

YOUNG YET EXPERIENCED



**NANDAN EXIM LIMITED**

Annual Report : 2004 - 05

# CHIRIPAL HOUSE

Report  Junction.com

Company Profile	1-2
Chairmans' Statement	3-5
Board of Directors	6-7
Company Information	8-9
Notice	10-13
Directors' Report	14-17
Management Discussion and Analysis Report	18-19
Corporate Governance	20-27
Auditors' Report	28-31
Balance-Sheet	32-33
Profit & Loss Account	34-35
Cash Flow Statement	36-37
Schedules forming part of the Accounts	38-42
Notes to Accounts	43-51
Balance-Sheet Abstract	52-52



# Chiripal Group of Companies

## Group :

Established in the year 1972, Chiripal Group of Companies has established a strong position as one of the leading textile process houses in the country and successfully forayed into new product lines expanding the product range.

The Group has always focused on delivering the best of its products and services by rigorous R&D, defined processes, stringent quality policies and state-of-the-art technologies. These are backed by dedicated, experienced and competent experts to ensure that the products / services delivered to the customers are the best. With clear focus and growth plans on the anvil, the Group is gearing itself to take on the challenges.

Chiripal is a professionally managed business group. The Management comprises of a team of professionals from different fields and expertise. The management believes in recruiting professionals and specialists in various fields of operations and delegating responsibilities and freedom of work at all levels.

The diversified businesses in the fields of spinning, weaving, knitting, processing, petrochemicals and construction offer employment to more than 20,000 people associated directly or indirectly with the Group. It is the trust and accountability that breathes confidence in the employees encouraging them to put in their best efforts contributing towards the growth of the organization.

## Shanti Processors Ltd. and Vishal Fabrics Pvt. Ltd.

Established in the year 1985, Shanti Processors and Vishal Fabrics have developed into one of the most developed fabric processing divisions. These units are equipped with the technical capability to deliver best products of international specifications. A variety of machinery and technology enable these divisions to process almost every kind of fabric

from the heaviest to the finest count, of any blend. They have ability to optimize and design product mix on a dynamic basis owing to their configuration, and high production capacity with diversity. This flexibility and complexity is one of the scoring points over competition. These units can handle a variety of fabrics, irrespective of the count or construction, like Corduroy, Cotton twill, PV twill, Pique Cord, Knits, Moss Crepe, Georgette, Rayon, Denim, Lycra, Canvas, etc.

These manufacturing facilities are equipped with numerous machinery and the most modern, high quality technology for the production of Apparel Textiles, Home Textiles, Furnishing fabrics. Shanti Processors Limited is also housed with different divisions like- The knits division, The polar fleece division, The flock printing division, Cotton knits division, chemical division, fabric processing division and petrochemical unit. Vishal Fabrics has a newly developed division of processing wider width fabrics (upto the width of 3,200 mm) with special applications in home furnishing and automobile furnishing industry.

Chiripal Petrochemicals Ltd. and Nova Petrochemicals Ltd.

The Group also produces a number of petrochemical products through a joint venture company Nova Petrochemicals Ltd. and group company Chiripal Petrochemicals Ltd. These units manufacture a range of petrochemical products like partially oriented, micro-filament, draw twisted and texturised yarns. This ensures the supply of raw materials, required for the manufacturing various fabrics, in the desired quantity, quality and time.





## Chairman's Statement



*Dear Shareholders,*

It gives me immense pleasure to be in touch and address you while presenting you the progress of your company for the first time.

As you are aware, Nandan Exim Ltd. has achieved a milestone in the current fiscal and made a debut on the stock markets in June 2005. We thank you for the overwhelming support and making our

IPO a grand success by an over subscription of 31 times. The current fiscal also witnessed the commencement of commercial production of denim fabric. This podium gives me an opportunity to promise you better performance and continual growth of the Company.

You will be pleased to note that Nandan Exim Ltd. has registered gross sales of Rs. 5906.99 lakhs during the financial year ended March 31, 2005. Your Company has registered a PBDIT of Rs. 757.78 lakhs and net profit (PAT) of Rs. 217.39 lakhs for the previous year. The Company has declared a dividend of 5% for the previous year.

The year 2004-05 has shown a better picture for the world, nation, economy and your Company. The year saw better monsoons and a positive growth in economy. The country's industrial output reported a growth of 7.4% and GDP registered a growth of 8% for the year. This has brought in improvement and stability in the economy after a couple of years of de-growth, bearish markets and economic slowdowns.

The Indian Textile industry is a major contributor to the industrial output, employment generation and foreign exchange earnings. At present, the contribution of the textile industry to GDP is about 4 percent. The textile industry provides direct employment to about 35 million people and is the second largest employment provider in India



after agriculture. The contribution of this industry to gross export earnings is about 37% and it adds less than 1.5 % to the gross import bill of the country.

The textile industry is undergoing transition after the elimination of the quota system, which restricted the textile exports in accordance with the Agreement on Textiles and Clothing (ATC) being supervised and administered by World Trade Organisation (WTO). The elimination of these quotas brings new challenges for the Indian textile industry. The key to success will be a transformed mindset of the industry to get rid of technological obsolescence and pave way for modern industrial base.

Indian textile manufacturers have to put forth extra efforts for upgrading their efficiency and improving quality to meet international customer expectations. The support and encouragement from the Government in the form of laws, policies and schemes like Technology Upgradation Fund Scheme (TUFS which provides for reimbursing 5% interest on the loans/finance raised from designated financial institutions) in the support of the industry will definitely aid in better performance of the industry. We at Nandan Exim Ltd. have availed the benefits of TUFS and will look forward to advantage from other incentives extended by the government for the growth and progress of the Company.

