

20th Annual Report
2013-2014



NANDAN DENIM LIMITED
[Formerly Known as Nandan Exim Limited]

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. Ambalal C. Patel	<i>Director</i>

CHIEF EXECUTIVE OFFICER

Mr. Deepak J. Chiripal

COMPANY SECRETARY

Ms. Purvee D. Roy

REGISTERED OFFICE & PLANT

Survey No. 198/1, 203/2,
Saijpur-Gopalpur, Pirana Road,
Piplej, Ahmedabad - 382405
Tel : +919879200199

CORPORATE OFFICE

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

CIN : L51909GJ1994PLC022719

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.
Union Bank of India

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

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronics holding with the Depository through their concerned Depository Participants.

CONTENTS

Page No.

Notice	1-11
Directors' Report	12-13
Management Discussion and Analysis Report	14-18
Corporate Governance	19-28
Auditors' Report	29-31
Balance-Sheet	32
Statement of Profit & Loss	33
Cash Flow Statement	34
Notes to Financial Statements	35-54

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Members of the Company will be held on Monday, September 15, 2014 at 10.00 a.m. at Lions Hall, Mithakhali Six Road, Nr. Nalanda Hotel, Ellisbridge, Ahmedabad-380006 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss Account for the year ended March 31, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare a Final Dividend on Equity Shares for the financial year 2013-14.
3. To appoint a Director in place of Mr. Brijmohan Chiripal, who retires by rotation and being eligible offers himself for reappointment.
4. Appointment of Auditors:

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

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. J.T. Shah & Co., Chartered Accountants (Firm Registration Number: 109616W), be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty fifth AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Tara Sankar Bhattacharya (DIN: 00157305), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 15, 2014 up to September 14, 2019."

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

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Ambalal Patel (DIN: 00037870), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 15, 2014 up to September 14, 2019."

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

"RESOLVED THAT in supersession of the resolution passed by the Company at the Annual General Meeting held on September 17, 2010 with respect to the borrowing powers of the Board of Directors, consent of the Company be and is hereby accorded pursuant to section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification or re-enactment thereof, to the Board of Directors, borrowing moneys (apart from temporary loans from time to time obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time deem necessary, provided that the sum or sums so borrowed and remaining outstanding at any one time shall not exceed in the aggregate Rs. 2500.00 crore (Rupees Two Thousand Five Hundred Crore).

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

"RESOLVED THAT in supersession of the resolution passed by the Company at the Annual General Meeting held on September 17, 2010 with respect to mortgaging and/or charging by the Board of Directors, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification or re-enactment thereof, to the Board of Directors to mortgage and/or charge (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or Debenture Trustees), all the immovable and movable properties, present and future, pertaining to any one or more of the Company's Units and any other undertaking of the Company wheresoever situated and the whole or substantially the whole of any one or more of the said undertakings of the Company, with the right to take over the management and concern of the undertaking(s) whose properties are agreed to be mortgaged and/or charged in certain events, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their respective Rupee and Foreign Currency Loans or other Financial Assistance lent, granted and advances or agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such Institutions/Banks/Funds, or any other persons, of such amount or amounts not exceeding Rs. 2500.00 Crore in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound

NANDAN DENIM LIMITED

interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said term loans, debentures or other financial instruments or assistance."

"RESOLVED FURTHER THAT the Board of Directors of the Company including a Committee thereof, be and is hereby authorized to finalize with the Financial Institutions, Banks and other lending Institutions or Debenture Trustees, the documents for creating mortgage(s) and/or charge(s) as aforesaid and to do all acts, deeds and things in connection therewith and incidental thereto."

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

"RESOLVED THAT pursuant to Sections 61 and 13 and other applicable provisions, if any, of the Companies Act, 2013, 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.1,00,00,00,000/- (Rupees One Hundred Crore only) divided into 10,00,00,000 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.1,00,00,00,000/- (Rupees One Hundred Crore only) divided into 10,00,00,000 (Ten Crore only) Equity Shares of Rs. 10/- (Rupees Ten only) each".

