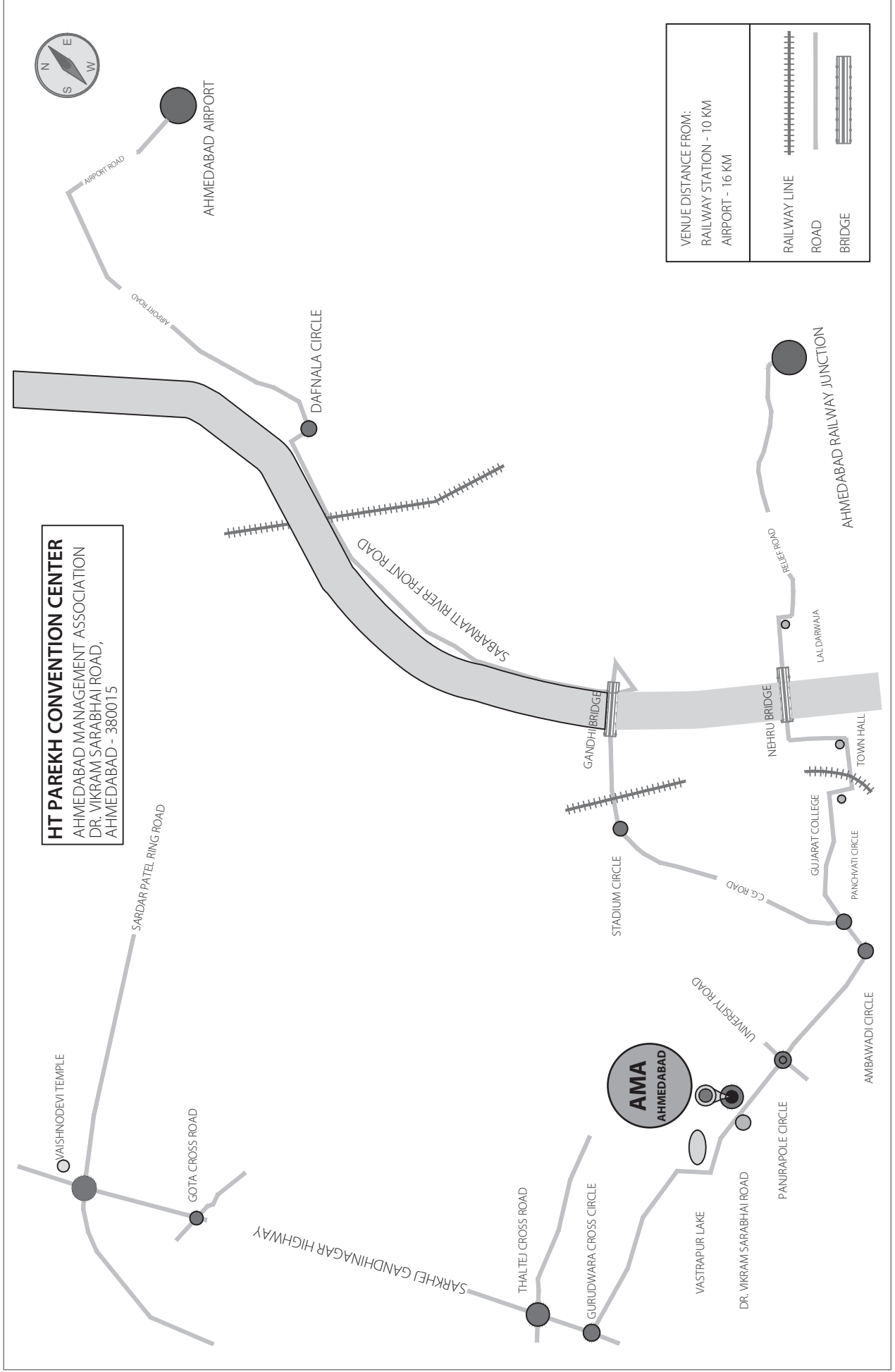
Name of the Proxy holder _____ Signature _____

1. Only Member/Proxy holder can attend the Meeting
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

NOTE: NO GIFTS/ GIFT COUPONS/REFRESHMENT COUPONS WILL BE DISTRIBUTED AT THE MEETING



Route map to the venue of the AGM





NANDAN DENIM LIMITED

Corporate Identification No. (CIN) – L51909GJ1994PLC022719

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

Phone: +91 9879200199 **E-mail:** cs.ndl@chiripalgroup.com **Website:** www.nandandenim.com

PROXY FORM

Form No. MGT-11

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

Name of the Member(s):	
Registered address:	
E-mail address:	
Folio number / Client ID:	
DP ID:	

