

**ANNUAL  
REPORT 2017-18**



**LEARN.  
APPLY.  
ACHIEVE.**

THE STORY OF NANDAN DENIM'S  
SUSTAINABLE BUSINESS.

# KEY FACTS

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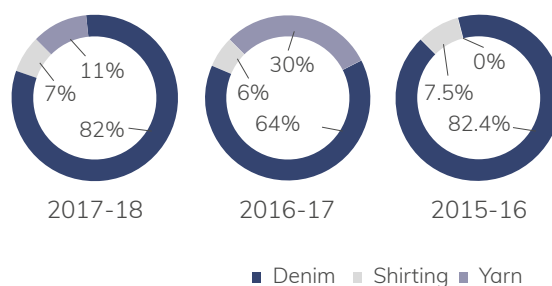
Revenue (₹ in crore)

**1588.92 > 1220.41**

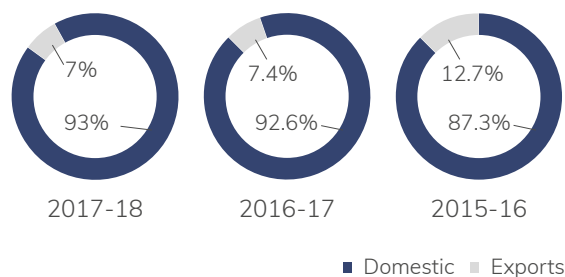
2017-18

2016-17

### Revenue Mix of Denim, Yarn and Shirting



### Revenue Mix by Region



Long-Term Debt (₹ in crore)

**371.88 < 422.04**

2017-18

2016-17

Net Cash Inflow from Operations  
(₹ in crore)

**65.80**



You can also find this report online on:  
[www.nandandenim.com](http://www.nandandenim.com)





**TO BUILD A SUCCESSFUL  
BUSINESS ENTERPRISE,  
ONE NEEDS TO FACE-OFF  
CHALLENGES. THE YEAR  
BYGONE GAVE US PLENTY  
TO THINK ABOUT.**

At Nandan, we withered the challenges, with our integrated business model, wider market presence and superior product quality. Despite the macro-economic challenges, we registered a healthy topline and EBIDTA growth with profitable margins.

In our endeavour to build a sustainable and profitable organisation, we 'Achieved' this remarkable financial feat, against all odds, with our ability to 'Learn and Apply'. As we march ahead, we continue to remain resilient in our approach to better our performances and create value for stakeholders.



## ABOUT CHIRIPAL GROUP

A diversified group having companies operating across various sectors. We initiated our business with focus on power looms, and today after 44 years of existence we have different businesses under one roof. With the largest level of processing activity of 0.8MMPD, we stand as the textile hub for India. At Chiripal Group, we have always worked for the growth of our customers to provide them with maximum satisfaction. We believe in having a customer-centric approach, and with this we aim to provide high value coupled with innovation, excellence and expertise to our customers.

**10000+**

Number of employees in group

More than

**₹6000** crore

Group revenues for FY 18



## Company portfolio of Chiripal Group

Company Name	Industry	Description
Nandan Denim Limited	Textile	It is a BSE and NSE listed Company that is headquartered in Ahmedabad and has two business segments, namely, denim and shirting.
Chiripal Industries Limited	Textile and Petrochemical	It was one of the first Companies to be started under Chiripal Group. It has a Chemical division and a Fabric Processing division.
CIL Nova Petrochemicals Limited	Petrochemicals and yarn manufacturing	It is listed on both NSE and BSE. It manufactures Partially Oriented Yarn, Micro Filament Yarn, and Drawn Twisted Yarn among others.
Vraj Integrated Textile Park Limited	Textile Park	VITPL is a Textile Park with latest equipment that is needed by any textile manufacturer. The entire park is divided into separate units, where each unit is allocated to different Company.
Vishal Fabrics Limited	Textile	It is a BSE listed Company. It is into processing of sheet, fabric, dress material and so on.
Nandan Terry Private Limited	Terry Towels	It commenced its operations in October 2016. It is a vertically integrated Company working for spinning, weaving, processing and CSP of terry towels.
Chiripal Poly Films Limited	Packaging Solutions	It is an unlisted Company which mainly deals in PET, BOPP, BOPET and coated films. It is one of the largest manufacturer of packaging films in India.
Shanti Educational Initiatives Limited	Education	It works in the education sector and is listed on BSE. It is divided into three divisions of Shanti Juniors, Shanti Hopskotch and Shanti Asiatic School. The Company is successfully running over 6 schools with around 6000 students.

## ABOUT NANDAN DENIM LIMITED

Nandan Denim Limited is world's fourth largest and India's largest integrated denim manufacturer. With fashion and design as a passion, the Company produces more than 2000 products under denim every year.

We were incorporated in 1994 as a textile trading Company based out of Ahmedabad. A decade after our incorporation, we entered into the manufacturing of denim in 2004. Currently, we are engaged in the manufacturing of denim fabric, yarn / dyed yarn, cotton fabric and shirting fabric. We enjoy the benefit of both economies of scale and wide range of products, which has helped us sustain our market leadership across key products.

