

September 8, 2021

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

Scrip Code: 532641

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

Scrip Symbol: NDL

Dear Sir,

Sub.: Annual Report for the year 2020-21

With reference to the captioned subject, please find enclosed Annual Report of Nandan Denim Limited for the year 2020-21.

You are requested to kindly take the same on record.

Thanking You,

Yours sincerely,
For NANDAN DENIM LIMITED


Company Secretary



Nandan Denim Limited
(CIN:L51909GJ1994PLC022719)



Annual Report
2020-21

Redefining Strengths.
Sustaining Performance.

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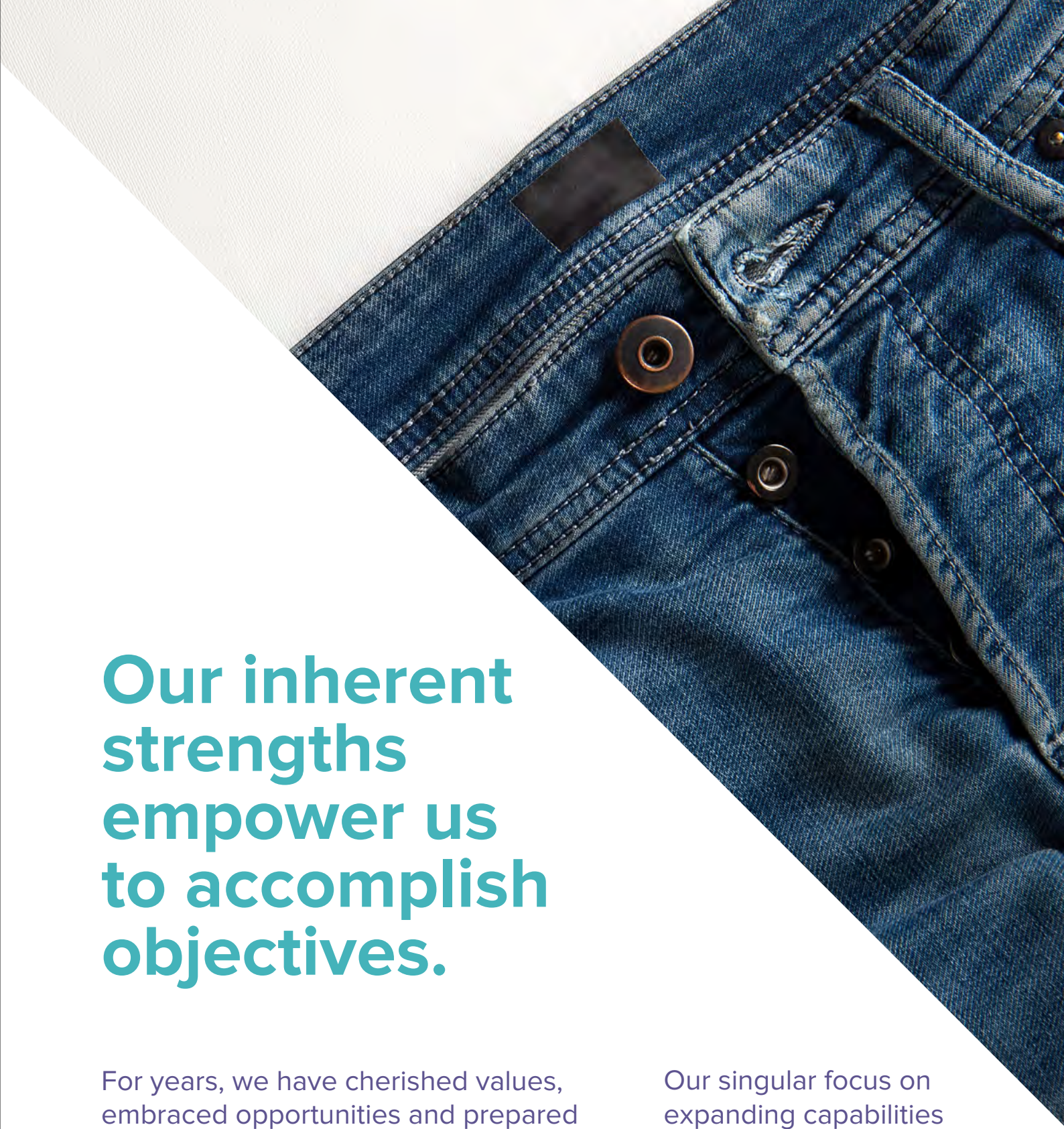
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For additional information about
the company log on to
www.nandandenim.com



Our inherent strengths empower us to accomplish objectives.

For years, we have cherished values, embraced opportunities and prepared ourselves for a brighter tomorrow. With our innovative approach and a consistent focus on process upgradation, we have redefined our strengths time and again. At a time, when the world grappled with uncertainties, we adhered to our core principles of excellence to shape a future-ready Company.

Our singular focus on expanding capabilities and adopting new norms enabled us to effectively overcome hurdles on our path, motivating us to sustain performances year after year.





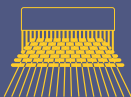

About Chiripal Group

The Chiripal Group, incorporated in 1972, has an extensive presence across diverse business segments including petrochemicals, spinning, weaving, knitting, fabric processing, chemicals, infrastructure, packaging and educational institutions.

We have always been committed to fulfil customer expectations through superior service. Our customer-centric approach enables us to constantly explore newer avenues of success and develop innovative solutions that ensure excellence for our customers.



Company Portfolio

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

About us

A global leading denim manufacturer, Nandan Denim Limited is redefining the denim industry for more than 27 years.

With a passion for fashion and design, we produce more than 2000 denim products every year. We manufacture and supply denim fabric, yarn/dyed yarn, cotton fabric and shirting fabric to renowned clients across the globe. Along with an extensive range of products, we reap the benefits of economies of scale and continue to sustain our market leadership across key products, even in the most challenging circumstances.



Vision

To be No. 1

Mission

To have Nandan on every table.

To develop Nandan into a fashion brand.

Smooth transitioning from manufacturing to service provider.

Values

Passion Towards Work



Ethical



Care for the Environment



Fashion Perspective



Work for Excellence

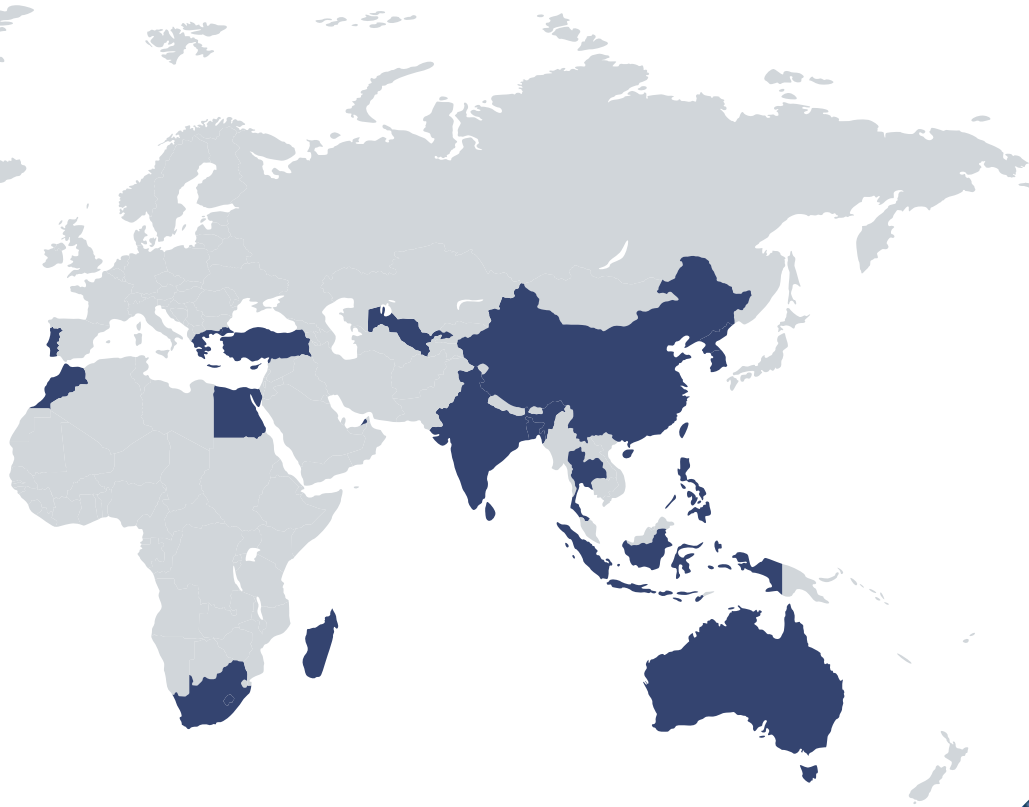


Respect for Diverse View



Collaborative and Relationship Driven





Our reach

Over the years, we have developed lasting relationships with various national and international brands. We leverage our scale of operations and inherent capabilities to fulfil diverse customer needs in more than 27 countries.

Our Business Segments

We keep our customers at the core of our operations. In a rapidly changing business environment, we have ensured success with an integrated business model that helps to produce a wide range of products for a large customer base.

Denim

Since the inception of our denim business in 2004, we have seen consistent rise of the business. We produce the finest quality denim with pure cotton. More than 70% of our cotton requirement is sourced from Gujarat and our team of in-house designers enable us to produce denims in latest designs, as per international requirements. The denim business is one of our main focus areas and generates maximum revenue for the company.

Our Denim portfolio includes:

- ▶ Knit Denim
- ▶ Basic Denim
- ▶ Light weight shirting
- ▶ Poly Dobby
- ▶ Cotton Dobby

Denim Realizations

INR per metre



Revenue

in INR million



Shirting

Nandan's shirting segment has also witnessed remarkable growth over the years. We have 10 MMPA fabric producing capacity and our manufacturing facilities are equipped with technologically advanced looms with an average life of 4 to 5 years.

With the help of high-speed looms, we produce some of the best shirting fabrics like dobby, oxford, chambray, fila fil, plain, checks, twill, herringbone etc. Our Indigo Dyed Yarn is also used to produce different types of Indigo Yarn Dyed Checks with various weaves and thread counts, making them highly coveted products for major national brands. Our integrated weaving facility has advanced processing machines that are used for prints, peach, bio finish, ETI, carbon finish, normal soft finish, airo, coating, printing over dyed yarn fabrics, and Indigo dyed fabric.

Shirting product range

- ▶ Indigo dyed checks
- ▶ Indigo with sulphur
- ▶ Mélange, grindle, space dyed, slubs and injections types of yarns
- ▶ Seasonal collection

Realizations INR per metre

17-18	114.47
18-19	117.35
19-20	114.77
20-21	102.73

Revenue in INR million

17-18	919
18-19	927.3
19-20	787
20-21	395

Yarn

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

Product Portfolio

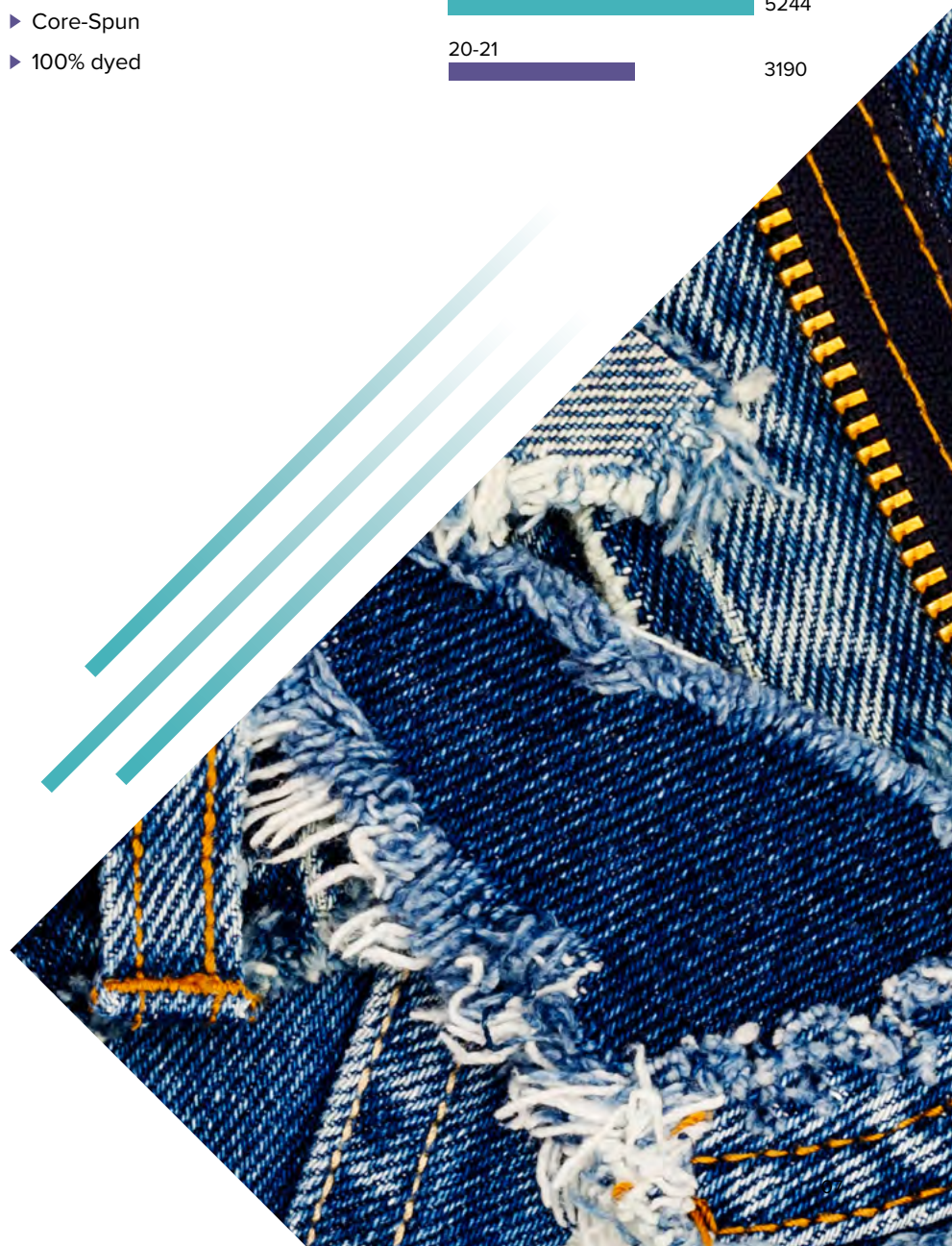
- ▶ 100% Cotton
- ▶ Blended
- ▶ Special Open End
- ▶ Organic Cotton
- ▶ Core-Spun
- ▶ 100% dyed

Realizations INR per Kg

17-18	195.66
18-19	191.94
19-20	179.91
20-21	164.8

Revenue in INR million

17-18	4792
18-19	4415
19-20	5244
20-21	3190



Chairman's Message



“ I AM INCREDIBLY PROUD OF OUR TEAM, PARTICULARLY OUR FRONTLINE WORKERS IN FACTORIES AND DISTRIBUTION CENTRES AND OUR BUSINESS PARTNERS AROUND THE WORLD, WHO KEPT OUR BUSINESS RUNNING DESPITE SIGNIFICANT CHALLENGES. ”

This year, we sharpened our focus on areas that are making a significant contribution to our business performance to create a distinct market proposition for Nandan and drive value for our shareholders.

Dear Shareholders

The Company has weathered adverse operating conditions in the past and recently, we endured a global health crisis in the form of the Covid-19 pandemic. Amidst difficulties, our values have guided our response and it has enabled us to emerge stronger than before. The pandemic had a profound impact on the world, our industry and our business. And yet, in the face of extraordinary challenges, we demonstrated resilience, agility, creativity, as well as a clear conviction to run an ethically sound business.

The financial year 2020-21 began with a global health crisis sweeping across global economies, even as households, corporates and governments adopted social

distancing measures and imposed lockdowns to curb the spread of infections. The world economy was valued at over USD 130 trillion in 2019, but, Covid-19 dealt a huge blow and led to a massive contraction.

In India too, GDP contracted and loss of lives and livelihoods were rampant. The lockdowns brought economic activity to almost a standstill and favourable monetary and fiscal policies by the Government and the Central Bank improved sentiments. It also stimulated demand and fostered an economic revival towards the latter half of the last fiscal. However, the second wave of Covid-19 in Q1FY22 somewhat affected the growth momentum. But, the success of nationwide vaccination

drives since early Q4FY21 has renewed hopes of a faster recovery due to various enabling factors such as formalization of the economy, improved public health expenditure and greater purchasing power in the hands of consumers.

From the beginning of the pandemic, our teams promptly acted to protect our people, our consumers and the business, all while positioning ourselves to meet the demands of an evolving future. I am incredibly proud of our team, particularly our frontline workers in factories and distribution centres and our business partners around the world, who kept our business running despite significant challenges. The resilience of our team gives us immense confidence to overcome obstacles and shape a brighter tomorrow.

The sales for the year was Rs. 1090.23 crores. Financial Performance was significantly impacted during H2 of FY 21.

Denim is an extremely popular textile in the global apparel market. Its market value was USD 21.8 billion in 2020 and is expected to increase to over USD 26 billion by 2026. The retail sale of denim or blue jeans is projected to reach USD 71.8 billion by 2027. The global denim jeans market in 2027 is forecast to be worth around USD 87.4 billion.

This year, we sharpened our focus on areas that are making a significant contribution to our business performance to create a distinct market proposition for Nandan and drive value for our shareholders. We adopted intelligent methods to streamline our global supply chain and optimized promotions and planning to reduce the go-to-market timeline,

“
THE RETAIL SALE OF DENIM OR BLUE JEANS IS PROJECTED TO REACH USD 71.8 BILLION BY 2027. THE GLOBAL DENIM JEANS MARKET IN 2027 IS FORECAST TO BE WORTH AROUND USD 87.4 BILLION.
 ”

improve margins and enhance profitability.

We also continued our efforts to foster a diverse and inclusive workplace. At Nandan, our success largely depends on our workforce and we are dedicated to promote employee well-being to create an engaged and motivated team.

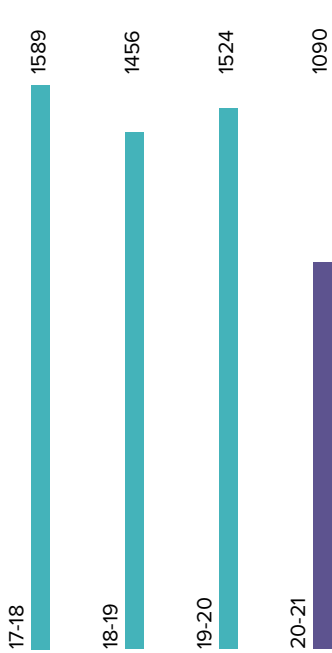
In an extraordinary year, I'm proud of what the Company has accomplished. We accelerated efforts to improve our brand identity, connect directly with consumers, integrate digital methods with our business and further diversify our portfolio — all while staying true to our values. We remain in very uncertain times. But as we look ahead, I am certain, we will continue to drive profitability, build our business for the future, and emerge stronger for the next chapter in the Company's history.

Regards

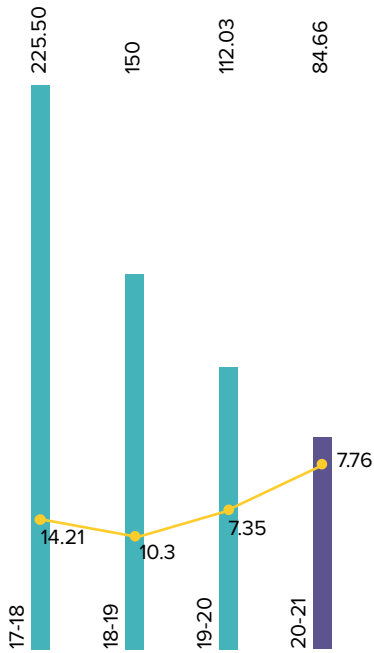
Vedprakash Chiripal
 Chairman

Sustaining Performance

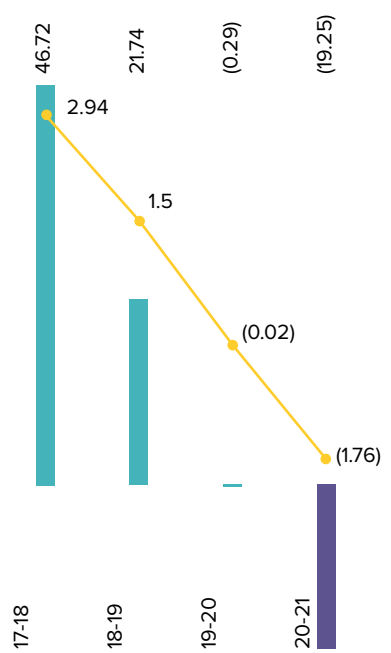
Revenue
(INR in crores)



EBIDTA (INR in crores)
EBIDTA Margin (%)

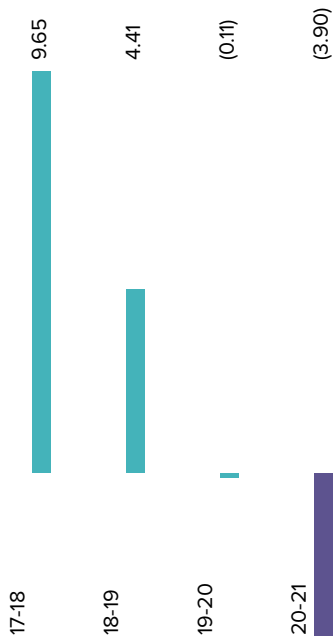


PAT (INR in crores)
PAT Margin (%)

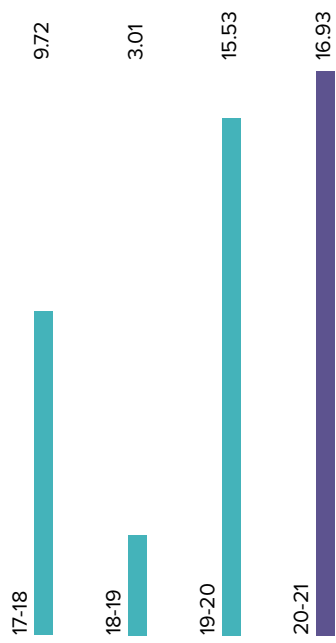


EPS

(in INR)

**Cash and cash equivalents**

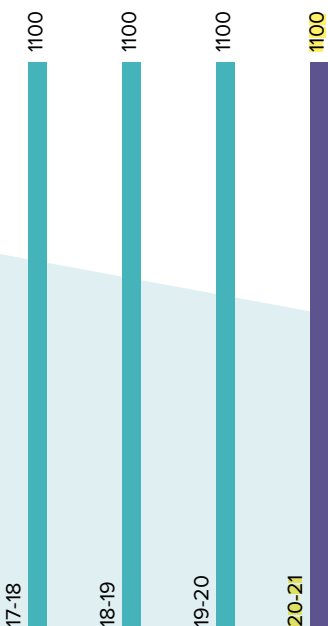
(INR in crores)



Manufacturing Capabilities

Denim manufacturing is a multidimensional process that follows stringent quality control norms. To deliver the best quality products to the market, we conduct in-depth market research to identify changing trends and evolving customer requirements. Our manufacturing facilities are equipped with advanced machinery and sophisticated equipment for testing yarn and fabric quality. It enables us to sustain the highest standards of operational efficiency, enhance productivity and improve revenue generation considerably. We have two manufacturing plants at Piplej and Bareja, near Ahmedabad.

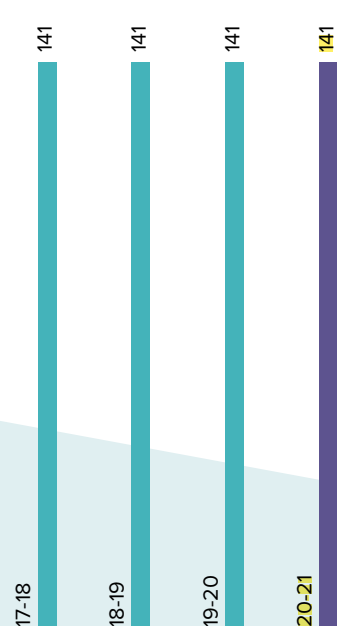
Installed Capacity of Denim
(in LMPA)



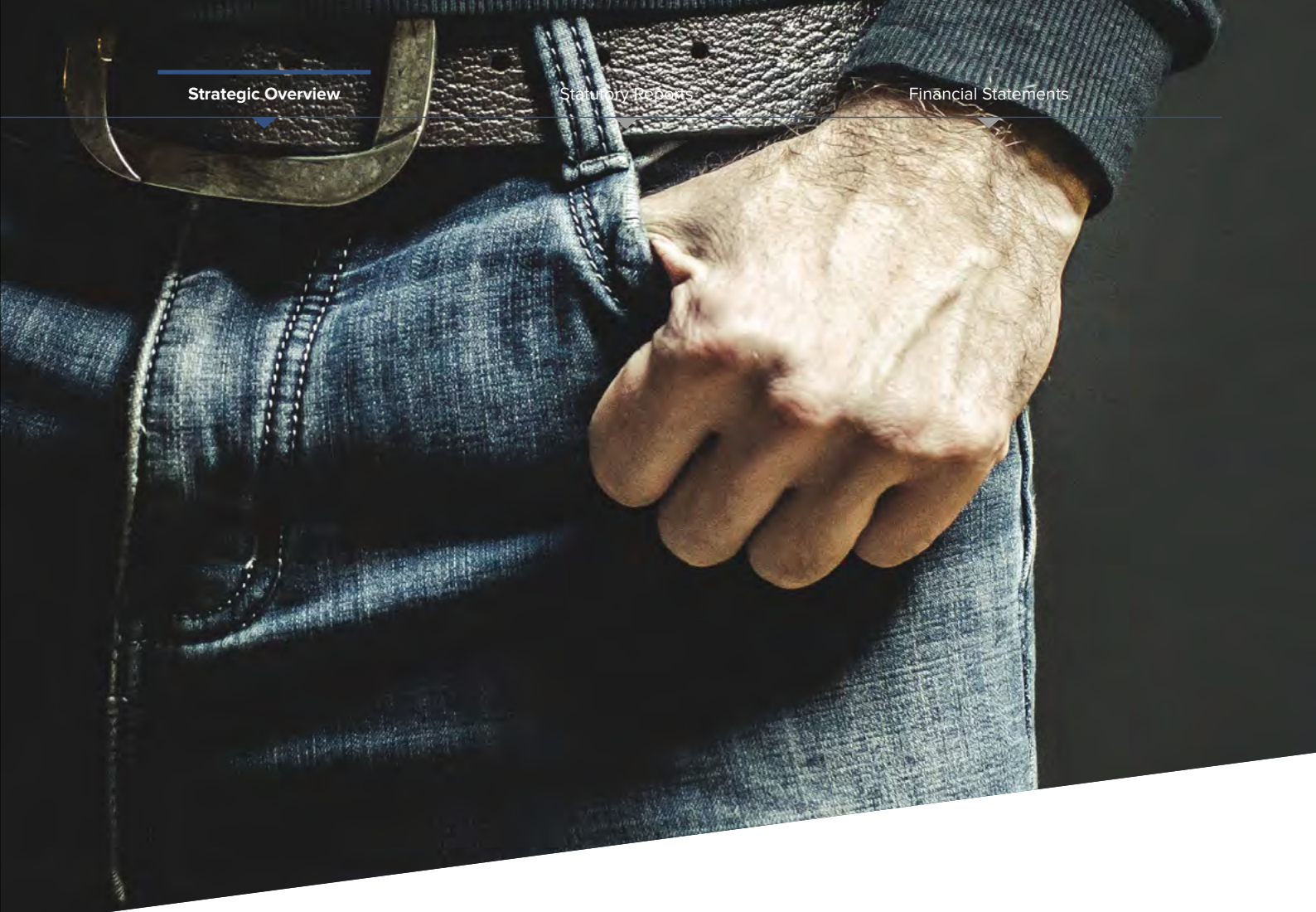
Installed Capacity of Shirting
(in LMPA)



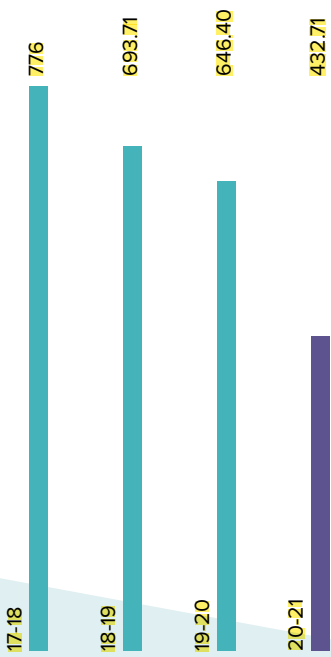
Installed Capacity of Yarn
(in TPD)



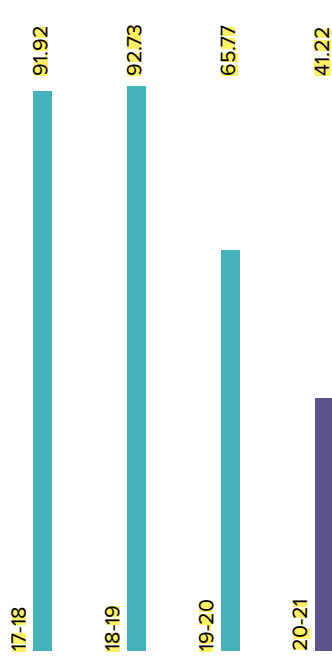
*(Capacity ~38 TPD got damaged in fire during the year, same is under restoration)



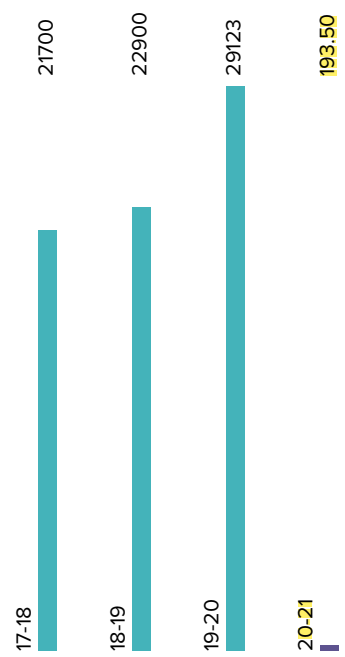
Production of Denim
(in LMPA)



Production of Shirting
(in LMPA)



Production of Yarn
(in TPD)



Redefining Strengths

Employees

We have a team of competent and efficient people. Our workforce has doubled since 2012, validating our business growth and our ability to retain a talented pool of employees. We also prioritise the health and safety of our employees, reiterating our commitment to uphold a conducive working environment.

Market Leadership

The Indian textile industry is highly fragmented. However, with the introduction of GST the organized sector has strengthened its foothold. We are among the largest denim textile manufacturers with considerable market share in some of our key products.

Customer Relationship

We continue to maintain strong relationships with our clients. Our flexibility to fulfil diverse customer requirements have enabled us to fortify our customer base – both in domestic and international markets.

Experienced Management

Our Chairman Mr. Vedprakash Chiripal and Managing Director, Mr. Jyotiprasad Chiripal possess more than 4 decades of experience in the textile industry. We work under the guidance of an experienced management that helps us to capitalize on growing opportunities and add value to our business.

Economies of Scale

Our in-house 15 MW power plant is used for captive consumption and helps to meet our electricity requirements. This has enabled us to incur substantial cost savings for power & fuel expenses in the current fiscal.



Focused on Sustainable Development

Water Management

We realise the importance of an efficient water management system and therefore, encourage the reuse and recycling of water by setting up an Effluent Treatment Plant (ETP) and Reverse Osmosis Plant (RO). We also treat waste water with the help of our Sewage Treatment Plant (STP) and reuse the treated water for gardening.



Energy Management

As a carbon neutral Company, we have implemented measures to support condensate recovery from processed water, replaced ordinary lights with LED lights and have introduced IMS, which is a combination of EMS, QMS and OHSAS. Solar panels have also been installed within our operational areas to increase dependence on renewable energy.

Regulatory compliance

As a sustainable entity, we are keen to comply with regulatory norms. Our facilities are Oeko Tex 100 , GOTS 5.0 and BCI certified, validating our commitment to follow stringent rules to reduce the use of harmful chemicals within our operations.



Waste Management

To ensure efficient waste management, we recycle the denim produced at our manufacturing facilities and minimise wastage. We are also setting up a garning function that will allow us to convert used garments into fibres and then recycle it to produce denim. We have also established a Caustic Recovery Plant (CRP) to reuse and process caustic. At Nandan, our waste management policies are closely monitored and the manufacturing process is optimised to minimise waste.

Board of Directors



Mr. Vedprakash D. Chiripal
Chairman

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

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



Mr. Jyotiprasad Chiripal
Managing Director

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



Mr. T. S. Bhattacharya
Independent Director

Mr. Bhattacharya retired as the Managing Director of State Bank of India. Armed with an MBA and Master of Science in Nuclear Physics, and over 35 years of experience in the Banking industry, he also serves as a Director to other major companies such as Surya Roshni Limited, UFLEX Limited, Bajaj Energy Limited, etc.



