

August 04, 2023

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

National Stock Exchange of India Limited  
Exchange Plaza, Plot No. C/1, G – Block,  
BKC, Bandra (East),  
Mumbai – 400 051.

**Scrip Code: 532641**

**Scrip Symbol: NDL**

Dear Sir/Madam,

**Subject: Submission of Annual Report 2022-23 (including Notice of 29<sup>th</sup> Annual General Meeting) and Business Responsibility and Sustainability Report 2022-23.**

In Compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report for the FY 2022-23 including the Business Responsibility and Sustainability Report and the Notice convening 29th Annual General Meeting, scheduled to be held on Monday, August 28, 2023 at 03:00 p.m. IST through Video Conferencing (“VC”).

The aforesaid Annual Report including the Business Responsibility and Sustainability Report and the Notice convening 29th Annual General Meeting is also available on the website of the Company i.e. [www.nandandenim.com](http://www.nandandenim.com).

We request to kindly take the same on records.

Yours faithfully,

**For, NANDAN DENIM LIMITED**



**Renuka Upadhyay**  
**Company Secretary & Compliance Officer**

**Encl : As above**

**Nandan Denim Limited**  
(CIN:L51909GJ1994PLC022719)

**Registered Office**

Survey No. 198/1, 203/2, Saijpur-Gopalpur, Pirana Road, Piplaj, Ahmedabad-382 405  
Ph.: +91 9879200199 Website : [www.nandandenim.com](http://www.nandandenim.com) Email : [nandan@chiripalgroup.com](mailto:nandan@chiripalgroup.com)

**Corporate Office :**

Chiripal House, Shivrani Cross Roads, Satellite, Ahmedabad-380 015.  
Ph.: 079-69660000 Fax : 079-26768656

Nandan Denim Limited



# Fashion. Freedom. Fun.



ANNUAL REPORT | 2022  
2023

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### Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

# Fashion. Freedom. Fun.



**We are a brand offering fashion, freedom and fun to our consumers.**

For over five decades, we continue to have a strong leadership in India's denim market. We are known for our ability to create revolutionary and affordable denim. We are a brand offering fashion, freedom and fun experiences that enrich our fashion consumers' lives.

Our quintessential commitment to deliver genuinely unique denim, to deliver more freedom with fashion and to promote innovation, forms the backbone of our philosophy.

With a business model that controls the entire process from manufacturing yarn to fabric under a single roof and with the largest vertically-integrated and world-class facility, we transcend market trends. By being a trusted supplier to 15 countries, we remain well positioned to ride the opportunity wave and stay ahead of the fashion curve with our value-added products and deliver value across the chain.

**We continue to be guided by our unwavering motto of making fashion affordable. With this, we seek to fulfil our promise of delivering quality and stylish, yet affordable, denim to our consumers.**



## About The Chiripal Group

**Incorporated in 1972, Chiripal Group is a professionally managed business entity with a team of professionals from different fields and expertise.**

### Addressing diverse needs of customers for five decades

Chiripal Industries was founded by Mr. Vedprakash Chiripal with 12 powerlooms in the city of Ahmedabad, with a focus on textile trading. The Group acquired a leadership position in polyester yarn manufacturing and became the largest renowned process house. It later diversified into cotton spinning, weaving denim fabric, becoming the largest manufacturer in India and the third-largest in the world.

The Group has also positioned itself as a global player in the textile and packaging industry by vertically expanding throughout the value chain. It is committed to maintaining a sustainable balance and contribute towards assisting India in meeting its energy demands, while minimising the negative effect on the environment.