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

"RESOLVED THAT pursuant to the provisions of section 62 and other applicable provisions, if any, of the Companies Act, 2013 along with rules enacted thereunder ("Companies Act") (including any amendment(s), statutory modification(s) or re-enactment thereof), enabling provisions of the Memorandum and Articles of Association of the Company, listing agreements entered into by the Company with the stock exchanges where equity shares of the Company of face value of Rs. 10/- each are listed and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("SEBI (ICDR) Regulations"), Foreign Exchange Management Act, 1999 as amended, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds (through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time and clarifications issued thereon from time to time and subject to other required rules, regulations, guidelines, notifications and circulars issued by the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), the Government of India ("GOI"), the stock exchanges, Department of Industrial Policy & Promotion and / or any other competent authorities from time to time to the extent applicable, subject to such approvals, permissions, consents and sanctions as may be necessary from SEBI, stock exchanges, RBI, Foreign Investment Promotion Board, GOI and/or any other concerned statutory or other relevant authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and/or sanctions which may be agreed to by the Board of Directors of the Company ("Board" which term shall include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board in its absolute discretion to create, offer, issue and allot equity shares ("Equity Shares") and /or Global Depository Receipts ("GDRs") and /or American Depository Receipts ("ADRs") ("Securities") in the course of domestic and / or international offerings representing either equity shares or a combination of the foregoing for an amount not exceeding Rs. 500 crore (Rupees Five Hundred Crore only), for cash and at such premium / discount, as applicable, as the Board deems fit to all eligible investors including but not limited to existing equity shareholders as on record date, residents and / or non-residents, whether institutions, incorporated bodies, Foreign Institutional Investors, Qualified Institutional Buyers, banks, mutual funds, insurance companies, pension funds, trusts, stabilizing agents and / or otherwise and / or a combination thereof, whether or not such investors are members, promoters, directors or their relatives / associates of the Company, in the course of domestic and / or international offerings through public issue and / or private placement and /or rights issue and / or preferential allotment and / or Qualified Institutional Placement ("QIP") and / or any other permitted modes through prospectus and/or an offer document and / or private placement offer letter and/or such other documents / writings/ circulars / memoranda in such manner, by way of cash at such time or times in such tranche or tranches and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) to be appointed by the Company, so as to enable the Company to list on any Stock Exchange in India and / or Luxembourg and /or London and /or New York and /or Singapore and /or Hong Kong and / or any of the Overseas Stock Exchanges as may be permissible."

"RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the Securities in the international market and may be governed by the applicable laws."

"RESOLVED FURTHER THAT in the event of issue of GDRs / ADRs, the pricing shall be determined in compliance with principles and provisions set out in the Issue of Foreign Currency Convertible Bonds (through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time and other applicable provisions, as amended from time to time."

"RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VIII of SEBI (ICDR) Regulations, as amended from time to time, the pricing shall be determined in compliance with principles and provisions set out in Regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations, as amended from time to time and the Company may offer a discount of not more than 5% (five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI (ICDR) Regulations, as amended from time to time."

"RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VIII of SEBI (ICDR) Regulations, as amended from time to time, the relevant date for the purpose of the pricing of the Equity Shares shall be the meeting in which the Board decides to open the issue."

"RESOLVED FURTHER THAT the Company may enter into any arrangement with any agencies or bodies as are authorized by the Board for the issue of GDRs and / or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and /or international practice and regulations, and under the norms and practices prevalent in the domestic/ international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the consent of the Company be and hereby accorded to the Board to do all such acts, deeds, matters and things including but not limited to finalization and approval of the offer document(s), private placement offer letter, determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, fixing the record date, execution of various transaction documents, as the Board may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the proceeds as it may in its absolute discretion deem fit."

"RESOLVED FURTHER THAT the Securities to be created, issued, allotted and offered in terms of this Resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board and its committee thereof be and is hereby authorized to issue in consultation with and subject to the approval, if necessary, of any concerned authorities, Draft Letter of Offer, Letter of Offer including Abridged Letter of Offer (hereinafter collectively referred as "Offer Document"), Composite Application Form and other documents to the persons stipulated above containing the terms and conditions of such issue as the Board may decide, including the rights entitlement ratio, pricing, right to renunciation, eligibility or otherwise to apply for additional shares in the event of renouncement by the Shareholder, eligibility or otherwise of the renouncee to apply for additional shares, payment of subscription monies, listing of the new Equity Shares with the Stock Exchanges, restriction as to subscription and transfer as provided in the Articles of Association of the Company, order and basis of allotment in the event of over subscription, premium to be charged on the shares, finalize payment structure, to vary the size of the issue, appoint Lead Manager(s), Banker(s), Legal Advisor(s), Registrar and other intermediaries/ agencies, to fix the record date / book closure in consultation with the Stock Exchanges and to finalise such other terms and conditions as may be deemed necessary or stipulated in such Offer Document and such other documents as may be permitted by the concerned authorities in accordance with the applicable laws and the Board be and is hereby expressly authorized and empowered to accept such variations and modifications as the SEBI, Stock Exchanges or any other concerned authorities may stipulate in that behalf and also at its discretion to amend, modify, vary or alter all or any other terms of the issue including the right to increase, decrease or recalculate the number of Equity Shares to be created, offered and alter the terms as to premium and to include in the Offer Document or such other documents they offer for subscription, all such other terms and conditions of offer as are necessary or expedient in the discretion of the Board and/or may have to be incorporated on account of any modifications or amendments required or accepted by any concerned authority."