Ms. Falguni Vasavada
Independent Director

Dr. Falguni Vasavada is Professor & Chair, Strategic Marketing Area at MICA. She has over two decades of teaching experience in the area of Marketing and Advertising. She has trained corporate professionals and mentored young entrepreneurs in areas like Advertising, Marketing, Consumer Understanding, Branding, Social Media. She has published in International Journals and presented papers in national and international conferences and is involved in international joint research projects in the area of advertising. Her teaching, research and consultancy interests are in the area of Advertising, Branding, and Social Media.



Mr. Giraj Mohan Sharma
Independent Director

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



Mr. Shaktidan Gadhavi
Whole Time Director

Mr. Gadhvi has been working with Nandan Denim Limited since 2007. He has earlier worked with Companies like Gomti Processors Limited and Manisha Fabrics Limited. He is a Commerce Graduate and has more than 20 years of experience in the field of excise, liasioning and commercial aspects.



Corporate Information

Nandan Denim Limited

CIN: L51909GJ1994PLC022719

GST: 24AAACN5327L1ZG

LEI: 335800W54W5SGHLKY444

Board of Directors

Mr. Vedprakash Chiripal
Chairman

Mr. Jyotiprasad Chiripal
Managing Director

Mr. Tara Sankar Bhattacharya
Independent Director

Ms. Pratima Ram
Independent Director
(upto August 20, 2020)

Ms. Falguni Vasavada
Independent Director
(w.e.f. November 4, 2020)

Mr. Giraj Mohan Sharma
Independent Director

Mr. Suresh Maheshwari
Whole Time Director
(upto May 11, 2020)

Mr. Prakashkumar Sharma
Whole Time Director
(upto August 20, 2020)

Mr. Joy Christian
Additional Director
(w.e.f. September 30, 2020 till
December 9, 2020)

Mr. Shaktidan Gadhavi
Additional Director
(w.e.f. December 28, 2020)

Chief Executive Officer

Mr. Deepak Chiripal

Chief Financial Officer

Mr. Ashok Bothra

Company Secretary

Ms. Purvee Roy

Bankers

Bank of Baroda (erstwhile Dena Bank)
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
DBS (erstwhile Lakshmi Vilas Bank)
IDBI Bank
Karnataka Bank
Punjab National Bank
(erstwhile Oriental Bank of Commerce)
Saraswat Co. Op. Bank
State Bank of India
UCO Bank
Union Bank of India

Statutory Auditor

M/s. Samir M. Shah & Associates,
Chartered Accountants

Cost Auditor

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

Secretarial Auditor

M/s. Jay Khatnani & Associates
Company Secretary

Registered Office

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

Corporate Office

‘Chiripal House’,
Near Shivranjani Cross Roads,
Satellite, Ahmedabad,
Gujarat – 380 015
Tel.: 079 26734660/2/3,
Fax: 079 26768656
Email: cs.ndl@chiripalgroup.com

Registrar & Transfer Agent

Datamatics Business Solutions Limited
Plot No. B5, Part B Cross Lane,
MIDC, Andheri (E), Mumbai
Maharashtra – 400 093
Tel.: 022 66712001-06,
Fax: 022 66712011
Email: investorqry@dfssl.com

Management Discussion & Analysis

GLOBAL ECONOMY

The world in 2020 suffered a significant setback in 2020 as a consequence of the worldwide pandemic caused by Covid-19. The debilitating health and economic crises that ensued as a result of the virus's spread propelled the world into one of its worst recessions in past few decades. Overall, the worldwide economy is projected to soften by 4.3 percent in 2020¹. In comparison to pre-pandemic figures, about 95 million people are estimated to have slipped below the threshold of acute poverty. More than 90 percent of emerging market and developing economies' (EMDEs) per capita income have fallen as a result of the pandemic. The pandemic is estimated to wipe out at least ten years of per capita income growth in more than a fifth of EMDEs, and in about two-thirds of EMDEs, per capita incomes are expected to be lower in 2022 than they were in 2019.

The initial months of the year witnessed stringent lockdowns and quarantines in an attempt to bring down the havoc and as a consequence, economy in both advanced economies and emerging economies contracted to a great extent. Investment has taken a hit as a result of the pandemic. Investment fell by 11.0 percent on average in emerging economies and 6.8 percent in EMDEs in the second quarter of 2020². The later part of the year witnessed a recovery, owing to partial ease of lockdowns. Most commodity prices recovered from their mid-2020 lows as strict lockdowns were gradually lifted and demand increased, especially from China. However, the recovery in oil prices remained marginal due to concerns about the pandemic's long-term effect on oil demand. Following the trend of recovery, the global recession in 2020 was milder than previously expected, owing to shallower contractions in advanced economies and a more vigorous turnaround in China. Goods trade dropped faster and recovered faster than during the global financial crisis. It benefited from a shift in demand away from services and toward manufacturing, as well as the resilience of global value chains. In comparison, services trade remains weak, owing in part to travel restrictions that limit tourism.

Outlook

Following a collapse caused by the COVID-19 pandemic this year, global economic growth is projected to grow by 4% in 2021, but will still be more than 5% lower than pre-pandemic estimates³. Global growth is expected to slow to 3.8 percent in 2022, weighed down by the pandemic's long-term impact on future growth. To combat the pandemic, immediate strategic objectives include limiting the virus's spread, providing relief



to vulnerable populations, and addressing vaccine-related challenges. In advanced economies, where additional monetary policy stimulus is minimal, fiscal policy will be playing a more prominent role in macroeconomic stabilization. Monetary policy in EMDEs is expected to remain broadly accommodative in the medium term, aided by subdued inflationary pressures and anticipation of extended expansionary monetary policy stances in advanced economies.

¹ <https://www.worldbank.org/en/news/press-release/2021/01/05>

² <https://openknowledge.worldbank.org/bitstream/handle/10986/34710/9781464816123.pdf>

³ <https://openknowledge.worldbank.org/bitstream/handle/10986/34710/9781464816123.pdf>

INDIAN ECONOMY

With the onset of a worldwide pandemic caused by the Covid-19 virus, the fiscal year 2020-2021 saw unprecedented economic instability and chaos. The real GDP is expected to contract by 7.7 percent this year, compared to 4.2 percent expansion in 2019-20⁴. But, faced with unparalleled volatility at the start of the pandemic, India prioritized saving lives and livelihoods by being able to accept short-term suffering in exchange for long-term benefit. As a result, the nation underwent strategies on the belief that while GDP growth will rebound from the transient shock caused by the pandemic, lost human lives cannot be replaced.

To carry out its operation, India implemented the most intense lockdown at the start of the pandemic. This resulted in the pandemic curve flattening and, as a result, the requisite time to scale up the health and research facilities. During this period, industry and service sectors were severely affected, with estimated declines of 9.6 percent and 8.8 percent, respectively. On the supply side, Gross Value Added estimated around -7.2% in 2020-21, down from 3.9% in 2019-20. In the later part of the year, India implemented a Bayesian updating strategy to constantly scale its response while steadily unlocking and easing economic growth. Quantifying the situation, GDP contracted by 23.9% in Q1, but with the V-shaped rebound, the contraction came down by 7.5% decline in Q2 in line with recovery across all critical economic indicators⁵. To address the economic disruption across the nation, government planned to strategize step-by-step fiscal policies. Despite a dramatic decline in tax collections, the government maintained that funds for critical operations were available during the first two quarters. With the relaxation of movement and health-related restrictions in the third quarter, the government moved in a planned manner to support investment and consumption demand through Atmanirbhar 2.0 and 3.0⁶.

Outlook

The Organization for Economic Cooperation and Development (OECD) has increased its estimate for India's economic growth rate to 12.6% for 2021-22. The country's is expected to undergo lopsided recovery, with some industries doing better than others. However, the impacts of the pandemic are deep, and the economy is likely to be stressed even if there is a V-shaped recovery. Until recently, economic activity appeared to be gaining traction at a sustainable rate, with people demonstrating growing interest in going out and spending. However, the resurgence in increasing infections pose a threat of uncertainty. Growth in FY 2022 will most

likely be divided into two parts, with economic activity picking up steadily in the second half. Although we anticipate a strong recovery in the coming years, it would be naive to overlook the economic scars that the pandemic will leave behind.

INDUSTRY OVERVIEW

Global Textile Industry

The world in 2020 undergone a period of economic unrest due to the spread of COVID-19 virus and its impact worldwide. The global apparel market contracted by 22% in 2020, dropping from \$1,635 billion in 2019 to \$1,280 billion⁷. Asia is among the largest growing industries around the globe, and it has suffered a lot due to the covid-19 pandemic and subsequent lockdowns and restrictions. Majority of the Asian countries saw a decline in the international demand for their products due to export restrictions. According to International Labour Organization (ILO) the international textile trade declined during the first half of 2020. Moreover, exports to the major purchasing regions in the European Union, Japan and the United States tumbled by around 70%. The industry has also undergone various supply chain disruptions due to the scarcity of cotton and other raw materials.

Various institutions around the globe have made various developments to boost the textile industry. The Government of India has announced setting up of seven textile estates in the coming years. They have also agreed to streamline the duties on raw material inputs to synthetic textiles by decreasing the custom duty rate on nylon chips, caprolactam, nylon fibre and yarn to 5%. Whereas the Paraguay's Ministry of Industry and Commerce (PMIC) announced that they shall be investing a sizeable amount in the manufacturing sector as it shall be benefiting the textiles, clothing, and footwear industries.



⁴ https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01_vol2.pdf

⁵ <https://www.indiabudget.gov.in/economicsurvey/>

⁶ <https://www.indiabudget.gov.in/economicsurvey/>

⁷ <https://aepcindia.com/system/files/Annual%20T%20and%20A%20Industry%20Report-2021.pdf>

Trends in Global Textile Industry

1. Sustainable buying behaviour- As the attention towards sustainable clothing is rising, consumers have changed their preference from normal clothing to sustainable clothing. For example, textile waste is high due to consumers spending habits. Consumers buy more clothes than they require, and billion tons end up being in the trash almost every year. To prevent this waste, consumers are inclined towards brands that either make high quality products that are supposed to last for a long time or those that use recycled materials to produce their clothing.
2. Growth of e-commerce- Online shopping has been popular among the consumers prior to covid-19, but as the lockdowns were enforced around the world, stores were obliged to close for many months. Covid-19 acted as a catalyst and boosted the growth in the e-commerce sector in the textile industry.
3. Expansion of new trade alliances- Various governments around the world are trying to connect the markets by trade alliances and Free Trade Agreement (FTA) as the exchange of technologies shall become simpler. These alliances will eventually lead to rise in the flow of Foreign Direct Investment (FDI), increased job opportunities and better infrastructure.

Outlook

As the global population is increasing, the demand for textile shall also increase. The global population is estimated to reach 8.1 billion by 2025. The Chinese and Indian textile markets are assumed to be bigger than that of the US and European Union markets as luxury brands have started utilizing the demand in the Asian continent and there has been a gradual escalation. The manufacturing value chain globally is estimated to attract investment worth US \$ 350 billion to provide additional apparel market demand of US \$ 1 trillion by 2025.

Indian Textile Industry

Textile refers to woven yarns, fabrics and fibres made of jute, cotton, polyester, wool etc. In India, the textile and apparel industry is one of the oldest industries that has observed various developments over the years. After China, India is the 2nd largest manufacturer and exporter of textiles in the world.

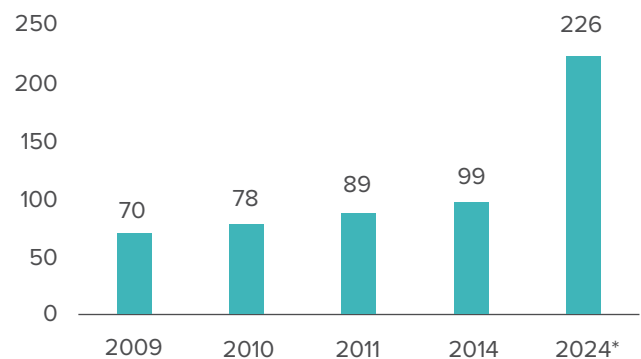
The domestic textiles and apparel industry accounts for around 2% of India's GDP, 7% of industry output in value terms, and 12% of the country's export revenues. The textiles and apparel industry in India is the country's second largest

employer, employing 45 million people directly and another 60 million in affiliated businesses. The textile industry is estimated to be valued at US\$ 133 billion in FY 2020-21.⁸ The textile industry has seen normal growth, in spite of the slowdown in the manufacturing sector due to Covid-19 as in the initial phase of the nationwide lockdown, the production of the products was completely shut down. Gradually, due to the ease in the lockdown restrictions and government initiatives like Sustainable and Accelerated Adoption of efficient Textile's technologies to help small Industries (SAATHI), National Textile Policy the industry saw boom in their sales and production.

Growth Drivers

1. India is one of the largest producers of jute and cotton, and the 2nd largest producers of silk. The cost of manufacturing in the textile and apparel industry is comparatively lower in India than many countries due to the high availability of raw materials combined with cheap labour costs.
2. Due to the increasing saturation of the internet, online retailing has observed robust growth in the country. Consumers now are looking for ease of shopping, varieties and options, easy return policies and better offers. The growth of online sales has facilitated the textile industry to connect with consumers dwelling across the country.
3. Due to changing consumer habits, consumers are now shifting from comfortable clothing to aspirational clothing. Perverse to previous years, where consumers in India purchased clothes as and when required but now, buying clothes has become more than just a basic need, it is now a manifestation of personality and status symbol. Though basic clothing continues to represent a part of the consumers, the demand for aspirational clothing has risen drastically in the recent years.

Indian Textile Market (US\$ billion)



(Source: Ministry of Textiles)

⁸ <https://www.imarcgroup.com/indian-textiles-apparel-market>

Indian Demin Industry

Denim clothing has the most flexible and comfortable fabric for all age groups in India. The adaptation of western culture in the clothing industry has made denim an essential part of the wardrobe. Growing urbanization and increasing disposable income shall enhance the growth of denim industry by 2027 reinforced by the increased popularity of denim shirts, denim jeans by combining cotton with synthetic material. A report by Business of Fashion and McKinsey has estimated that Denim manufacturing and consumption in India is growing at a CAGR of 15 percent.⁹ The easy availability of the raw material, increasing government initiatives to develop the product manufacturing and expanding promotion of denim wear. But this growth is probable to be hampered by the availability of alternatives in the market, fluctuations in the cost of raw material, consumer preference and changing fashion.

Trends in Denim Industry

1. Colours- Denims are available in various colours these days including ash grey, white, blue, black. The monochromatic trend is growing impetus. The recognition of the same has encouraged brands to continue it further.
2. Fabric- Denim fabric is mainly made of cotton but due to high demand of stretchable and comfortable denims, the demand for soft denims has increased. Manufactures are investing in elastic fabrics including stretch in the warp, bi-stretch or hyper-stretch. The use of combined fabric with Lycra in denim will grow rapidly in the years ahead.
3. Fits- There are various trends from the nineties that are coming back into existence including high-waisted jeans, boy-friend jeans, baggy jeans. Nowadays, the youth of India prefer buying such jeans instead of fitted jeans. This is gaining impetus and it shall push the denims market in the future.
4. Designs- Denim designs like bootcut jeans, ankle length jeans, knots in jeans, embroidered jeans, ruffled jeans are being preferred by the youth in India these days.

Outlook

India's textile and apparel sector is anticipated to grow to \$223 billion by 2021, up from \$140.4 billion in 2018¹⁰. The exports of textiles and apparels in India is estimated to increase to US\$ 82 billion by FY 2021-22¹¹. As the government focus is increasing, favourable policies are important for the growth of the textile industry. The government is also promoting investments through increasing focus on schemes including



Technology Upgradation Fund Scheme (TUFS) and Scheme for Capacity Building in Textile Sector (SCBTS). In the Union Budget 2020-21, the government has allocated Rs 761.9 crore for Amended Technology Upgradation Fund Scheme (ATUFS). Also, as the disposable income is increasing, the retail sector is also experiencing a rapid growth. This shall lead to the increase in demand for the product and create a huge domestic market. By 2024-25, textile and apparel exports are predicted to exceed \$300 billion, resulting in a tripling of India's global share from 5% to 15%.

Opportunities

1. Availability of raw material- Raw materials in India are available abundantly covering all types of natural and synthetic fibres. India is the largest cotton producing country around the globe with 6,423 thousand metric tonnes of production.¹²
2. Infrastructure- Various manufacturing clusters are being developed with support from the central and state government by ways of textile estates. Central government has sponsored 66 estates across states. Special Economic Zones (SEZ) is another way in which the government is supporting the textile industry.

⁹ <https://www.fashionatingworld.com/new1-2/india-s-denim-production-grows-at-15-cagr>

¹⁰ <https://www.investindia.gov.in/sector/textiles-apparel>

¹¹ <https://www.ibef.org/industry/indian-textiles-and-apparel-industry-analysis-presentation>

¹² <https://www.statista.com/statistics/263055/cotton-production-worldwide-by-top-countries/>

3. Growing Domestic Market- India has functioned better than many of the leading consumption regions like the United States, European Union, and Japan. The domestic apparel consumption of India has been growing at a CAGR of 11% since 2005. Due to the presence of strong fundamentals, the domestic textile market size in India is expected to reach ~US\$ 220 billion by 2025.
4. Government Support- The Indian government has announced various schemes for the textile and apparel manufacturers to get them globally competitive. The schemes are targeted towards infrastructure development, technology upgradation, export promotion etc. In FY 2019-20, the Indian Government announced a US\$ 1 billion package for the next 3 years for garment and made-ups manufacturers. Also, several state governments have declared their policies related to textiles that aimed at inviting investments in their states.

Threats

1. Lack of technology- Despite the technological advancements, the textile factories in India remain to be labour intensive and not capital intensive.
2. Unorganised Weaving Sector- Approximately 95% of the weaving sector in India is unorganised due to which the resources provided to them are insufficient. India has only 2% stake in the global shuttle-less emerge installed capacity.
3. Pressure to meet environmental norms- Failing to abide by the environmental regulations can lay supply chain in threat as the pressure intensifies for the apparel industry to improve environmental compliance efforts.

Company Overview

Located in Ahmedabad, Nandan Denim is India's leading supplier of denim. The company serves in more than 27 countries through trusted suppliers. Besides spinning and weaving, the company is one of few companies in the Chiripal Group, covering diverse business areas such as fabric processing, chemicals, infrastructure, packaging and educational institutions among others. In 2004, Nandan Denim expanded its operations into manufacturing from its textile trading business. It has also diversified into shirting and other fabrics over time. Investing constantly in technology, R&D, and product innovation is a key reason behind the company's continued success and growth. In real time, the company aims to capture the changing tastes of customers, regardless of geography, economy or race. In other words, delivering superior quality products in full and on time.

SWOT

Strengths

- ▶ As the leading domestic denim manufacturer, the company has established a dominant market position.
- ▶ Consistent growth in scale, coupled with continued capacity expansion
- ▶ Having an annual denim production capacity of over 110 million meters
- ▶ Backward integration is essential to managing working capital and delivering products on schedule.
- ▶ Fast delivery of products

Weaknesses

- ▶ Domestic overcapacity may pressurize realizations in the denim industry
- ▶ The fabric of denim is a single source of dependency.
- ▶ Raw material prices can affect gross margins significantly.

Opportunities

- ▶ Denim's acceptance as an all-occasion clothing and growth in disposable income are expected to lead to double digit growth in denim demand.
- ▶ The company has already entered 27 countries and boasts prestigious brands. Providing their presence and association with brands will benefit their export prospects in the long run, if their margin profile improves.
- ▶ A boost in margins and returns could result from incentives under state and central textile policies
- ▶ Since the Indian denim industry is expected to grow substantially over the next few years, NDL added will enjoy a competitive advantage through its fully integrated operations.
- ▶ Demand for denim worldwide, resulting in increased exports

Threats

- ▶ Changes in consumer trends and preferences.
- ▶ Gross margins can be adversely affected by fluctuating raw material prices
- ▶ Sectors unorganized pose a threat.

Customer oriented Organization

In order to cater to the demands of the globe's citizens, NDL makes continual efforts to create products that would satisfy every customer. Customers can also receive delivery services, and NDL guarantees on-time delivery regardless of procurement difficulties. It honors every commitment it makes to its customers with passion. For the best customer experience, regular product innovation is also prioritized.

NDL has always been known for its high standards of quality and diversity. The sole mission of the company is to establish Nandan as the only fashion brand in itself.

In-house manufacturing amenities

The NDL Group has one of the largest vertically integrated production line, producing everything from yarn to fabric under one roof. It will also be easier to control production processes with in-house manufacturing. With fully integrated manufacturing facilities, the company produces spinning, weaving, dyeing, processing, and finishing. Product range is extensive at the company. A quality certification of ISO 9001-2000 was also given to the organization.

The Company maintains manufacturing facilities at its Piplej and Bareja plants in Ahmedabad. The fabric manufactured by Nandan Denim is made of cotton fiber, with in-house R&D to support the innovations. A solid infrastructure assists in making the company's world-class facilities more productive, its people more efficient, and its products unbeatable in quality.

Product Mix

NDL's product line includes fabrics such as denim, shirting, and yarn. The yarns used in its manufacture include 100% cotton, special open ends, spun cores, and 100% dyed yarns. The net revenue of the company for FY21 was 10902 million.

CAPACITY	FY18	FY19	FY20	FY21
Spinning (TPD)	141	141	141	141*
Yarn dyeing (TPD)	10	10	10	10
Fabric (MMPA)				
Denim	110	110	110	110
Shirting	10	10	10	10

*Part of spinning capacity at Piplej Plant got damaged in fire on August 8, 2020, the same is under restoration.

Products

- ▶ **Denims:** The Company is the largest supplier of denim in India. In the denim industry, NDL has an annual production capacity of 110 million meters (MMPA). This denim company offers a wide range of product lines such as Core Classics, Reinvented Classics, Novelties, Structured, Knit Denim, Innovations, Light Weight Denim, Blends, Feather Touch, Stretch Tech, Prints and more. Denim innovation and technology are important to the company's mission of making new kinds of denim to fit current needs and desires. The net sales of denims stood at FY21 at 6001 million. It has a 55 percent share in the total revenue of the company.
- ▶ **Shirting:** The 20 TPD yarn dyeing facility with various configurations starts from 6 kg on and allows us to offer a large number of shades. There are also high speed looms with air jets and rapier attachments as well as new state of the art weaving facilities worth 10 MMPA. Therefore, the company ensures to produce top-notch fabrics, such as plain, twill, dobby, chambray, fila fil, herringbone, basket weave, and pin-point oxford. The state-of-the-art weaving is combined with the processing machines ranging from preparatory to finishing; that are, printing over yarn dyed fabrics, Indigo dyed fabrics, etc. To suit the customer's requirement, a touch of the technology is added to the fabric. Basic, Smart Casual, Casual, Textured, Indigo, Sulphur, Fancy and Blends are its variations. These shirts are made with 100% cotton fabric made in-house. It is also possible to blend fibers like tencel, viscose, modal, linen, etc. with cotton to create new kinds of shirts with an enriched look. Additionally, NDL has a dyeing facility that

allows its shirt fabrics to have a wider range of colors. The net sales of shirts stood at 395 million in FY21

- ▶ **Yarn:** Besides dyed yarn, NDL provides various blends and counts of blended yarn for the hosiery and weaving segment. A yarn dyeing plant can develop any shade in packaged yarn in 48-72 hours according to customer's specifications. The company has state-of-the-art weaving facilities worth 10 MMPA, which feature high speed looms and dobby attachments using air jets and rapier technology that give its yarn an advantage. As a result, it also guarantees the development of the finest plain, twill, dobby, chambray, filafil, herringbone, basket weave, and pin-point oxford fabrics, to name a few. Due to the larger package size of 1200-1300 grams, there are fewer cone changes during knitting/warping, which leads to greater knitting/warping efficiency and less waste. Efficiencies, productivity, and effectiveness of these components of production are constantly being improved.



Financial Highlight

Particulars	FY 2021	FY 2020	YoY Change
Revenue from operations (₹ in crores)	1,090.23	1,524.26	(434.03)
PAT (₹ in crores)	(19.25)	(0.29)	(18.96)
EBITDA (₹ in crores)	84.65	112.03	(27.38)
Debtors Turnover (days)	93.21	76.43	16.78
Inventory Turnover (days)	68.79	41.94	26.85
Interest Coverage Ratio (in times)	2.00	2.6	(0.60)
Current Ratio (in times)	1.49	1.4	0.09
Debt/Equity Ratio (in times)	1.17	1.06	0.11
EBITDA Margin (%)	7.76%	7.35%	0.41
Net Profit Margin (%)	(1.76%)	(0.02%)	(1.74)
Return on Net Worth (%)	(4.08%)	(0.11%)	(3.97)

There was a decline in revenue and major ratios mainly due to outbreak of COVID-19 pandemic in the early quarters of 2020-21. The fire incident in August 2020 also had a material impact on the financial risk profile as it resulted in disruption in production / operations at our Piplej unit.

Innovation and Design

Research & Development and product innovations enable NDL to offer a dynamic product basket that combines functionality and fashion. To stay on top of the fashion trend, the company focuses on analyzing and forecasting the next fashion trend. As a result of NDL's commitment to innovation and versatility, the company offers a variety of denims and shirt fabrics that suit both classic style and modern trends. Likewise, it invests in latest technology to stay competitive in the global market and offer customers the newest trends in the market. With constant innovation and a diverse product range, NDL is driven by values of excellence.

Predominant Quality

Through its infrastructure, technology, and manufacturing facilities, NDL produces products of unmatched quality. To ensure proper waxing during yarn production, special rewinding machines are used. To achieve uniform quality structure for all products, the finished product is subject to stringent quality measures. In addition, each fabric set is tested for quality under the ASTM and AATC standards before being shipped. Following the tensile strength test, a chemical test checks shrinkage, weight, and movement. Research-based production methods and modern technology ensure high quality.

Steps Towards Sustainability

NDL is committed to protecting the environment and has achieved sustainability. The company proudly discharges no liquid. The textile industry uses a large amount of water because of the need to clean raw materials and for many flushing operations during production. Water management is

a serious concern for the company, so that is why it employs a Reverse Osmosis (RO) Plant to reclaim water that is emitted through the Effluent Treatment Plant (ETP). Additionally, it treats wastewater responsibly through Sewage Treatment Plants (STP) and reuses the same for gardening.

The company is also carbon neutral. The planting of its own greenbelt with over 25000 trees was a major step. Other measures include the use of LEDs for department lighting, plans to implement solar panel systems, and reusing process water from condensate recovery. In order to ensure long-term sustainability, NDL complies with all chemical standards. Denim is also recycled by the company to manage its waste. A Caustic Recovery Plant (CRP) is used to repurpose and process caustic. The company constantly improves its waste management policies after closely studying the denim manufacturing process to further minimize waste production.

Exports

NDL is a trusted supplier to over 27 countries worldwide. The company has ties to major retailers in the United States. More than 20 major global brands use its jeans, denim and other clothing. These include Target, Ann Taylor, Mango, and Wrangler, as well as Walmart and H&M.

Outlook

Textile production in India in general and denim production in particular are expected to grow further in coming years. The global industry also has a bright future. As a result, Nandan Denim Limited will have opportunities to grow, both domestically and internationally. The combined effect of a rise in income and increased apparel demand has led to a significant increase in the demand for denim. As demand for

denim steadily grew over the last 4-5 years, several denim manufacturers, including NDL, were able to expand capacity through government incentives. These terms have made the industry more competitive. The recent Covid-19 pandemic, however, has significantly impacted the industry as well as the Company. Temporary slowdown due to this situation is expected to be reversed once the situation is normalized. With the Company's values of constant evolution and product innovation, it will be able to maintain its strong standing in the industry and eventually grow even further.

Risks and Concerns

The Company has a robust risk assessment and management framework in place. It empowers the company to analysis the risks impacted it operations and undertake timely actions to mitigate the same. It has also formed a risk management committee under the supervision of the Board of Directors which undertake timely actions to minimise/mitigate the adverse impact of any uncertainties.

Disclaimer

It is possible that some of the forward-looking statements contained in the MDA section regarding future prospects could be deemed forward-looking statements, which are subject to risks and uncertainties. The Company and the environment in which it operates may face unforeseen, unprecedented, unascertainable and constantly evolving risk(s) due to global pandemics such as COVID-19. The report's facts and figures are derived from assumptions made based on information available both internally and externally. These assumptions are subject to change over time, which also affects the estimates based on them. Any forward-looking statement only speaks as of the date on which it was made, and any forward-looking statement represents only the Company's current intentions, beliefs, or expectations. As a result of new information, future events, or otherwise, the Company assumes no obligation to revise or update any forward-looking statements.



NANDAN DENIM LIMITED

CIN: L51909GJ1994PLC022719

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

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

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

Tel No.: 079 – 26734660/2/3

Notice

Notice is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the Members of Nandan Denim Limited will be held on Thursday, September 30, 2021 at 03.00 p.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses:-

ORDINARY BUSINESS:

- To receive, consider and adopt the Standalone Audited Financial Statement of the Company for the Financial Year ended March 31, 2021 together with Report of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Standalone Audited Financial Statement of the Company for the financial year ended March 31, 2021 together with Report of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

- To appoint a Director in place of Mr. Vedprakash Chiripal (DIN: 00290454), who retires by rotation and being eligible, offers himself for reappointment as a Director and in this regard, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Vedprakash Chiripal (DIN: 00290454), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

- To appoint Mr. Shaktidan Jayendrasingh Gadhavi as Director of the Company and in this regard, pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder

(including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Shaktidan Jayendrasingh Gadhavi (DIN: 09004587), who was appointed as Additional Director on December 28, 2020 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

“RESOLVED FURTHER THAT Directors/Company Secretary of the Company, be and are hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

- To appoint Mr. Shaktidan Jayendrasingh Gadhavi as Whole-Time Director of the Company and in this regard, pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, Schedule V and all the other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded for appointment of Mr. Shaktidan Jayendrasingh Gadhavi (DIN: 09004587) as the Whole Time Director of the Company for the period of 3 years with effect from August 14, 2021 on the terms and conditions including remuneration as detailed in the explanatory statement attached hereto.”

“RESOLVED FURTHER THAT the Nomination and Remuneration Committee of the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Mr. Shaktidan Jayendrasingh Gadhavi, the remuneration payable to him subject to overall limits laid down in Sections 197, Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for

the time being in force) without further approval of the Board and Members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution.”

5. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2022 and in this regard, pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of an amount, not exceeding Rs. 3.00 lakhs (Rupees Three Lakh Only) plus taxes and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit payable to M/s A.G. Tulsian & Co., Cost Accountants (Firm Registration Number:100629) who were appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audit relating to cost records of the Company under the Companies (Cost Records and Audit) Rules, 2015 for the financial year ending March 31, 2022.”

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

6. To approve entering of Related Party Transactions and in this regard, pass with or without modification(s), the following resolution as an Special Resolution:

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

23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force),if any, approval of the Members of the Company be and is hereby accorded to the Board of Directors (including Committee(s) of the Board), to enter into material contract(s)/arrangement(s)/ transaction(s) for a period of 2 (two) financial years, with the respective Related Parties (as defined under section 2(76) of the Companies Act, 2013 and regulation 2(zb) of the Listing Regulations) during the year 2021-22 and 2022-23 for contract(s)/arrangement(s)/transaction(s), which are commercial transactions as detailed in the explanatory statement attached to this notice.”

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

“RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

By order of the Board of Directors
For Nandan Denim Limited

August 14, 2021
Ahmedabad

Purvee Roy
Company Secretary
Mem. No. F8978

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs vide its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and 02/21 dated January 13, 2021. ('MCA Circulars') permitted holding of Annual General Meeting ("AGM" or "meeting") through VC / OAVM, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA and SEBI Circulars, the AGM of the Company for FY 21 is being held through VC / OAVM. The detailed procedure for participation in the meeting through VC / OAVM is as per Note No. 24 of the Notice of AGM.
2. In accordance with the provisions of Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014 read with the said MCA Circulars, the Annual Report of the Company is being sent through email only to the members whose email address are registered with the Company/Depositories, as the case may be. Member(s), however, are entitled to receive Annual Report in physical form, free of cost, on receipt of written request for the same. Members may also note that the Annual Report for the financial year 2021 together with the Notice of 27th Annual General Meeting is also available on the website of the Company viz. www.nandandenim.com.
3. Since the AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
5. Members of the Company who are Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Corporate Members intending to authorize their representatives to participate and vote through e-voting on their behalf at the meeting are requested to send a certified copy of the Board Resolution / Authorization Letter to the Company.
6. The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 Members on a first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of business to be transacted at the Annual General Meeting (AGM), as set out in Item Nos. 3 to 6 above and the relevant details of the Directors seeking re-appointment under Item No. 2 above as required by Regulation 26(4) and 36(3) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements), Regulations, 2015 and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed hereto.
8. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names, are requested to send the share certificates to the RTA, for consolidation of such multiple folios into a single folio.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as, name of Bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.
10. Book Closure:
The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 24, 2021 to Thursday, September 30, 2021 (both days inclusive).
11. Pursuant to Sections 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to Investor Education and Protection Fund ("IEPF") established by the Central Government. During the year, the Company has transferred any amount to the Investor Education and Protection Fund of the Central Government. The shareholders who have not claimed their dividend for the financial year 2014 and all subsequent years are requested to claim their dividend as early as possible, failing which it would be transferred to IEPF as per the (tentative) dates mentioned below and

no claim shall lie against the Company for the said amount of unclaimed dividend so transferred. The details of unclaimed dividends are available on the Company's website and Ministry of Corporate Affairs website at www.mca.gov.in.