### Building on our Legacy

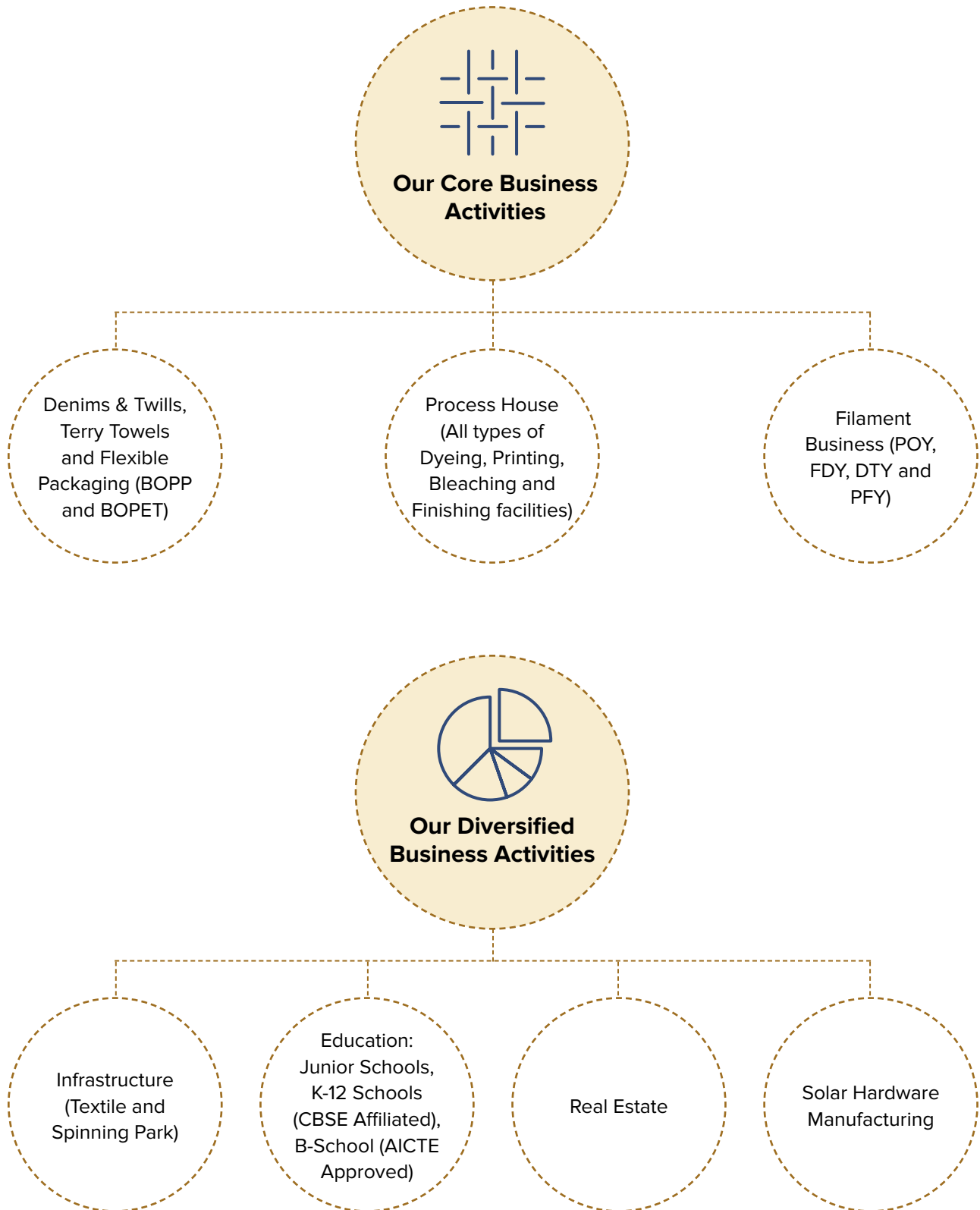


**One of India's  
leading textile  
manufacturing groups**

**One of the largest  
process houses in the  
Indian market**

**A strong employee  
strength of  
20,000+ people**

### Extensive presence across diverse Business Segments



# Transforming The Fashion Landscape

Staying ahead of  
the fashion curve by

Employing  
more than  
**1,182**  
employees

Producing  
more than  
**2,000**  
denim products  
each year

Having an  
annual production  
capacity of  
**110 million**  
metres  
per annum

DNA of original  
denim incarnated for  
**New-Gen**  
**Fashionistas**

Being India's  
**largest**  
denim  
manufacturer

Having  
**state-of-  
the-art**  
machinery and  
robust control  
systems

Crafting  
**high-quality**  
fibre yarn



## Catalysing a denim revolution

Nandan Denim Limited is a global leading denim manufacturer, redefining the denim industry for nearly three decades. It is the largest denim manufacturer in Asia and the third-largest in the world.

With a strong passion for fashion and design, we manufacture and supply denim fabric, yarn-dyed, cotton fabric and shirting fabric to renowned clients across the globe.

Nandan Denim is the largest, fully vertical set-up for manufacturing a whole range of denim fabrics. We manufacture denims and yarn-dyed shirting, and have one of the largest fully-integrated manufacturing facility in India, with a capacity of 110 MMPA. We have one of the most sophisticated and state-of-the-art weaving facilities with capacity of 10 MMPA to manufacture superior quality grey yarn-dyed shirting and denims.

## Revolutionising the way fashion is perceived in India

By sustaining our market leadership across key products and reaping the benefits of scale, we continue to deliver on our stated objective of serving our global customer base, and making fashion living affordable in India.