"RESOLVED FURTHER THAT all the new Equity Shares to be issued and allotted shall be subject to the Memorandum of Association and Articles of Association of the Company and the equity shares to be issued and allotted shall rank pari-passu in all respects with the existing equity shares of the Company, including entitlement of dividend except as may be otherwise provided pursuant to the terms of the Issue in any of the Issue documents."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of equity shares, the Board of Directors of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deemed necessary or desirable for such purpose, including without limitation, the entering into arrangements for managing, marketing, underwriting, listing, trading and to issue any documents and writing and to pay any fees, commission, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit."

"RESOLVED FURTHER THAT the unsubscribed portion, if any, of the aforesaid shares to be so offered and issued, after considering the applications received from the Shareholders of the Company, shall be disposed off in such manner, as the Board may deem fit and proper at its absolute discretion and as most beneficial to the Company."

"RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of rights issue, if the Equity Shares are not subscribed, the same may be disposed of by the Board in such manner which is not dis-advantageous to the shareholders and the Company."

"RESOLVED FURTHER THAT the approval of the Company is hereby accorded to the Board to appoint merchant bankers, underwriters, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts/ agreements, memorandum, documents, etc., with such agencies, to seek the listing of Securities on one or more recognized stock exchange(s), to affix common seal of the Company on any arrangements, contracts/ agreements, memorandum, documents, etc. as may be required."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board in consultation with the merchant banker(s), advisors and/or other intermediaries as may be appointed by the Company in relation to the issue of Securities, be and is hereby authorised on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue and allotment of Securities and listing thereof with the stock exchanges or otherwise as may be required in relation to the issue and to resolve and settle all questions and difficulties that may arise in the issue, offer and allotment of Securities, including finalization of the number of Securities to be issued in each tranche thereof, form, terms and timing of the issue of Securities including for each tranche of such issue of Securities, identification of the investors to whom Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the issue of Securities and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to the any of the aforesaid or otherwise in relation to the issue of Securities."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any officer of the Company."

"RESOLVED FURTHER THAT (i) all monies received out of Rights Issue shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013; (ii) the details of all monies utilised out of the Rights Issue referred to in (i) hereinabove shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies had been utilised; and (iii) details of all unutilised monies out of the Rights Issue, if any, referred to in (i) hereinabove shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested."

11. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**
"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to enter into the related party transactions by the Company with the respective related parties and for the maximum amounts per annum, as mentioned herein below:

Sr. No.	Nature of the transactions as per section 188 of the Companies Act, 2013.	Name of the Director/KMP who is related and nature of their relationship	Name of the related party	Receipts (Rs. in Crore)	Payment (Rs. in Crore)
1.	Sale of goods	Mr. Vedprakash Chiripal, Chairman of the Company and family members being common Director(s)/ Shareholder(s) of the Company.	1. Chiripal Industries Limited 2. Nova Textiles Private Limited	335.45	
2.	Purchase of goods	Mr. Vedprakash Chiripal, Chairman of the Company and family members being common Director(s)/ Shareholder(s) of the Company.	1. Chiripal Poly Films Limited 2. Chiripal Industries Limited 3. Vishal Fabrics Limited		173.45
3.	Rent/ Lease of the Property	Mr. Vedprakash Chiripal, Chairman of the Company and family members being common Director(s)/ Shareholder(s) of the Company.	Chiripal Industries Limited		3.05
4.	Job work Charges	Mr. Vedprakash Chiripal, Chairman of the Company and family members being common Director(s)/ Shareholder(s) of the Company.	Chiripal Industries Limited		40.10
5.	Maintenance Expense	Mr. Vedprakash Chiripal, Chairman of the Company and family members being common Director(s)/ Shareholder(s) of the Company.	Shanti Exports Private Limited		0.25
6.	Electricity Expenses	Mr. Vedprakash Chiripal, Chairman of the Company and family members being common Director(s)/ Shareholder(s) of the Company.	Shanti Exports Private Limited		0.35
7.	Capital Asset Sales/ Purchase	Mr. Vedprakash Chiripal, Chairman of the Company and family members being common Director(s)/ Shareholder(s) of the Company.	Chiripal Infrastructure Limited		26.50

