

NANDAN EXIM LIMITED

young yet experienced

19th Annual Report ***2012-2013***



CHIRIPAL

Company Information

BOARD OF DIRECTORS

Mr. Vedprakash D. Chiripal	<i>Chairman</i>
Mr. Brijmohan D. Chiripal	<i>Managing Director</i>
Mr. T.S. Bhattacharya	<i>Director</i>
Mr. Gautam C. Gandhi	<i>Director</i>
Mr. Ambalal C. Patel	<i>Director</i>
Mr. Deepak J. Chiripal	<i>CEO</i>
Ms. Purvee D. Roy	<i>Company Secretary</i>

BANKERS

State Bank of India
State Bank of Hyderabad
Syndicate Bank
Oriental Bank of Commerce
State Bank of Travancore
United Bank of India
Karur Vysya Bank
Bank of Maharashtra
UCO Bank
Dena Bank
Laxmi Vilas Bank
Central Bank of India
The Saraswat Co-Operative Bank Ltd.

REGISTERED OFFICE & PLANT

Survey No. 198/1, 203/2,
Saijpur-Gopalpur, Pirana Road,
Piplej, Ahmedabad - 382405

CORPORATE OFFICE

"Chiripal House",
Shivranjani Cross Roads,
Satellite, Ahmedabad - 380015.
Tel : 91-079-26734660-2-3
Fax : 91-079-26768656
Email : cs.nel@chiripalgroup.com

COMMITTEES OF BOARD :-

AUDIT COMMITTEE

Shri Ambalal C. Patel	<i>Chairman</i>
Shri Vedprakash D. Chiripal	<i>Member</i>
Shri Gautam C. Gandhi	<i>Member</i>

REMUNERATION COMMITTEE

Shri Ambalal C. Patel	<i>Chairman</i>
Shri Vedprakash D. Chiripal	<i>Member</i>

SHAREHOLDERS GRIEVANCE COMMITTEE

Shri Gautam C. Gandhi	<i>Chairman</i>
Shri Vedprakash D. Chiripal	<i>Member</i>
Shri Ambalal C. Patel	<i>Member</i>

AUDITORS

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

REGISTRAR & TRANSFER AGENT

Datamatics Financial Services Ltd.

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

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NOTICE

Notice is hereby given that the **19th Annual General Meeting** of the Members of the Company will be held on **Thursday, August 29, 2013** at 3.00 P.M. at the Registered Office of the Company situated at Survey No. 198/1 & 203/2, Saijpur – Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri.Vedprakash D. Chiripal, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors M/s. J.T. Shah & Co., Chartered Accountants to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

5. Appointment of Shri. T.S. Bhattacharya as a Director liable to retire by rotation.

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

"RESOLVED THAT Shri. T. S. Bhattacharya who was appointed on February 6, 2013 as an Additional Director of the Company and holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company."

6. Increase in Authorised Share Capital of the Company.

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

"RESOLVED THAT pursuant to Sections 94 and 16 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the Company be and is hereby increased from Rs. 50,00,00,000/- (Rupees Fifty Crore only) divided into 5,00,00,000 Equity Shares of Rs. 10/- each to Rs.1,50,00,00,000/- (Rupees One Hundred and Fifty Crore only) divided into 15,00,00,000 Equity Shares of Rs. 10/- each, which shall rank *pari-passu* with the existing equity shares in all respects with the power to issue the new shares upon such terms and conditions and with such rights and privileges attached thereto as the Board shall determine from time to time".

"RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association be and is hereby altered to read as follows:

- V. The Authorized Share Capital of the Company is Rs.1,50,00,00,000/- (Rupees One Hundred and Fifty Crore only) divided into 15,00,00,000 (Fifteen Crore only) Equity Shares of Rs. 10/- (Rupees Ten only) each".

7. Change in the name of the Company.

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

"RESOLVED THAT subject to necessary approvals from the Registrar of Companies, Gujarat and subject to any other consents and approvals as may be required under the existing laws, rules and regulations and the bye-laws and regulations of the Stock Exchanges on which the securities of the Company are listed, the name of the Company be changed to 'NANDAN DENIM LIMITED'."