### Our Brand Partners

MYNTRA

MUFTI

PANTALOONS

MAX

CRIMSON

WESTSIDE

SIN

ZUDIO

ROADSTAR

### Vision

- Efficient & good quality producer
- Diversity in handling capabilities
- Compliant Environment
- AGILE
- Drive Fashion & become a Fashion company
- Growth Driver for the Customer

### Mission

- To have Nandan on every table
- To develop Nandan into a Fashion Brand
- To ensure smooth transitioning from manufacturing to service provider

### Values

- Flow & Rythm
- Pride & quality in work
- Customer Orientation
- Ownership & Integrity
- Self awareness & being one self



### Forecasting the next fashion trends with our growth drivers

**Need for apparel of choice**

**Comfort and convenience**

**Increasing preference for denim**

**Increase in denim usage in small towns and rural population**

**Increasing disposable income**

**Growing urbanisation**

**Versatility and style quotient**





## Our Global Presence

We export to more than **15 countries** across the globe through our strong global dealer-distribution network. With our latest technology, we are capable of producing a wide range of denim fabrics.

### Countries we are present in

- Central America
- Columbia
- Peru
- Chile
- Morocco
- Egypt
- Turkey
- South Africa
- Sri Lanka
- Bangladesh
- Korea
- Thailand
- Kenya
- Guatemala



Developed lasting relationships with national and international brands

A trusted supplier to partners in 15 countries

Gaining competitive advantages of being in Gujarat



Map not to scale. For illustration only

Being in the textile hub of India

Capitalising on easy availability of cotton

Benefiting from low transportation overheads, uninterrupted power supply and superior infrastructure

Having close proximity to machine vendors, fabric dealers and garment manufacturers

# Chairman's Letter to Shareholders



*Dear Shareholders,*

We are delighted to share our thoughts with you through our Annual Report for the financial year 2022-23. Today, despite the challenges we faced during the year, we have come this far thanks to our vision, work culture and our dedicated workforce.

## A clear focus. An ambitious growth plan.

Today, as one of India's largest denim suppliers with an integrated denim manufacturing process. With our wide range of products, we are serving a large customer base which includes the Indian denim market, and also exporting our products to more than 15 countries across the globe. From being a denim manufacturer earlier, we expanded our portfolio over the years to also include shirting and other fabrics. Our industry leadership enables us to become the preferred choice to our customers.

### Macro-economic scenario

As the world grappled with rising geopolitical tensions, supply chain disruptions and rise in commodity prices, the global economy faced significant headwinds, with many developed nations witnessing decadal high inflationary pressures. As central banks raised interest rates to contain inflation, it impacted growth, and resultant strengthening of the US Dollar led to sharp depreciation pressure on other currencies. On the other hand, the Indian economy showed resilience and emerged as the fastest growing major economy in the world, despite global macroeconomic challenges. Macro-economic fundamentals emerged stronger and key parameters such as current account deficit, fiscal deficit and levels of inflation improved.

### India's Denim Market

India has long been a leader in denim fabrics. According to various market studies, the Indian domestic denim market has been maintaining an average CAGR of 8% to 9% for a few years and is expected to reach \$ 12.27 billion by 2028. With an annual capacity of over 1,600 million metres, India has the second-largest installed capacity for denim fabrics in the world, behind China.

Besides age and gender barriers, denim can also be worn on social and official occasions. An increasing number of women joining workforce, westernisation of lifestyle, growing rates of urbanisation and rising fashion consciousness are few other reasons propelling the growth of denim market in India. With an ongoing transition from commoditised denim to high-quality variants, the denim market is gaining further traction.

### Key challenges

Ripples of economic upheaval in Europe, Latin America and US, following the Russia-Ukraine war were felt in Gujarat, India's denim capital. Slowing demand in major export markets, coupled with volatility in cotton prices, affected revenues of denim majors. Cotton price fluctuations led to declining demand for denim fabric. Since COVID-19, the price of denim fabric has gone up by an estimated 30% owing to hike in cotton prices. Towards the end of the year, cotton prices stabilised, bringing more optimism about a revival in domestic demand.

**Year 2023 in brief**

During the year, despite rising inflation, global supply chain disruptions and rising cotton prices, we performed satisfactorily, reflecting our inherent strengths and our resilience and agility. Despite a challenging year, our Profit After Tax (PAT) stood at ₹ 0.80 crore in FY2023, in comparison with ₹ 67.69 crore in the earlier fiscal year of FY2022. EBITDA stood at ₹ 95.98 crore as compared to ₹ 178.71 crore in FY2022. We spent the year improving our operational efficiencies and enhancing working capital management.