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

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

August 8, 2014
Registered Office

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

CIN: L51909GJ1994PLC022719

Vedprakash Chiripal
Chairman

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

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

2. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. Members are requested to bring their copies of the Annual Report to the meeting. The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
5. Members intending to require information about Accounts to be explained in the Meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
6. The members, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company or its Registrar and Transfer Agent (RTA) viz. Datamatics Financial Services Limited, Unit: Nandan Denim Limited, Plot No. B-5, Part B, Cross Lane, MIDC, Andheri (East) Mumbai 400 093. Those holding shares in dematerialized form may intimate any change in their addresses or bank details / mandates to their Depository Participants (DP) immediately. Members holding shares in dematerialized form may note that bank details registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its RTA cannot act on any request directly received from any member holding shares in dematerialized form for any change in such details. Such changes are to be advised only to the DP of the members.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 11, 2014 to Monday, September 15, 2014 (both days inclusive).
8. The dividend on equity shares for the year March 31, 2014, if declared at the meeting, will be paid / dispatched on due date to those members whose names appear on the Company's Register of Members on September 10, 2014 or on records of National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on September 10, 2014.
9. Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day up to and including the date of the Annual General Meeting of the Company.
10. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended March 31, 2014 is uploaded on the Company's website www.nandandenim.com and may be accessed by the members.
11. Details under clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
12. Electronic copy of the Annual Report for FY 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2013-14 is being sent in the permitted mode.
13. To support the 'Green Initiative', the members who have not registered their e-mail addresses are requested to register the same with Nandan Denim Limited / Depositories.

NANDAN DENIM LIMITED

14. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is mentioned below.

15. **Voting through electronic means:**

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

The instructions for e-voting are as under:

SECTION A – E-VOTING PROCESS –

- Step 1 : Open your web browser during the voting period and log on to the e-voting website: www.evotingindia.com.
- Step 2 : Click on “shareholders” to cast you vote(s).
- Step 3 : Select the Electronic Voting Sequence Number (EVSN) i.e. “**140811031**” along with “COMPANY NAME” i.e. “**NANDAN DENIM LIMITED**” from the drop down menu and click on “SUBMIT”.
- Step 4 : Please enter User ID –
- For account holders in CDSL:- Your 16 digits beneficiary ID
 - For account holders in NSDL:- Your 8 character DP ID followed by 8 digits Client ID.
 - Members holding shares in physical form should enter folio number registered with the Company.
- Step 5 : Enter the Image Verification as displayed and click on Login.
- Step 6 : If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- Step 7 : If you are a first time user, follow the steps given below:
- Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.
For members who have not updated their PAN with the Depository Participants are requested to use the first two letters of their name and the last 8 digits of the demat account / folio number in the PAN field. In case the folio number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters eg. If your name is Kirit Patel with folio number 100, then enter KI00000100 in the PAN field.
 - Enter the Date of Birth (DOB) recorded in the demat account or registered with the Company for the demat account in dd/mm/yyyy format #
 - Enter your Dividend Bank details (Account Number) recorded in the demat account or registered with the Company for the demat account #
Any one of the details i.e. DOB or Dividend Bank details should be entered for logging into the account. If Dividend Bank details and Date of Birth are not recorded with the Depository or Company, please enter the number of shares held by you as on the Concerned Date in the Dividend Bank details field.
- Step 8 : After entering these details appropriately, click on “SUBMIT” tab.
- Step 9 : First time user holding shares in demat form will now reach Password Generation menu wherein they are required to create their login password in the password field. Kindly note that this password can also be used by the demat holders for voting for resolution 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 to take utmost care to keep your password confidential.
If demat account holder has forgotten the changed password, then enter the user ID and the image verification code and click on ‘Forgot Password’ and enter the details as prompted by the system.
Members holding shares in physical form will then directly reach the Company selection screen.
- Step 10 : Click on the EVSN of the Company i.e. **140811031** to vote.
- Step 11 : On the voting page, you will see resolution description and against the same the option “YES/NO” and click on “SUBMIT”.
- Step 12 : Click on the resolution file link if you wish to view the Notice.
- Step 13 : 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.
- Step 14 : Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.