Financial Year	Final Dividend/Interim Dividend	Tentative Date for transfer to IEPF
2013-14	Final	21.11.2021
2014-15	Interim	11.04.2022
2014-15	Final	05.12.2022
2015-16	1st Interim	19.03.2023
2015-16	2nd Interim	16.04.2023
2016-17	Final	05.11.2024
2017-18	Final	05.11.2025

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

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

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

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

13. Transfer of Unclaimed Dividend Accounts to the Investor Education and Protection Fund (IEPF):

- A. Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of 7 (seven) years. Further, according to the Rules, shares in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.
- B. During the financial year 2020-21, the Company has transferred amount to the IEPF unclaimed dividends and corresponding shares thereto.
- C. The shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

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

14. Brief Profile of Director(s) seeking re-appointment at the ensuing Annual General Meeting of the Company as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed and forms integral part of the Notice
15. As per Securities and Exchange Board of India (SEBI) norms, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/transposition of shares. Members holding shares in dematerialized mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrar and Transfer Agent. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from December 1, 2015), for registration of transfer of shares, the transferee(s) as well as transferor(s) are required to furnish a copy of their PAN card to Company's Registrar and Share Transfer Agent.

16. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, securities of listed company can only be transferred in dematerialized form with effect from April 1, 2019. In view of the above, members are advised to dematerialize shares held by them in physical form.
17. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the meeting so that the information required may be made available at the meeting. The Company has connectivity from the CDSL & NSDL and equity shares of the Company may also be held in the electronic form with any DP, with whom the members/ investors are having their depository account. The ISIN for the Equity Shares of the Company is INE875G01030. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact Company's Registrar and Share Transfer Agent for assistance in this regard.
18. Documents open for inspection:
- All documents referred to in the Notice along with the Statutory Registers maintained by the Company as per the Act will be available for inspection in electronic mode upto the date of AGM of the Company and will also be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to cs.ndl@chiripalgroup.com;
19. In compliance with MCA Circulars and SEBI Circulars Notice of AGM along with the Annual Report for the financial year 2020-21 are being sent only through electronic mode to those members whose email addresses are registered with the Company / DPs. Members may note that the Notice and Annual Report will also be available on the Company's website i.e. www.nandandenim.com, websites of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of Central Depository Services Limited (CDSL) at www.evotingindia.com.
- Members, who have not registered their email ids so far, are requested to register their email ids with their depository for receiving all communications including Annual Report, Notices, etc. from the Company electronically by updating their information with respective depositories.
20. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon
21. Members who are entitled to participate in AGM can attend the same and new the proceeding through line web-call facility by accessing e-voting website of CDSL.
22. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form; the nomination form may be filed with the respective Depository Participant.
23. Since the AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
24. Procedure for voting:
- A. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Section 109 of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014 along with Regulation 44 of the Listing Regulations (including any statutory modification(s) and / or enactment(s) thereof for the time being in force), members are provided with the following alternatives by which they may cast their votes:
- By electronic means through the remote e-voting platform provided by the Central Depository Services (India) Limited (CDSL).
 - By voting through ballot paper at the Annual General Meeting.
- In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through ballot form shall be treated as invalid.
- Information and instructions relating to e-voting are as under:
- The Company has appointed Mr. Keyur Shah (Membership Number: FCS 9559; CP No. 8814) of M/s. Keyur J. Shah & Associates, Company Secretaries as the scrutiniser for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The e-voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on September 23, 2021 being the cut-off date.

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

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
 2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
 3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
 4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
 5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
 6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.nandandenim.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
 7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
 8. In continuation of this, Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.
- THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**
- (i) The voting period begins on September 26, 2021 at 09.00 am and ends on September 29, 2021 at 05.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders

would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-voting service providers i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by issues/Company. Additionally, we are providing links to e-voting service providers, so that the user can visit the e-voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp

Type of shareholders	Login Method
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service providers' website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) 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.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

- 6) If you are a first-time user follow the steps given below:

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

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to

the Company at the email address viz; cs.ndl@chiripalgroup.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/ AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders - Please provide demat account details (CDSL - 16 digit beneficiary ID or NSDL - 16 digit DPID + CLID), name, client master or copy of consolidated account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company / RTA email id.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

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

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

- i. The e-voting period commences on, September 26, 2021 at 9.00 a.m. (IST) and ends on, September 29, 2021 at 05.00 p.m. (IST). The remote e-voting module will be disabled by CSDL for voting thereafter. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off Date of September 23, 2021 may cast their vote electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- 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, of M/s. Keyur J. Shah & Associates, Company Secretaries (Membership Number: FCS 9559; CP No. 8814) (Address: 408, Chitrarath Complex, Opp. Municipal Market, Off C.G. Road, Navrangpura, Ahmedabad - 380009, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-voting process.
- iv. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit forth with to the Chairman of the Company.

- v. The results shall be declared by the Chairperson or a person so authorized by him in writing on receipt of consolidated report from Scrutinizer. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.nandandenim.com and on the website of CDSL [https:// www.evotingindia.co.in](https://www.evotingindia.co.in) within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
- vi. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to the same being passed with requisite majority.

Contact Details

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

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

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

Item No. 3:

The Board of Directors of the Company through resolution passed by circulation on December 28, 2020 appointed Mr. Shaktidan Jayendrasingh Gadhavi (DIN: 09004587) as Additional Director of the Company and he holds office of the Director till the conclusion of next Annual General Meeting.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013, approval of the members of the Company is required for regularization of Mr. Shaktidan Jayendrasingh Gadhavi as Director of the Company.

Brief profile of Mr. Shaktidan Jayendrasingh Gadhavi is given below for reference of the members:

Mr. Gadhavi is working with Nandan Denim Limited since 2007. He has earlier worked with Companies like Gomti Processors Limited and Manisha Fabrics Limited. He is a Commerce Graduate and has rich experience in the field of excise, liasioning and commercial aspects.

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

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

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

Item No. 4:

The Board of Directors of the Company has appointed Mr. Shaktidan Jayendrasingh Gadhavi as the Whole Time Director of the Company on the recommendation of Nomination and Remuneration Committee for a period of three years with effect from August 14, 2021, subject to approval of the members of the Company on the terms and conditions and remuneration as mentioned herein below:

(a) Salary: Salary plus allowances with different breakup be payable on monthly / yearly basis within overall limit not

exceeding Rs. 1,50,000/- per month. Annual increment maximum up to 30% of last remuneration depending upon work performance, working of the Company etc. as may be decided by Nomination and Remuneration Committee of the Board from time to time.

(b) Perquisites: In addition to the salary as described in (a) above, he shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified hereinabove.

(i) Provident Fund: Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(ii) Gratuity: The Company shall pay gratuity as per the Company's Rules.

(iii) Encashment of leave at the end of the tenure.

(c) Other Perquisites:

(i) Medical Reimbursement: Expenses incurred for self and family subject to the ceiling of one month's salary per year which can be carried forward for 3 years.

(ii) Leave travel concession: For self and family once in a year within such limits as may be approved by the Nomination and Remuneration Committee from time to time.

(iii) Bonus / Ex-gratia payments: The Company shall pay as per the rules of the Company.

(iv) The Company shall pay the residence telephone expenses, however the long distance personal call shall be billed by the Company.

(v) He shall be entitled to the benefits under all the other schemes, privileges and amenities as are granted to the senior executives of the Company in accordance with the company's practice, rules, regulations in force from time to time.

(d) Contribution to Pension Scheme (NPS): The Company may contribute in Pension Scheme as per the Company's rules.

(e) He will be entitled to all other benefits as applicable to the senior executives of the Company.

(f) For all other terms and conditions not specifically spelt out above, the rules and order of the Company shall apply.

Notwithstanding anything to the contrary herein contained, where, in any financial year, the Company, has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary and perquisites and allowances as specified above subject to the limits as may be prescribed or amended in future from time to time under the provisions of the Companies Act, 2013, Schedule thereof and the Rules framed there under as well as any other statutory provisions as may be applicable.

Pursuant to the provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013, the approval of the members is being sought for appointment and payment of remuneration to Mr. Shaktidar Gadhavi as the Whole Time Director of the Company. In the opinion of the Board, Mr. Shaktidar Gadhavi fulfills the conditions specified in the Companies Act, 2013 and the rules made there under for his appointment as the Whole Time Director of the Company.

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

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

Item No. 5:

The Board of Directors at their meeting held on August 14, 2021, on the recommendation of the Audit Committee, had approved the appointment and remuneration of M/s A.G. Tulsian & Co., Cost Accountants, Ahmedabad (Firm Registration Number: 100629) as Cost Auditor to conduct the audit of the cost accounting records maintained by the Company in respect of textiles and related products for the financial year ending March 31, 2022 at a remuneration not exceeding Rs. 3.00 lacs (Rupees Three Lakhs Only) excluding taxes and reimbursement of out of pocket expenses at actuals, if any, in connection with the audit.

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

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

Accordingly, ratification by members is sought to the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company, if required, for the financial year ending March 31, 2022.

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

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

Item No. 6:

In order to sustain quality standards of Chiripal Group, quantitative benefits, ease of customer reach, global representation and in the best interest of the Company and its shareholders, major transactions of the Company pertaining to sale, purchase or supply of goods, materials & services have been since long with Chiripal Group Companies. Considering the prevailing market trend these transactions will continue in the financial years 2021-22 and 2022-23. Further, the Company being in existence for more than two decades has developed into an institution with efficient systems, competent credit management practices and stringent operational control processes and thus, may extend the required support to its Group Companies.

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of section 188 of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the Related Party, the Company must obtain the prior approval of the Audit Committee and of the Board of Directors and in case certain class of the Company, prior approval of the shareholders by way of a Special Resolution must be obtained for certain transactions. In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), all Material Related Party Transaction, i.e., transaction which individually or taken together exceeds 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements, require approval of the shareholders and the Related Parties to the particular transaction shall abstain from voting on such resolutions. Since the aggregate value of these transactions (proposed in 2021-22 and 2022-23) are likely to exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, the said transactions would be considered to be Material Related Party Transactions for the purpose of provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and will thus require approval of the members of the Company through a Special Resolution.

The Audit Committee has approved the abovementioned Related Party Transactions and has noted that these transactions are in the ordinary course of business and are at arm's length. Further, the Audit Committee and Board of Directors have reviewed major terms & conditions of these transactions and hence recommend to the members for their approval for 2 (two) financial years i.e. for 2021-22 and 2022-23.

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

For the year 2021-22 and 2022-23 (figures provided below are per year basis and not consolidated for 2 years):

Sr. No.	Particulars	Remarks / Details									
1.	Name of Related Party/ies	Chiripal Industries Limited	Nova Textiles Private Limited	Nandan Terry Private Limited	Chiripal Poly Films Limited	Vishal Fabrics Limited	Chiripal Textile Mills Private Limited	Chiripal Lifestyle Limited	CIL Nova Petrochemicals Limited	Shanti Exports Private Limited	Vraj Integrated Textile Park Limited
2.	Name of Related Director / KMP	Jyotiprasad Chiripal	Brijmohan Chiripal	Brijmohan Chiripal & Vedprakash Chiripal	Vedprakash Chiripal, Jyotiprasad Chiripal & Brijmohan Chiripal	Brijmohan Chiripal	Brijmohan Chiripal	Jaiprakash Chiripal & Brijmohan Chiripal	Jyotiprasad Chiripal	Brijmohan Chiripal	Jaiprakash Chiripal
3.	Nature of Relationship	Common Directorship & Shareholding	Brother of Chairman & Managing Director	Vedprakash Chiripal being Common Director and Brijmohan Chiripal is brother of Chairman & Managing Director	Common Directorship & Shareholding and Brijmohan Chiripal is brother of Chairman & Managing Director	Brother of Chairman & Managing Director	Brother of Chairman & Managing Director	Both are brothers of Chairman & Managing Director	Common Directorship & Shareholding	Brother of Chairman & Managing Director	Brother of Chairman & Managing Director
4.	Nature of Transaction	Sale of goods including job work	Sale of goods including job work	Sale of goods / products including yarn and job work	-	Sale of yarn and goods	Sale of power & yarn	Sale of goods	Sale of goods including job work	Rent / Lease expenses including maintenance and electricity expenses	Rent / Lease expenses including maintenance and electricity expenses
		Purchase of goods including raw materials & stock in trade. Payment for rent / lease of property.	Purchase of goods including raw materials & stock in trade and others.	Jobwork	Purchase of goods	Purchase of goods	Purchase of fabrics	-	Purchase of goods	-	-
5.	Material Terms	These transactions as well as the proposed transactions would continue to be in ordinary course of business and at arm's length basis									
6.	Monetary Value	500 cr.	600 cr.	200 cr.	25 cr.	150 cr.	50 cr.	5 cr.	75 cr.	2 cr.	2 cr.
7.	Particulars of Contracts or Arrangements	Contract or Arrangement have been entered into after consultation and approval of Audit Committee and Board.									
8.	Any other relevant or important information	No other relevant or important information.									

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

The members are further informed that no member(s) of the Company being a Related Party or having any interest in the resolution as set out at Item No. 6 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. 6 of the Notice for the approval of the members.

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

August 14, 2021
Ahmedabad

Purvee Roy
Company Secretary
Mem. No. F8978

ANNEXURE TO THE NOTICE DATED AUGUST 14, 2021

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

Particulars	Mr. Vedprakash Chiripal	Mr. Shaktidan Gadhavi
Age	69 years	50 years
Qualifications	Bachelor of Commerce	Bachelor of Commerce
Experience (including expertise in specific functional are) / Brief Resume	The Chairman of the Company and the soul of Chiripal Group of Industries, he has single mindedly steered the Group. He is widely recognized for his path breaking and visionary contribution to denim sector. A Commerce Graduate, he has more than four decades of experience in the field of manufacturing, trading and export of various textiles products. He started his small textile business with only 12 looms in 1974. Subsequently, he set up various processing units and other manufacturing units for textile products. Under his visionary leadership, the Group's business and revenues have grown manifold and it emerged as a large conglomerate with diversified interests	Mr. Gadhavi is working with Nandan Denim Limited since 2007. He has earlier worked with Companies like Gomti Processors Limited and Manisha Fabrics Limited. He is a Commerce Graduate and has experience in the field of excise, liasioning and commercial aspects.
Terms and Conditions of Appointment / Re-appointment	As per terms and conditions mentioned in agreement entered into between Vedprakash Chiripal and Nandan Denim Limited. His re-appointment is as Non-Executive Promoter Director.	As per terms and conditions mentioned in agreement entered into between Shaktidar Gadhavi and Nandan Denim Limited. His re-appointment is as Whole-Time Director.
Date of first appointment on the Board	11.08.2003	28.12.2020
Shareholding in the Company as on March 31, 2021	23,48,462 equity shares (4.89%)	NIL
Relationship with other Directors / Key Managerial Personnel	Brother of Mr. Jyotiprasad Chiripal (Managing Director)	Not related to any Director or Key Managerial Personnel
Number of meetings of the Board attended during the year	5 (five) Board Meetings	1 (one) Board Meeting
Directorships of other Boards as on March 31, 2021	Chiripal Poly Films Limited Nandan Terry Private Limited	NIL
Membership / Chairmanship of Committees of other Boards as on March 31, 2021	Nandan Denim Limited <ul style="list-style-type: none"> • Nomination & Remuneration Committee – Member • Stakeholders Relationship Committee – Member • Corporate Social Responsibility - Member 	NIL

Boards' Report

To
The Members

The Directors have pleasure in submitting their 27th Report together with the Audited Statements of Accounts of your Company for the year ended March 31, 2021.

OPERATIONAL & FINANCIAL HIGHLIGHTS

The Management Discussion & Analysis Report for Financial Year 2020-21 is part of the Annual Report and explains the operating and financial performance of the business for the year.

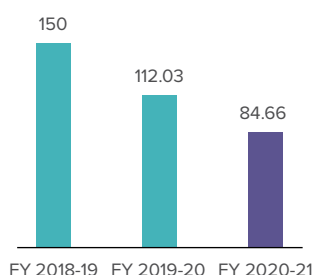
Summary of the financial results of the Company for the year under review is as under:

(₹ in Cr.)

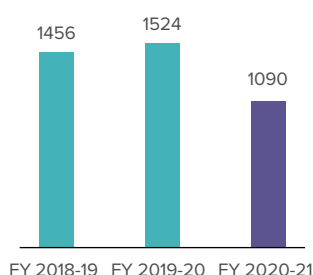
Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Revenue from Operations	1090.23	1524.26
Earnings Before Interest, Taxes, Depreciation and Amortisation	84.65	99.17
Less: Finance Cost	42.26	43.04
Less: Depreciation and Amortisation Cost	78.38	87.70
Profit Before Tax	(31.38)	(7.20)
Less: Tax Expense	(12.66)	(668.76)
Profit After Tax	(18.72)	(0.51)
Other Comprehensive Income	(0.54)	0.22
Total Comprehensive Income	(19.26)	(0.37)
Earnings Per Share	(3.90)	(0.12)
Tax on Dividend	-	-

COMPANY'S PERFORMANCE REVIEW

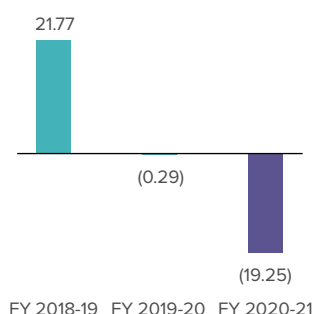
EBITDA (₹ in crores)



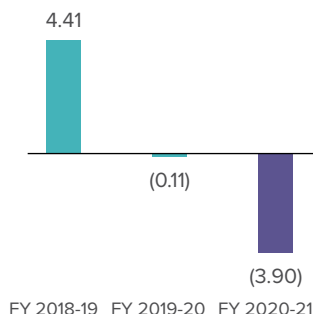
Revenue (₹ in crores)



PAT (₹ in crores)



EPS (₹ in crores)



Textile industry was hit badly due to the global lockdowns and economic recession. Due to the pandemic, all economic activities except for the essential goods and services came to a standstill. The textile and apparel industry was no exception to this. Disrupted logistics and frozen external trade caused due to the pandemic affected the entire value chain alike. India's e-commerce sale of goods and apparel saw a steep rise in 2020, thanks to an increased market. Work-From-Home drove the demand for casual wear apparel over formals. However, 2021 looks brighter given the onset of vaccination drives, growth in e-commerce sales of apparel, and resumption of global supply chains. Despite being tough situation, the Company has achieved aggregate sales of Rs. 1090.23 crores, marginally lower than that of previous financial year and profit before Tax of Rs. (31.38) crores.

Cost of Goods sold as a percentage to revenue from operations increased to 103.23 % as against 100.83 % in the previous year.

Employee cost as a percentage to revenue from operations decreased to 4.68 % (Rs. 51.00 cr.) against 5.20 % (Rs. 79.27 cr.) in the previous year.

Other expense as a percentage to revenue from operations increased to 16.10% (Rs. 175.53 cr.) against 13.77 % (Rs. 209.92 cr.) in the previous year.

The Profit Before Tax (PBT) for the current year is Rs. (31.82) cr. against Rs. (7.27) cr. in the previous year. The Profit After Tax (PAT) declined to Rs. (19.25) cr. against Rs. (0.37) cr. in previous year.

The finance cost (interest) for the current year is Rs. 42.26 cr. as compared to Rs. 43.04 cr. in the previous year, there being no significant change.

DIVIDEND

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

In ordinary circumstances, the Board of Directors considers recommending dividend on interim / annual basis. Board usually considers the Company’s profitability, cash needs for working capital, capital expenditure and other relevant factors while recommending dividend for any financial year. However, in the event where the Company’s profits are inadequate or the Company suffers losses, the Board may consider recommending a lower dividend rate or may not recommend dividend. Keeping in view the loss incurred during the year, future outlook, investment plans, long term interest and working capital needs, the Company has not recommended any dividend for the year 2020-21. The decision has been taken mainly to provide financial flexibility for the future in the current circumstances.

TRANSFER TO RESERVES:

During the year under review, the Company has not transferred any amount to Reserves for the year under review in view of loss incurred.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 124 and Section 125 of the Companies Act, 2013, unclaimed or unpaid Final Dividend relating to the financial year 2013-14 is due for remittance on 22.10.2021, which has not been claimed by shareholders of the Company. Shareholders are required to lodge their claims with the Company’s RTA for unclaimed dividend. Pursuant to the provisions of Investor Education and Protection Fund, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the

Company <https://nandandenim.com/dividend>, as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

Nandan Denim Limited did not have any Subsidiary, Joint Venture or Associate Company for the year ended March 31, 2021.

FINANCIAL STATEMENTS

In compliance with MCA circulars and SEBI circular Annual Report for the year 2020-21 is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositories. Notice and Annual Report is also available on the Company’s website www.nandandenim.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

COMPLIANCE WITH SECRETARIAL STANDARD

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

CREDIT RATING

The external credit rating from ICRA reaffirmed at ICRA BBB-/A3 and out look has been revised from Negative to Stable.

The revision in outlook is attributed by the revival in demand of denim fabrics and improvement in the liquidity position of the company coupled with sanction of Emergency Credit Lines Guarantee Scheme (ECLGS) 2.0 from its lenders

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

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

CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors retiring by rotation

Mr. Vedprakash Chiripal (DIN: 00290454), Chairman of the Company, aged 69 years, retires by rotation as a Director at the conclusion of this Annual General Meeting pursuant to the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and being eligible have offered himself for re-appointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing AGM.

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

Change in Directorate

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

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

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

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

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

He resigned w.e.f. August 20, 2020 citing health reasons.

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

Ms. Pratima Ram was appointed as Non-Executive Independent Director on November 11, 2014. She is an experienced banker with three decades in corporate, international and investment banking, she has worked in India, USA and South Africa and held position of Chief General Manager and Country Head of United States

operations of SBI. She was also CEO of the South African operations of the Bank.

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

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

The Board of Directors, through circular resolution, appointed Mr. Joy Christian as Additional Director w.e.f. September 30, 2020, based on recommendation of the Nomination & Remuneration Committee. Mr. Christian holds degree in Science, Law, Theology along with being a Diploma holder in IRPM and Gold Medalist in MSW from MS University. He has more than 32 years of work experience in HRM and Business Operations. He served in organisations like Vadilal Group of Industries, Stovec Group of Industries, Gujarat Steel Tubes Limited, Modern Group and Sintex Industries Limited.

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

- v. Appointment of Ms. Falguni Vasavada (DIN: 08921942)

The Board of Directors, through circular resolution, appointed Ms. Falguni Vasavada as Independent Director on November 4, 2020 based on recommendation of the Nomination & Remuneration Committee.

Dr. Falguni Vasavada is Professor & Chair, Strategic Marketing Area at MICA. She is a double gold medalist with over two decades of teaching experience in the area of Marketing and Advertising. She has trained corporate professionals and mentored young entrepreneurs in areas like Advertising, Marketing, Consumer Understanding, Branding, Social Media. She has published in International Journals and presented papers in national and international conferences and is involved in international joint research projects in the area of advertising. She is a visiting faculty at management institutes of repute in India and overseas. Her teaching, research and consultancy interests are in the area of Advertising, Branding, and Social Media. She is a TEDx speaker & is frequently invited to speak at reputed forums/panels/ roundtables. She speaks on Advertising, Branding, Marketing, Social Media, Personal Branding, Gender Equality, Body Positivity, Women Empowerment, Work Life Balance, and other motivation topics.

- vi. Appointment of Mr. Shaktidan Gadhavi (DIN: 09004587)

The Board of Directors, through circular resolution, appointed Mr. Shaktidan Gadhavi as Additional Director on December 28, 2020 based on recommendation of the Nomination & Remuneration Committee. He was later

appointed as Whole-Time Director at Board's Meeting held on August 14, 2021 for a period of three years, subject to shareholders approval.

Mr. Gadhavi is working with Nandan Denim Limited since 2007. He has corporate experience of more than 30 years. He is a Commerce Graduate and has experience in the field of Indirect Taxation such as Excise and GST, Liasioning and Commercial aspects.

Declaration of Independence

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16 of the Listing Regulations [including any statutory modification(s) or re-enactment(s) for the time being in force] so as to qualify themselves to be appointed as Independent Directors.

FAMILIARIZATION PROGRAMMES

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

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

Independent Directors Databank

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

Nomination and Remuneration Policy

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

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

Policy on Director's Appointment and Remuneration Policy

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

Criteria for Appointment:

- i. Proposed Director ("Person") shall meet all statutory requirements and should:
 - possess the highest ethics, integrity and values
 - not have direct / indirect conflict with present or potential business / operations of the Company
 - have the balance and maturity of judgment
 - be willing to devote sufficient time and energy
 - have demonstrated leadership and vision at senior levels, and have the ability to articulate a clear direction for the Company
 - have relevant experience with respect to Company's business (in exceptional circumstances, specialisation / expertise in unrelated areas may also be considered)
 - have appropriate comprehension to understand or be able to acquire that understanding relating to corporate functioning or concerning the scale, complexity of business and specific market and environment factors affecting the functioning of the Company
- ii. The appointment shall be in compliance with the Board Diversity Policy of the Company

Process for Identification / Appointment of Directors:

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

Board Evaluation

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

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, Independent Directors at their meeting, without the participation of the

Non-independent Directors and Management, considered/evaluated the Boards' performance, performance of the Chairman and other Non-Independent Directors.

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

The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the relevant Directors). There were a few suggestions for improving the performance of the Board viz. apprising the Board of the latest developments from time to time from governance prospective.

Key Managerial Personnel

As per the provisions of sections 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to Key Managerial Personnel, the following officials were the 'Key Managerial Personnel' for the year 2020-21:

- Mr. Jyotiprasad Chiripal – Managing Director
- Mr. Deepak Chiripal – Chief Executive Officer
- Mr. Ashok Bothra – Chief Financial Officer
- Ms. Purvee Roy – Company Secretary

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

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

Remuneration of Directors, Key Managerial Personnel and particulars of employees

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated

in accordance with section 178 of the Act and regulation 19 of the SEBI Listing Regulations [including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

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

The information in respect of employees of the company required pursuant to rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 will be provided upon request. In terms of Section 136 of the Companies Act 2013, the Report and Accounts are being sent to the Members and other entitled thereto, excluding the aforesaid Annexure which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. In any member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Performance Evaluation:

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

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

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

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

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

ENVIRONMENT AND POLLUTION CONTROL

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

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

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

HUMAN RESOURCES / INDUSTRIAL RELATIONS

Human Resources

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

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

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

Industrial Relations

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

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136(1) of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others

entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

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

DISCLOSURE REQUIREMENTS

- Details of the familiarization programme of the Independent Directors are available on the website of the Company;
- The Code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for prevention of insider trading have also been uploaded on the Company's website;
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors;
- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

INSIDER TRADING POLICY

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

BOARD MEETINGS

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

During the financial year 2020-21, five board meetings were held on July 28, 2020, September 5, 2020, November 13, 2020, December 9, 2020 and February 13, 2021 respectively. The gap between two Board Meetings did not exceed 120 days (except the meetings held in February 2020 and July

2020 for which relaxation was provided by MCA) and a meeting was held in every quarter.

The details of the meetings of the Board of Directors and its Committees, convened during the financial year 2020-21 are given in the Corporate Governance Report which forms a part of this Report. Further, the Board of Directors also confirms compliance and adherence of the Secretarial Standard – 1 as issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs, with regards to Board Meeting.

BOARD COMMITTEES

Your Company has six Committees of the Board, namely:

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Management Committee
- Finance & Investment Committee

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- a. in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable Accounting Standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the Profit and Loss of the Company for the financial year ended March 31, 2021;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a 'going concern' basis;

- e. proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively; and
- f. proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis as stipulated as per Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is presented in a separate section forming part of this Annual Report. It speaks about the overall industry structure, global and domestic economic scenarios, developments in business operations / performance of the Company's business and other material developments during the financial year 2020-21.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees given and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014, as on March 31, 2021, are set out in Note 37(B) to the Financial Statements of the Company.

CORPORATE GOVERNANCE

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

The Company is committed to maintaining good standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by Securities and Exchange Board of India (SEBI). Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a separate section titled 'Report on Corporate Governance' has been included as part of this Report which also contains certain disclosures required under

the Companies Act, 2013. The Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also published in this Annual Report.

SHARE CAPITAL

The paid up Equity Share Capital of the Company as on March 31, 2021 was Rs. 48.05 crores divided into 4,80,49,056 Equity Shares of Rs. 10 each fully paid. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2021, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

The Company's equity shares are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The shares are actively traded on BSE and NSE and have never been suspended from trading.

AUDIT COMMITTEE

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

AUDITORS

Statutory Auditor

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

The Statutory Auditors have confirmed their eligibility and qualifications required under Section 139, 141 and other

applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Auditors' Report for the financial year ended March 31, 2021 does not contain any qualification, reservation or adverse remark. As regards the comments made in the Auditors' Report, the Board is of the opinion that they are self-explanatory and does not require further clarification.

Cost Auditor

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

The Board of Directors of the Company, on the recommendations made by the Audit Committee at its meeting held on August 14, 2021 have approved the appointment of M/s. A.G. Tulsian & Co., Cost Accountants, Ahmedabad [Firm Registration No. 100629] as the Cost Auditor of your Company for the financial year 2021-22 to conduct the audit of the cost records of your Company. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of ensuing Annual General Meeting. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment within the meaning of the said Act.

Your Company has received consent from M/s. A.G. Tulsian & Co., Cost Accountants, to act as Cost Auditor for conducting audit of cost records for the financial year 2021-22 along with a certificate confirming their independence and arm's length relationship.

Secretarial Auditor

M/s Jay Khatnani & Associates, Company Secretaries, Ahmedabad (Firm Registration Number: S2018GJ620700) was appointed as Secretarial Auditor of the Company for the financial year 2020-21 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as "Annexure- E" to this Report.

Explanation to the observations of Secretarial Audit Report:

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

1. Few E-forms were filed with required late filing fees as per the provisions of the Companies Act, 2013

The Company has filed few e-forms after paying necessary statutory fees. However, the Company will ensure that forms are filed within time limit.

- There was delay in filing under regulation 29(2) and (3) and non-compliance of regulation 17(1) of SEBI (LODR) Regulations, 2015. However, the delay / non-compliance with the regulations were complied by the Company and they have paid penalty for the same

The delayed filing and non-compliance was mainly due to nation-wide lockdown imposed by Government and reasons beyond control.

M/s Jay Khatnani & Associates, Company Secretary have been appointed to conduct the Secretarial Audit of the Company for the financial year 2021-22. They have confirmed that they are eligible for the said appointment.

Auditors' Certificate on Corporate Governance

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors' Certificate on Corporate Governance is enclosed as part of Board's Report. The Auditors' Certificate for fiscal 2021 does not contain any qualification, reservation or adverse remark.

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

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

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

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

RELATED PARTY TRANSACTIONS

During the financial year 2020-21, your Company has entered into transactions with related parties as defined under section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, all of which are in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules issued thereunder and the Listing Regulations. Details of related party transactions to be entered in the financial year 2021-22 and 2022-23 have been placed for approval at the ensuing AGM.

All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approval was

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

The details of the related party transactions as per Indian Accounting Standard are set out in Note 36 to the Financial Statements forming part of this report.

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

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

POLICIES OF THE COMPANY

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

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

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

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

DETAILS OF INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

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

Nandan Denim Limited has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956 to the extent applicable. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.

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

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

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

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

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

RISK MANAGEMENT

The Company has a well-defined risk management framework in place. Further, it has established procedures to periodically place before the Board, the risk assessment and management

measures. As such, there are no risks which in the opinion of the Board threaten the existence of the Company. However, the details of the risks faced by the Company which may pose challenges and the mitigation thereof are discussed in detail in the Management Discussion and Analysis Report that forms part of the Annual Report.

CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior management which is available on Company's website https://nandanddenim.com/wp-content/uploads/2018/07/CodeofConductforPreventionofInsiderTrading_final.pdf. All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

INSURANCE

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

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

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

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

During the financial year 2020-21, no cases in the nature of sexual harassment were reported at any workplace of Nandan Denim Limited.

CORPORATE SOCIAL RESPONSIBILITY

During the financial year ended March 31, 2021, the Company incurred CSR expenditure of Rs. 57.00 lakh (Rupees Fifty Seven Lakh Only). The CSR initiatives of the Company is mainly under the thrust area of education. The Company recognizes its obligations to act responsibly, ethically and with integrity in its dealings with employees, community,

customers and the environment as a whole. We know that corporate responsibility is essential to our current and future success as a business. The Company believes it has the greatest opportunity to drive values through CSR initiatives in areas pertaining to Health and Education and is committed to improving the quality of life in communities. The Company had provided an amount of Rs. 57.00 lakh to a registered trust for educational activities.