# 2004

Year in which we commenced our operations







## Human Capital

**3000+**

Number of Employees



## Manufacturing Capital

**15**

Average Life of Machines (in years)

**35.96**Increase in employee benefit  
expense y-o-y (in %)**76.50**

CAPEX in 2017-18 (in ₹ crore)



## Financial Capital

**14.21**

EBITDA Margin in 2017-18 (in %)



## Intellectual Capital

More than

**2000**Number of new products launched  
during the year**46.72**

PAT in 2017-18 (in ₹ crore)

## OUR BUSINESS SEGMENTS

We put our customers at the center of what we do. In a rapidly changing business environment, we have built our business success with an integrated business segment. It offers a range of products across its segments, addressing a wide customer base.

### Denim

(revenue in ₹ in million)

2017-18	10317
2016-17	10067

### Yarn

(revenue in ₹ in million)

2017-18	4792
2016-17	1294

### Shirting

(revenue in ₹ in million)

2017-18	919
2016-17	843

### Key facts and figures

Denim manufacturing capacity stands at

**110** MMPA

Yarn dyeing facility of

**10** TPD

Shirting facility of

**10** MMPA

Spinning capacity of

**141** TPD

### Denim

We are the largest denim manufacturer in India with more than 2000 products produced every year. Denim business segment being our main focus, contributes the maximum to our revenue. Since inception of our denim business in 2004, we have seen the business rise consistently. We produce best quality denim using the purest form of cotton. More than 70% of our cotton requirement is sourced from Gujarat. Our team of in-house designers further complement with designs and textures that are aligned to international trends, adding value to our finished products.

#### Our denim portfolio includes:

#### Knit Denim

Light weight shirting

Cotton Dobby

#### Basic Denim

Poly Dobby

#### Denim Realizations (₹ per meter)

2017-18	132
2016-17	132
2015-16	135
2014-15	132



## Shirting

Under this, we offer shirting fabric to our customers. We have 10 MMPA of capacity of producing fabrics. We expect to grow this segment of business similar to growth witnessed in our denim business. Our manufacturing facilities are equipped with latest technology looms with an average life of 4 to 5 years.

With the help of latest high speed looms we produce some of the best fabric in shirting like dobby, oxford, chambray, fila fil, plain, checks, twill, herringbone, and so on. We utilise the strength of our Indigo Dyed Yarn and produce wide range of Indigo Yarn Dyed Checks in various weaves with multiple fibres & counts which is highly appreciated by major national

brands. The integrated weaving facility has processing machines that compliment the entire value-chain of operation. This includes prints, peach, bio finish, ETI, carbon finish, normal soft finish, airo, coating, printing over dyed yarn fabrics, and Indigo dyed fabric among others.

**Product range under shirting segment includes:**

Indigo dyed  
checks

Indigo with  
sulphur

Yarns of various  
varieties such as  
mélange, grindle,  
space dyed, slubs  
and injections

Seasonal Collection  
namely, spring,  
summer, autumn  
and winter

## CHAIRMAN'S MESSAGE



Dear Shareholders,

In a competitive and challenging industry like textiles, it is imperative to grow consistently year after year. At Nandan Denim we not only grew in a volatile industry scenario, but outperformed the industry growth as well. Our topline line grew by 30.20 % from ₹1220.41 crore to ₹1588.92 crore in 2017-18.

The financial period gone by was marked by a number of changes rendering the external environment to be volatile. The global economy that is facing an economic growth from emerging economies and revival of advanced economies is expected to grow at 3.4% in 2017, backed by relatively stable inflation. The Indian

“  
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 ”

economy continues to be among the fastest growing economies in the world, and is expected to maintain its growth in the coming years.

The textile industry plays a key role in the Indian economy with its strong and competitive value chain. Indian textile industry has an abundant supply of raw material including wool, cotton, silk, jute and man-made fibre coupled with strong manufacturing capacities in spinning, knitting, weaving and apparel. The new tax regime, GST, worked as a hurdle for many industries, with the textile industry being worst hit. To further aggravate the textile industry, the cotton prices witnessed a substantial increase in prices. The reasons being fall in production, the quality of cotton being affected by pink boll worm attack and the emergence of Pakistan as a new buyer for the Indian cotton.

Despite these, the robust business model of your Company helped it to face the headwinds in a positive manner and record a healthy bottomline of ₹46.73 crores, EBITDA of ₹225.84 crores and EBITDA margin of 14.2%. Our foresightedness and philosophy of 'Learn', 'Apply' and 'Achieve' has helped us wither the macroeconomic factors and lead your Company to deliver sustainable performance. Having a largely domestic revenue share, we are now strategically shifting towards expanding our global presence, adding more to the 27 nations we are already present in. This enabled us to achieve revenue from exports to more than 7% of total turnover. The increase in valuation and an overall healthy position of your Company has enabled it to attract investment of