"RESOLVED FURTHER THAT the existing Clause I of the Memorandum of Association of the Company be substituted with the following new Clause:

- I. The Name of the Company is 'NANDAN DENIM LIMITED'

"RESOLVED FURTHER THAT pursuant to sections 16, 31 and other applicable provisions, if any, of the Companies Act, 1956, the name 'Nandan Exim Limited' wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by 'NANDAN DENIM LIMITED'."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take necessary steps to give effect to the resolution."

By order of the Board of Directors

Date : May 30, 2013
Place : Ahmedabad

Vedprakash D. Chiripal
Chairman

NOTES:

1. (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
2. The Statutory Registers are open for inspection at the registered office of the company on all working days except Sunday(s) and public holidays, between 11.00 a.m. to 01.00 p.m. upto the date of the meeting.
3. (a) The Company has notified closure of Register of Members and Share Transfer Books from Friday, August 23, 2013 to Thursday, August 29, 2013 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
- (b) The date for payment of dividend is September 5, 2013 and the dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between August 30, 2013 and September 5, 2013 to those members whose names shall appear on the Company's Register of Members on August 23, 2013; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
4. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
5. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company / Registrar and Transfer Agents, M/s. Datamatics Financial Services Limited.
6. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company will transfer the unpaid or unclaimed dividends for the financial years which are due for transfer to the Investor Education and Protection Fund (the IEPF) within the limit and time framed by the Central Government and the amendments announced thereafter from time to time.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (**PAN**) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding Equity Shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agents, Datamatics Financial Services Limited.
8. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website:
www.chiripalgroup.com ⇒ Group Companies ⇒ Nandan Exim Limited ⇒ Investor Relations
9. 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 Registrar and Transfer Agent, M/s. Datamatics Financial Services Limited for consolidation into a single folio.
10. Non-Resident Indian Members are requested to inform the Registrar and Transfer Agents, M/s. Datamatics Financial Services Limited immediately of:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
11. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
12. A brief resume of the Director to be re-appointed, nature of his expertise in functional areas, names of companies in which he holds directorship and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Notice forming part of the Annual Report.

13. As part of the "Green Initiative in Corporate Governance" introduced by the Ministry of Corporate Affairs (MCA), Government of India through its circular, your Company has been sending all shareholder communications such as the notice of General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report, etc. to shareholders in electronic form to the Email ID provided by them and made available to us by the Depositories. Members are requested to register their Email Id with their Depository Participant and inform them of any changes to the same from time to time. However, Members who prefer physical copy to be delivered may write to the Company at its Corporate Office or send an Email to cs.nel@chiripalgroup.com providing their DP Id and Client Id as reference.

By order of the Board of Directors

Date : May 30, 2013

Place : Ahmedabad

Vedprakash D. Chiripal

Chairman

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the following information is furnished about the Directors proposed to be appointed / re-appointed vide Item No. 3 of the Notice dated May 30, 2013 convening the 19th Annual General Meeting of Nandan Exim Limited:

Name of Director	Brief Resume and Nature of Expertise in Functional Area	List of Directorship / Committee Memberships in other Public Companies as on March 31, 2013
Shri. Vedprakash D. Chiripal	He is a Commerce Graduate and has studied at the Calcutta University. He owns more than 3 decades of experience in the textile industry. Under the guidance of Shri. Vedprakash Chiripal, the Company has achieved great heights. A self made Industrialist, he started from a small weaving unit of mere 12 power looms in the year 1974. The saga of his success took its flight from there and he eventually added to his fleet a couple of textile processing units, backwardly integrating manufacturing units, etc. He later lead to horizontal expansion by setting up a fully integrated denim manufacturing unit. With his ever readiness attitude for growth, he further successfully lead the group to diversify and expand into the fields of real estate, infrastructure and education. As Chairman of the company, he has also enabled a potential for growth for his associates and continuously nurtures the talent of individuals.	<p>Other Directorship: Chiripal Industries Limited CIL Nova Petrochemicals Limited Chiripal Poly Films Limited</p> <p>Committee positions held in Nandan Exim Limited: Member – Audit Committee Member – Shareholders Grievance Committee Member – Remuneration Committee</p> <p>Committee Positions held in other Public Companies: 2 (two)</p>
Shri. T.S. Bhattacharya	Shri. Bhattacharya has more than 40 years of experience in the Indian banking sector. He is also a former Managing Director of State Bank of India. He has been involved in almost every transaction - be it debt syndication or restructuring, including the financing of refinery projects, the ultra –mega power projects. He brings with him the innate understanding of the Indian banking system, and relationships at the highest levels of almost all banks present in India.	<p>Other Directorship: Jindal Stainless Limited Sayaji Hotels Limited IDFC Securities Limited Amartex Industries Limited Abhijeet Power Limited Speciality Restaurants Limited Surya Roshni Limited IDFC AMC Trustee Company Limited IND Swift Laboratories Limited</p> <p>Committee positions held in Nandan Exim Limited: NIL</p> <p>Committee Positions held in other Public Companies: 3 (three)</p>

EXPLANATORY STATEMENT
[Pursuant to Section 173(2) of the Companies Act, 1956]

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No. 5:

Shri. T.S. Bhattacharya was appointed as an Additional Director of the Company with effect from February 6, 2013 pursuant to Section 260 of the Companies Act, 1956 read with Article 134 of the Articles of Association of the Company. Shri. T.S. Bhattacharya holds office upto the date of Annual General Meeting of the Company.

None of the Directors of the Company other than Shri. T.S. Bhattacharya is interested or concerned in the resolution.

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

Item No. 6:

The present Authorised Share Capital of the Company is Rs. 50,00,00,000/- divided into 5,00,00,000 Equity Shares of Rs. 10/- each. In order to meet the eventualities such as augmenting resources, issue of shares, etc., it is proposed to increase the Authorised Share Capital to Rs. 1,50,00,00,000/- divided into 1,50,00,00,000 Equity Shares of Rs. 10/- each.

This requires amendment of Capital Clause V of Memorandum of Association with the approval of shareholders by way of Ordinary Resolution. Hence, the proposals are placed for your approval.

None of the Directors of the Company is interested in the said resolution, save and except as shareholder and to the extent of their shareholding in the Company.

The Board accordingly recommends the resolution as set out in Item No. 6 of the Notice for the approval of the members.

Item No. 7:

In the last few years, the denim market has grown up to be a rather competitive market. Historically, at the time when the Company started its operations, the Company's major activities included trading in fabrics in domestic and international markets. In the last ten years, Nandan Exim Limited has extensively increased its scope and has expanded its business operations beyond import-export and is emerging as a leading player in the denim market.

The Company is having its own spinning, weaving and finishing units and has recently entered the readymade garment sector. Thus, the scope of its activities is no more limited to import & export. With this integration of activities and growth plans, a change of name represents a logical step in the Company's transformation. There is a need to develop a very strong branding and marketing presence in domestic and international markets. In today's context, the Company's name reflects only one of its business activity and does not capture the array of other activities carried on, in India and worldwide.

The word 'Nandan' has been associated with the Company since years and is considerably more familiar to customers, stakeholders and people connected with the Company. The Company is recognized by the word 'Nandan'. Thus, the word 'Nandan' is an integral part of the Company which reflects its identity. Based on the exercise conducted by the management on alternative names for the Company, the name 'NANDAN DENIM LIMITED' seemed most appropriate.

In this regard, Form 1A has already been filed by the Company with the Registrar of Companies, Gujarat and they have confirmed the availability of the new name vide their letter dated July 3, 2013. Subject to the resolution being passed, an application will be made to the Registrar of Companies for approval to the change of name under section 21 of the Companies Act, 1956.

If the change of name is approved, share certificates already issued will not be called in only for the purpose of exchange into certificates bearing the new name but will be so exchanged as and when the existing share certificates come into the possession of the Company and in the mean time the existing certificates will continue to be accepted for all purposes, as indicating entitlement to shares of the Company.