The Company's CSR Policy statement and Annual Report on the CSR activities undertaken during the financial year ended March 31, 2021, in accordance with section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in "Annexure C" to this Report.

EXTRACT OF ANNUAL RETURN

The Annual Return of the Company as on March 31, 2021 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company.

DEPOSITS

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

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM VIGIL MECHANISM

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

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

The Company has developed an in-house system which can be used to, inter alia, report any instances of financial irregularities, breach of code of conduct, abuse of authority, disclosure of financial / price sensitive information, unethical /

unfair actions concerning company vendors /suppliers, mala-fide manipulation of Company records, discrimination to the Code of Conduct in an anonymous manner.

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

MATERIAL CHANGES AND COMMITMENTS

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

Fire Accident:

A Fire had broken out on 8th August, 2020 in Spinning section at the factory located at Piplej, Ahmedabad. The property plant and equipment destroyed by Fire had an estimated carrying value of Rs. 16.62 cr. A large number of inventory / finished goods (Rs. 2.20 cr.) were gutted in the fire. However, no casualties were reported.

Global Pandemic (COVID-19):

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

ANNEXURES

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

- Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo
- Certification pertaining to Disqualification of Director.

- Details of CSR activities and spends under Section 135 of the Companies Act, 2013.
- Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013.
- Annual Secretarial Compliance Report
- Information as per Section 197
- Form AOC – 2

APPRECIATIONS

The Board of Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication

during the year. Further, the Board sincerely conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board of Directors

Vedprakash Chiripal

Chairman
(DIN: 00290454)

Jyotiprasad Chiripal

Managing Director
(DIN: 00155695)

Place: Ahmedabad
Date: August 14, 2021

Annexure – A to Directors Report

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

A. CONSERVATION OF ENERGY:

Energy conservation measures taken:-

1. Installed Inverter in Sec-E & F Humidification Plant return air fan
2. Installed Inverter in Ring Frame 1-8 & Ring Frame 24-27 Humidification Plant Supply & Return air fan
3. Installed PNLD at every compressor in moisture drain for air lose saving
4. Installed air booster at SPG
5. Installed pipe line from power plant to fabric div for power plant back wash water reuse

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

1. Installation of RO Plant for our ETP Treated water
2. Installation of Inverter in Fabric Sec-B, C & D H-Plant return air fan
3. Installation of Inverter in Card, Prep & Winding H-Plant Fan
4. Installation of Clarifier tank to re use of finishing machine drain water
5. Installation of Inverter at Boiler feed pump
6. Installation of DAF in Power Plant RO Reject

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

1. With implementation of above measure we will reduce :- 150 Lac /Year
2. Better efficiency
3. High Productivity
4. Reduction in cost of production

D. TECHNOLOGY:

i. Research & Development (R & D)

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

- a. Product Re-engineering
- b. Product innovations
 1. Sustainable product range with sustainable fibres like Tencel / rayon/ Exell
 2. New product design for saving water.
 3. New weave design for fashion segments.
 4. Super stretch denims as per upcoming fashion trends.
 5. Two way stretch denim
 6. Indigo in other applications like ethnic wear, formal wear etc.
 7. Special finish

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

1. Vertical and horizontal penetration of markets.
2. Higher sales turnover.
3. Product acceptance has increased.
4. Customer retention with price increase.
5. Image / Branding of the company has increased.
6. Penetration in all customer segment.

iii. Future Plan of Action

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

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

E. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Efforts made towards Technology Absorption, Adaptation and Innovation:

1. New spinning machines for special fibre blends.
2. New finishing range for better fabric dimensions.
3. Wider width finishing ranges for bigger width fabrics, New dyeing/Coating machine added

Benefits derived:

1. Product acceptance has increased.
2. Customer retention with price increase.
3. Image / Branding of the company has increased.
4. Higher sales turn over
5. Better sales realizations.

6. Addition of new customers.
7. More penetrations in export market.

F. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

(₹ in Cr.)		
Particulars	31.03.2021	31.03.2020
Foreign Exchange Earnings	74.99	136.12
Foreign Exchange Outgo	45.97	67.40

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

Annexure – B to Directors Report

Certificate of Non-Disqualification of Directors

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

To,
Members,
NANDAN DENIM LIMITED,
Ahmedabad, Gujarat

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority. All the Independent Directors are registered at www.independentdirectorsdatabank.in portal.

Sr. No.	Name of Director	DIN	Disqualified Under Section 164 of Companies Act, 2013	Deactivation of DIN Due to Non-Filing of DIR-3 KYC
1	JYOTIPRASAD DEVKINANDAN CHIRIPAL	00155695	N.A.	N.A.
2	TARA SANKAR BHATTACHARYA	00157305	N.A.	N.A.
3	VEDPRAKASH DEVKINANDAN CHIRIPAL	00290454	N.A.	N.A.
4	GIRAJ MOHAN SHARMA	01215950	N.A.	N.A.
5	FALGUNI AKSHAYKANT VASAVADA	08921942	N.A.	N.A.
6	SHAKTIDAN JAYENDRASINGH GADHAVI	09004587	N.A.	N.A.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Place: Ahmedabad
Date: June 29, 2021
UDIN: A050727C000543824

For, J.D. KHATNANI & ASSOCIATES,
Practicing Company Secretary

Jaykumar D. Khatnani
(Proprietor)
(ACS: 50727, COP: 18421)
Peer Review No.1246/2021
FIRM REG. NO. S2018GJ620700

Annexure – C to Directors Report

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

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

2. CSR Committee:

The CSR Committee has been entrusted with responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;

recommending to the Board the amount of expenditure to be incurred; monitoring the implementation of framework of CSR Policy and ensuring that implementation of the project and programme is in compliance with the CSR Policy of the Company.

3. Composition of the CSR Committee as on March 31, 2021:

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

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

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

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

Rs. 28.45 cr.

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

Rs. 56.90 lakh (Rupees Fifty Six Lakh Only)

6. Details of CSR spent for the financial year:

- a. Total amount spent for the financial year: Rs. 57.00 lakh
- b. Amount unspent, if any: NIL
- c. Manner in which amount spent in the financial year is detailed below:

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

(₹ in lakhs)

Sr. No.	CSR Projects / Activities Identified	Sector in which the Project is covered	Location where project is undertaken Local area (District, State)	Amount outlay (budget) Project or Program wise 2020-21	Amount spent on the Projects or Programs		Cumulative Expenditure upto the reporting period	Amount spent directly or through implementing agency
					Direct Expenditure	Overheads		
1	<ul style="list-style-type: none"> • Developing infrastructure of schools by upgrading school buildings, providing classroom setup like benches, desks and boards, among others and helping in setting up of libraries and science laboratories and other related activities; • Promoting education by providing educational resources for students as computer & study material, student books & periodicals, teaching aids, computer hardware & software for smart classes, workshops on self-defense and enhancing soft skills; • Socializing the importance of education for children and community leaders; • Granting scholarship for higher education, etc. 	Education	Ahmedabad	57.00	57.00	0.00	57.00	Directly

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

Not Applicable

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

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

Place: Ahmedabad

Date: August 14, 2021

Jyotiprasad Chiripal

Managing Director

Giraj Mohan Sharma

Chairman – CSR Committee

Annexure – D to Directors Report

SECRETARIAL COMPLIANCE REPORT OF NANDAN DENIM LIMITED

FOR THE YEAR ENDED MARCH 31, 2021

I Jaykumar D. Khatnani have examined;

- (a) all the documents and records made available to us and explanation provided by **Nandan Denim Limited** (CIN: L51909GJ1994PLC022719) (“the listed entity”);
- (b) the filings / submissions made by the listed entity to the stock exchanges;
- (c) website of the listed entity; and
- (d) any other document / filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **March 31, 2021** (“Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

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

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

- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable for the year under report)**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable for the year under report)**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable for the year under report)**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable for the year under report)**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not Applicable for the year under report)**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable for the year under report)**

and circulars / guidelines issued thereunder and based on the above examination, I hereby report that, during the period under report:

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

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Deviations	Observations / Remarks of the Practicing Company Secretary
1	Regulation 29(2), (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Late Submission of Regulation 29(2) & (3) Fine imposed by Bombay Stock Exchange for the Quarter September-2020.	Company has Complied with Regulation 29(2) & (3) of SEBI (LODR), 2015 on belated basis However, due to late Submission, Company has paid Fine which was imposed by Bombay Stock Exchange.
2	Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Fine Imposed for Non- Compliance with Regulation 17(1) of SEBI (LODR), Regulations 2015 by Bombay Stock Exchange and National Stock Exchange for the Quarter June-2020.	Company has Complied with Regulation 17(1) of SEBI (LODR), 2015 on belated basis also, paid the Fine Imposed by both the Stock Exchanges duly.

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

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

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

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	SEBI (LODR) Regulations, 2015 - Regulation No. 34	Delay in submission of annual report for year ended on 31st March 2019.	Fine was imposed by National Stock Exchange and Bombay Stock Exchange for delay in submission of Annual Report.	Fine was imposed by National Stock Exchange and Bombay Stock Exchange for delay in submission of Annual Report. Later the fine was withdrawn by the exchanges and the amount was returned / adjusted.
2	SEBI (LODR) Regulations, Late-Submission of Fine was imposed by Stock Exchanges Regulation No. 31	Late- submission of Regulation No. 31-shareholding pattern for the quarter ended on 31st March 2020 *	Fine Levied by National Stock Exchange & Bombay Stock Exchange.	Fine was imposed by National Stock Exchange and Bombay Stock Exchange for delay in submission shareholding pattern within the period prescribed.
3	SEBI (LODR) Regulations, Late-Submission of Fine was imposed by Stock Exchanges Regulation No. 13 (3)	Late-Submission of - Regulation No. 13 (3) - Statement on Investor Complaints for the Quarter ended 31st March 2020 *	Fine Levied by National Stock Exchange & Bombay Stock Exchange.	Fine was imposed by National Stock Exchange and Bombay Stock Exchange for delay in submission statement in Shareholder Complaints within the period prescribed.

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

For J D KHATNANI & ASSOCIATES
Practicing Company Secretary

Jaykumar D. Khatnani
(Proprietor)

(ACS: 50727, COP: 18421)

Peer Review No.1246/2021

Firm Reg. No.: S2018GJ620700

UDIN: A050727C000543802

Place: Ahmedabad

Date: June 29, 2021

Annexure – E to Directors Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To,
The Members,
NANDAN DENIM LIMITED
CIN: L51909GJ1994PLC022719

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

Based on my/our verification of the records of **NANDAN DENIM LIMITED**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the Company has, during the audit period covering **the financial year ended on 31st March 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliances mechanism in place to the extent , in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and record maintained by **NANDAN DENIM LIMITED (CIN: L51909GJ1994PLC022719)** for the financial year ended on **31.03.2021** according to the provisions of:

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

(v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') :-

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

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

(vii) No Other Observations ***Except Penalty was levied on the Company by the stock exchanges on account of delayed filing under Regulation 29(2) and (3) and non-compliance of Regulation 17(1) of SEBI (LODR) Regulations, 2015 for the quarter ended 30th September, 2020 and 30th June, 2020. However, the said delay / non-compliance with the Regulations were Complied by the Company and the Company has paid the Penalty imposed by Stock Exchanges. Also, the delayed filing and non-compliance was due to the fact that the Business operations were suffered/ closed due to Nation Wide Lock Down declared by the Central Government/ State Government. The Compliances and filings of the returns were filed as per the relaxations and extensions provided by various circulars by MCA and SEBI.*** No other major corporate events occurred during the year and various compliances made by the Company with applicable Laws, Rules, Regulations, Listing Agreements etc.

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

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

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

Place: Ahmedabad
Date: August 14 ,2021
UDIN: A050727C000786880

I/We further report that

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non - Executive Directors, Independent Directors and Woman Director. There was change in Board of Directors during the year under review.

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

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

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

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

FOR J D KHATNANI & ASSOCIATES
PRACTICING COMPANY SECRETARIES

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

ANNEXURE-A

Securities Laws

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

Labour Laws

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour/ bonded labour in any of its establishments.
3. Provisions with relate to compliances of PF / Gratuity Act are applicable to Company.
4. The Company is regular in filing return of PF dues.
5. The Company is making payment of Gratuity to their Employees regularly when they become due and payable except dues which are under dispute.
6. The Company has framed a policy on prevention of Sexual Harassment of Women Employee at work place and also all preventive measure has been taken by the Company.

Environmental Laws

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

Taxation Laws

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

Place: Ahmedabad
Date: August 14 ,2021
UDIN: A050727C000786880

FOR J D KHATNANI & ASSOCIATES
PRACTICING COMPANY SECRETARIES

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

ANNEXURE-B

To
The Members,
NANDAN DENIM LIMITED
CIN: L51909GJ1994PLC022719
SURVEY NO 198/1 and 203/2
SAIJPUR GOPALPUR PIRANA ROAD,
PIPLEJ, AHMEDABAD-382405, GUJARAT

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

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

Place: Ahmedabad
Date: August 14 ,2021
UDIN: A050727C000786880

FOR J D KHATNANI & ASSOCIATES
PRACTICING COMPANY SECRETARIES

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

Annexure – F to Directors Report

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

A. Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2020-21 is as follows:

(₹ in lakhs)

Name of Director(s)	Total Remuneration (in Rs.)	Ratio of Remuneration of Director to the Median Remuneration *
Mr. Vedprakash Chiripal	NIL	-
Mr. Jyotiprasad Chiripal	NIL	-
Mr. Tara Sankar Bhattacharya	2.10	1.17
Mr. Suresh Maheshwari	4.29	2.38
Ms. Pratima Ram	0.50	0.28
Ms. Falguni Vasavada	1.00	0.56
Mr. Giraj Mohan Sharma	2.10	1.17
Mr. Prakashkumar Sharma	1.86	1.03
Mr. Shaktidan Gadhavi	1.62	0.90

Notes:

- *Median remuneration for the financial year 2020-21 is Rs179844/-.
- The aforesaid details are calculated on the basis of remuneration for the financial year 2020-21.
- The remuneration to Directors includes sitting fees paid to them. The sitting fees mentioned is based on the number of meetings held and attended during the financial year 2020-21.
- Mr. Suresh Chand Maheshwari resigned as Whole Time Director w.e.f. May 11, 2020.
- Ms. Pratima Ram resigned as Independent Director w.e.f. August 20, 2020.
- Mr. Prakashkumar Sharma resigned as Whole Time Director w.e.f. August 20, 2020.
- Mr. Joy Christian was appointed as Additional Director w.e.f. September 30, 2020 and resigned w.e.f. December 9, 2020.
- Ms. Falguni Vasavada was appointed as Independent Director w.e.f. November 4, 2020.
- Mr. Shaktidan Gadhavi was appointed as Additional Director w.e.f. December 28, 2020.

B. Details of percentage increase in the remuneration of each Director, CFO & Company Secretary in the financial year 2020-21 are as follows:

Name of Director	Remuneration (in Lakhs)		Increase / (Decrease) %
	2020-21	2019-20	
Mr. Vedprakash Chiripal	NIL	NIL	-
Mr. Jyotiprasad Chiripal	NIL	NIL	-
Mr. Tara Sankar Bhattacharya	2.10	1.50	0.4
Ms. Falguni Vasavada	1.00	NA*	-
Mr. Giraj Mohan Sharma	2.10	2.00	0.05
Mr. Shaktidan Gadhavi	1.62	NA*	-

Name of Key Managerial Personnel	Remuneration (in Lakhs)		Increase / (Decrease) %
	2020-21	2019-20	
Mr. Deepak Chiripal	86.01	92.05	(6.56)
Mr. Ashok Bothra	15.08	23.54	(35.94)
Ms. Purvee Roy	8.34	10.71	(22.13)

Notes:

- *Percentage increase in remuneration is not reported as they were holding Directorship for the part of financial year, thus remuneration is proportionately adjusted.
- The remuneration to Directors is within the overall limits approved by the shareholders of the Company.
- The remuneration to Directors includes sitting fees paid to them. The sitting fees mentioned is based on the number of meetings held and attended during the financial year 2020-21.

C. Percentage increase in the median remuneration of all employees in the financial year 2020-21:
(16.63%)

D. Number of permanent employees on the rolls of the Company as on March 31, 2021: 3027

E. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase for Key Managerial Personnel is (13.36%) and for other employees was about (7%).

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

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

Annexure – G to Directors Report

FORM NO. AOC 2

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

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

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

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

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

Name(s) of the related party / parties and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any
Chiripal Industries Limited	• Purchase, sale, supply of goods or materials				
Nova Textiles Private Limited	• Selling or otherwise disposing of or buying property of any kind or any capital asset				
Vishal Fabrics Limited	• Giving on rent or leasing of property of any kind			28.07.2020	
Chiripal Poly Films Limited	• Availing or rendering of services including job work		At market price	05.09.2020	
Shanti Exports Private Limited	• Purchase or sale of investment			13.11.2020	
Chiripal Textile Mills Private Limited				13.02.2021	
Nandan Terry Private Limited					
CIL Nova Petrochemicals Limited					
Nandan Industries Private Limited					

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

Corporate Governance Report

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

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

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

• BOARD OF DIRECTORS AND ITS COMPOSITION

As on March 31, 2021, the strength of the Board was six Directors. Of the six Directors, four (i.e. 67% percent) are Non-Executive Directors out of which three are Independent Directors. The Board Members consists of persons with professional expertise and experience in various fields of Textile, Marketing, Finance, Management, Accountancy, etc. The Chairman of the Board is Non-Executive Promoter Director.

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an Independent Director on more than seven Listed Companies. Necessary disclosures regarding Committee positions in other Public Companies as on March 31, 2021 has been made by the Directors.

None of the Directors are related to each other except Vedprakash Chiripal and Jyotiprasad Chiripal.

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

The meetings of the Board of Directors are generally held at the Corporate Office. Meetings are scheduled well in advance. The Board meets at regular intervals to review the quarterly performance and the financial results of the Company. The Members of the Board have access to all information on the Company and are free to recommend inclusion of any matter in the agenda for discussion. Senior Management persons are also invited to attend the Board meetings and provide clarifications as and when required. Five Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days except meetings held in February 2020 and July 2020 for which MCA had provided notification for extension. The said meetings were held respectively on July 28, 2020; September 5, 2020; November 13, 2020; December 9, 2020 and February 13, 2021.

The necessary quorum was present for all the meetings.

The details of attendance of Directors at Board Meetings either in person or through video conference during the financial year 2020-21 and at the Annual General Meeting (AGM) of the Company are as reproduced below:

Particulars	Board Meeting				Annual General Meeting	
	2020				2021	2020
	July 28	September 5	November 13	December 9	February 12	December 31
Mr. Vedprakash Chiripal	Yes	Yes	Yes	Yes	Yes [#]	Yes
Mr. Jyotiprasad Chiripal	Yes	Yes	No	Yes	Yes	Yes
Mr. Tara Sankar Bhattacharya	Yes	Yes	Yes	Yes	Yes	No
Ms. Pratima Ram	Yes	NA	NA	NA	NA	NA
Mr. Giraj Mohan Sharma	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Falguni Vasavada	NA	NA	Yes	Yes	Yes	No
Mr. P.K. Sharma	No	NA	NA	NA	NA	NA
Mr. Joy Christian	NA	NA	Yes	Yes	NA	NA
Mr. Shaktidan Gadhavi	NA	NA	NA	NA	Yes	No

The attendance includes meetings attended through video conferencing.
NA - Not Applicable

Note:

Mr. Suresh Chand Maheshwari resigned as Whole Time Director w.e.f. May 11, 2020.

Ms. Pratima Ram resigned as Independent Director w.e.f. August 20, 2020.

Mr. Prakashkumar Sharma resigned as Whole Time Director w.e.f. August 20, 2020

Mr. Joy Christian was appointed as Additional Director w.e.f. September 30, 2020 and resigned w.e.f. December 9, 2020

Ms. Falguni Vasavada was appointed as Independent Director w.e.f. November 4, 2020

Mr. Shaktidan Gadhavi was appointed as Additional Director w.e.f. December 28, 2020

During FY 2021, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

Scheduling and selection of agenda items for Board Meetings:

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

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

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

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

The Company Secretary attends all the Meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of such meetings. The draft

minutes of the Board and its Committees are sent to the Members for their comments in accordance with the Secretarial Standards. Thereafter, the minutes are entered in Minutes Book within thirty days of conclusion of Meetings, subsequent to incorporation of comments, if any, received from Directors.

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

Responsibilities of the Board of Directors:

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

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

Meeting of Independent Directors:

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

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

During the financial year 2020-21, the Independent Directors met virtually on February 13, 2021 and inter alia, reviewed performance of Non Independent Directors, the Board as a whole, Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Tenure of Board of Directors:

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

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

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

Directorship and Membership of Committees and Shareholding of Directors:

Board Membership

The names and categories of the Directors on the Board, name of other listed entities in which the Director is a

Director and the number of Directorships and Committee Chairmanships / Memberships held by them in other Public Limited Companies as on March 31, 2021 are given herein below. Other Directorships do not include Directorships of Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Act. Further, none of them is a member of more than ten Committees or Chairman of more than five Committees across all the Public Companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of Director	Nature of Directorship	Relationship with each other	Directorships held in other Listed Companies	Directorships held in other Public Companies	Committee		No. of Shares Held in the Company
					Membership	Chairmanship	
Mr. Vedprakash Chiripal	Non Executive Promoter Director - Chairman	Brother of Jyotiprasad Chiripal	-	1	1	0	23,48,462 (4.89)
Mr. Jyotiprasad Chiripal	Managing Director	Brother of Vedprakash Chiripal	CIL Nova Petrochemicals Limited	5	3	0	6,30,000 (1.31%)
Mr. Tara Sankar Bhattacharya	Non Executive Independent Director	-	1) Surya Roshni Limited 2) Uflex Limited	1	3	1	-
Mr. Giraj Mohan Sharma	Non Executive Independent Director	-	-	-	1	2	-
Ms. Falguni Vasavada	Non Executive Independent Director	-	-	-	1	-	-
Mr. Shaktidan Gadhavi	Additional Director	-	-	-	-	-	-

Note:

Mr. Suresh Chand Maheshwari resigned as Whole Time Director w.e.f. May 11, 2020.

Ms. Pratima Ram resigned as Independent Director w.e.f. August 20, 2020.

Mr. Prakashkumar Sharma resigned as Whole Time Director w.e.f. August 20, 2020

Mr. Joy Christian was appointed as Additional Director w.e.f. September 30, 2020 and resigned w.e.f. December 9, 2020

Ms. Falguni Vasavada was appointed as Independent Director w.e.f. November 4, 2020

Mr. Shaktidan Gadhavi was appointed as Additional Director w.e.f. December 28, 2020

Changes in Board Structure

During the year under review, based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors approved the appointment of:

- (i) Mr. Joy Christian as Additional Director w.e.f. September 30, 2020.
- (ii) Ms. Falguni Vasavada as Independent Director w.e.f. November 4, 2020
- (iii) Mr. Shaktidan Gadhavi as Additional Director w.e.f. December 28, 2020

Mr. Suresh Chand Maheshwari stepped down as Whole Time Director w.e.f. May 11, 2020. Further, Ms. Pratima Ram resigned as Independent Director and Mr. Prakashkumar Sharma resigned w.e.f. August 20, 2020. Mr. Joy Christian also subsequently resigned w.e.f. December 9, 2020.

The Board approved the appointment of Mr. Shaktidan Gadhavi as Whole Time Director for tenure of five years commencing from August 14, 2021 till August 13, 2026. The said reappointment has been placed before the shareholders for their approval at the ensuing 27th Annual General Meeting of the Company.

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

Declarations:

The Independent Directors have submitted declaration(s) that they meet the criteria of Independence laid down

under the Companies Act, 2013 and SEBI Listing Regulations. The Independent Directors have also confirmed that they have registered themselves in the databank of persons offering to become Independent Directors.

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

Familiarisation Programme:

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

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

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

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

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

Sr. No.	Name of Director	Financial	Global Business	Leadership	Technical	Board Service and Governance	Sales and Marketing
1	Vedprakash Chiripal	✓	✓	✓	✓	✓	✓
2	Jyotiprasad Chiripal	✓	✓	✓	✓	✓	✓
3	Tara Sankar Bhattacharya	✓	✓	✓	✓	✓	✗
4	Giraj Mohan Sharma	✓	✓	✓	✓	✓	✓
5	Falguni Vasavada	✓	✓	✓	✓	✓	✓
6	Shaktidan Gadhavi	✓	✗	✓	✓	✓	✗

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

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

• COMMITTEES OF THE BOARD

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

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

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

Audit Committee

The Company has an adequately qualified Audit Committee and its composition meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015. The quorum of the said Audit Committee Meetings is 2 (Two) members or one third (1/3) of the members of the Audit Committee, whichever is greater, with at least two Independent Directors. The Audit Committee met four times during the financial year 2020-21. The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2020-21 are detailed below:

During the year under review, four meetings of the Audit Committee were held on July 28, 2020; September 5, 2020; November 13, 2020 and February 13, 2021 respectively.

Name of Director	Category	Number of Audit Committee Meetings attended during the year
Mr. Tara Sankar Bhattacharya	Chairperson – Non-Executive Independent Director	4
Ms. Pratima Ram	Member – Non-Executive Independent Director	1
Mr. Giraj Mohan Sharma	Member – Non-Executive Independent Director	4
Mr. Jyotiprasad Chiripal	Member – Executive Promoter Director	3
Ms. Falguni Vasavada	Member – Non Executive Independent Director	2

Note:

Ms. Pratima Ram resigned w.e.f. August 20, 2020

Ms. Falguni Vasavada was appointed as Member of the Committee w.e.f. December 9, 2020

The Company Secretary acts as the Secretary to the Committee.

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

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

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

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. Reviewing with the management quarterly, half-yearly, nine months and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report as per Sec 134(3)(c) of the Companies Act, 2013;
 - b. Changes in the Accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
 - c. Compliance with listing and other legal requirements relating to financial statements;
 - d. Disclosure of any related party transactions; and
 - e. Modified opinion(s) in the draft audit report, if any.
6. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board
 - a. qualifications and experience of the individual/firm proposed to be considered for appointment as auditor;
 - b. whether such qualifications and experience are commensurate with the size and requirements of the Company; and
 - c. giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
7. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;
8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Reviewing the appointment, removal and terms of remuneration of the Internal Auditors of the Company;
14. Formulating in consultation with the Internal Auditors, the scope, functioning, periodicity and methodology for conducting the internal audit;
15. Evaluating the internal financial controls and risk management policies system of the Company;
16. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
17. Review of internal audit reports relating to internal control weaknesses and discuss with internal auditors any significant findings and follow-up thereon;
18. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
19. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the Company by its officers/employees;
20. Approval or any subsequent modification of transactions of the company with related parties;
21. Reviewing the statements of significant related party transactions submitted by the management;
22. Reviewing and scrutinizing the inter-corporate loans and investments;
23. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy and overseeing the functioning of the same;
24. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading

the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

25. Approving the auditors (appointed under the Companies Act, 2013) to render any service other than consulting and specialized services along with approval of payment to statutory auditors for the same;
26. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
27. Review the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;
29. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency

monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

30. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
32. Review and approve, policy on materiality of related party transactions and also dealing with related party transactions;
33. Review compliance with provisions of Securities Exchange Board of India (Prevention of Insider Trading) Regulation, 2015 (including any amendment or modification from time to time) at least once in a financial year and shall verify that the systems for internal controls for ensuring compliance to these Regulations, are adequate and are operating effectively; and
34. Such other activities as the Board of Directors may determine from time to time.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee met four times during the financial year 2020-21. The composition of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2020-21 are detailed below:

During the year under review, four meetings of the Stakeholders Relationship Committee were held on July 28, 2020; September 5, 2020; November 13, 2020 and February 13, 2021 respectively.

Name of Director	Category	Number of Stakeholders Relationship Committee Meetings attended during the year
Mr. Giraj Mohan Sharma	Chairperson – Non Executive Independent Director	4
Ms. Pratima Ram	Member - Non Executive Independent Director	1
Mr. Vedprakash Chiripal	Member – Non Executive Promoter Director	4
Ms. Falguni Vasavada	Member - Non Executive Independent Director	2
Mr. Jyoti Prasad Chiripal	Member - Executive Promoter Director	3

Note:

Ms. Pratima Ram resigned w.e.f. August 20, 2020

Ms. Falguni Vasavada was appointed as Member of the Committee w.e.f. December 9, 2020

Mr. Bhattacharya was appointed as Member of Committee on August 20, 2020 till December 9, 2020.

The Company Secretary acts as the Secretary to the Committee.

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

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

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

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. Review of matters relating to unclaimed equity shares and dividend transferred to Investor Education and Protection Fund (IEPF) pursuant to the IEPF Rules.
6. Such other activities as the Board of Directors may determine from time to time.

Details relating to the number of complaints received and redressed during the financial year 2020-21 are asunder:

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee met two times during the financial year 2020-21. The composition of the Corporate Social Responsibility Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2020-21 are detailed below:

During the year under review, two meetings of the Corporate Social Responsibility Committee were held on July 28, 2020 and February 13, 2021 respectively.

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

The Company Secretary acts as the Secretary to the Committee.

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

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

1. Recommend the amount of expenditure to be incurred on the activities;
2. Monitor implementation and adherence to the CSR Policy of the Company from time to time;
3. Prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company; and

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

The details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Section in the Annual Report. The CSR Policy of the Company has been uploaded on the Company's website and can be accessed at: <https://nandanenim.com/wp-content/uploads/2018/03/CorporateSocialResponsibilityPolicy.pdf>.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee met five times during the financial year 2020-21. The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2020-21 are detailed below:

During the year under review, five meetings of the Nomination and Remuneration Committee were held on July 28, 2020, September 5, 2020, October 31, 2020, December 9, 2020 and December 28, 2020 respectively.

Name of Director	Category	Number of Nomination & Remuneration Committee Meetings attended during the year
Mr. Tara Sankar Bhattacharya	Chairperson – Non-Executive Independent Director	5
Mr. Vedprakash Chiripal	Member – Non Executive Promoter Director	5
Mr. Giraj Mohan Sharma	Member – Non-Executive Independent Director	5
Ms. Falguni Vasavada	Member – Non-Executive Independent Director	2

Ms. Falguni Vasavada was appointed as member of Committee wef December 9, 2020.

The Company Secretary acts as the Secretary to the Committee.

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

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

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

During the year under review, the Board of Directors reviewed the Nomination and Remuneration Policy to see that it in line with the amendments to Section 178 of Companies Act, 2013 and Listing Regulations. The Nomination and Remuneration Policy of the Company has been uploaded on the Company's website and can be accessed at:

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

The Nomination and Remuneration Policy of the Company has been formulated in accordance with the Companies Act, 2013 and Listing Regulations and outlines the role

of the Nomination and Remuneration Committee, inter alia, for determining the criteria for Board membership, approve, recommend compensation packages and policies for Directors and Senior Management and lay down the effective manner of performance evaluation of the Board, its Committees and individual Directors. In accordance with the Policy, the responsibilities of Nomination and Remuneration Committee, inter alia, include:

- a. Formulation of criteria and its review on an on-going basis, for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director, based on the qualities, including independence for Independent Directors, and such expertise which may be beneficial for the Company and essential for it to operate in changing business environment. Identification of persons as potential candidates, who are qualified to be appointed as Directors and recommend their re – appointment, if any, to the Board after taking into consideration the performance of a Director.
- b. The Nomination & Remuneration Committee, inter alia, has been entrusted with the responsibility of evaluating the performance of every Director, Committees of the Board and the Board. The Committee also evaluates the performance of Managing Director against the Key Performance Indicators set at the beginning of the financial year.
- c. Remuneration of Directors, Senior Management and other employees:
 - i. Compensation to Managing Director or Executive Director: The Committee shall approve compensation package of the Managing Director or Executive Director(s). The Committee ensures that the compensation packages are in accordance with applicable law, in line with the Company's objectives, shareholders' interests, with industry standards and have an adequate balance between fixed and variable component, subject to approval of the Board.
 - ii. Compensation to Senior Management: The Nomination & Remuneration Committee shall review performance of the senior management of the Company, i.e., the members of the Executive/ Operating Council of the Company (which includes

Key Managerial Personnel), as presented by the Managing Director & CEO. The Committee shall ensure that the remuneration to the Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- iii. Remuneration to Non-Executive Directors: The Nomination & Remuneration Committee shall recommend to the Board for its approval, commission payable to the Non-Executive Directors, including Independent Directors, after reviewing payments made by similar sized, successful companies. The Nomination and Remuneration Committee considers and recommends commission payable to Directors after taking into account their contribution to the

decision making at meetings of the Board/Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of Corporate Governance and Board effectiveness.

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

MANAGEMENT COMMITTEE

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

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

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

Note: Ms Pratima Ram resigned wef August 20, 2020

The Company Secretary acts as the Secretary to the Committee.