The Indian textile industry will have to undergo a sea change to become a preferred outsourcing hub for the global players putting in super extra efforts, technology upgradation, manpower enhancement, quality maintenance, value for money products and commitments. We at Nandan, right from inception, have always invested in the latest manufacturing technology viz. Air jet looms from Tsudakoma (Japan), Indigo Dyeing and Sizing Range from Suker Muller (Germany), Foam finishing range from (Montfort, Germany), etc to name a few; skilled manpower, stringent quality policies and excellent quality of products and services. Within a short span of time, the company has been able to supply its products to renowned national players as well as exporters.

Nandan Exim - as a part of Chiripal Group are preparing ourselves to take up the challenges and have paved our plans to make Chiripal a



leading Textile House with a place in the national top 10 and a significant global presence. The ultimate goal is to make ourselves a benchmark for quality and trust.

In forthcoming years, we aim to increase portfolio as well as capacities by adding new product lines, forward & backward integrations, expansions and diversifications through Nandan Exim Ltd. and other group companies Chiripal Petrochemicals Ltd., Shanti Processors Ltd. and Vishal Fabrics Pvt. Ltd. The plans to double the capacities to produce denim at Nandan Exim Ltd. to 20 million meters per annum from the present capacity of 10 million meters have been laid down. We also plan to further consolidate our integration plans by establishing a Spinning unit with initial installation of 75,000 spindles and a power plant of 15 MW capacity.

Pursuing the forward integration plan and to cater to the needs of the customers across the categories, we wish to establish a Garment and Home Textiles (Made Ups) Unit offering the customers a full circle of services right from fibre to yarn to fabric to garment / made ups, all under one single roof.

To conclude, therefore, Higher value added products for emerging markets, incorporation of new technology and materials will engineer the future of Textile and of Chiripal Group.

**Ved Prakash Chiripal**  
Chairman

## Board of Directors



**Vedprakash D. Chiripal**

*Chairman*

Shri Vedprakash D. Chiripal is the Chairman of the Company. He is aged 53 years and is a commerce graduate. He has almost three decades of business experience in the field of manufacturing, trading and export of various textiles. He is the main architect of Chiripal Group of Industries who are in manufacturing and trading of textiles in Ahmedabad. He started his textile business with a small power loom with only 12 looms in a rented premise and today runs various processing and manufacturing units of textile products. He is the Chairman of Nova Petrochemicals Ltd., Shanti Processors Ltd. and Chiripal Petrochemicals Ltd., which are also in textile business.

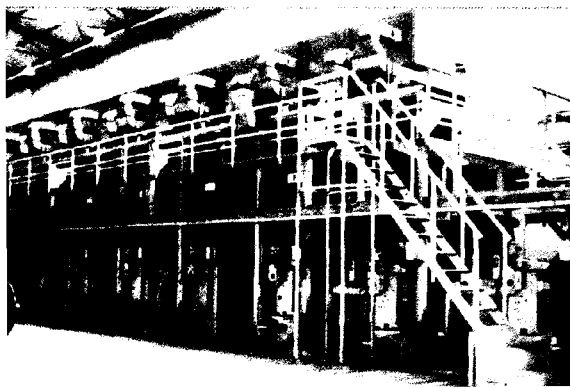
Report  Junction.com



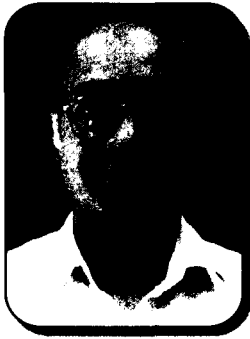
**Brijmohan D. Chiripal**

*Managing Director*

Shri Brijmohan D. Chiripal is the Managing Director of the Company. He is aged 43 years and is an engineer, B.E. (Chemical). He has almost 20 years of business experience in Textile Processing as well as export and domestic trading. He is also Directors in Nova Petrochemicals Ltd., Shanti Exports Pvt. Ltd. and involved with their activities of Manufacturing of Textiles and Export Business.







**Dr. D.K. Jain**

*Director*

Dr. D.K. Jain is aged 49 years. He is a B. Tech and Ph.D. in Textile Chemistry. He has wide experience in various areas connected with textiles exports, imports and marketing. He is an independent director on the board of Nandan Exim Limited.



**Gautam C. Gandhi**

*Director*

Shri Gautam C. Gandhi is aged 69 years is a partner of renowned Legal firm C.C. Gandhi & Co. at Ahmedabad. He is an independent director on the board of Nandan Exim Limited offering his years of experience to the Board.



**S. T. Shah**

*Director*

Shri S. T. Shah is aged 68 years is a Chartered Accountant & Company Secretary by profession with an experience of more than 40 years. He is the Founder and partner of the firm S.T. Shah & Co., Management & Consultant. He is an independent director on the board of Nandan Exim Limited.

## Company Information

### Board of Directors

Shri Vedprakash Chiripal (Chairman)  
Shri Brijmohan Chiripal (Managing Director)  
Shri Gautam C. Gandhi  
Dr. D.K. Jain  
Shri Subodh T. Shah

### Company Secretary & Compliance Officer

Mr. Keyur Shah  
Nandan Exim Limited, "Chiripal House", B/h Arjun Tower,  
132 Ft. Ring Road, Shivanjani Cross Roads, Satellite Road,  
Ahmedabad - 380015. Tel: 91-079-26734660-2-3  
Fax: 91-079-26768656, Email: [keyur@chiripalgroup.com](mailto:keyur@chiripalgroup.com)

### Bankers

State Bank of India  
UCO Bank  
Oriental Bank of Commerce  
ICICI Bank

### Auditors

M/s J.T. Shah & Co.  
*Chartered Accountants*  
201/202, Lalita Complex,  
Nr. Mithakhali Cross Roads,  
Navrangpura, Ahmedabad - 380 009.