None of the Directors of the Company are interested in the said resolution, save and except as shareholder and to the extent of their shareholding in the Company.

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

By order of the Board of Directors

Date : May 30, 2013
Place : Ahmedabad

Vedprakash D. Chiripal
Chairman

DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended March 31, 2013.

FINANCIAL HIGHLIGHTS:

The financial performance of the company is summarized below:

(Rs. in crores)

FINANCIAL RESULTS	2012-13	2011-12
Turnover	703.12	573.84
Profit Before Depreciation	76.68	55.29
Less: Depreciation	40.92	33.26
Profit After Depreciation	35.76	22.03
Less: Provision for Taxation	7.46	6.01
Less: Provision for Deferred Tax	(2.75)	1.5
Profit After Taxation	31.05	18.79
Less: Prior Period Items	—	—
Less: Short / (Excess) provision of Income Tax	—	—
Profit for the year	31.05	18.79
Appropriations / Adjustments		
Balance of profit / (loss) brought forward	—	—
Interim Dividend	NIL	NIL
Proposed Final Dividend (12% i.e.Rs. 1.20/- per share)	5.47	4.55
Corporate Dividend Tax (including cess and surcharge)	0.93	0.74
General Reserves	0.78	0.47
Profit carried to Balance Sheet	31.05	18.79

PERFORMANCE:

During the year under review, your Company has achieved a record turnover of Rs. 703.12 crores as against Rs. 573.84 crores for the previous financial year registering a rise of 22.52 percentage.

The profit before tax (after interest and depreciation charges) during the year under review was Rs. 35.76 crore as compared to previous years figure of Rs. 22.03 crore. The Net Profit during the year 2012-13 was Rs. 31.05 crore as compared to previous year figure of Rs. 18.79 crore which shows the increase of 65.23 percentage. Your Directors would like to inform that the Company is implementing the expansion projects by increasing its production capacity continuously in order to grab the increase in demand for the denim fabrics in the domestic and international market and thereby increasing its volume and activities in its field. Further the Company has targeted to achieve high volume in the terms of quantity and value and also adding the capacity to improve its performance and thereby its share in the market. Your Company expects to achieve very excellent performance during the current year.

CREDIT RATING:

The current ratings of the Company are 'Fitch BBB-(ind)' for long term loans, 'Fitch BBB-(ind)' / 'Fitch A3 (ind)' for Fund Based Limits and FitchA3(ind) for Non – Fund Based Limits. This is as per Fitch Ratings India Private Limited.

DIVIDEND:

Your Directors have recommended a dividend of Rs. 1.20 per Equity Share i.e. 12% (last year Rs. 1.00 per Equity Share) for the financial year ended March 31, 2013. The dividend will be paid to the members whose name appears in the Register of Members as on Record Date in respect of the shares held in dematerialised form. It will be paid to the members whose names are furnished by National Securities Depositories Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

The dividend payout for the year under review has been formulated in accordance with shareholders' aspirations and the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company.

DEPOSITORY SYSTEM:

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2013, 99.97 % of the Company's total paid-up Capital representing 4,55,33,454 shares are in dematerialized form. In view of the numerous advantages offered by the Depository System, members holding shares in physical mode are advised to avail of the facility of dematerialization on either of the Depositories.

PUBLIC DEPOSIT:

Your Company has not accepted any deposit during the year under review u/s. 58A of the Companies Act, 1956.