**Our excellent manufacturing capabilities**

Denim manufacturing is a complicated process. And our inhouse and vertically integrated manufacturing capabilities place us in a competitive position. Our endeavour in the past several years has been to modernise our facilities, increase manufacturing capacities and sustain the highest standards of product quality. We also maintain a strong focus on sustainability and best manufacturing practices. Further, given our innovating capabilities and brand value, we continue to have a strong leadership position in the denim market.

Considering the anticipated future demand for denim, we are upgrading and expanding our current capacity to serve the changing needs and preferences of our customers. In keeping with our commitment to innovation, we are also introducing new weave designs and several innovative product designs to conserve water. To meet our evolving consumer preferences, we are developing innovative products such as super stretch and two-way stretch denims.

**Growing domestic opportunities**

Denim is considered a fundamental component of the wardrobe and considered a fashion statement. As the awareness for health and sanitation is growing, companies offering denim with yarn and finish-based alternatives and impart lasting anti-viral and anti-bacterial properties stand to have a competitive edge in the market. Unlike the western countries, where per person average denim consumption is very high, in India, the consumption stands at 0.5 jeans per person. And to reach a potential of even one pair of jeans per person will require another 700 million pairs of jeans annually, displaying massive growth opportunities.

**Future growth drivers**

The increase in demand for denim in the current scenario is driven by rise in diversified needs and higher demand for innovative/new products in terms of designs, patterns, colours and fit along with changes in fashion preferences and growing standard of living.

We are not only looking at denim as a business opportunity, but as a contribution to mankind by providing a tool to protect human health and 'feeling safe'. We are focussing more on quality issues and on value-added products.

Given our vertically integrated facilities and with the aid of backward integration, we were able to better manage availability of raw materials and schedule timely, cost-effective manufacturing. A key emphasis is also to manufacture value-added products that promise better realisations.

**Thank you, Shareholders**

We are expressing gratitude to all our stakeholders for supporting Nandan Denim and being a part of the team to mentor and nurture the organisation. Our foundational values continue to guide us and are embedded deeply into our culture.

I take this opportunity to thank the Board for their support and dedication in dealing with unusual challenges. It's been my privilege to serve as the Chairman and I am confident we will all continue working with dedication.

Sincerely,  
**Jyotiprasad Chiripal**  
Chairman

**Today, as one of India's largest denim suppliers with an integrated denim manufacturing process, with our wide range of products, we are serving a large customer base which includes the Indian denim market, and also exporting our products to more than 15 countries.**

## Transcending Traditional Barriers Through Our Diversified Product Portfolio

**Pioneering  
revolutionary  
change to  
bring joy and  
happiness  
to our  
customers**

Our distinctive portfolio of products is aimed at addressing the diverse needs of our customers, being attuned with shifting fashion trends. To serve our customers better and to help them dynamically adapt to evolving fashion trends, we are increasing our operational effectiveness, expanding our capabilities and adopting new-age technologies.

# DENIM

## What we do

The Denim business is one of our main focus areas, generating maximum revenue for the Company. We are known for our exceptional quality and extensive variety of denim fabrics and our state-of-the-art manufacturing facility, as we design customised products for our domestic and international clientele.

### Our Core Products

Knit denim



Basic denim



Lightweight shirting



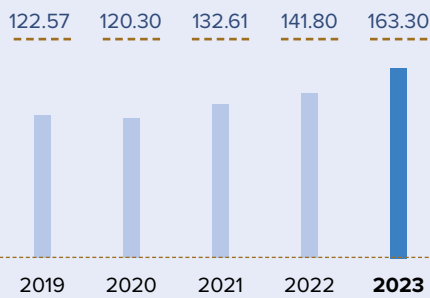
Classical twill denim



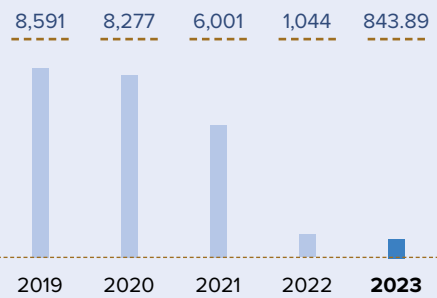
Dobby



Realisations (₹ Per Metre)



Revenue (₹ Crore)



# The Craft Core Collection

The “Craft Core” Collection of Nandan Denim brings sustainable products by design by combining the DNA of original denim and incarnating the product for New-Gen Fashionistas.