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

Terms of Reference:

The terms of reference are set out below:

- Ensuring that the Company is well run and delivering the outcomes for which it has been set up;
- Setting strategic direction to guide and direct the activities of the organisation;
- Ensuring the effective management of the organization and its activities;
- Monitoring the activities of the Company to ensure they are in consistence with the founding principles, objects and values;

- To take important decisions concerning the activities of the Company.

- Carrying out any other function as is mentioned in the terms of reference of the Management Committee by the Board from time to time.

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

FINANCE AND INVESTMENT COMMITTEE

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

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

Name of Director	Category	Finance and Investment Committee Meetings attended during the year
Mr. Jyotiprasad Chiripal	Chairman - Executive Promoter Director	0
Mr. Vedprakash Chiripal	Member – Non-Executive Promoter Director	0
Mr. Tara Sankar Bhattacharya	Member – Non-Executive Independent Director	0

The Company Secretary acts as the Secretary to the Committee.

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

Terms of Reference:

The terms of reference are set out below:

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

b. -OTC Trades Note outstanding borrowings, inter corporate investments, loans and guarantees

c. -Note status report and hedging activities on commodity and forex products

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

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

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

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

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

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

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

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

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

Remuneration of Directors

The remuneration of the Executive Directors is decided by the Board based on the recommendations of the Nomination and Remuneration Committee of the Company, within the limits fixed and approved by the shareholders at the general meeting. The remuneration of the Non-Executive Directors comprises of sitting fees and commission, if any. The Non-Executive Independent Directors are paid sitting fees of Rs. 50,000/- for each meeting of the Board, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee attended by them and reimbursement of expenses towards attending the meetings.

The remuneration paid / payable to each Director for the financial year ended March 31, 2021 is as under:

Name of Director	Tenure upto	No. of equity shares held by Directors as on March 31, 2021	Remuneration for the financial year ended March 31, 2021 (Rs. in lakhs)		
			Sitting Fees	Salary and Perquisites	Total
Mr. Vedprakash Chiripal	NA	23,48,462	-	-	-
Mr. Jyotiprasad Chiripal	31.05.2022	6,30,000	-	-	-
Mr. Tara Sankar Bhattacharya	13.09.2022	NIL	2.10	-	2.10
Mr. Giraj Mohan Sharma	28.09.2020	NIL	2.10	-	2.10
Ms. Falguni Vasavada	28.09.2020	NIL	1.00	-	1.00
Mr. Shaktidan Gadhavi	31.05.2022	NIL	-	1.62	1.62
Mr. Prakash Kumar Sharma	NA	NIL	-	1.86	1.86
Ms. Pratima Ram	NA	NIL	0.50	-	0.50
Mr. Suresh Chanda Maheshwari	NA	NIL	-	4.29	4.29

Notes:

- Mr. Suresh Chand Maheshwari resigned as Whole Time Director w.e.f. May 11, 2020.
 - Ms. Pratima Ram resigned as Independent Director w.e.f. August 20, 2020.
 - Mr. Prakashkumar Sharma resigned as Whole Time Director w.e.f. August 20, 2020
 - Mr. Joy Christian was appointed as Additional Director w.e.f. September 30, 2020 and resigned w.e.f. December 9, 2020
 - Ms. Falguni Vasavada was appointed as Independent Director w.e.f. November 4, 2020
- No commission has been paid to Executive and Non-Executive Directors (including Independent Directors) during the year ended March 31, 2021;
- There is no provision for payment of severance fees and no performance linked incentives are paid to any Director. The tenure of office of the Managing Director / Executive Director is for five years from their respective dates of appointments. The notice period of Managing Director / Executive Director is governed by service rules of the Company;
- None of the Directors hold any stock options and convertible instruments in the Company;
- The Non-Executive Directors on the Company's Board, apart from receiving sitting fees do not have any other pecuniary relationship or transactions vis-à-vis the Company. The details of remuneration paid to Directors have also been disclosed under the heading 'Related Party Disclosures' of Notes to Financial Statement.

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

DISCLOSURES:

Related Party Transactions:

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

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

PERFORMANCE EVALUATION CRITERIA

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of Directors. In accordance with the provisions of SEBI Listing Regulations and the Act, the performance evaluation of the individual Directors shall be done by the entire Board of Directors, subject to the condition that the Director who is subject to evaluation should not participate. The criteria for performance evaluation covers parameters such as decision taken in the interest of the organization objectively; assisting the Company in implementing the Corporate Governance; monitoring performance of organization based on agreed goals & financial performance; fulfilment of the independence criteria as prescribed and their independence from the management; and active participation in the affairs of the Company as Board / Committee Members.

CEO / CFO CERTIFICATION

As required under Regulation 17 of the Listing Regulations, the CEO / CFO certificate for the financial year 2020-21 signed by Mr. Deepak Chiripal, CEO and Mr. Ashok Bothra, CFO, was placed before the Board of Directors of the Company at their meeting held on August 14, 2021 and is annexed to this Report.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

GENERAL BODY MEETINGS

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

Financial Year	Day and Date	Time	Location	No. of Special Resolutions set out at the AGM
2019-20	Thursday, December 31, 2020	03:00 pm	Conducted through video conferencing/Other Audio Visual Means. Deemed location is the Corporate Office of the Company at Chiripal House, Near Shivranjani Cross Roads, Satellite, Ahmedabad – 380015	3
2018-19	Friday, September 13, 2019	10.30 p.m.	H.T. Parekh Convention Center, AMA, ATIRA, Panjarapole, Ahmedabad – 380 015	2
2017-18	Saturday, September 29, 2018	02.30 p.m.	H.T. Parekh Convention Center, AMA, ATIRA, Panjarapole, Ahmedabad – 380 015	1

OTHER DISCLOSURES:

VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

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

WEBSITE:

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

COMPLIANCE WITH REGULATION 26(6)

In accordance with the provisions of Regulation 26(6) of the SEBI Listing Regulations, the Key Managerial Personnel, Director(s) and Promoter(s) of the Company have affirmed that they have not entered into any agreement for themselves

or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

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

The Company has complied with all the requirements of the Stock Exchanges and SEBI on matters relating to Capital Markets. Stock exchanges had imposed penalty for non-compliance of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2020 and delayed filing under Regulation 29 (2) (3). The non-compliance / delayed filing was mainly due to nationwide lockdown imposed. The Company has applied for waiver to both the exchanges. Apart from this, there were no other penalties imposed or strictures passed against the Company by SEBI or any statutory authority in this regard, during the last three years.

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

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

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

Details of Credit Rating have been included as part of Boards Report.

SECRETARIAL COMPLIANCE REPORT

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

The Company has engaged the services of M/s Jay Khatnani & Associates, Practising Company Secretary for providing this certification.

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

CERTIFICATE FROM PRACTISING COMPANY SECRETARY

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Jay Khatnani (CP No. 18421), Proprietor of M/s Jay Khatnani & Associates, Practising Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on August 14, 2021.

SUBSIDIARY COMPANY/IES:

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

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

The Company has in place, an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2020-21 are as under:

Particulars	No. of Compliants
Filed during the year	NIL
Disposed of during the year	NIL
Pending at the end of year	NIL

CODE OF CONDUCT:

The Company has adopted a Code of Conduct for all employees including the members of the Board and Senior Management Personnel. All members of the Board and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the financial year 2020-21. The declaration to this effect signed by Mr. Jyotiprasad Chiripal – Managing Director and Mr. Deepak Chiripal – Chief Executive Officer of the Company forms part of this Report.

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

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

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

The Code of Conduct to regulate, monitor and report trading by Designated Persons, Code of Fair Disclosure & Conduct and Whistle Blower Policy have been uploaded on website of the Company

RESIGNATION OF INDEPENDENT DIRECTORS:

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

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

ADOPTION OF DISCRETIONARY REQUIREMENTS

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

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

MEANS OF COMMUNICATION:

Quarterly Results

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

Quarter / Half Year / Year	In the month of
Quarter ending June 30	August 2021
Quarter and Half Year ending September 30	November 2021
Quarter and Nine Months ending December 31	February 2022
Quarter and Year ending March 31	May 2022

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

The quarterly / half yearly / annual financial results and other communication to shareholders and stock exchanges, inter

alia, presentations to institutional investors & analysts, press releases, etc. are made available in the Company's website www.nandandenim.com under 'Investors' section.

Annual Report

Annual Report for FY 2020-21, containing inter alia, salient features of the Audited Financial Statements, Directors Report including Management Discussion & Analysis and Corporate Governance Report was sent via email to all shareholders who had registered their email ids with their depository participants and through courier to shareholders who had not registered their email ids for the purpose of receiving documents / communication from the Company in electronic mode and have made a request.

Communication to shareholders on email

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

News Releases and Presentations

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

Website

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

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

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

SCORES (SEBI Complaints Redressal System)

SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system, a shareholder can lodge complaint against

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

Exclusive email ID for investors

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

Investor Relations

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

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

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

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

Reminder to Investors

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

Payment of Listing Fees

Annual Listing Fees for the financial year 2021-22 has been paid by the Company to BSE and NSE.

Payment of Depository Fees

Annual Custody / Issuer Fee for the year 2021-22 has been paid by the Company to Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL).

Fees paid to Statutory Auditor

Fees for all services paid by the Company to Statutory Auditors of the Company during the year ended March 31, 2021 is as follows:

Particulars	Amount in lakhs (excluding taxes)
Fees for audit and related services	5.00
Other fees	1.50
Fees paid to network entities	0.00
Total	6.50

GENERAL SHAREHOLDER INFORMATION

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

Annual General Meeting

Thursday, September 30, 2021 at 03:00 PM through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting

Financial Year

April 1, 2020 to March 31, 2021

Dividend

No dividend has been recommended for the year 2020-21

Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Friday, September 24, 2021 to Thursday, September 30, 2021 (both days inclusive) for the purpose of payment of dividend and 27th Annual General Meeting.

Electronic Clearing Service:

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

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

Particulars of Dividend remaining unclaimed:

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

Brief particulars of dividend amount remaining unclaimed are given below:

Financial Year	Type of Dividend	Declared at the AGM / Board Meeting held on	Balance in the Unpaid Dividend Account as on 31.03.2021
Final Dividend – 2014	0.60	15-09-2014	363193.00
Interim Dividend – 2015	0.60	03-02-2015	438915.40
Final Dividend – 2015	1.00	29-09-2015	883405.00
1st Interim Dividend – 2016	0.80	12-02-2016	437714.60
2nd Interim Dividend – 2016	0.80	11-03-2016	463367.40
Final Dividend - 2017	1.60	29-09-2017	805196.80
Final Dividend - 2018	0.80	29-09-2018	420480.80

Details of the unclaimed dividend pertaining to the years 2014 to 2018 is hosted on Company's website. No dividend was declared since the year 2018-19 onwards.

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

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

Listing of shares and stock code:

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

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

Bloomberg Code: NAND: IN

Reuters Code: NANE: NS

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

BSE

Month	Share Price BSE		BSE Sensex	
	High	Low	High	Low
Apr-20	17.55	13.55	33887.25	27500.79
May-20	17.00	13.06	32845.48	29968.45
Jun-20	24.28	14.80	35706.55	32348.10
Jul-20	23.95	18.00	38617.03	34927.20
Aug-20	27.00	19.00	40010.17	36911.23
Sep-20	23.05	18.65	39359.51	36495.98
Oct-20	20.75	18.25	41048.05	38410.20
Nov-20	21.10	19.00	44825.37	39334.92
Dec-20	30.00	20.00	47896.97	44118.10
Jan-21	34.50	26.85	50184.01	46160.46
Feb-21	32.20	27.75	52516.76	46433.65
Mar-21	35.05	28.00	51821.84	48236.35

NSE

Month	Share Price NSE		NSE (NIFTY)	
	High	Low	High	Low
Apr-20	17.80	13.30	9889.05	8055.80
May-20	17.00	12.50	9598.85	8806.75
Jun-20	24.50	15.05	10553.15	9544.35
Jul-20	23.50	19.05	11341.40	10299.60
Aug-20	27.00	19.00	11794.25	10882.25
Sep-20	Not available	Not available	11618.10	10790.20
Oct-20			12025.45	11347.05
Nov-20	21.05	19.00	13145.85	11557.40
Dec-20	29.40	20.35	14024.85	12962.80
Jan-21	35.00	27.00	14753.55	13596.75
Feb-21	31.00	27.10	15431.75	13661.75
Mar-21	35.00	28.50	15336.30	14264.40

Closing Price of the Company's Shares on March 31, 2021 on Bombay Stock Exchange (BSE) and on National Stock Exchange (NSE) are 30.85 and 31.45 respectively.

Permanent Account Number:

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferor(s), transferee(s), surviving joint holders, legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

Email id registration:

To support the green initiative, shareholders are requested to register their email address with their DPs or with the Company's RTA, as the case may be. Communications in relation to the Company like Notice and Outcome of Board Meetings, Notice of AGM and Annual Report are regularly sent electronically to such shareholders who have registered their email addresses.

The shareholders willing to register their email address can write to their respective DP.

Details of securities suspended:

Not applicable

Registrar and Share Transfer Agent (RTA):

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

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

As required under Regulation 7(3) of the Listing Regulations, the Company has filed a Certificate issued by RTA & Compliance Officer of the Company certifying that all activities in relation to both physical and electronic share

transfer facility are maintained by RTA registered with SEBI i.e. Datamatics Business Solutions Limited.

The shares lodged for transfer transmission, etc. are processed and share certificates duly endorsed are returned within stipulated time, subject to documents being valid and in all respects.

Nomination facility

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

Nodal Officer:

In accordance with IEPF rules, Ms. Purvee Roy, Company Secretary has been appointed as Nodal Officer.

Shareholding Pattern (as on March 31, 2021)

PARTICULARS	NO. OF SHARES	%
Promoter & Promoter Group	31102147	64.73
Foreign Portfolio Investors	953352	1.98
Financial Institutions/Banks	0	0.00
Central Government / State Government	5500	0.01
Resident Individuals	12211706	25.42
Non-Resident Individuals	3135537	6.53
Others	640814	1.33
TOTAL	48049056	100.00

Distribution of Shareholding

NANDAN DENIM LIMITED						
Share Holding Distribution Report					As on 31-Mar- 2021	
Sr. No.	Shares Range		Shares	% To Capital	No. of Holders	% To No. Of Holders
	From	To				
1	1	500	2928237	6.09	24551	87.49
2	501	1000	1433120	2.98	1789	6.38
3	1001	2000	1335885	2.78	882	3.14
4	2001	3000	708794	1.48	277	0.99
5	3001	4000	491190	1.02	137	0.49
6	4001	5000	488825	1.02	103	0.37
7	5001	10000	1314792	2.74	175	0.62
8	10001	50000	2086363	4.34	110	0.39
9	50001	9999999999	37261850	77.55	37	0.13
TOTAL			48049056	100.00	28061	100.00

Shares in Physical and Electronic Mode

Particulars	Position as on March 31, 2020		Position as on March 31, 2021		Net Change during 2020-21	
	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding	No. of Shares	% to total shareholding
Physical	10332	0.02	10332	0.02	0	0.00
Demat:						
NSDL	26736810	55.64	26923792	56.03	186982	0.39
CDSL	21301914	44.33	21114932	43.94	(186982)	(0.39)
Sub-total	48038724	99.98	48038724	99.98	0	0.00
Total	48049056	100.00	48049056	100.00	-	-

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

As on March 31, 2021, 99.98% shares of the Company were held in dematerialized form.

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

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

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

None

Commodity price risk and hedging activities

Not Applicable

Foreign exchange risk and hedging activities

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

Plant Locations

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

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

Investor Service Centre

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

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

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

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

CEO/CFO Certificate

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

matters of the Company for the financial year ended March 31, 2021, pursuant to regulation 17(8) of the Listing Regulations readwith Part B of Schedule II thereof, was placed before the Board at its meeting held on August 14, 2021.

Code of Conduct

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

Reconciliation of Share Capital

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

Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account

Not Applicable

Compliance with Secretarial Standards

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

Governance Process

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

CODE OF CONDUCT

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

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

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

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

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

We confirm that the Company has obtained from all the Members of the Board and Senior Management Personnel, a declaration of compliance with the Code of Conduct in respect of the financial year ended March 31, 2021.

Place: Ahmedabad
Date: August 14, 2021

Jyotiprasad Chiripal
Managing Director

Deepak Chiripal
CEO

Independent Auditors' Certificate on Corporate Governance

To
The Members of
Nandan Denim Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated June 1, 2019.
2. We, Samir M. Shah & Associates, Chartered Accountants, the Statutory Auditors of Nandan Denim Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI Listing Regulations during the year ended March 31, 2021.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For, M/s Samir M. Shah & Associates
Chartered Accountants
(FRN: 122377W)

Place: Ahmedabad
Date: August 14, 2021

Samir Shah
Partner
(Mem. No. 111052)

To,

The Members,

NANDAN DENIM LIMITED

CIN: L51909GJ1994PLC022719

We have examined the compliance of conditions of Corporate Governance by Nandan Denim Limited ('the Company'), for the year ended 31st March, 2021 as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in the Listing Regulations for the period 1st April, 2020 to 31st March ,2021.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 Regulations, as applicable subject to our below observation:

Penalty was levied on the Company by the stock exchanges on account of delayed filings under Regulation 29(2)(3) and non-compliance of Regulation 17(1) of SEBI (LODR) Regulations, 2015 for the quarter ended 30th September, 2020 and 30th June,2020. However, the said delay / non-compliance with the Regulations were complied by the Company and the Company has paid the Penalty imposed by Stock Exchanges.

Date: 06th September,2021

Place: Ahmedabad

for, J. D. KHATNANI & ASSOCIATES,
Practicing Company Secretary

Jaykumar D. Khatnani

Proprietor

ACS: 50727 COP: 18421

UDIN: A050727C000910300

Chief Executive Officer (CEO) & Chief Financial Officer (CFO) Certification

To
The Board of Directors
Nandan Denim Limited

We hereby certify that on the basis of the review of the financial statement and cash flow statement for the financial year ended March 31, 2021 and that to the best of our knowledge and belief:

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

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

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

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

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

Ahmedabad
August 14, 2021

Deepak Chiripal
CEO

Ashok Bothra
CFO



Nandan
One world with denim

Financial Statements

Independent Auditor's Report

To,
The Members of
Nandan Denim Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the financial statements of Nandan Denim Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2021 and its Loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. (a) As described in Note 46 to the Financial Statement, the extent to which the COVID-19 pandemic will impact the company's operations and financial performance is dependent on future developments, which are highly uncertain.
- (b) As described in Note 42(a) to the Financial Statement, there was a major fire at the factory premises of the Company on 08th August, 2020. Since the assets destroyed were fully insured, the Company has recognised the loss of property, plant and equipment and inventory in the statement of Profit & Loss and has also recognised income from insurance claim separately in the Statement of Profit and Loss.
- (c) As described in Note 42(b) to the Financial Statement, earlier there was a fire at the factory premises of the Company on 08th February, 2020. Since the property, plant and equipment and inventory destroyed were fully insured. As informed to us, said loss on account of fire is fully covered by Insurance. The Company has accounted for this amount as amount receivable from the Insurance Company disclosed under "Other Current Financial Asset". The Company has already filed the claim for the same with the insurance company and the claim settlement in respect of the same is pending till date.

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

Key Audit Matters

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

6. Key audit matter identified in our audit is on assessment of Recoverability and Reorganisation of Receivables from Government Grants :

Key audit matter	How our audit addressed the key audit matter
<p>Recoverability and Reorganisation of Receivables from Government Grants</p> <p>The Company receives government grants as part of the Gujarat Textile Policy,2012 Programme and under Technology Upgradation Fund Scheme-Non-SSI Textile Sector. In applying the Gujarat Textile Policy& Technology Upgradation Fund Scheme-Non-SSI Textile Sector, government grants were recognised on the basis of compliance with their conditions and meeting the envisaged obligations. During the current financial year, the Company recognised the Technology Upgradation Fund Scheme of Rs.846.05 Lakhs and State Government Grant of Rs.2,217.00 Lakhs out of which Government Grant of Rs.525.68 Lakhs pertaining to Interest Subsidy on Term Loan and Government Grant of Rs.314.17 Lakhs of Power Subsidy have been reduced from the corresponding Expenditure and Grant in respect of GST Amounting to Rs.1,377.15 Lakhs is treated as other operating revenue. Further as on balance sheet date, the Company has total Receivables of Rs.7,715.60 Lakhs from Statutory Authorities in respect of above government grants.We considered this to be a matter of most significance to our audit due to the:</p> <p>Significant level of Management Judgement involved in respect of reliable measurement of government grants;</p> <p>The quantum of the government grant recognised.</p>	<p>We evaluated the accounting treatment of the government grant in terms of Ind AS -20. In respect of the same our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the accounting policy for government grants as per the relevant accounting standard. On a sample basis verified the claims lodged by the Company and its approval by the concerned Government Authorities; In respect of claims pending for approval at year end, we verified the empirical evidence on the claims lodged vis-à-vis claims approved to satisfy as regards the reliable measurement of government grant receivable. Based on discussion with the management & opinion obtained from the Consultants of the company, we are of the view that grants receivable as presented under Note. 6 results in fair presentation.

Information other than the Financial Statements and Auditors' Report thereon

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

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

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

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

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

8. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant

to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for our resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

17. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS Specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in the financial statements- Refer Note -34 to the Financial Statement;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been a delay of 100 days in transferring the amount of Rs.6.87 Lakhs to the Investor Education and Protection Fund by the Company.

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

(S. M. Shah)
Partner

[M. No. 111052]

UDIN:21111052AAAASM7214

Place : Ahmedabad

Date : 29/06/2021

Annexure “A” to the Independent Auditors’ Report of even date on the Financial Statements of Nandan Denim Limited

Referred to in paragraph 16 of our Report of even date to the Members of Nandan Denim Limited for the year ended 31st March, 2021.

1. In respect of Fixed Assets :

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

2. In respect of Inventories :

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

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

4. Loans, Investments and guarantees:

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

5. Acceptance of Deposits:

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

6. Cost Records:

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

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

7. In respect of Statutory Dues :

- (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income tax, Value added tax, Central Sales Tax, Goods and Service Tax, service tax, customs duty, exciseduty, cess and any other statutory dues with the appropriate authorities applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues of income tax, service tax, customs duty, excise duty, value added tax, central sales tax or cess which have not been deposited as on 31st March,2021 on account of disputes and the forum where the dispute is pending are as under:

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

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

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

(S. M. Shah)

Partner

[M. No. 111052]

Place : Ahmedabad

Date :29/06/2021

UDIN: 21111052AAAASM7214

Annexure “B” To Independent Auditors’ Report

Referred to in paragraph 16(f) of “Report on Other Legal and Regulatory Requirements” of our Report of even date to the Members of Nandan Denim Limited for the year ended 31st March, 2021.

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 2021, 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 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(S. M. Shah)
Partner

Place : Ahmedabad
Date :29/06/2021

[M. No. 111052]
UDIN: 21111052AAAASM7214

Balance Sheet

as at 31st March, 2021

(₹ in lakhs)

Particulars	Note Reference	As at 31/03/2021	As at 31/03/2020
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	50,248.88	58,397.73
(b) Capital Work-in-Progress	3	207.51	Nil
(c) Intangible Assets	4	7.08	15.73
(d) Financial Assets			
(i) Investments	5	29.41	120.73
(ii) Loans		Nil	Nil
(iii) Others Financial Assets	6	151.85	134.55
(e) Other Non-Current assets	7	1,255.42	509.72
(2) Current Assets			
(a) Inventories	8	20,548.04	16,311.41
(b) Financial Assets			
(i) Trade Receivables	9	27,841.08	31,919.10
(ii) Cash and cash Equivalents	10	1,692.82	1,553.74
(iii) Other Bank Balances	11	1,338.90	1,050.11
(v) Others Financial Assets	6	11,138.68	8,417.79
(c) Current Tax Asset (Net)	12	62.22	Nil
(d) Other Current Assets	7	3,799.80	2,830.31
TOTAL ASSETS		1,18,321.69	1,21,260.92
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	4,804.91	4,804.91
(b) Other Equity	14	42,297.66	44,223.19
TOTAL EQUITY		47,102.57	49,028.10
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	26,225.24	26,343.71
(ii) Other Financial Liabilities	16	19.27	19.27
(b) Provisions	17	Nil	Nil
(c) Deferred Tax Liabilities (Net)	18	229.63	1,524.87
(d) Deferred Govt Grant Liabilities	19	174.27	Nil
(e) Other Non-Current Liabilities	20	Nil	Nil
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	20,360.51	21,062.77
(ii) Trade Payables	21		
(a) Due to Micro & Small Enterprises		Nil	67.99
(b) Due to Other than Micro & Small Enterprises		11,968.65	14,281.79
(iii) Other Financial Liabilities	16	11,245.32	7,622.38
(b) Other Current Liabilities	20	486.38	1,034.37
(c) Provisions	17	410.11	258.90
(d) Deferred Govt Grant Liabilities	19	99.74	Nil
(e) Current Tax Liabilities (Net)	22	Nil	16.77
TOTAL LIABILITIES		71,219.12	72,232.82
TOTAL EQUITY AND LIABILITIES		1,18,321.69	1,21,260.92
Statement of Significant Accounting Policies	2		

As per our report of even date attached herewith. **For and on Behalf of the Board**

For, **Samir M Shah & Associates**

Chartered Accountants
(Firm Regd. No. 122377W)

(S M Shah)
Partner
(M.No. 111052)

Vedprakash Chiripal
(Chairman)
(DIN: 00290454)

Jyotiprasad Chiripal
(Managing Director)
(DIN: 00155695)

Deepak Chiripal
(Chief Executive Officer)

Date : 29/06/2021
Place: Ahmedabad

Date : 29/06/2021
Place: Ahmedabad

Ashok Bothra
(Chief Financial Officer)

Purvee Roy
(Company Secretary)

Statement of Profit and Loss

for the year ended 31st March, 2021

(₹ in lakhs)

Particulars	Note Reference	Year Ended 31/03/2021	Year Ended 31/03/2020
(A) CONTINUING OPERATIONS			
I INCOME			
(1) Revenue from Operations	23	1,09,023.15	1,52,426.49
(2) Other Income	24	2,352.42	2,437.41
TOTAL INCOME		1,11,375.58	1,54,863.91
II EXPENSES			
(1) Cost of materials consumed	25	78,480.42	1,05,821.53
(2) Purchases of Stock-in-Trade	26	938.80	2,453.10
(3) Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress"	27	375.98	5,322.02
(4) Employee Benefit expenses	28	5,100.37	7,927.73
(5) Finance Costs	29	4,226.08	4,304.33
(6) Depreciation and Amortisation expenses	3,4	7,838.47	8,770.04
(7) Other Expenses	30	17,553.70	20,992.37
TOTAL EXPENSES		1,14,513.83	1,55,591.12
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS FOR THE YEAR		(3,138.25)	(727.22)
III EXCEPTIONAL ITEMS			
PROFIT/(LOSS) BEFORE TAX FOR THE YEAR		(3,138.25)	(727.22)
IV TAX EXPENSE			
(1) Current Tax	31	Nil	147.98
(2) Deferred Tax	31	(1,266.41)	(690.06)
(3) Short/(Excess) Provision Of Income Tax of earlier year	31	Nil	(126.70)
TOTAL TAX EXPENSE		(1,266.41)	(668.78)
PROFIT/(LOSS) AFTER TAX FOR THE YEAR		(1,871.84)	(58.44)
V OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to Profit or Loss (Net of Taxes)			
(a) Remeasurements of Defined Benefit Plans		(82.51)	33.11
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss"		28.83	(11.57)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		(53.68)	21.54
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,925.52)	(36.90)
VI EARNINGS PER EQUITY SHARE OF RS. 10/- EACH FULLY PAIDUP			
(a) Basic (in Rs.)	32	(3.90)	(0.12)
(b) Diluted (in Rs.)	32	(3.90)	(0.12)

As per our report of even date attached herewith.

For and on Behalf of the Board

For, **Samir M Shah & Associates**Chartered Accountants
(Firm Regd. No. 122377W)**(S M Shah)**Partner
(M.No. 111052)**Vedprakash Chiripal**(Chairman)
(DIN: 00290454)**Jyotiprasad Chiripal**(Managing Director)
(DIN: 00155695)**Deepak Chiripal**

(Chief Executive Officer)

Date : 29/06/2021

Place: Ahmedabad

Date : 29/06/2021

Place: Ahmedabad

Ashok Bothra

(Chief Financial Officer)

Purvee Roy

(Company Secretary)

Statement of Changes in Equity for the year ended 31st March, 2021

A) Equity Share Capital

Particulars	(₹ in lakhs)
Balance as at 01/04/2019	4,804.91
Changes during the year	Nil
Balance as at 31/03/2020	4,804.91
Changes during the year	Nil
Balance as at 31/03/2021	4,804.91

B) Other Equity

Particulars	Reserves and Surplus			TOTAL
	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 01/04/2019	8,378.33	755.40	35,126.35	44,260.08
Profit for the year	Nil	Nil	(58.44)	(58.44)
Other Comprehensive Income for the year (Net of Tax)	Nil	Nil	21.54	21.54
Total Comprehensive Income for the year	Nil	Nil	(36.90)	(36.90)
Transactions with owners in their capacity as owners:				
Dividend	Nil	Nil		Nil
Tax on Dividend	Nil	Nil		Nil
Balance as at 31/03/2020	8,378.33	755.40	35,089.46	44,223.19
Profit for the year	Nil	Nil	(1,871.84)	(1,871.84)
Other Comprehensive Income for the year (Net of Tax)	Nil	Nil	(53.68)	(53.68)
Total Comprehensive Income for the year	Nil	Nil	(1,925.52)	(1,925.52)
Transactions with owners in their capacity as owners:				
Dividend	Nil	Nil		Nil
Tax on Dividend	Nil	Nil		Nil
Balance as at 31/03/2021	8,378.33	755.40	33,163.93	42,297.66

As per our report of even date attached herewith.

For and on Behalf of the Board

For, **Samir M Shah & Associates**

Chartered Accountants
(Firm Regd. No. 122377W)

(S M Shah)

Partner
(M.No. 111052)

Vedprakash Chiripal

(Chairman)
(DIN: 00290454)

Jyotiprasad Chiripal

(Managing Director)
(DIN: 00155695)

Deepak Chiripal

(Chief Executive Officer)

Date : 29/06/2021

Place: Ahmedabad

Date : 29/06/2021

Place: Ahmedabad

Ashok Bothra

(Chief Financial Officer)

Purvee Roy

(Company Secretary)

Statement of Cash Flows

for the year ended 31st March, 2021

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Cash flow from operating activities		
Profit before Tax from Continuing operations	(3,138.25)	(719.52)
Profit before income tax including discontinued operations		
Adjustments for		
Depreciation	7,838.47	8,770.04
Provision/(Reversal) for Doubtful debts	933.60	279.40
Bad Debt Writtern Off	83.35	78.75
Fair Value (gain)/ Loss on Forward Contract	(23.83)	68.93
Finance Charges	4,226.08	4,304.33
Deferred Government Grant Income	(78.57)	Nil
Provision/(Reversal) for doubtful Advances	31.44	678.88
Provision for Impairment Loss on Investment	100.00	Nil
Loss on Sale of Property, Plant & Equipment	(48.00)	8.75
(Profit)/Loss From Sale Of Investments	(0.04)	Nil
Net (gains)/Loss on fair value changes on Investments classified as FVPL	(8.69)	8.09
Interest Received	(212.60)	(88.95)
EPCG Grant Income	(25.92)	(425.15)
Dividend Income	(0.01)	(0.04)
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
Increase/(decrease) in Trade Payable	(2,381.13)	2,229.66
Increase/(decrease) in short-term Provision	68.70	15.23
Increase/(decrease) in other current liability	(547.99)	715.31
Increase/(decrease) in other current Financial liability	(0.79)	1,124.39
Increase/(decrease) in other Non Current Financial liability	(0.00)	(0.00)
Decrease/(increase) in Trade receivable	3,061.07	(4,872.25)
Decrease/(increase) in Inventories	(4,236.63)	5,399.00
Decrease/(increase) in Non Current loans	Nil	Nil
Decrease/(increase) in Current loans	Nil	Nil
Decrease/(increase) in other Current assets	(979.91)	88.56
Decrease/(increase) in other Non Current Financial assets	(15.42)	(6.07)
Decrease/(increase) in other Current Financial assets	(1,066.15)	(1,689.45)
Decrease/(increase) in other non-current assets	(22.23)	2.72
Cash generated from operations	3,556.55	15,970.60
Income taxes paid	(61.10)	(501.82)
Net cash inflow from operating activities	3,495.45	15,468.79
Cash flows from investing activities		
Purchase of Fixed Assets (Incl. WIP)	(2,477.45)	(2,483.46)
Sale of Fixed Assets	48.00	45.39
Purchase of non-current Investments	Nil	Nil
Sale of non-current Investments	86.84	Nil
Margin Money Deposit(Net)	(301.61)	551.29
Interest Received	231.52	78.66
Dividend Income	0.01	0.04
Net cash outflow from investing activities	(2,412.69)	(1,808.09)

Statement of Cash Flows

for the year ended 31st March, 2021

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Cash flows from financing activities		
Long Term Borrowing Taken during the year	8,802.48	Nil
Long Term Borrowing Paid during the year	(4,756.55)	(6,193.31)
Increase in Short Term Borrowing (Net)	(702.26)	(1,973.85)
Interest paid	(4,287.36)	(4,240.88)
Dividend paid (Incl. Dividend Distribution Tax)	Nil	Nil
cash flows from financing activities	(943.69)	(12,408.05)
Net increase (decrease) in cash and cash equivalents	139.07	1,252.65
Cash and cash equivalents at the beginning of the financial year	1,553.74	301.09
Cash and cash equivalents at end of the year	1,692.82	1,553.74
Reconciliation of cash and cash equivalents as per the cash flow statement		(₹ in lakhs)
Cash and cash equivalents as per above comprise of the following:	As at	As at
	31/03/2021	31/03/2020
Cash and cash equivalents (note 10)	1,692.82	1,553.74
Fixed deposits with less than 3 month from date of origination	Nil	Nil
Balances per statement of cash flows	1,692.82	1,553.74

As per our report of even date attached herewith.