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

1	Name	
	Address	
	E-mail address	
	Signature	

Or failing him/her

2	Name	
	Address	
	E-mail address	
	Signature	

Or failing him/her

3	Name	
	Address	
	E-mail address	
	Signature	



As my/our proxy to attend and vote (on a poll) for me/us and my/our behalf at the 22nd Annual General Meeting of the Company to be held on 28th September, 2016 at 10:30 a.m. at H.T. Parekh Convention Center, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions
Ordinary Business	
1	To receive, consider, approve and adopt the audited financial statement of the Company for the Financial Year ended 31st March, 2016, including Audited Balance Sheet as at 31st March, 2016 and the statement of Profit and Loss and the Cash Flow Statement of the Company for the Financial year ended on that date together with Reports of the Board and Auditors thereon.
2	To confirm the annual dividend of ₹ 0.80 as an Interim Dividend and another dividend of ₹ 0.80 paid during the year as second Interim Dividend per fully paid Equity Share of Face Value of ₹ 10.00, declared and distributed by the Board of Directors for the Financial Year ended on 31st March, 2016.
3	To appoint a Director in place of Mr. Brijmohan Chiripal (DIN: 00290426), who retires by rotation and being eligible offers himself for reappointment.
4	To ratify the appointment of Auditors and fix their remuneration.
Special Business	
5	Revision in terms of remuneration of Mr. Brijmohan D. Chiripal, Managing Director of the Company.
6	Revision in terms of remuneration of Mr. Deepak J. Chiripal, Chief Executive Officer of the Company.
7	Ratification of appointment of Mr. Pradeep Kumar Shrivastava as Whole- Time Director of the Company.
8	Approval of Related Party Transactions.
9	Payment of remuneration to Cost Auditors for the financial year 2016-17.
10	Raising of funds through preferential allotment.
11	To increase the limit of Foreign Institutional Investors / Foreign Portfolio Investors for acquiring and holding equity shares up to an aggregate limit of 49% of the paid up capital of the Company.
12	To approve availing of the financial assistance having an option available to the lenders for conversion of such financial assistance into equity shares of the Company upon occurrence of certain events.

Signed this _____ day of _____ 2016

Affix
Revenue
Stamp
Here

Signature of the shareholder _____

Signature of the Proxy holder(s) _____

NOTES:

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at, Survey No 198/1, 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad-382405 or Corporate Office of the Company at Chiripal House, Nr. Shivranjani Cross Road, Satellite, Ahmedabad- 380015, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.

CORPORATE INFORMATION

Nandan Denim Limited

CIN: L51909GJ1994PLC022719

Board of Directors

Mr. Vedprakash D. Chiripal	– Chairman
Mr. Brijmohan D. Chiripal	– Managing Director
Mr. Tara Sankar Bhattacharya	– Independent Director
Mr. Ambalal Patel	– Independent Director
Dr. Yasho Verdhan Verma	– Independent Director (w.e.f. 29th April, 2015)
Ms. Pratima Ram	– Independent Director
Mr. Giraj Mohan Sharma	– Independent Director
Mr. Pradep Kumar Shrivastava	– Whole Time Director (w.e.f. 11th March, 2016)
Mr. Ganesh Khawas	– Whole Time Director (w.e.f. 11th March, 2016 and upto 4th July, 2016)

Chief Executive Officer

Mr. Deepak Chiripal

Chief Financial Officer

Mr. Ashok Bothra (w.e.f. 28th May, 2016)
Mr. Sanjay Agrawal (upto 31st March, 2016)

Company Secretary

Ms. Purvee Roy

Bankers

Bank of India	Karur Vysya Bank	State Bank of Travancore
Bank of Maharashtra	Lakshmi Vilas Bank	Syndicate Bank
Central Bank of India	Oriental Bank of Commerce	UCO Bank
Dena Bank	Saraswat Co. Op. Bank	Union Bank of India
IDBI Bank	State Bank of Hyderabad	United Bank of India
Karnataka Bank	State Bank of India	

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 Secretary

Registered Office & Plant

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

Corporate Office

'Chiripal House',
Near Shivranjani Cross Roads,
Satellite, Ahmedabad, Gujarat – 380 015
Tel.: 079 26734660/2/3, Fax: 079 26768656
Email: cs.ndl@chiripalgroup.com

Registrar & Transfer Agent

Datamatics 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: investorqry@dfssl.com



Nandan Denim Limited

Registered Office

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

P: +91 9879200199

E: nandan@chiripalgroup.com

W: www.nandandenim.com