



ANNUAL REPORT
2015-16

ONE WORLD WITH DENIM



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**GOD DID NOT
MAKE MAN
EQUAL.**

DENIM DID.

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

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

For a world that is informally friendly world.

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





ONE FABRIC. ONE WORLD.

VIRTUALLY EACH COUNTRY HAS ITS OWN CULTURAL FABRIC.

Drawn from hundreds of years.

Over the last century, a universal fabric emerged.

Denim.

Preferred across countries, climates and classes.

Connecting people, ages and backgrounds.

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

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

Two, we see the demand for denim growing sustainably.

One, denim is a universal garment.

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

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

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

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

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

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

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

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

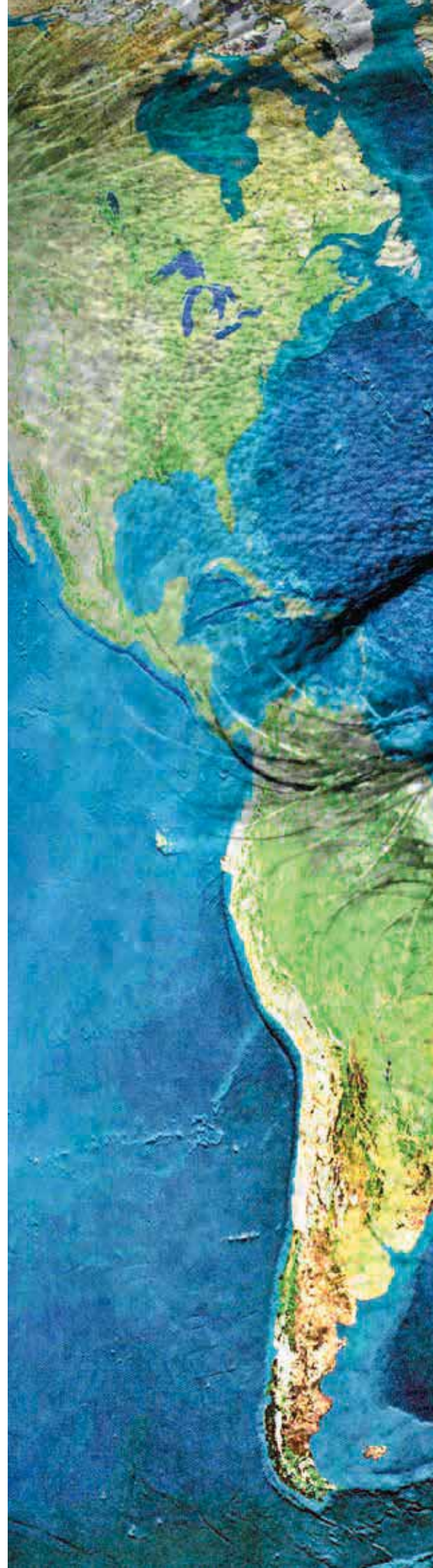
We have always believed that market-leading positions are achieved through that one defining act of boldness.

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

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

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

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





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

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

At Nandan Denim, we possess both.

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

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

cost denim manufacturers in the world.

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

Extending profitability to sustainability.