SAFETY OF ASSETS:

Your Directors state that the business is exposed to lots of unforeseen risks attached to its real assets as plant & machinery, stocks and other assets of the Company and in case any unforeseen event happens, entire business might get stuck and therefore your Directors have taken effective steps to cover these risks adequately by having insurance cover as per the norms to safeguard the business and the interest of the stakeholder of the Company

CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

CORPORATE SOCIAL RESPONSIBILITY:

SEBI, vide its circular has mandated companies listed on the BSE & NSE to include Corporate Social Responsibility as part of the Annual Report describing the initiatives taken by the companies from Environmental, Social and Governance perspective. Besides this, the Company has an innate desire and zeal to contribute towards the welfare and social upliftment of the community. Accordingly, the Corporate Responsibility Report is attached and forms part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

BOARD OF DIRECTORS:

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956, Shri.Vedprakash D. Chiripal, Director retires by rotation from the Board of Directors of the Company at the ensuing Annual General Meeting during the year under review, and offers himself for reappointment. Your Directors recommend his reappointment. Also, Shri. T.S. Bhattacharya who was appointed as an Additional Director at the Board Meeting of the Company will be regularized as a Director at the ensuing Annual General Meeting.

A brief resume of the Director retiring by rotation and the Director to be regularised at the ensuing Annual General Meeting, nature of expertise in specific functional areas and names of companies in which they holds directorships, chairmanships of Committees of the Board as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India forms part of the Annual Report.

PARTICULARS OF EMPLOYEES:

Since there are no employees employed by the Company which are covered under section 217 (2A) of the Companies Act, 1956, the particulars of employees as required by section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975 as amended is not appended.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remain unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 and based on the information received from the Management and after due enquiry, your Directors state that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) They have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts of the Company have been prepared on a going concern basis.

AUDITORS AND AUDITORS' REPORT:

M/s. J.T. Shah & Co., Chartered Accountants, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

The observations and comments given by Auditors in this report read together with notes to accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

COST AUDITORS:

The Company has appointed M/s. A.G. Tulsian & Co., Cost Auditors, Ahmedabad for conducting cost audit of textile and other products for the financial year 2013-14.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure to this report.

ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the services by the executives, staff and workers of the Company.

For and on behalf of the Board

Place : Ahmedabad
Date : May 30, 2013

VEDPRAKASH D. CHIRIPAL
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE – 1

Particulars pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Report of the Directors.

A. CONSERVATION OF ENERGY:**(a) ENERGY CONSERVATION:**

1. Interlocking of all hood fan with machine operation. When machine is stopped hood fan will also stop. Energy saving of 50 units per day.
2. Interlocking of singeing machine exhaust air blower with machine running. Energy saving of 25 Units per day.
3. We have started eff -1 type motor to use in place of eff-2 type motor.
4. VFD for motors where star delta starter were used in H plants motor, as per application apply fan as well as return fan.
5. Using lighting transformer for plant lights, by this transformer output voltage is maintained 220 volt, so life of tube rod & ballast is increased and energy saving due to reduced supply voltage.
6. In packing & folding department previously DC motor were used , now we have started to use AC motors. AC motors are having very less maintenance expense & failure is zero as compare to DC motors.
7. We are using high efficient pump in place of standard pumps.
8. Installation of automatic light controller for street light.
9. In godown areas, transparent sheets are used, due to this in day time, no lights are needed.
10. Now energy efficient bearings are used in looms motor.
11. All over head water tank are controlled by level controller.
12. Regular checking of surface temp of hot & cold insulation, if heat losses is observed , repaired or attended.

(b) WATER CONSERVATION

1. Recycling of treated effluent water in dyeing and sizing machine no 1, 2, 5, 7 and 8.
2. Recycling of water of finishing department to merceriser machine.
3. Reuse of RO reject water in dyeing sizing machine no 3, 4 and 6.

B. ADDITIONAL INVESTMENTS AND PROPOSALS-

1. We have planned to recover flash steam from condensate. This flash steam will be used to heat water and hot water will be used in size kitchen.
2. Given compressed air audit work to Forbes Marshall to audit air leakage and misuse of Compressed air in plant.
3. We are installing valve on Looms to monitor compressed air usage on individual loom. Regular monitoring of compressed air on loom will help us to optimize the air consumption on air jet looms.

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. By recovering flash steam we will be reducing steam consumption and saving approximately Rs 20 Lacs per annum. Pay back for the capital expenditure is approximately six months.
2. By optimizing compressed air on loom and reduced air leakages we will be saving Rs 30 Lacs per annum.