For and on Behalf of the Board

For, **Samir M Shah & Associates**

Chartered Accountants

(Firm Regd. No. 122377W)

(S M Shah)

Partner

(M.No. 111052)

Vedprakash Chiripal

(Chairman)

(DIN: 00290454)

Jyotiprasad Chiripal

(Managing Director)

(DIN: 00155695)

Deepak Chiripal

(Chief Executive Officer)

Date : 29/06/2021

Place: Ahmedabad

Date : 29/06/2021

Place: Ahmedabad

Ashok Bothra

(Chief Financial Officer)

Purvee Roy

(Company Secretary)

Notes to Financial Statements

for the year ended 31st March, 2021

Note: 1

1.1 Company Overview

Nandan Denim Limited is a public limited Company incorporated and domiciled in India and its shares are traded on the National Stock Exchange of India Ltd ('NSE') and BSE Limited ('BSE'), in India. The registered office of the Company is situated at Survey No. 198/1 & 203/2 Saijpur-Gopalpur, Pirana Road, Piplej, Ahmedabad-382405-Gujarat.

The Company is principally engaged in the manufacturing and Sale of fabrics including Denim, Yarn and Shirting etc. The Company has manufacturing facilities located at Piplej and Bareja, Gujarat.

These financial statements presented in Indian Rupee with figures rounded off to nearest rupees in lakhs except otherwise indicated were approved and adopted by Board of Directors of the Company in their meeting held on 29th June, 2021.

1.2 Basis of Preparation of Accounts

These individual financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS is prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company retains the presentation and classification of items in the financial statements from one period to the next.

1.3 Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving

complex and subjective judgements and the use of assumptions in financial statements have been specified in Note 1.4 below. Accounting estimates could change from period to period. Actual results could differ from estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in financial statements in the period in which the changes are made and, if material, their effects are disclosed in these notes to the individual financial statements.

1.4 Critical Accounting Estimates and Judgement used in application of Accounting Policies

a. Income Taxes

Significant judgements are involved in determining the provision for Income Taxes, including amount expected to be paid / recovered for uncertain tax positions. (Also refer Note 18 and 31)

b. Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technology. (Refer Note 3)

c. Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on empirical evidence available without under cost or effort, existing market conditions as well as forward looking estimates at the end of each reporting period. (Refer Note 9 and 33.3.3)

d. Defined Benefit Plan

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations is determined using actuarial valuation.

Notes to Financial Statements for the year ended 31st March, 2021

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note 28, 28.1 and 28.2)

e. Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments. (Refer Note 33)

Note 2

2.1 Significant Accounting Policies

2.1.1 Income Recognition

Revenue from Contracts with Customers

2.1.1.a Sale of Goods

The company manufactures Denim Cloth, Shirting Cloth and Yarn and trades Cotton and Coal. The company also render job work service. Revenue from the sale of goods is recognized at a point in time when the control of the products has transferred which generally coincides with dispatch of products to customers in case of domestic sales and on the basis of bill of lading in the case of export sales.

Revenue from the sale of goods is recognised when the control of the product is transferred, the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

- The Company has a present right to payment for the asset.
- The Company has transferred physical possession of the asset, whereby the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset or to restrict the access of other entities to those benefits.

The time taken from entering into order and sale is less than 12 months and the normal credit period offered to customers is also less than 12 months. The company offers trade Discount, Quantity Discount, cash Discount, Discount for Shortage or quality issue discount which are factored while determining transaction price. Revenue is recognised such that significant reversal is not highly probable. The reconciliation between the contract price and revenue recognised is given in Note 23.

When the consideration is received, before the Company transfers goods to the customer, the Company shall present the consideration as a contract liability.

2.1.1.b Rendering of Service

Revenue from divisible service contracts:

- service contracts are recognised over a period of time determined using the percentage completion method, synchronized to the billing schedules agreed by the customers, identical with others in similar business and
- the revenue relating to supplies are measured in line with policy set out in 2.1.1.a

In respect of indivisible contracts, the revenues are recognised over a period of time, measured as per (i) above.

When the consideration is received, before the Company transfers goods to the customer, the Company shall present the consideration as a contract liability and when the services rendered by the Company exceed the payment, a contract asset is recognised excluding any amount presented as receivable.

2.1.2 Dividend Income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the

Notes to Financial Statements

for the year ended 31st March, 2021

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

2.1.3 Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal amount outstanding and at the effective interest rate. Effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.1.4 Export Incentives

Export entitlements are recognized in the Statement of Profit and Loss when the right to receive credit as per the terms of scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. (Refer Note 2.1.10)

2.1.5 Subsidy

Subsidy under Textiles Up gradation Fund Scheme (TUFS), Gujarat Textile Policy or any other subsidy and claims in respect of insurance are recognized when there is reasonable certainty regarding the realization of the same. (Refer Note 2.1.10)

2.1.6 Inventories

Inventories are measured at cost and net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale. Cost in respect of raw materials and stock in trade are determined on FIFO basis. Costs in respect of all other Inventories are computed on weighted average basis method. Finished goods and process stock include cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.

Inventories are written down to net realizable value item by item except where it is appropriate to group similar or related items. When a decline in the price of materials, indicates that the cost of the finished products exceeds net realizable value, the materials are written down to their replacement cost. When the circumstances that previously caused inventories to be written down below cost no longer exist or when

there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed so that the new carrying amount is the lower of the cost and the revised net realizable value. Inventories are recognised as expense in the period in which the related revenue is recognised.

2.1.7 Property, Plant and Equipment

2.1.7.a Recognition of Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment is recognised as an asset if and only, if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Freehold land is carried at cost less accumulated impairment losses. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of an item of property, plant and equipment comprises:

- Its purchase price, all costs including financial costs till commencement of commercial production are capitalized to the cost of qualifying assets. Goods & Service Tax credit, if any, are accounted for by reducing the cost of capital goods;
- Any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

2.1.7.b Depreciation of Property, Plant and Equipment

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately on straight-line method. Parts of plant and equipment that are technically advised to be replaced at prescribed intervals / periods of

Notes to Financial Statements for the year ended 31st March, 2021

operation, insurance spares and cost of inspection / overhauling are depreciated separately based on their specific useful life provided these are of significant amounts. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. Depreciable amount of an item of property, plant and equipment is arrived at after deducting estimated residual value. The depreciable amount of an asset is allocated on a systematic basis over its useful life as disclosed in Note 3. The Company reviews the residual value and useful life at each financial year-end and, if expectations differ from previous estimates, the residual value and useful lives are changed prospectively and accounted for as a change in accounting estimate. Depreciation commences when the item of property, plant and equipment is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognized. The Company reviews the depreciation method at each financial year-end and if, there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted as a change in accounting estimate on prospective basis.

2.1.7.c Compensation for Impairment

The Company recognises compensation from third parties for items of property, plant and equipment that were impaired, lost or given up in profit or loss when the compensation becomes receivable.

2.1.7.d Derecognition of Property, Plant and Equipment

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss from the derecognition of an item of property, plant and equipment is recognised in profit or loss when the item is derecognized.

2.1.8 Leases

As a Lessee

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (i) the contract involves the use of an identified asset (ii) the company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and (iii) the company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its

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for the year ended 31st March, 2021

assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an operating expense as per the terms of the lease.

As a Lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

2.1.9 Employee Benefits

2.1.9.a Short-term Employee Benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. Short-term employee benefits include salaries, wages, social security contributions, bonus, paid annual leave etc. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2.1.9.b Post-employment Benefits

Post-employment benefits are benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment. Post-employment benefits are identified under defined contribution plans and defined benefit plans.

2.1.9.b.i Defined Contribution Plans

Post-employment benefits are identified under defined contribution plans if the Company has no obligation other than to contribute a fixed amount of money to a fund. Employees may contribute to the fund along with the Company. Contributions to the Employees' Regional Provident Fund and Superannuation Fund are recognised as defined contribution plan. Such contributions are recognised as liability and expenses during the period in which the employees perform the services. Any excess contributions to the fund are recognised as an asset.

2.1.9.b.ii Defined Benefit Plans

Post-employment benefits are identified under defined benefit plans if the Company is obligated to provide a defined return on contributions to the fund over and above its contributions to the fund. Such contributions to the fund may also include contributions by the employees. Post-employment benefits in the form of Gratuity are considered as defined benefit plan and determined on actuarial valuation using the projected unit credit method at the balance sheet date. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is recognised in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Gratuity is funded through a trust for which a policy with SBI Life Insurance company Limited has been taken.

2.1.9.c Other long-term employment benefits

Employee Benefits that are neither short-term employee benefit nor post-employment benefit nor termination benefits are other long-term employee benefits. Entitlements to annual leave and sick leave are recognized when they accrue

Notes to Financial Statements for the year ended 31st March, 2021

to employees. Sick leave can only be availed while annual leave can be either availed or encashed subject to a restriction on the maximum number of accumulation leave. The Company determines the liability for such accumulated leaves using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

2.1.10 Government Grants

Assistance by government in the form of transfers of resources to the Company in return for past or future compliance with certain conditions relating to operating activities of the entity other than those which cannot reasonably have a value placed upon them or those that cannot be distinguished from normal trading transactions of the Company are termed as government grants. All government grants are identified as either relating to assets or relating to income. Government grants whose primary condition is that a Company qualifying for them should purchase, construct or otherwise acquire long-term assets are identified as grants related to assets. Grants other than those related to assets are identified as related to income. Government grants are recognised when there is a reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. A forgivable loan from government is treated as a government grant when there is a reasonable assurance that the entity will meet the terms for forgiveness of the loan. The Company recognises Government grants in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet as deferred income. Deferred income is recognised in profit or loss on the basis the related assets are depreciated or amortised if they are related to asset or under other income when the grant becomes receivable. Grants related to income are presented in profit or loss under other income. Grants received in advance before fulfilment of conditions are recognised as Other Liability classified into current or non-current, as appropriate in the circumstances of the case.

2.1.11 Foreign currency transactions and translations

Functional currency of the Company is Indian rupee. The financial statements have been presented

under its functional currency. Any transaction that is denominated in a currency other than the functional currency is regarded as foreign currency transaction. All foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. In case of consideration received or paid in advance, the exchange rate prevailing on the date of receipt or payment of advance is considered when subsequently the related asset is given up or received to the extent of advance consideration.

At the end of the reporting period:

1. foreign currency monetary items are translated using the exchange rate for immediate delivery at the end of the reporting period;
2. non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
3. non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange difference arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

2.1.12 Borrowing Costs

Interest and other costs that the Company incurs in connection with the borrowing of funds are identified as borrowing costs. The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which it is incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. The Company identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining a qualifying asset. General borrowings include all other

Notes to Financial Statements

for the year ended 31st March, 2021

borrowings except the amount outstanding as on the balance sheet date of specific borrowings. Borrowing cost incurred actually on specific borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalisation on borrowing costs commences when the Company incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.1.13 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company classifies financial instruments issued into financial liability and equity based on the substance of the arrangement and the contractual terms. Significant judgement is required to assess whether a particular asset is a financial instrument or otherwise. An asset that represents a contractual right to receive cash that is subject to other than only passage of time or cannot be sold independently of other operating rights have not been presented as financial assets. Such assets are mainly in the nature of security deposits and investments in equity shares for receiving services from third parties including government-controlled organisations.

2.1.13.a Recognition, classification, measurements and derecognition of Financial Assets

Financial assets include cash and cash equivalents, trade and other receivables, investments in securities and other eligible current and non-current assets. At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified and measured under one of the following three categories according to the purpose for which they are held and contractual cash flow characteristics. Financial assets are

reclassified only when the purpose for which they are held changes. Financial assets are derecognised when the right to cash flows from the financial asset expires or when the financial asset is transferred resulting in transfer of significant risks and rewards to the buyer. Where significant risks and rewards are retained on transfer of a financial asset, the financial asset is not derecognised, and a financial liability is recognised for the consideration received. Where the transfer of financial asset results in partial transfer of risks and rewards, the asset is derecognised if the buyer obtains the right to sell the asset to other party unilaterally without attaching any conditions otherwise the financial asset continues to be recognised to the extent of continuing involvement

2.1.13.a.i Financial Assets at amortised cost

Financial assets at amortised cost, at the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

2.1.13.a.ii Financial asset at Fair Value through Other Comprehensive Income (FVOCI)

Financial asset at FVOCI, at the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the Effective Interest Rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

Notes to Financial Statements for the year ended 31st March, 2021

2.1.13.a.iii Financial assets at Fair Value through Profit or Loss (FVPL)

Financial Assets at FVPL, at the date of initial recognition, are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

2.1.13.b Impairment of Financial Assets

The Company recognizes the impairment on financial assets based on the expected credit loss model for the financial assets which are not measured at fair value through profit or loss. In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. In case of other financial assets, expected credit losses are measured at an amount equal to 12-month ECL unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime expected credit loss. The amount of expected credit losses or reversal that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the profit and loss for the period.

2.1.13.c Recognition, classification, measurement and derecognition of financial liabilities

Financial liabilities include long-term and short-term loans and borrowings, trade and other payables and other eligible current and non-current liabilities. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs. The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

After initial recognition, financial liabilities are classified under one of the following two categories:

2.1.13.c.i Financial liabilities at amortised cost

After initial recognition, such financial liabilities are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial liability. The EIR amortisation is included in finance expense in the statement profit or loss.

2.1.13.c.ii Financial liabilities at Fair Value through Profit or Loss (FVPL)

Financial Liabilities at FVPL are those which are designated as such on initial recognition, or which are held for trading. Fair value gains / losses attributable to changes in own credit risk is recognised in OCI. These gains / losses are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.

2.1.13.d Derivative Financial Instruments

Derivative instruments such as forward foreign currency contracts, interest rate swaps and option contracts are used to hedge foreign currency risks and interest rate risk. Such derivatives are initially recognised at their fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.1.14 Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.1.15 Earnings per Share

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. (Refer Note 32)

Notes to Financial Statements

for the year ended 31st March, 2021

2.1.16 Impairment of Non-Financial Assets

The Company reviews the carrying amount of its Property, Plant and Equipment, including Capital Work in progress of a "Cash Generating Unit" (CGU) at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit to which the asset belongs.

Recoverable Amount is determined:

- i) In case of individual asset, at higher of the fair value less cost to sell and value in use; and
- ii) In case of cash generating unit (a Company of assets that generates identified, independent cash flows), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

2.1.17 Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits

is remote, no provision or disclosure is made. Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

2.1.18 Intangible Assets

The Company identifies an identifiable non-monetary asset without physical substance as an intangible asset. The Company recognises an intangible asset if it is probable that expected future economic benefits attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost unless acquired in a business combination in which case an intangible asset is measured at its fair value on the date of acquisition. The Company identifies research phase and development phase of an internally generated intangible asset. Expenditure incurred on research phase is recognised as an expense in the profit or loss for the period in which incurred. Expenditure on development phase are capitalised only when the Company is able to demonstrate the technical feasibility of completing the intangible asset, the ability to use the intangible asset and the development expenditure can be measured reliably. The Company subsequently measures all intangible assets at cost less accumulated amortisation less accumulated impairment. An intangible asset is amortised on a straight-line basis over its useful life. Amortisation commences when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognised. The amortisation charge for each period is recognised in profit or loss unless the charge is a part of the cost of another asset. The amortisation period and method are reviewed at each financial year end. Any change in the period or method is accounted for as a change in accounting estimate prospectively. The Company derecognises an intangible asset on its disposal or when no future economic benefits are expected from its use or disposal and any gain or loss on derecognition is recognised in profit or loss as gain / loss on derecognition of asset.

2.1.19 Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in profit or loss except to the extent that it relates

Notes to Financial Statements for the year ended 31st March, 2021

to items recognised directly in equity or in other comprehensive income.

2.1.19.a Current Tax

Current tax is determined on income for the year chargeable to tax in accordance on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The Company has adopted Appendix C of Ind AS-12 and has provided for the tax liability based on the significant judgment that the taxation authority will not accept the tax treatment. However adoption of the same does not have any impact on the Balance Sheet, Statement of Change in Equity and Statement of Profit & Loss Account.

2.1.19.b Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unabsorbed losses and tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and tax credits will be utilised. The carrying amount of deferred tax assets is reviewed at the end of financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is expected to be settled or the asset realised, based on tax rates and tax laws that have been substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.1.20 Assets Held for Sale

The Company classifies assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

2.1.21 Fair Value Measurement

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability, or
- In the absence of a principal market, in the most advantageous market for asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 —quoted market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring

Notes to Financial Statements

for the year ended 31st March, 2021

basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

2.1.22 Segment Reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments are reported in a manner consistent with the internal reporting to the CODM.

Accordingly, the Board of Directors of the Company is CODM for the purpose of segment reporting. Refer note 39 for segment information presented.

2.1.23 Dividend

The Company recognises a liability for dividends to equity holders of the Company when the dividend is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.1.24 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.1.25 Statement of Cash flows:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Note:2.2

2.2 Standards issued but not yet effective

The ministry of corporate affairs vide notification no. G.S.R. 419(E) dated 18th June 2021 has notified amendment that will be effective from the beginning of the next financial year, i.e. 1st April 2021, except for amendments to Ind AS 116, Leases, extending the practical expedient for recognising any lease rent concessions due to COVID-19 till 30th June 2022 as variable lease payments which may be applied for the current financial year ended on 31st March 2021. These amendments can be broadly categorised into the following:

- a) Amendments related to changing reference to new conceptual framework for financial reporting from the old framework for the preparation and presentation of financial statements both issued by The Institute of Chartered Accountants of India. These amendments do not have impact on the financial position, performance or cash flows of the company.
- b) Amendments to Ind AS 116, Leases, related to lease rent concessions due to COVID-19 where the practical expedient for recognising any lease rent concessions due to COVID-19 till 30th June 2022 as variable lease payments. The company is in the process of collecting the required information and therefore will apply the amendment in the next financial year.
- c) Amendments related to interest rate benchmark reform.

The term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate such as that resulting from the recommendations set out in the Financial Stability Board's July 2014 report 'Reforming Major Interest Rate Benchmarks'. The company is evaluating the impact of such amendments. Based on current understanding, the amendments may increase the disclosures related to the reform and as such are less likely to have any material impact on the financial position and performance of the company.

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for the year ended 31st March, 2021

Note 3

Property, Plant and Equipment

Particulars	Land		Buildings		Plant & equipment		Office equipment		Furniture & fixtures		Vehicles		Computers		Total
	Owned		Owned		Owned		Owned		Owned		Owned		Owned		
Gross Block															
Gross Carrying Value as at 01/04/2019	938.39		23,585.20		68,952.85		152.14		248.33		168.71		146.37		94,191.99
Additions during the year	55.00		836.44		3,553.57		6.63		0.88		98.91		15.68		4,567.11
Disposals during the year	Nil		(72.33)		Nil		Nil		Nil		Nil		Nil		(72.33)
Other adjustments during the year**	Nil		(188.63)		(1,655.49)		Nil		(2.94)		Nil		(34.01)		(1,881.07)
Gross Carrying Value as at 31/03/2020	993.39		24,160.68		70,850.93		158.77		246.28		267.61		128.04		96,805.70
Additions during the year	Nil		496.52		802.02		13.28		7.61		Nil		19.60		1,339.02
Disposals during the year	Nil		Nil		(350.40)		Nil		Nil		Nil		Nil		(350.40)
Other adjustments during the year**	Nil		(639.95)		(4,190.55)		(4.00)		(2.09)		Nil		(4.78)		(4,841.37)
Gross Carrying Value as at 31/03/2021	993.39		24,017.25		67,112.00		168.05		251.79		267.61		142.86		92,952.95
Accumulated depreciation and impairment as at the 01/04/2019															
Depreciation for the year	Nil		2,243.10		28,404.89		97.03		80.16		64.78		115.12		31,005.07
Disposals during the year	Nil		887.26		7,749.47		22.43		27.26		29.96		20.91		8,737.29
Other adjustments**	Nil		(18.19)		Nil		Nil		Nil		Nil		Nil		(18.19)
Other adjustments**	Nil		(40.54)		(1,240.18)		Nil		(1.46)		Nil		(34.01)		(1,316.20)
Accumulated depreciation and impairment as at the 31/03/2020	Nil		3,071.63		34,914.17		119.46		105.96		94.73		102.02		38,407.97
Depreciation for the year	Nil		882.80		6,850.78		16.76		26.69		33.24		15.26		7,825.52
Disposals during the year	Nil		Nil		(350.40)		Nil		Nil		Nil		Nil		(350.40)
Other Adjustment**	Nil		(170.25)		(2,999.01)		(4.00)		(1.59)		Nil		(4.18)		(3,179.02)
Accumulated depreciation and impairment as at the 31/03/2021	Nil		3,784.18		38,415.54		132.21		131.06		127.97		113.10		42,704.07
Net Carrying Value															
As at 31/03/2020	993.39		21,089.05		35,936.76		39.31		140.32		172.88		26.02		58,397.73
As at 31/03/2021	993.39		20,233.07		28,696.45		35.84		120.73		139.64		29.76		50,248.88
Capital Work-in-Progress															
As at 31/03/2020	Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil
As at 31/03/2021	Nil		189.86		17.64		Nil		Nil		Nil		Nil		207.51
Amount that are given as security for liabilities															
As at 31/03/2020	993.39		21,089.05		35,936.76		39.31		140.32		172.88		26.02		58,397.73
As at 31/03/2021	993.39		20,233.07		28,696.45		35.84		120.73		139.64		29.76		50,248.88
Useful Life (In Years)															
As at 31/03/2020	Nil		30.00		15.00		5.00		10.00		8.00		3.00		
As at 31/03/2021	Nil		30.00		15.00		5.00		10.00		8.00		3.00		
Amount of Contractual commitments for acquisition (Refer Note. 34)															
As at 31/03/2020	Nil		Nil		821.61		Nil		Nil		Nil		Nil		821.61
As at 31/03/2021	Nil		Nil		4,098.05		Nil		Nil		Nil		Nil		4,098.05

**Other Adjustment of FY 2020-21 to Gross Carrying Value of Assets represent a sum of Rs. 4,841.37 lakhs (PY. Rs 1,881.07 lakhs) and Accumulated Depreciation of Rs. 3,179.02 lakhs (PY. Rs. 1,316.20 lakhs) towards retirement of fully destroyed assets due to fire at Piplej Plant on August 08, 2020 and February 08, 2020 respectively.

Notes to Financial Statements

for the year ended 31st March, 2021

Note 4

Intangible Assets

(₹ in lakhs)

Particulars	Licence & software	Total
Gross Block		
Gross Carrying Value as at 01/04/2019	155.52	155.52
Additions during the year	Nil	Nil
Disposals during the year	Nil	Nil
Other adjustments during the year	Nil	Nil
Gross Carrying Value as at 31/03/2020	155.52	155.52
Additions during the year	4.30	4.30
Disposals during the year	Nil	Nil
Other adjustments during the year	Nil	Nil
Gross Carrying Value as at 31/03/2021	159.82	159.82
Accumulated Amortisation		
Accumulated Amortisation and impairment as at the 01/04/2019	107.03	107.03
Amortisation for the year	32.76	32.76
Disposals during the year	Nil	Nil
Other adjustments during the year	Nil	Nil
Accumulated Amortisation and impairment as at the 31/03/2020	139.80	139.80
Amortisation for the year	12.95	12.95
Disposals during the year	Nil	Nil
Other adjustments during the year	Nil	Nil
Accumulated Amortisation and impairment as at the 31/03/2021	152.75	152.75
Net Carrying Value		
As at 31/03/2020	15.73	15.73
As at 31/03/2021	7.08	7.08
Amount that are given as security for liabilities		
As at 31/03/2020	15.73	15.73
As at 31/03/2021	7.08	7.08
Amortisation period		
As at 31/03/2020	3	3
As at 31/03/2021	3	3
Amount of Contractual commitments for acquisition		
As at 31/03/2020	Nil	Nil
As at 31/03/2021	Nil	Nil

Notes to Financial Statements

for the year ended 31st March, 2021

Note 5

Non-Current Investments

Name of the Body Corporate	Subsidiaries / Associates / Joint Ventures / Structured Entities / Others	No. of Shares and Face Value of Shares				Quoted / Unquoted	Partly Paid/ Fully paid	Measured as		
		Face Value		As On 31/03/2021	As On 31/03/2020			at Cost / Amortised Cost / FVOCI / FVPL		
		Nos.	Nos.							
(a) Investments in Equity Instruments [Non Trade]										
(i) CIL Nova Petrochemicals Ltd.	Others	64000	10.00	64000	10.00	Quoted	Fully Paid	10.24	3.36	FVPL
(ii) UCO Bank Ltd.	Others	3500	10.00	3500	10.00	Quoted	Fully Paid	0.38	0.32	FVPL
(iii) Asian Paints Ltd.	Others	200	1.00	200	1.00	Quoted	Fully Paid	5.07	3.33	FVPL
(iv) The Saraswat Co. Op. Bank Ltd.	Others	2500	10.00	2500	10.00	Unquoted	Fully Paid	0.25	0.25	FVPL
Total		70200		70200				15.95	7.26	
(b) Investments in Preference Shares										
(i) Non Cumulative Redeemable Preference Shares of Vraj Integrated Textile Park Limited	Others	2203720	10.00	2203720	10.00	Unquoted	Fully Paid	13.46	13.46	Amortised Cost
Total		2203720		2203720				13.46	13.46	
(c) Investments in bonds										
(i) LVB Unsecured Non-Con. Redeem. Basel III	Others	10	1000000	10	1000000		Fully Paid	100.00	100.00	Amortised Cost
Less: Provision for the Dimunation in Value of LVB Unsecured Non-Con. Redeem. Basel III Bond								(100.00)	Nil	
Total		10		10				Nil	100.00	
Grand Total								29.41	120.73	
Aggregate amount of quoted investments								15.70	7.01	
Aggregate amount of unquoted investments								13.71	13.71	
Aggregate amount of Investment in Bond								Nil	100.00	

Notes to Financial Statements

 for the year ended 31st March, 2021

Note 6

Other Financial Assets

(₹ in lakhs)

Particulars	Non-Current		Current	
	As at 31/03/2021	As at 31/03/2020	As at 31/03/2021	As at 31/03/2020
(i) Bank deposits with more than 12 months maturity	72.70	70.83	Nil	Nil
(ii) Security Deposits (Unsecured, considered good)	79.14	63.72	Nil	Nil
(iii) Interest Receivable	Nil	Nil	10.76	29.68
(iv) Forward Contract Asset	Nil	Nil	11.31	Nil
(v) Insurance Claim Receivable	Nil	Nil	3,401.00	1,566.14
(vi) Amount Receivable from Statutory Authorities	Nil	Nil	7,715.61	6,821.97
Total	151.85	134.55	11,138.68	8,417.79

Note 7

Other Assets

(₹ in lakhs)

Other Assets	Non-Current		Current	
	As at 31/03/2021	As at 31/03/2020	As at 31/03/2021	As at 31/03/2020
(i) Capital Advances	1,155.67	306.47	Nil	Nil
Less: Allowance for Doubtful Capital Advances	(46.30)	(25.29)	Nil	Nil
(ii) Pre Payment Expenses	18.67	18.87	Nil	Nil
(iii) Advances other than capital advances:				
(a) Security Deposits;	1.56	88.37	Nil	Nil
(b) Advance recoverable in cash or kind	Nil	Nil	1,664.00	1,491.93
Less: Allowance for Doubtful Advances	Nil	Nil	(749.72)	(739.30)
Total (i+ii+iii)	1,129.59	388.41	914.28	752.63
(iv) Tax receivable				
Advance Tax & TDS Receivable	255.85	7,973.90	Nil	Nil
Less: Provision for Tax	(152.45)	(7,852.60)	Nil	Nil
Total (iv)	103.40	121.30	Nil	Nil
(v) Loan to Employee	22.43	Nil	63.52	28.28
(vi) Others				
Deferred Fair Value Gain / Loss on Issue of Preference Shares	Nil	Nil	174.87	176.75
(vii) Prepaid expenses	Nil	Nil	403.47	215.14
(viii) Balance With Govt Authorities	Nil	Nil	2,243.65	1,657.49
Total (vi+vii+viii)	Nil	Nil	2,822.00	2,049.39
Grand Total	1,255.42	509.72	3,799.80	2,830.31

Note 7.1

Movements in each class of provision during the year

(₹ in lakhs)

Other Assets	Non-Current		Current	
	As at 31/03/2021	As at 31/03/2020	As at 31/03/2021	As at 31/03/2020
Allowance for Doubtful Capital Advances				
Balance at the beginning	25.29	22.77	Nil	Nil
Impairment loss recognised	21.01	2.52	Nil	Nil
Impairment loss reversed	Nil	Nil	Nil	Nil
Balance at the end	46.30	25.29	Nil	Nil
Allowance for Doubtful Advances				
Balance at the beginning	Nil	Nil	739.30	62.94
Impairment loss recognised	Nil	Nil	10.42	676.36
Impairment loss reversed	Nil	Nil	Nil	Nil
Balance at the end	Nil	Nil	749.72	739.30

Notes to Financial Statements for the year ended 31st March, 2021

Note 8

Inventories

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
(a) Raw materials		
(i) in possession	12,008.30	7,707.90
(ii) in transit	Nil	Nil
(b) Work-in-progress	3,296.17	2,654.61
(c) Finished goods		
(i) in possession	3,895.59	4,624.42
(ii) in transit	552.49	628.27
(d) Stock-in-trade		
(i) in possession	Nil	Nil
(ii) in transit	Nil	Nil
(e) Stores and spares		
(i) in possession	432.96	377.58
(ii) in transit	Nil	Nil
(f) Fuel		
(i) in possession	311.53	253.60
(ii) in transit	Nil	Nil
(g) Packing Material		
(i) in possession	50.98	65.03
(ii) in transit	Nil	Nil
Total	20,548.04	16,311.41

Note: (i) The cost of inventories recognized as an expenses includes Rs. Nil Lakhs (during 2019-20 Rs. Nil Lakhs) in respect of write-down of inventory to net realizable value, and has been reduced by Rs. Nil Lakhs (during 2020-21 : Rs. Nil Lakhs) in respect of the reversal of such write-down.

(ii) Inventories pledged as Security with bank for borrowing as on 31/03/2021 of Rs. 20,548.04 Lakhs (as on 31/03/2020 Rs.16311.41 Lakhs)

Note 9

Trade Receivables

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Trade Receivable Considered Good - Unsecured	26,698.71	24,759.75
Trade Receivable which have significant increase in Credit Risk	1,986.90	7,349.62
Trade Receivable Credit Impaired	1,864.64	1,585.29
Less: Allowance for Expected Credit Loss	(2,709.16)	(1,775.56)
Total	27,841.08	31,919.10

Note 9.1

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Trade Receivables due by Key Management Personnel(KMP) and Entities in which KMP has significant influence or control		
(i) Private Companies in which any Director is a Director	5,941.85	8,543.38
Total	5,941.85	8,543.38

Note 9.2

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Trade Receivables offered as collateral for liabilities or contingent liabilities	27,841.08	31,919.10

Notes to Financial Statements

for the year ended 31st March, 2021

Note 10

Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Balances with Banks	1,678.62	1,535.17
Cash on hand	14.20	18.57
Total	1,692.82	1,553.74

Note 11

Other Bank Balances

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Margin Deposits with bank (with original maturity of more than 3 months but less than 12 months)	1,300.78	1,001.03
Unclaimed dividend Account	38.12	49.08
Total	1,338.90	1,050.11

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

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Margin Deposits with bank (with original maturity of more than 3 months but less than 12 months)	1,300.78	1,001.03
Total	1,300.78	1,001.03

Note 12

Current Tax Asset (Net)

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Advance Tax & Tax deducted at source receivable	62.22	Nil
Provision for Taxation	Nil	Nil
Total	62.22	Nil

Note 13

Equity Share Capital

(₹ in lakhs)

Other Assets	As At 31/03/2021		As At 31/03/2020	
	No.	Amount	No.	Amount
Authorised Share Capital of Rs.10/- each	10,00,00,000	10,000.00	10,00,00,000	10,000.00
Issued Share Capital of Rs.10/- each	4,80,49,056	4,804.91	4,80,49,056	4,804.91
Subscribed Share Capital of Rs.10/- each	4,80,49,056	4,804.91	4,80,49,056	4,804.91
Fully Paid-up Share Capital	4,80,49,056	4,804.91	4,80,49,056	4,804.91
Reconciliation of the number of shares outstanding and the amount of share capital as at 31/03/2021 and 31/03/2020 is set out below:-				
Balance at the beginning of the year	4,80,49,056	4,804.91	4,80,49,056	4,804.91
Movement during the year	Nil	Nil	Nil	Nil
Balance at the end of the year	4,80,49,056	4,804.91	4,80,49,056	4,804.91

Notes to Financial Statements for the year ended 31st March, 2021

Note 13.1

Terms/right attached to Equity Shares:

The company has only one class of shares referred to as Equity shares having face value of Rs. 10/-. Each Holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholder.