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

- i. The e-voting period commences on September 6, 2014 (9.00 a.m.) and ends on September 8, 2014 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off Date of August 8, 2014 may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company.
- iii. CS Keyur Shah, Practising Company Secretary (Membership Number: ACS 16687; CP No. 8814) (Address: 32, World Business House, Nr. Parimal Garden, Ellisbridge, Ahmedabad, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-voting process.
- iv. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit forth with to the Chairman of the Company.
- v. The results shall be declared on the date of AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.nandandenim.com and on the website of CDSL <https://www.evotingindia.co.in> within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
- vi. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- vii. For members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions given in the notice.
- viii. Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. They should also upload a scanned copy of the Board Resolution/Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in pdf format in the system for the scrutinizer to verify the vote.
- ix. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the member forgets the password and the same needs to be reset.
- x. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Contact Details

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

By order of the Board of Directors

August 8, 2014
Registered Office
Survey No. 198/1, 203/2, Saijpur-Gopalpur,
Pirana Road, Piplej, Ahmedabad-382405.
CIN: L51909GJ1994PLC022719

Vedprakash Chiripal
Chairman

NANDAN DENIM LIMITED

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 August 8, 2014 convening the 20th Annual General Meeting of Nandan Denim Limited:

Name of Director	Date of Birth	Qualification	Nature of Expertise	Name of Public Companies in which he holds Directorship	Name of Committees of Companies of which he holds Membership/ Chairmanship *Public
Mr. Brijmohan D. Chiripal	15 th July, 1961	B.E. (Chemical)	He is a Chemical Engineer and has almost 20 years of business experience in Textile Processing as well as export and domestic trading. He along with Vedprakash Chiripal has promoted Nandan Denim Ltd.	<ul style="list-style-type: none"> ➤ M/s. Chiripal Lifestyle Limited ➤ M/s. Prizm Club Limited ➤ M/s. Chiripal Industrial Park Limited 	NIL

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

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 11 of the accompanying Notice:

Item No. 5 & 6:

Mr. Tara Sankar Bhattacharya and Mr. Ambalal Patel are Independent Directors of the Company. Mr. Ambalal Patel has held the position as such for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of Independent Directors by a Listed Company.

It is proposed to appoint Mr. Tara Sankar Bhattacharya and Mr. Ambalal Patel as Independent Directors under section 149 of the Act and clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 25th Annual General Meeting of the Company in the calendar year 2019.

Mr. Tara Sankar Bhattacharya and Mr. Ambalal Patel are not disqualified from being appointed as Directors in terms of section 164 of the Act and have given their consent to act as Directors.

The Company has also received declarations from Mr. Tara Sankar Bhattacharya and Mr. Ambalal Patel that they meet with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Act and under clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Tara Sankar Bhattacharya and Mr. Ambalal Patel fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Tara Sankar Bhattacharya and Mr. Ambalal Patel are independent of the management.

Brief profile of the Independent Directors to be appointed is given below:

Mr. Tara Sankar Bhattacharya is a Master of Science in Nuclear Physics and also holds an MBA degree. He is a retired Managing Director of State Bank of India. In a career spanning 35 years, he has held numerous senior positions in the Banking industry. He is also the Director in other major companies such as Jindal Stainless Limited, IDFC Securities Limited, IDFC AMC Trustee Company Limited, etc.

Mr. Ambalal Patel is a Bachelor of Engineering in Metallurgy and Bachelor of Science in Chemistry. He retired from Gujarat Industrial & Investment Corporation Limited (GIIC) as Deputy General Manager and has vast experience in project evaluation and project finance. He is also a Director in other major companies such as Jindal Hotels Limited, SAL Steel Limited, Sumeru Industries Limited, etc.

Mr. Tara Sankar Bhattacharya and Mr. Ambalal Patel are interested in the resolutions set out respectively at Item No. 5 & 6 of the Notice with regard to their respective appointments.