The Company declares and pays dividends in Indian Rupees. The Dividend proposed by the Board of Director is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

(₹ in lakhs)

Name of Shareholders	As At 31/03/2021		As At 31/03/2020	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Chiripal Industries Ltd.	1,19,94,270	24.96%	1,19,94,270	24.96%
Chiripal Exim LLP	79,22,053	16.49%	79,22,053	16.49%
Devkinandan Corporation LLP	32,06,060	6.67%	32,06,060	6.67%

In the Period of five years immediately preceding 31st March,2021

The company has not allotted any equity shares as fully paid up without payment being received in cash or as Bonus shares or Bought back any equity Shares. Further in the period of last five years the company has not forfeited any amount received on issue of Shares.

Note 14

Other Equity

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Securities Premium Reserve		
Balance as per last financial Statement	8,378.33	8,378.33
Add: Share premium received during the year	Nil	Nil
Closing Balance	8,378.33	8,378.33
General Reserve		
Balance as per last financial Statement	755.40	755.40
Closing Balance	755.40	755.40
Retained Earnings		
Balance as per last financial Statement	35,089.46	35,126.35
Add : Profit for the year	(1,871.84)	(58.44)
Add :Other Comprehensive income (net of tax)	(53.68)	21.54
Less: Final Dividend Paid	Nil	
Less: Tax on Final Dividend	Nil	
Closing Balance	33,163.93	35,089.46
Grand Total	42,297.66	44,223.19

Notes to Financial Statements

for the year ended 31st March, 2021

Note 14

Other Equity (Contd..)

Nature and Purpose of each component of equity	Nature and Purpose
Securities Premium Reserve	The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.
General Reserve	The general reserve is a free reserve, retained from Company's profits and can be utilized upon fulfilling certain conditions in accordance with Companies Act, 2013
Retained Earning	The amount of retained earning includes the component of Other Comprehensive income, which cannot be distributed by the Company as dividends to its equity shareholders. Balance amount is available for distribution to equity share holders.

Note 15

Borrowings

(₹ in lakhs)

Particulars	Non-Current				Current			
	Secured		Unsecured		Secured		Unsecured	
	As At 31/03/2021	As At 31/03/2020	As At 31/03/2021	As At 31/03/2020	As At 31/03/2021	As At 31/03/2020	As At 31/03/2021	As At 31/03/2020
Term loans								
(i) from banks	26,215.25	26,326.20	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Vehicle Loan	9.99	17.52	Nil	Nil	Nil	Nil	Nil	Nil
Loans repayable on demand								
(i) from banks	Nil	Nil	Nil	Nil	20,360.51	21,062.77	Nil	Nil
Total	26,225.24	26,343.71	Nil	Nil	20,360.51	21,062.77	Nil	Nil

Note 15.1

Nature of Security and terms of Payment of Borrowings

Type of Debt Instrument	Nature of Security	Terms of Repayment
Term loans		
(i) from banks	Term Loans 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 on Director.	Term Loans are repayable in Quarterly installments.
(ii) from banks	Covid-19 Emergency Credit Line loans are secured by Extension of Charge on following primary & collateral securities for WC limits. Primary Security: 1st pari-passu charge on entire current assets of the Company Collateral Security: Collateral Security: 2nd pari-passu charge on the fixed assets of the company Extension of Personal Guarantee of following Promoter Director namely: 1.) Mr.Vedprakash Chiripal 2.) Mr.Brijmohan Chiripal	Covid-19 Emergency Credit Line facility is to be repayable ranging from 12 to 18 equal monthly instalments after moratorium of 6 months.
(iii) from banks	Guaranteed Emergency Credit Line loans are secured by extension of Second Charge on the present Primary and collateral securities.The said loan is Guaranteed by National Credit Guarantee Trustee Company Ltd. (NCGTC)	Guaranteed Emergency Credit Line 2.0 facility is to be repayable in 48 equal monthly instalments after moratorium of 12 months.
(iv) Vehicle Loan	Vehicle Loans are secured by Hypothecation of Vehicles	Vehicle Loans are repayable in monthly installments.
Loans repayable on demand		

Notes to Financial Statements for the year ended 31st March, 2021

Note 15.1 (Contd..)

Type of Debt Instrument	Nature of Security	Terms of Repayment
(i) from banks	Working Capital loans under consortium finance are secured by first charge on Book Debts, Stocks and other Current Assets and second charge on all the Fixed Assets, both present and future of the Company and also further guaranteed by Promoter on Director. (Refer Note No. 3,9.2)	Working Capital loan is repayable on Demand.

Note 15.2

Borrowings guaranteed by Directors

(₹ in lakhs)

Type of Debt Instrument	Non-Current		Current	
	As At 31/03/2021	As At 31/03/2020	As At 31/03/2021	As At 31/03/2020
Term loans				
(i) from banks	26,215.25	26,326.20	Nil	Nil
(ii) Vehicle Loan	9.99	17.52	Nil	Nil
Loans repayable on demand				
(i) from banks	Nil	Nil	20,360.51	21,062.77
Total	26,225.24	26,343.71	20,360.51	21,062.77

Note 15.3

The company has opted for moratorium period in respect of Repayment of Term Loans and Interest thereon vide RBI Circular No. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated 27/03/2020 and RBI Circular No. RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20 dated 23/05/2020.

Note 16

Other Financial Liabilities

(₹ in lakhs)

Particulars	Non-Current		Current	
	As At 31/03/2021	As At 31/03/2020	As At 31/03/2021	As At 31/03/2020
Current maturities of long-term debt	Nil	Nil	8,646.94	4,756.55
Interest accrued but not due	Nil	Nil	165.39	305.24
Creditors for Property, Plant & Equipment	Nil	Nil	583.95	687.29
Creditors for Expenses	Nil	Nil	1,084.86	1,060.03
Employee Benefits Payable	Nil	Nil	726.06	751.68
Unpaid dividends	Nil	Nil	38.12	49.08
Lease Rent Payable	19.27	19.27	Nil	Nil
Forward Contract Liability	Nil	Nil	Nil	12.52
Total	19.27	19.27	11,245.32	7,622.38

Note 17

Provisions

(₹ in lakhs)

Particulars	Non-Current		Current	
	As At 31/03/2021	As At 31/03/2020	As At 31/03/2021	As At 31/03/2020
Provision for Gratuity (Net) (Refer Note No. 28.2)	Nil	Nil	384.50	228.63
Provision for Leave encashment (Refer Note No. 28.2)	Nil	Nil	25.61	30.26
Total	Nil	Nil	410.11	258.90

Notes to Financial Statements

for the year ended 31st March, 2021

Note 17.1

Movements in each class of provision during the financial year

(₹ in lakhs)

Particulars	Provision for Gratuity	Provision for Leave encashment
As at 1st April, 2019 (Net)	213.15	63.63
Charged/(credited) to profit or loss	81.55	(31.36)
Charged/(credited) to OCI	(33.11)	Nil
Reversed during the period	Nil	Nil
Amounts used during the year	(32.96)	(2.00)
As at 31st March, 2020 (Net)	228.63	30.26
Charged/(credited) to profit or loss	100.58	(1.13)
Charged/(credited) to OCI	82.51	Nil
Reversed during the period	Nil	Nil
Amounts used during the year	(27.23)	(3.52)
As at 31st March, 2021 (Net)	384.50	25.61

Note 18

Deferred tax Liabilities (Net)

The balance comprises temporary differences attributable to:

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Unpaid Liabilities Allowable under Income Tax Act, 1961 in succeeding years u/s 43B on Payment basis	(143.29)	(90.46)
Allowable Unutilised Tax Credits	(285.48)	(303.49)
Allowance for Expected Credit Loss	(946.58)	(620.38)
Allowance for doubtful Advance	(278.13)	(267.15)
Unabsorb Depreciation	(384.14)	(101.33)
Amount Disallowed U/s 40(a)(ia)	(9.74)	Nil
Total deferred tax assets	(2,047.36)	(1,382.81)
Difference in respect of depreciation on as per Income Tax Act & Companies Act on PPE and Intangible Assets	2,276.99	2,907.68
Total deferred tax liabilities	2,276.99	2,907.68
Net deferred tax liabilities	229.63	1,524.87

Notes to Financial Statements for the year ended 31st March, 2021

Note 18.1

Movement in deferred tax assets

(₹ in lakhs)

Particulars	Allowable Unutilised Tax Credits	Unpaid Liabilities Allowable under Income Tax Act, 1961 in succeeding years u/s 43B on Payment basis	Allowance for Expected Credit Loss	Allowance for doubtful Advance	Unabsorb Depreciation	Amount Disallowed U/s 40(a) (ia)	Total
As At 1st April 2019	(122.15)	(96.71)	(522.76)	(29.95)	Nil	Nil	(771.56)
(Charged)/credited:							
- to profit or loss	(181.34)	(5.32)	(97.62)	(237.20)	(101.33)	Nil	(622.82)
- to other comprehensive income	Nil	11.57	Nil	Nil	Nil	Nil	11.57
As At 31st March 2020	(303.49)	(90.46)	(620.38)	(267.15)	(101.33)	Nil	(1,382.81)
(Charged)/credited:							
- to profit or loss	18.01	(24.00)	(326.20)	(10.98)	(282.81)	(9.74)	(635.72)
- to other comprehensive income	Nil	(28.83)	Nil	Nil	Nil	Nil	(28.83)
As At 31st March 2021	(285.48)	(143.29)	(946.58)	(278.13)	(384.14)	(9.74)	(2,047.36)

Movement in deferred tax liabilities

(₹ in lakhs)

Particulars	Difference in respect of depreciation on as per Income Tax Act & Companies Act on PPE and Intangible Assets
As At 1st April, 2019	2,974.92
(Charged)/credited:	
- to profit or loss	(67.24)
- to other comprehensive income	Nil
As At 31st March, 2020	2,907.68
(Charged)/credited:	
- to profit or loss	(630.69)
- to other comprehensive income	Nil
As At 31st March, 2021	2,276.99

Note 19

Deferred Government Grant

(₹ in lakhs)

Particulars	Non-Current		Current	
	As At	As At	As At	As At
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Deferred Consideration on loan	174.27	Nil	99.74	Nil
Total	174.27	Nil	99.74	Nil

Notes to Financial Statements

for the year ended 31st March, 2021

Note 20

Other Liabilities

(₹ in lakhs)

Particulars	Non-Current		Current	
	As At 31/03/2021	As At 31/03/2020	As At 31/03/2021	As At 31/03/2020
Advance received from Customer	Nil	Nil	76.28	847.13
Statutory dues	Nil	Nil	410.10	186.85
Other payables	Nil	Nil	Nil	0.38
Total	Nil	Nil	486.38	1,034.37

Note 21

Trade Payables

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Payable to Micro and Small Enterprise	Nil	67.99
Payable to others		
- Acceptance	Nil	Nil
- Other than Acceptances	11,968.65	14,281.79
Total	11,968.65	14,349.79
Of the above, payables to		
Related Parties	1,119.21	1,626.11

- (a) Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management and the same has been relied by the auditor.
- (b) Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 02.10.2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the MSMED Act, 2006 are disclosed as below:

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
a) The Principal amount remaining unpaid to Micro and Small enterprise supplier as at the year end	Nil	67.99
b) Interest due thereon	Nil	Nil
c) Amount of interest paid by the Company in terms of section 16 of MSMED Act	Nil	Nil
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED 2006	Nil	Nil
e) Amount of interest accrued and remaining unpaid at the end of accounting year	Nil	Nil
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company and the same has been relied by the Auditor.

Notes to Financial Statements for the year ended 31st March, 2021

Note 22

Current Tax Liabilities (Net)

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Provision for Taxation	Nil	147.98
Advance Tax & Tax deducted at source receivable	Nil	(131.21)
Total	Nil	16.77

Note 23

Revenue from Operations

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Sale Of Products	1,05,937.36	1,47,411.57
Sale Of Services	885.46	1,398.90
Other Operating Revenues		
Sale of Waste / Scrap	626.73	761.71
Export Incentive	196.45	493.14
Government Grant :		
VAT, Goods & Service Tax Incentive	1,377.15	2,361.18
Total	1,09,023.15	1,52,426.49

* State Goods and Service Tax (SGST) Concession: Reimbursement of SGST Collected on end product / intermediate product to the extent of the eligible capital investments in plant and machinery for the specified period as per scheme.

a) Reconciliation of Revenue recognised in the statement of profit and loss with the Contracted price :-

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Gross Revenue	1,08,459.11	1,52,510.02
Less: Rebate & Discount etc	(1,009.55)	(2,937.85)
Revenue recognised from Contract with Customers	1,07,449.56	1,49,572.17

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

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Revenue from operation	1,09,023.15	1,52,426.49
Less: Export Incentive	(196.45)	(493.14)
Less: Goods & Service Tax Incentive	(1,377.15)	(2,361.18)
Revenue from contracts with Customers	1,07,449.56	1,49,572.17

Notes to Financial Statements

for the year ended 31st March, 2021

Note 24

Other Income

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Interest Income	212.60	88.95
Dividend Income	0.01	0.04
EPCG Grant Income	35.97	590.79
Net gains on fair value changes on Investments classified as FVPL	8.69	Nil
Insurance Claim income on property Plant & Equipment	1,662.35	564.88
Insurance Claim income on Raw Material, Work in progress & Finished goods	229.15	721.25
Fair Value gain on Forward Contract	23.83	Nil
Profit on Sale of Non Current Investment	0.04	Nil
Net Foreign Exchange (Loss) / Gain	28.49	455.70
Gain on Sale of Property, Plant & Equipment	48.00	Nil
Miscellaneous Income	103.32	15.82
Total	2,352.42	2,437.41

Note 25

Cost of Materials consumed

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Opening Stock of Raw Materials	7,707.90	8,154.48
Purchases during the period	82,764.61	1,05,163.55
Loss of raw material due to Fire	16.22	211.41
Closing Stock of Raw Materials	(12,008.30)	(7,707.90)
Total	78,480.42	1,05,821.53

Note 26

Purchase of Stock In Trade

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Purchases of Stock in Trade	938.80	2,453.10
Total	938.80	2,453.10

Notes to Financial Statements for the year ended 31st March, 2021

Note 27

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

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
A. Stock-in-Trade		
Opening Stock of Stock-in-Trade	Nil	Nil
Closing Stock of Stock-in-Trade	Nil	Nil
B. Work-in-Process		
Opening Work-in-Process	2,654.61	3,642.02
Loss of Work in progress due to Fire	47.46	198.33
Closing Work-in-Process	(3,296.17)	(2,654.61)
C. Finished Goods		
Opening Stock of Finished Goods	5,252.69	9,077.47
Loss of Finished Goods due to Fire	165.47	311.50
Closing Stock of Finished Goods	(4,448.08)	(5,252.69)
Total	375.98	5,322.02

Note 28

Employee Benefit Expense

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Salaries and Wages	4,850.71	7,613.28
Contribution to provident and other funds (Refer Note No. 17, 28.1 and 28.2)	201.37	240.05
Staff welfare expenses	48.30	74.40
Total	5,100.37	7,927.73

Note 28.1

Employee Benefit Defined Benefit Plan Disclosures (Refer Note 17, 28, 28.2)

(₹ in lakhs)

Particulars	31/03/2021	31/03/2020
A. Change in Present Value of Defined Benefit Obligation		
Present Value of Benefit Obligation at the Beginning of the Period	377.00	351.10
Interest Cost	24.75	25.43
Current Service Cost	85.94	66.61
Past Service Cost	Nil	Nil
(Benefit paid directly to the Employer)	(27.23)	(32.96)
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumption	(4.72)	23.65
Actuarial (Gains) / Losses on Obligations - Due to Experience	87.58	(56.82)
Present Value of Benefit Obligation at the End of the Period	543.33	377.00
B. Change in Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the period	148.37	137.94
Interest Income	10.10	10.48
Employer Direct Benefit Payments	27.23	32.96
(Benefit payment from employer)	(27.23)	(32.96)
Return on Plan Assets, excluding interest income	0.35	(0.06)
Fair Value of Plan Assets at the end of the period	158.82	148.37

Notes to Financial Statements

for the year ended 31st March, 2021

Note 28.1 (Contd..)

(₹ in lakhs)

Particulars	31/03/2021	31/03/2020
C. Amount recognised in Balance Sheet		
(Present value of defined benefit obligation at the end of the period)	543.33	377.00
Fair Value of Plan Assets at the end of the period	158.82	148.37
Funded Status (Surplus / (Deficit))	(384.50)	(228.63)
Net (Liability) / Asset Recognised in the Balance Sheet	(384.50)	(228.63)
D. Net Interest Cost for the Current Period		
Present value of defined benefit obligation at beginning of the period	377.00	351.10
(Fair Value of Plan Assets at beginning of the Period)	148.37	137.94
Net Liability / (Asset) at the beginning of the Period	228.63	213.15
Interest Cost	24.75	25.43
(Interest Income)	10.45	10.43
Net Interest Cost	14.29	15.00
E. Expenses Recognised in the Profit or Loss for Current Period		
Current service cost	85.94	66.61
Net Interest Cost	14.29	15.00
Past service cost	Nil	Nil
Expenses Recognised	100.23	81.61
F. Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains) / losses on Obligation for the period	82.86	(33.17)
Return on Plan Assets, Excluding Interest Income	Nil	Nil
Change in asset ceiling	Nil	Nil
Net (Income) / Expense for the Period recognised in OCI	82.86	(33.17)
G. Balance Sheet Reconciliation		
Opening net liability	228.63	213.15
Expenses recognised in Statement in Profit or Loss	100.23	81.61
Expenses recognised in OCI	82.86	(33.17)
Net Liability / (Asset) Transfer In	Nil	Nil
Net (Liability) / Asset Transfer Out	Nil	Nil
(Benefit paid directly by the employer)	(27.23)	(32.96)
(Employer's contribution)	Nil	Nil
Net Liability / (Asset) recognised in the Balance Sheet	384.50	228.63
H. Category of Assets		
Government of India Assets	Nil	Nil
State Government Securities	Nil	Nil
Special Deposits scheme	Nil	Nil
Debt Instruments	Nil	Nil
Corporate Bonds	Nil	Nil
Cash and Cash Equivalents	Nil	Nil
Insurance fund	100%	100%
Asset-backed securities	Nil	Nil
Structured debt	Nil	Nil
Other	Nil	Nil
I. Other Details		
No. of Active Members	3,197	4,329
Per month salary for active members	0.08	0.04
Weighted average duration of defined benefit obligation	14	Nil
Average Expected future service	25	25

Notes to Financial Statements for the year ended 31st March, 2021

Note 28.1 (Contd..)

Particulars	(₹ in lakhs)	
	31/03/2021	31/03/2020
Defined benefit obligation	543.33	377.00
Prescribed contribution for next year (12 months)	Nil	Nil
J. Net Interest Cost for Next Year		
Present value of defined benefit obligation at the end of the period	543.33	377.00
(Fair value of plan assets at the end of the period)	158.82	148.37
Net Liability / (Asset) at the end of the period	384.50	228.63
Interest Cost	24.75	25.43
(Interest Income)	(10.10)	(10.48)
Net Interest Cost for next year	14.64	14.95
K. Expenses recognised in the Profit or Loss for next year		
Current service cost	85.94	66.61
Net Interest Cost	14.64	14.95
Past Service Cost	100.58	81.55
L. Maturity Analysis of Defined benefit obligation		
Projected benefits payable in future years from the date of reporting		
1st following year	67.44	54.65
2nd following year	38.33	25.22
3rd following year	36.72	26.48
4th following year	41.88	27.87
5th following year	43.69	27.88
Sum of years 6 to 10	223.38	156.42
Employee Benefit Defined Benefit Plan Disclosures (Refer Note 17, 28, 28.2)		
M. Sensitivity Analysis		
Defined benefit obligation on current assumptions		
Delta effect of +1% Change in Rate of Discounting	499.89	411.33
Delta effect of -1% Change in Rate of Discounting	593.99	347.52
Delta effect of +1% Change in Rate of Salary Increase	596.52	412.36
Delta effect of -1% Change in Rate of Salary Increase	497.03	345.81
Delta effect of -1% Change in withdrawal Rate	549.60	380.90
Delta effect of -1% Change in withdrawal Rate	536.09	372.49
N. Summary of Valuation Assumptions		
Mortality table	100%	100%
Retirement age	58	58
Attrition rate	5%	5%
Salary escalation rate	5%	5%
Discount rate	7%	7%

Notes to Financial Statements

for the year ended 31st March, 2021

Note 28.1 (Contd..)

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

(₹ in lakhs)

Particulars	Projected Unit Credit Method	
	2020-21	2019-20
Period Covered	31/03/2021	31/03/2020
A. Change in defined benefit obligation		
Defined benefit obligation at beginning of period	30.26	63.63
Service cost	Nil	13.85
a. Current service cost	Nil	Nil
b. Past service cost	Nil	Nil
c. (Gain) / loss on settlements	Nil	Nil
Interest expenses	1.94	4.76
Cash flows		
a. Benefit payments from plan	Nil	Nil
b. Benefit payments from employer	(3.52)	(2.00)
c. Settlement payments from plan	Nil	Nil
d. Settlement payments from employer	Nil	Nil
Remeasurements		
a. Effect of changes in demographic assumptions	Nil	Nil
b. Effect of changes in financial assumptions	(0.10)	0.79
c. Effect of experience adjustments	(2.98)	(50.76)
Transfer In /Out		
a. Transfer In	Nil	Nil
b. Transfer out	Nil	Nil
Defined benefit obligation at end of period	25.61	30.26
B. Change in fair value of plan assets		
Fair value of plan assets at beginning of period	Nil	Nil
Interest income	Nil	Nil
Cash flows		
a. Total employer contributions		
(i) Employer contributions	Nil	Nil
(ii) Employer direct benefit payments	3.52	2.00
(iii) Employer direct settlement payments	Nil	Nil
b. Participant contributions	Nil	Nil
c. Benefit payments from plan assets	Nil	Nil
d. Benefit payments from employer	(3.52)	(2.00)
e. Settlement payments from plan assets	Nil	Nil
f. Settlement payments from employer	Nil	Nil
Remeasurements		
a. Return on plan assets (excluding interest income)	Nil	Nil
Transfer In /Out		
a. Transfer In	Nil	Nil
b. Transfer out	Nil	Nil
Fair value of plan assets at end of period	Nil	Nil
C. Amounts recognized in the statement of financial position		
Defined benefit obligation	25.61	30.26
Fair value of plan assets	Nil	Nil
Funded status	25.61	30.26
Effect of asset ceiling	Nil	Nil
Net defined benefit liability (asset)	25.61	30.26

Notes to Financial Statements for the year ended 31st March, 2021

Note 28.1 (Contd..)

(₹ in lakhs)

Particulars	Projected Unit Credit Method	
	2020-21	2019-20
Period Covered	31/03/2021	31/03/2020
D. Components of defined benefit cost		
Service cost		
a. Current service cost	Nil	13.85
b. Past service cost	Nil	Nil
c. (Gain) / loss on settlements	Nil	Nil
d. Total service cost	Nil	13.85
Net interest cost		
a. Interest expense on DBO	1.94	4.76
b. Interest (income) on plan assets	Nil	Nil
c. Interest expense on effect of (asset ceiling)	Nil	Nil
d. Total net interest cost	1.94	4.76
Remeasurements (recognized in other comprehensive income)		
a. Effect of changes in demographic assumptions	Nil	Nil
b. Effect of changes in financial assumptions	(0.10)	0.79
c. Effect of experience adjustments	(2.98)	(50.76)
d. (Return) on plan assets (excluding interest income)	Nil	Nil
e. Changes in asset ceiling (excluding interest income)	Nil	Nil
f. Total Remeasurements included in OCI	Nil	Nil
Total defined benefit cost recognized in P&L	(1.13)	(31.36)
E. Components of actuarial Loss / (Gain) on obligation		
a. Effect of changes in demographic assumptions	Nil	Nil
b. Effect of changes in financial assumptions	(0.10)	0.79
c. Effect of experience adjustments	(2.98)	(50.76)
d. (Return) on plan assets (excluding interest income)	Nil	Nil
Net actuarial Loss / (Gain) on obligation	(3.07)	(49.97)
F. Employer Expense (P&L)		
a. Current Service Cost	Nil	13.85
b. Interest Cost on net DBO	1.94	4.76
c. Past Service Cost	Nil	Nil
d. Net value of remeasurements on the obligation and plan assets	(3.07)	(49.97)
e. Total P& L Expenses	(1.13)	(31.36)
G. Net defined benefit liability/(asset) reconciliation		
Net defined benefit liability (asset)	30.26	63.63
Defined benefit cost included in P&L	(1.13)	(31.36)
a. Employer contributions	Nil	Nil
b. Employer direct benefit payments	(3.52)	(2.00)
c. Employer direct settlement payments	Nil	Nil
Net transfer	Nil	Nil
Net defined benefit liability (asset) as of end of period	25.61	30.26
H. Reconciliation of OCI (Re-measurement)		
Recognised in OCI at the beginning of period	Nil	Nil
Recognised in OCI during the period	Nil	Nil
Recognised in OCI at the end of the period	Nil	Nil
Employee Benefit Defined Benefit Plan Disclosures (Refer Note 17, 28, 28.2)		

Notes to Financial Statements

for the year ended 31st March, 2021

Note 28.1 (Contd..)

(₹ in lakhs)

Particulars	Projected Unit Credit Method	
	2020-21	2019-20
Period Covered	31/03/2021	31/03/2020
J. Significant actuarial assumptions		
Discount rate Current Year	6.91%	6.81%
Discount rate Previous Year	6.81%	7.50%
Salary increase rate	Uniform 5.0%	Uniform 5.0%
Retirement Age	58 Years	58 Years
Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Disability	Nil	Nil
K. Data		
No.	3,027	4,329
Avg. Age (yrs.)	34	33
Total Leave Balance in lakhs	243.38	165.90
Total Monthly Encashment Salary (Rs. In lakhs)	0.08	0.04
L. Expected cash flows for following year		
Expected employer contributions / Addl. Provision Next Year	25.61	30.26
N. Defined benefit obligation at end of period		
Current Obligation	25.61	30.26
Non-Current Obligation	Nil	Nil
Total	25.61	30.26
SUMMARY		
Assets / Liabilities		
Defined benefit obligation at end of period	25.61	30.26
Fair value of plan assets at end of period	Nil	Nil
Net defined benefit liability/(asset)	25.61	30.26
Defined benefit cost included in P&L	(1.13)	(31.36)
Total remeasurements included in OCI	Nil	Nil
Total defined benefit cost recognized in P&L and OCI	(1.13)	(31.36)

Note 28.2

Employee Benefit Disclosures (Refer Note 17, 28,28.1)

(₹ in lakhs)

Particulars	As At 31/03/2021			As At 31/03/2020		
	Non- current	Current	Total	Non- current	Current	Total
Leave obligations	Nil	25.61	25.61	Nil	30.26	30.26
Gratuity (Net)	Nil	384.50	384.50	Nil	228.63	228.63
Total employee benefit obligations	Nil	410.11	410.11	Nil	258.90	258.90

Notes to Financial Statements for the year ended 31st March, 2021

Note 28.2 (Contd..)

Employee Benefit Disclosures (Refer Note 17, 28,28.1)

(i) Leave obligations

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

The amount of the provision of Rs. 25.61 Lakhs (31st March 2020 - Rs. 30.26 Lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

(₹ in lakhs)		
Particulars	As at 31/03/2021	As at 31/03/2020
Current leave obligations expected to be settled within the next 12 months	25.61	30.26

Note 29

Finance Costs

(₹ in lakhs)		
Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Interest to Banks	3,711.44	3,781.42
Other Interest	153.42	134.87
Other Borrowing Costs	361.22	388.04
Total	4,226.08	4,304.33

Note 29.1

The capitalisation rate used to determine the borrowing costs to be capitalised is the weighted average effective interest rate applicable to the company's general borrowings during the year, which is Nil % in 31st March, 2021 (31st March 2020 Nil%)

Note 29.2

Borrowing costs attributable to the acquisition or construction of Qualifying Assets amounting to Rs. Nil Lakhs (31st March 2020 Rs. Nil Lakhs) is capitalized by the Company net of TUFs interest subsidy Rs. Nil Lakhs (31st March 2020 Rs. Nil Lakhs).

Note 29.3

Borrowing costs are net off State government interest subsidy of Rs. 525.68 Lakhs (31st March 2020 Rs. 1,028.00 Lakhs) and TUFs interest subsidy Rs. 846.05 Lakhs (31st March 2020 Rs. 1,177.22 Lakhs).

Notes to Financial Statements

for the year ended 31st March, 2021

Note 30

Other Expenses

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Stores & Spares consumed	1,030.96	2,032.03
Packing materials consumed	721.02	691.61
Electricity & Fuel charges	9,458.19	12,409.36
Labour Charges	890.88	1,425.66
Carriage Inward	147.65	92.81
Inspection Charges	45.77	80.82
Repairs and Maintenance	293.87	484.73
Insurance	332.42	199.31
Rent	101.53	128.38
Rates and Taxes	179.48	65.71
Communication Expense	83.02	149.70
Traveling and Conveyance Expense	51.69	142.26
Legal and Professional Expense	212.50	174.18
Freight, Clearing and Forwarding Charges	749.98	747.40
Auditor's Remuneration:		
(i) For Audit	5.00	5.00
(ii) For Tax Audit	Nil	Nil
(iii) For Certification	1.50	1.50
Other Selling Expense	5.83	33.72
Corporate Social Responsibility Expenses (Refer Note No. 38)	60.00	56.46
Donation	Nil	0.51
Loss/(Gain) on Sale of Property, Plant & Equipment	Nil	8.75
Loss due to Fire of Property, Plant & Equipment	1,662.35	564.88
Loss due to Fire of Raw Matrail, Work in progress & Finished goods	4.97	Nil
Net Loss on fair value changes on Investments classified as FVPL	Nil	8.09
Commission Expense	194.00	276.77
Fair Value (Gain)/ Loss on Forward Contract	Nil	68.93
Provision/(Reversal of Provision) for doubtful Advances	31.44	678.88
Allowance for Expected Credit Loss	933.60	279.40
Provision/(Reversal of Provision) for impairment Loss on Investment	100.00	Nil
Bad debts written off	83.35	78.75
Miscellaneous Expense	172.70	106.79
Total	17,553.70	20,992.37

Note 30.1

Electricity & Fuel charges are net off State government power subsidy of Rs. 314.17 Lakhs (31st March 2020 Rs.403.66 Lakhs).

Notes to Financial Statements for the year ended 31st March, 2021

Note 30.2

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

(₹ in lakhs)

Expense Head	Year Ended 31/03/2021	Year Ended 31/03/2020
Domestic and Foreign Travelling Expense	Nil	7.93
Legal Professional Charges	2.10	Nil
Freight, Clearing and Forwarding Charges	Nil	0.80
Carraige Inwards	Nil	4.52
Miscellaneous Expense	Nil	3.42
Staff Welfare Expenses	Nil	10.67
Labour Charges	Nil	2.84
Membership and Subscription	0.71	Nil
Repairs and Maintainance Expenses	3.74	60.95
Security Charges	1.14	Nil
Total Expense	7.70	91.14

Note 30.3

Leases

Lease rentals charged during the period

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Lease rent expense	101.53	128.38

Note 30.4

Future minimum lease payable

(₹ in lakhs)

Particulars	As At 31/03/2021	As At 31/03/2020
Not later than 1 year	78.24	112.04
Later than 1 year and Not Later than 5 Years	Nil	Nil
Later than 5 years	Nil	Nil

The operating lease arrangements, are renewable on a periodic basis subject to price escalation clauses which have been straight lined if such escalation is not in line with the general inflation in that locality.

Note 31

Note 31.1

Tax Expense

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Current tax expense	Nil	147.98
Deferred Tax	(1,266.41)	(690.06)
Total Tax Expense of Current Year	(1,266.41)	(542.08)
Short/(Excess) Provision Of Income Tax of earlier year	Nil	(126.70)
Total	(1,266.41)	(668.78)

Notes to Financial Statements

for the year ended 31st March, 2021

Note 31.2

(₹ in lakhs)

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	Year Ended 31/03/2021	Year Ended 31/03/2020
Profit from continuing operations before income tax expense	(3,138.25)	(719.52)
	(3,138.25)	(719.52)
Tax at the Indian tax rate of 34.944% (31st March 2020 34.944%)	(1,096.63)	(251.43)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Expense not deductible for tax purpose	62.35	116.16
Income exempt from income tax act,1961	(235.55)	(349.44)
Others	3.41	(57.37)
Income tax expense	(1,266.42)	(542.08)

Note 32

Earnings per Share Disclosures

Note 32.1

Reconciliation on Amount of EPS

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
(a) Basic earnings per share (in ₹)		
From continuing operations attributable to the equity holders of the company	(3.90)	(0.12)
Total basic earnings per share attributable to the equity holders of the company (in ₹)	(3.90)	(0.12)
(b) Diluted earnings per share in Rs.		
From continuing operations attributable to the equity holders of the company	(3.90)	(0.12)
Total diluted earnings per share attributable to the equity holders of the company (in ₹)	(3.90)	(0.12)

Note 32.2

Reconciliations of earnings used in calculating earnings per share

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
From continuing operations	(1,871.84)	(58.44)
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(1,871.84)	(58.44)
Diluted earnings per share		
Profit from continuing operations attributable to the equity holders of the company	(1,871.84)	(58.44)
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	(1,871.84)	(58.44)

Notes to Financial Statements for the year ended 31st March, 2021

Note 32.3

Weighted average number of shares used as the denominator

Particulars	As at 31/03/2021	As at 31/03/2020
	Number of shares	Number of shares
Nominal Value of Shares	10	10
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	48049056	48049056
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	48049056	48049056

Note 32.4

Increase / (Decrease) in EPS due to retrospective restatement of Prior period error	Year ended 31/03/2020	Year ended 31/03/2019
Basic EPS (in ₹)	0.02	0.17
Diluted EPS (in ₹)	0.02	0.17

Note 33

33.1 Financial Instruments by Category

The carrying value and fair value of financial instruments by categories as at 31 March 2021 are as under:

(₹ in lakhs)

Particulars	Note Reference	Amortised Cost	Fair value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Financial Assets						
Cash and Cash Equivalents	10	1,692.82	Nil	Nil	1,692.82	1,692.82
Other Bank Balances	11	1,338.90	Nil	Nil	1,338.90	1,338.90
Investments						
Equity Instruments other than subsidiaries	5	Nil	15.95	Nil	15.95	15.95
Preference Shares	5	13.46	Nil	Nil	13.46	13.46
Bonds	5	Nil	Nil	Nil	Nil	Nil
Mutual Funds	5	Nil	Nil	Nil	Nil	Nil
Trade Receivables	9	27,841.08	Nil	Nil	27,841.08	27,841.08
Other Financial Assets						
Non Current	6	151.85	Nil	Nil	151.85	151.85
Current	6	11,127.37	11.31	Nil	11,138.68	11,138.68
Total Financial Assets		42,165.48	27.26	Nil	42,192.74	42,192.74
Liabilities						
Borrowings						
Non Current	15	26,225.24	Nil	Nil	26,225.24	26,225.24
Current	15	20,360.51	Nil	Nil	20,360.51	20,360.51
Trade Payables	21	11,968.65	Nil	Nil	11,968.65	11,968.65
Other Financial Liabilities						
Non Current	16	19.27	Nil	Nil	19.27	19.27
Current	16	11,245.32	Nil	Nil	11,245.32	11,245.32
Total Financial Liabilities		69,818.99	Nil	Nil	69,818.99	69,818.99

Notes to Financial Statements

for the year ended 31st March, 2021

Note 33

33.1 Financial Instruments by Category

The carrying value and fair value of financial instruments by categories as at 31 March 2020 are as under:

(₹ in lakhs)

Particulars	Note Reference	Amortised Cost	Fair value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Assets						
Cash and Cash Equivalents	10	1,553.74	Nil	Nil	1,553.74	1,553.74
Other Bank Balances	11	1,050.11	Nil	Nil	1,050.11	1,050.11
Investments						
Equity Instruments other than subsidiaries	5	Nil	7.26	Nil	7.26	7.26
Preference Shares	5	13.46	Nil	Nil	13.46	13.46
Bonds	5	100.00	Nil	Nil	100.00	100.00
Mutual Funds	5	Nil	Nil	Nil	Nil	Nil
Trade Receivables	9	31,919.10	Nil	Nil	31,919.10	31,919.10
Other Financial Assets						
Non Current	6	134.55	Nil	Nil	134.55	134.55
Current	6	8,417.79	Nil	Nil	8,417.79	8,417.79
Total Financial Assets		43,188.77	7.26	Nil	43,196.03	43,196.03

(₹ in lakhs)

Particulars	Note Reference	Amortised Cost	Fair value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair Value
Liabilities						
Borrowings						
Non Current	15	26,343.71	Nil	Nil	26,343.71	26,343.71
Current	15	21,062.77	Nil	Nil	21,062.77	21,062.77
Trade Payables	21	14,349.79	Nil	Nil	14,349.79	14,349.79
Other financial liabilities						
Non Current	16	19.27	Nil	Nil	19.27	19.27
Current	16	7,609.86	12.52	Nil	7,622.38	7,622.38
Total Financial Liabilities		69,385.40	12.52	Nil	69,397.91	69,397.91

Notes to Financial Statements for the year ended 31st March, 2021

Note 33.2 Fair Value Hierarchy

Level 1 : Quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 : Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

The fair value hierarchy of assets and liabilities measured at fair value are as under:

(₹ in lakhs)

Particulars	Note Reference	Level 1	Level 2	Level 3
a. Investment in equity shares other than subsidiaries and joint ventures				
As at 31 March 2021	5	15.70	Nil	0.25
As at 31 March 2020	5	7.01	Nil	0.25
b. Investment in preference shares				
As at 31 March 2021	5	Nil	Nil	13.46
As at 31 March 2020	5	Nil	Nil	13.46

Note 33.2.1 Investment in equity shares other than subsidiaries and joint ventures quoted on recognised stock exchanges

The fair value of investment in equity shares other than subsidiaries and joint ventures is based on quoted price.

Note 33.2.2 Investment in unquoted preference shares

The fair value of unquoted preference shares has been determined using Level 3 inputs based on Discounted Cash Flow method. A one percentage point change in the unobservable inputs used in fair valuation of Level 3 does not have a significant impact on its value. The movement in unquoted investments is on account of sale of shares during the comparative period (Refer Note 5).

Note 33.2.3 Transfers between levels of fair value hierarchy

There have been no transfers between levels of fair value hierarchy during the year ended 31st March, 2021 and during the comparative period ended 31st March, 2020.

Note 33.2.4 Valuation Process

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices in the open market and rates available in secondary market respectively. The valuation method applied for various Financial assets and liabilities are as follows-

1. Quoted price in the primary market considered for the fair valuation of the non-current investment. Gain/ (loss) on fair valuation is recognised in profit and loss.
2. The carrying amount of trade receivable, trade payable, cash and bank balances, short term loans and advances, statutory/ receivable, short term borrowing, employee dues are considered to be the same as their fair value due to their short-term nature.

Notes to Financial Statements

for the year ended 31st March, 2021

Note 33.3

Financial Risk Management

The company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The Board of Directors review and agree policies for managing each of these risks, which are summarised below:

Note 33.3.1 Market Risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three type of risks:

- Currency Risk
- Interest Rate Risk
- Price Risk

The company is exposed to currency risk and price risk. The same are analysed below:

a. Currency Risk

The company is exposed to foreign exchange risk arising from foreign currency borrowing denominated in US dollars (US\$) and foreign currency notes denominated in various foreign currencies. The company also imports certain material which are denominated in US\$ which exposes it to foreign currency risks. If the value of the Indian Rupee depreciates relative to these foreign currencies, the related costs may increase. The exchange rates between the Indian Rupee and US\$ has changed substantially in recent periods and may continue to fluctuate substantially in the future. In order to mitigate the foreign Currency exposure risk, as on 31st March,2021, the company has entered into derivative contract of Rs. 297.87 Lakhs (31st March,2020 Rs.487.71 Lakhs) to hedge exposure to fluctuation risk. The below sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk:

Foreign currency risks from non derivative financial instruments as at 31 March 2021 are given below:

(₹ in lakhs)					
Particulars	USD	EURO	CHF	JPY	Total
Trade Receivables (Refer Note 9)	1,832.92	Nil	Nil	Nil	1,832.92
Advance to Supplier (Refer Note 7)	69.39	63.99	Nil	14.18	147.56
Trade Payables (Refer Note 21)	(230.01)	Nil	Nil	Nil	(230.01)
Advance from Customer (Refer Note 20)	(66.03)	Nil	Nil	Nil	(66.03)
Net Foreign Currency Risk Exposure	1,606.26	63.99	Nil	14.18	1,684.44

Foreign currency risks from non derivative financial instruments as at 31 March 2020 are given below:

(₹ in lakhs)					
Particulars	USD	EURO	CHF	JPY	Total
Trade Receivables (Refer Note 9)	1,422.63	Nil	Nil	Nil	1,422.63
Advance to Supplier (Refer Note 7)	338.33	42.22	Nil	Nil	380.55
Trade Payables (Refer Note 21)	(134.53)	Nil	Nil	Nil	(134.53)
Advance from Customer (Refer Note 20)	(116.55)	Nil	Nil	Nil	(116.55)
Net Foreign Currency Risk Exposure	1,509.88	42.22	Nil	Nil	1,552.10

For each of the years ended 31st March 2021 and 31st March 2020, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U. S. Dollars, has affected company's incremental operating margins by approximately 0.54% & 1.77% respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Notes to Financial Statements for the year ended 31st March, 2021

Note 33.3 (Contd..)

Note 33.3.1 Market Risk (Contd..)

b. Price Risk

The company's exposure to price risk arises from investments in equity shares of other companies (Refer Note 5 and 33.1). The company has not undertaken any risk mitigation measures to reduce the price risk. The table below summarises the impact of increases / decreases of share price of the investments and profit for the period. The analysis is based on the assumption that the market price of those investments in equity shares of other companies move by 5% point on either side with all other variables held constant.

Period	No. of Shares	Average Market price per share	Fair Value in ₹	% Change in Fair Value	Effect on Profit before Tax (₹ in lakhs)
31-03-2021	67700	23.19	15.70	5.00%	0.78
				-5.00%	(0.78)
31-03-2020	67700	10.36	7.01	5.00%	0.35
				-5.00%	(0.35)

c. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

Particulars	(₹ in lakhs)	
	As at 31/03/2021	As at 31/03/2020
Fixed Rate Instruments (Refer Note 15 & 16)		
Financial liabilities		
Non Current	9.99	17.52
Current	9.24	9.12
Total	19.23	26.64
Variable Rate Instruments (Refer Note No. 15 & 16)		
Financial liabilities		
Non Current	26,215.25	26,326.20
Current	29,097.95	25,810.20
Total	55,313.20	52,136.40

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

Particulars	(₹ in lakhs)	
	As at 31/03/2021	As at 31/03/2020
Total Borrowings	55,332.43	52,163.03
% of Borrowings out of above bearing variable rate of interest	99.97%	99.95%

Notes to Financial Statements

for the year ended 31st March, 2021

Note 33.3 (Contd.)

Note 33.3.1 Market Risk (Contd.)

Interest Rate Sensitivity

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

(₹ in lakhs)

Particulars	2021	2020
50bp increase would decrease the profit before tax by	276.57	260.68
50bp decrease would increase the profit before tax by	(276.57)	(260.68)

Note 33.3.2 Liquidity Risk

Liquidity risk is the risk that the company would not be able to meet its financial obligations when they become due. The company is financed primarily by bank loans, loans from directors, and other operating cash flows. The company has undrawn borrowing facilities to the extent of Rs. 7,677.76 Lakhs as on 31st March, 2021 (as on 31st March,2020 Rs. 1,242.73 Lakhs).

The details of the contractual maturities of significant financial liabilities as at 31 March 2021 are as under:

(₹ in lakhs)

Particulars	Note Ref.	< 1 year	1-2 year	2-5 years	5-8 years	8 years and Above	Total
Borrowings (Term Loan - Banks)	15	8,637.70	8,154.13	13,592.57	4,468.55	Nil	34,852.95
Borrowings (Working capital)	15	20,360.51	Nil	Nil	Nil	Nil	20,360.51
Vehicle Loans	15	9.24	6.75	3.24	Nil	Nil	19.23
Trade Payable	21	11,968.65	Nil	Nil	Nil	Nil	11,968.65
Other Financial Liabilities	16	1,834.20	Nil	Nil	Nil	19.27	1,853.47
Employee Benefit liabilities	16	726.06	Nil	Nil	Nil	Nil	726.06
Unpaid dividends	16	38.12	Nil	Nil	Nil	Nil	38.12
Total		43,574.48	8,160.88	13,595.81	4,468.55	19.27	69,818.99

The details of the contractual maturities of significant financial liabilities as at 31 March 2020 are as under:

(₹ in lakhs)

Particulars	Note Ref.	< 1 year	1-2 year	2-5 years	5-8 years	8 years and Above	Total
Borrowings (Term Loan - Banks)	15	4,747.43	7,182.20	17,276.48	1,867.52	Nil	31,073.63
Borrowings (Working capital)	15	21,062.77	Nil	Nil	Nil	Nil	21,062.77
Vehicle Loans	15	9.12	9.24	8.28	Nil	Nil	26.64
Trade Payable	21	13,120.93	Nil	Nil	Nil	Nil	13,120.93
Other Financial Liabilities	16	3,286.23	Nil	Nil	Nil	19.27	3,305.50
Employee Benefit liabilities	16	751.68	Nil	Nil	Nil	Nil	751.68
Unpaid dividends	16	49.08	Nil	Nil	Nil	Nil	49.08
Total		43,027.24	7,191.44	17,284.76	1,867.52	19.27	69,390.22

Notes to Financial Statements for the year ended 31st March, 2021

Note 33.3 (Contd..)

Note 33.3.3 Credit Risk

“Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company maintains its cash and cash equivalents and bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

The maximum exposure to credit risk at the reporting date is primarily from trade receivables. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

On account of the adoption of Ind AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors and the Company’s experience for customers.

The Company reviews trade receivables on periodic basis and makes provision for doubtful debts if collection is doubtful. The Company also calculates the expected credit loss (ECL) for non-collection of receivables. The Company makes additional provision if the ECL amount is higher than the provision made for doubtful debts. In case the ECL amount is lower than the provision made for doubtful debts, the Company retains the provision made for doubtful debts without any adjustment.

The allowance for lifetime ECL on customer balances for the year ended 31st March, 2021 was Rs. 2,709.16 Lakhs and for the year ended 31st March, 2020 was Rs. 1,775.56 Lakhs

Particulars	(₹ in lakhs)	
	Year Ended 31/03/2021	Year Ended 31/03/2020
Balance at the beginning	1,775.56	1,496.16
Impairment loss recognised	1,030.46	512.27
Impairment loss reversed	(96.86)	(232.87)
Balance at the end	2,709.16	1,775.56

Note 34

Contingent Liabilities

Particulars	(₹ in lakhs)	
	As at 31/03/2021	As at 31/03/2020
Value Added demands disputed in appeal by Company/vat Authorities (Against which Company has paid Rs. 10.24 Lakhs, as at 31/03/2020 Rs.10.24 Lakhs)	77.43	77.43
Income Tax Demands disputed in appeal by Company/Income Tax Authorities (Against which Company has paid Rs. 217.25 Lakhs, as at 31/03/2020 Rs.217.25 Lakhs)	1,579.45	1,579.45
Excise & Customs demands disputed in appeal by Company/Authorities (Against which Company has paid Rs.41.43 Lakhs, as at 31/03/2020 41.43 Lakhs)	45.54	45.54
Amount not Acknowledged as Debt by the Company	153.20	182.04
Show cause notice received from Various Authorities in respect of Excise & Customs	41.11	41.11
Disputed Tax demand In appeal by Company in respect of ESIC (Against which Company has paid Rs. 8.68 Lakhs, as at 31/03/2020 Rs.8.68 Lakhs)	34.72	34.72
Corporate guarantee in favour of Aditya Birla Finance Ltd. to Secure term loan sanctioned to M/s Vraj Integrated Textile Park Ltd	1,462.00	1,462.00
Civil Suits filed against the Company by various Individuals	Amount not Quantifiable	Amount not Quantifiable
A Letter received by the Company from Service Tax Department seeking Clarification on Selling Commission	Amount not Quantifiable	Amount not Quantifiable
Civil/Labour Suits filed against Company	Amount not Quantifiable	Amount not Quantifiable
Total	3,393.45	3,422.29

Notes to Financial Statements

for the year ended 31st March, 2021

Note 34.1

Commitments

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Estimated Amount of Contract to be executed on Capital Account (Against Which the Company has paid Rs.1109.37 Lakhs (as at 31/03/2020 Rs. 306.47 Lakhs)	4,098.05	821.61
Total	4,098.05	821.61

Note 35

Capital Management Disclosures

Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide return to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Company manages the capital structure and makes the adjustment to it in the light of changes in economic conditions and risk characteristics of the underlying assets. The company monitors capital on the gearing ratio basis. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (Non-Current borrowing and current borrowings) less cash and cash equivalents. Total capital is calculated as total shareholder's equity.

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Non-Current borrowings (Refer Note 15)	26,225.24	26,343.71
Current borrowings (Refer Note 15)	20,360.51	21,062.77
Current maturities of long-term borrowings (Refer Note 16)	8,646.94	4,756.55
Total Borrowings	55,232.69	52,163.03
Less: Cash & Cash Equivalents (Refer Note 10)	1,692.82	1,553.74
Net Debt	53,539.88	50,609.29
Total Equity attributable to equity share holders of the company (Refer Note.13 & 14)	47,102.57	49,028.10
Gearing ratio	1.14	1.03

Notes to Financial Statements for the year ended 31st March, 2021

Note 36

Related Party Disclosures

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

(₹ in lakhs)

Name of Key Management Personnel	Designation	Total Transaction during 2020-21	Total Transaction during 2019-20
Jyotiprasad Chiripal	Managing Director	Nil	72.00
Deepak Chiripal	CEO	86.01	92.05
P K Sharma	Whole Time Director (Resigned w.e.f 20/08/2020)	1.86	17.89
Giraj Mohan Sharma	Independent Director	2.10	2.00
Pratima Ram	Independent Director(Resigned w.e.f 20/08/2020)	0.50	2.00
Falguni Vasavda	"Independent Director (Appointed on 04/11/2020)"	1.00	Nil
Tara Shankar Bhattacharya	Independent Director	2.10	1.50
Suresh Maheshwari	"Whole Time Director (Resigned w.e.f 11/05/2020)"	4.29	8.61
Ashok Bothra	CFO	15.08	23.54
Purvee Roy	Company Secretary	8.34	10.71

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

(₹ in lakhs)

Name of Relative of Key Management Personnel	Relationship	Total Transaction during 2020-21	Total Transaction during 2019-20
Kiran Sharma	Relative of WTD	1.20	10.17
Vaibhav Sharma	Relative of WTD	1.14	9.51
Niramla Maheshwari	Relative of WTD	0.99	1.99
Mridula Bothra	Relative of CFO	8.67	13.53

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

(₹ in lakhs)

Name of Entity	Total Transaction during 2020-21	Total Transaction during 2019-20
Chiripal Industries Ltd.	14,418.15	21,196.55
Nova Textiles Pvt. Ltd	17,436.37	44,605.99
Vishal Fabrics Ltd.	1,993.18	2,284.67
Shanti Exports Pvt. Ltd.	26.67	43.15
Milestone Educom Trust	60.00	50.00
Vraj Textile Park	29.61	41.05
Nandan Industries Pvt Ltd	Nil	1.28
Chiripal Polyflim Ltd.	Nil	2.80
CIL Nova Petrochemicals Ltd	42.14	61.91
Nandan Terry Pvt. Ltd.	3,227.11	1,345.69
Jaiprakash Chiripal	86.84	Nil
Chiripal Textile Mills Pvt Ltd	0.68	Nil

Notes to Financial Statements

for the year ended 31st March, 2021

Note 36 (Contd.)

Related Party Disclosures

d. Outstanding balances due from related parties (Refer Note 9.1 & 9.2)

(₹ in lakhs)

Name of Related Party	Nature of Asset	As At 31/03/2021	As At 31/03/2020
Nova Textiles Pvt. Ltd	Trade Receivable	4,169.46	4,508.09
Nandan Terry Pvt. Ltd.	Trade Receivable	916.44	1,858.56
Chiripal Industries Ltd	Trade Receivable	764.68	1,116.22
Vishal Fabrics Ltd.	Trade Receivable	53.47	1,019.90
Vraj Integrated Textile Park Ltd	Trade Receivable	1.54	1.37
CIL Nova Petrochemicals Ltd	Trade Receivable	2.14	2.79
Chiripal Textile Mills Pvt Ltd	Trade Receivable	34.12	36.45

e. Outstanding balance due to related parties

(₹ in lakhs)

Name of Related Party	Nature of Liability	As At 31/03/2021	As At 31/03/2020
Nova Textiles Pvt. Ltd	Trade Payable	(0.14)	Nil
Chiripal Industries Ltd.	Trade Payable	760.25	(1,945.87)
Vishal Fabrics Ltd.	Trade Payable	(5.77)	0.00
Vraj Integrated Textile Park Ltd	Trade Payable	109.42	118.32
Shanti Exports Pvt. Ltd.	Trade Payable	(35.81)	(83.09)
Chiripal Poly Films Ltd.	Trade Payable	(0.50)	(0.74)
Nandan Industries Pvt Ltd	Trade Payable	291.75	291.75
CIL Nova Petrochemicals Ltd	Trade Payable	Nil	Nil
Nandan Terry Pvt. Ltd.	Trade Payable	Nil	(6.48)

f. Compensation to Key Management Personnel

(₹ in lakhs)

Particulars	As At 31/03/2021	As At 31/03/2020
Short-term employee benefits	121.28	230.29
Post Employment Benefits	4.19	7.92
Other Long-term employee benefits	Nil	Nil
Total	125.47	238.21

g. Transactions with Related Parties

(₹ in lakhs)

Particulars	2020-21	2019-20
Purchase of Raw Material		
Entities in which KMP have control or significant influence	16,800.72	37,796.98
Total	16,800.72	37,796.98
Purchase of Stock In Trade		
Entities in which KMP have control or significant influence	Nil	429.16
Total	Nil	429.16

Notes to Financial Statements for the year ended 31st March, 2021

Note 36 (Contd..)

Related Party Disclosures

(₹ in lakhs)

Particulars	2020-21	2019-20
Rent		
Entities in which KMP have control or significant influence	26.67	54.89
Total	26.67	54.89
Electricity		
Entities in which KMP have control or significant influence	12.09	17.05
Total	12.09	17.05
Repairs and Maintenance		
Entities in which KMP have control or significant influence	29.46	18.02
Total	29.46	18.02
Sale of Goods		
Entities in which KMP have control or significant influence	20,303.62	31,146.61
Total	20,303.62	31,146.61
Sale of Services		
Entities in which KMP have control or significant influence	1.34	120.39
Total	1.34	120.39
Sale of Investment		
Entities in which KMP have control or significant influence	86.84	Nil
Total	86.84	Nil
Remuneration Paid		
Key Management Personnel	115.58	224.79
Relatives of Key Management Personnel	12.00	35.20
Total	127.58	259.99
Director Sitting Fees		
Key Management Personnel	5.70	5.50
Total	5.70	5.50
Corporate Social Responsibility		
Entities in which KMP have control or significant influence	60.00	50.00
Total	60.00	50.00

Note: List of transaction, out of the transactions reported in the above table, where the transactions entered in to with single party exceeds 10% of the total related party transactions of similar nature are as under:

(₹ in lakhs)

Particulars	2020-21	2019-20
Expenditure:		
Purchase of Raw Material:		
- Chiripal Industries Ltd	8,216.66	15,449.38
- Nova Textiles Pvt. Ltd.	7,291.71	21,712.72

Notes to Financial Statements

for the year ended 31st March, 2021

Note 36 (Contd..)

Related Party Disclosures

(₹ in lakhs)

Particulars	2020-21	2019-20
Purchase of Stock in Trade:		
- Nova Textiles Pvt. Ltd.	Nil	400.96
Rent,Rates and Taxes:		
- Chiripal Industries Ltd	Nil	10.22
- Shanti Exports Pvt Ltd	26.67	30.41
- Vraj Integrated Textile Park Ltd	Nil	14.26
Electricity Expense		
- Nova Textiles Pvt. Ltd.	12.09	Nil
- Shanti Exports Pvt Ltd	Nil	12.74
- Vraj Integrated Textile Park Ltd	Nil	4.31
Repairs and Maintainance and Other Expenses		
- Vraj Integrated Textile Park Ltd	29.46	18.02
Corporate Social Responsibility		
- Milestone Educom Trust	60.00	50.00

(₹ in lakhs)

Income Received:	As At 31/03/2021	As At 31/03/2020
Sale of Goods		
- Nova Textiles Pvt Ltd	10,132.57	22,492.31
- Chiripal Industries Ltd	6,201.35	5,736.95
- Nandan Terry Pvt Ltd	1,981.83	638.57
- CIL Nova Petrochemicals Ltd	Nil	61.91
- Vishal Fabrics Ltd.	1,987.72	Nil
Sale of Services		
- Nandan Terry Pvt Ltd	1.21	120.39
Transfer of Non Current Other Asset		
- Jaiprakash Chiripal	86.84	Nil
Remuneration Paid:		
- Jyotiprasad Chiripal	Nil	72.00
- Deepak Chiripal	86.01	92.05

Note 37

Details Of Hedged And Unhedged Exposure in Foreign Currency Denominated Monetary Items

a Exposure in foreign currency - Hedged

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Notes to Financial Statements for the year ended 31st March, 2021

Note 37 (Contd..)

Currency	Number of Contracts	Sell Amount in Foreign Currency (Lakhs)	Indian ₹ In Lakhs Equivalent
Forward contract to Sell USD - As at 31/03/2021	2	4.00	297.87
Forward contract to Sell USD - As at 31/03/2020	3	6.50	487.71

b Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31st March, 2021 are as under:

Currency	Payable (FC in Lakhs)		Receivable (FC in Lakhs)	
	As At 31/03/2021	As At 31/03/2020	As At 31/03/2021	As At 31/03/2020
USD	4.03	3.33	25.88	23.36
EURO	Nil	Nil	0.74	0.51
CHF	Nil	Nil	Nil	Nil
JPY	Nil	Nil	21.37	Nil

Currency	Payable (INR in Lakhs)		Receivable (INR in Lakhs)	
	As At 31/03/2021	As At 31/03/2020	As At 31/03/2021	As At 31/03/2020
USD	296.04	251.07	1,902.31	1,760.95
EURO	Nil	Nil	63.99	42.22
CHF	Nil	Nil	Nil	Nil
JPY	Nil	Nil	14.18	Nil

Note 38

Corporate Social Responsibility

(₹ in lakhs)

Sr. No	Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
1	Gross amount required to be spent by the company during the year	60.00	56.46
2	Amount Spent during the year on		
	(i) Construction/ Acquisition of any assets		
	In Cash	Nil	Nil
	Yet to be paid	Nil	Nil
3	(ii) On purpose other than (i) above		
	In Cash	60.00	50.00
	Yet to be paid	Nil	6.46

Note 39

Segment Reporting

The Company is considered to be engaged in Textile Industry with all activity revolving around this business and accordingly the company has only one reportable business segment in accordance with the requirement of Ind AS 108- Operating Segment.

The Geographical details of Revenue and Non Current Asset are as Under:

(₹ in lakhs)

Sr. No.	Particulars	India	Rest of World	Total	Year
1	Segment Revenues	1,01,523.82	7,499.34	1,09,023.15	For 2020-21
		1,38,355.41	14,071.09	1,52,426.49	For 2019-20
2	Segment Assets	51,900.15	Nil	51,900.15	As at 31/03/2021
		59,178.45	Nil	59,178.45	As at 31/03/2020

Notes to Financial Statements

for the year ended 31st March, 2021

Note 39 (Contd..)

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

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
No. of customers contributing 10% or more of total revenue (individually)	1	1
Amount of revenue	14,755.56	22,492.31
% of total revenue	13.53%	14.76%

Note 40

Reconciliation of Financing Liabilities

(₹ in lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Opening Balance	69,397.91	74,139.27
Cash inflow of non-current borrowings	8,802.48	Nil
Cash outflow of Non current borrowings	(4,756.55)	(6,193.31)
Changes in current borrowings cash flows	(702.26)	(1,973.85)
Changes in trade payable cash flow	(2,381.13)	2,229.66
Changes in other current financial liability	(100.53)	1,124.39
Changes in other non- current financial liability	(174.27)	(0.00)
Other	(266.66)	71.76
Closing Balance	69,818.99	69,397.91

Note 41

The financial statement are approved by the Board of Directors & Audit Committee at their meeting on 29th June, 2021

Note 42

- (a) A Fire had broken out on 8th August,2020 in Spinning Division at the factory located at Piplej, Ahmedabad.The property plant and equipment destroyed by Fire having a net carrying value of Rs.1662.35 Lakhs have been reduced from the respective block of Property , Plant & Equipment of the company. The inventory of the Company having carrying value of Rs. 229.15 Lakhs which was destroyed by fire have also been reduced from the value of the Inventory. The loss in respect of property, plant and equipment due to fire has been presented separately under the head Other Expenses in statement of Profit & Loss. The loss in respect of inventory due to fire has been presented separately under the heads “Cost of materials consumed” and “Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress” in statement of Profit & Loss. The said loss on account of fire is fully covered by Insurance. The Company has accounted for this amount as amount receivable from the Insurance Company disclosed under “Other Current Financial Asset” and under statement of profit and loss under head “Other Income”.
- (b) Earlier a Fire had broken out on 8th February,2020 in Shirting section of Weaving Division at the factory located at Piplej, Ahmedabad. The property plant and equipment destroyed by Fire having a net carrying value of Rs. 564.88 Lakhs, were reduced from the respective block of Property,Plant & Equipment of the company. The inventory of the Company having carrying value of Rs. 683.42 Lakhs which was destroyed by fire had also been reduced from the value of the Inventory. The said loss on account of fire is fully covered by Insurance, in the opinion of the management of the company. The Company has accounted for this amount as amount receivable from the Insurance Company disclosed under “Other Current Financial Asset”. The Company has already filed the claim for the same with the insurance company and the claim settlement in respect of the same is pending till date.

Notes to Financial Statements for the year ended 31st March, 2021

Note 43

Dividend

(₹ in lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Equity shares		
Final dividend for the year ended 31 March 2020 of Rs.Nil (31 March 2019 Rs. Nil) per fully paid share has been distributed	Nil	Nil
Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs.Nil per fully paid equity share (31 March 2020 – Rs. Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	Nil	Nil

Note 44

On periodical basis and as and when required, the Company reviews the carrying amounts of its assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss have been provided in the Financial Year 2020-21 (PY. Rs. Nil/-)

Note 45

Assets Pledged as Security

The Carrying amount of assets Pledged as Security for Current and non Current borrowing are:

(₹ in lakhs)

Particulars	Note No.	As at 31/03/2021	As at 31/03/2020
Non-Current Assets			
Property Plant & Equipment	3	50,248.88	58,397.73
Capital Work in progress	3	207.51	Nil
Intangible Asset	4	7.08	15.73
Total Non Current Assets pledged as Security		50,463.46	58,413.45
Current Assets			
Inventories	8	20,548.04	16,311.41
Financial Assets			
Investments			
Trade Receivable	9	27,841.08	31,919.10
Cash and cash equivalents	10	1,692.82	1,553.74
Other Bank Balance	11	1,338.90	1,050.11
Other Financial Assets	6	11,138.68	8,417.79
Other Current Assets	7	3,799.80	2,830.31
Total Current Assets pledged as Security		66,359.32	62,082.46
Total Assets Pledged as Security		116,822.78	120,495.92

Note: Asset pledge as security includes the Securities hypothecated with the bank for current and non-current borrowing by the company.

Notes to Financial Statements

for the year ended 31st March, 2021

Note 46

Due to outbreak of COVID-19 globally and in India, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial and non financial assets as well as liabilities accrued. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID 19 situation evolves in India and globally. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. However, the Company will continue to closely monitor any material changes to future economic conditions.

Note 47

Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.

As per our report of even date attached herewith.

For and on Behalf of the Board

For, **Samir M Shah & Associates**

Chartered Accountants
(Firm Regd. No. 122377W)

(S M Shah)

Partner
(M.No. 111052)

Vedprakash Chiripal

(Chairman)
(DIN: 00290454)

Jyotiprasad Chiripal

(Managing Director)
(DIN: 00155695)

Deepak Chiripal

(Chief Executive Officer)

Date : 29/06/2021

Place: Ahmedabad

Date : 29/06/2021

Place: Ahmedabad

Ashok Bothra

(Chief Financial Officer)

Purvee Roy

(Company Secretary)

Disclaimer

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forwardlooking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



Nandan Denim Ltd.

Chiripal House, Shivaranjani Cross Road,
Satellite, Ahmedabad – 380 015. Gujarat, India
Phone:+91 2673 4660 / 62 / 63
FAX:+91 – 79 – 2676 8656