## THE CRAFT CORE COLLECTION



# A.

### Cradle Collection

We manufacture crafted clothing using green fabric or indigo fashion made from recycled material, special fibres, regenerated or recycled fibre and blends.

# B.

### Re-Flow with Basic Nature

Every denim has its own story on fades. We develop premium hand drape luxe-soft denim fabrics for supra-premium feel products. This hand feel is injected in the core of our fabric to provide life-long softness to the product. This fabric offers good moisture-regain properties, compared to natural cotton and other blends.



# C.

### New Me

We incarnated denim in several purposeful ways to bring back the 1990s unmatched and nostalgic fervour and the utilitarian trend of cargo pants. Our denim collection in this range includes tailored high-waist styles, slouchy and baggy silhouettes, and subtle wash with high-street fashion look.

# SHIRTING

## What we do

We offer shirting fabric to our customers with a wide variety of designs, textures and blends, ranging from basics, fancy and textured fabrics. Our modern weaving facility coupled with advanced processing machines helps us deliver fashionable and contemporary products that meet the demands of new-age customers. Our manufacturing facilities are equipped with technologically advanced looms.

### Our Core Products

Indigo-dyed checks



Indigo with sulphur



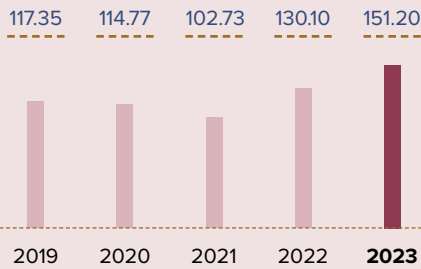
Mélange, grindle, space dyed, slubs and injections types of yarn



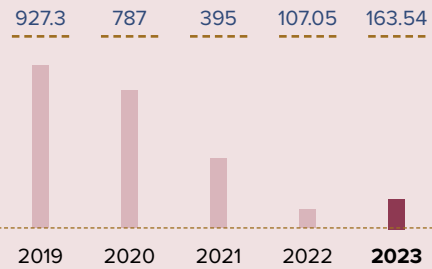
Seasonal collection



### Realisations (₹ Per Metre)



### Revenue (₹ Crore)



# YARN

We have a sophisticated laboratory for colour matching, utilising X-rite Colori-7, a colour matching lightbox using X-rite Spectra Light QC (III).



## What we do

We deliver high-quality dyed yarn in various blends and thread counts for the hosiery and weaving segment. Our yarn dyeing plant possesses comprehensive infrastructure capabilities of developing multiple shades in packaged yarns within 48-72 hours.

### Our Core Products

100% cotton



Blended



Special open end



Organic cotton



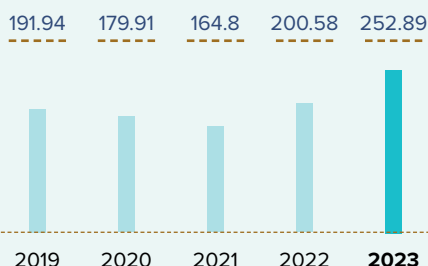
Core spun



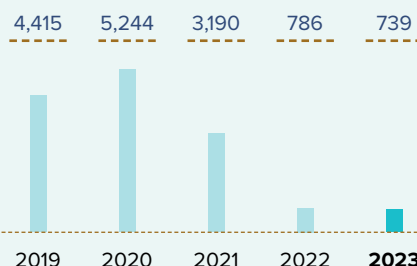
100% dyed



### Realisations (₹ Per Metre)



### Revenue (₹ Crore)

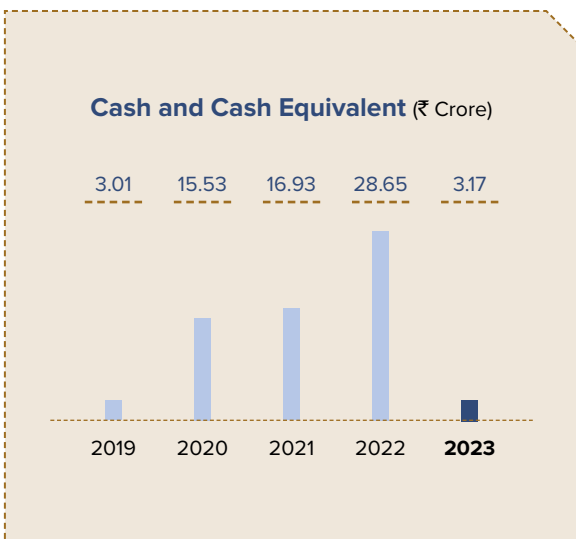
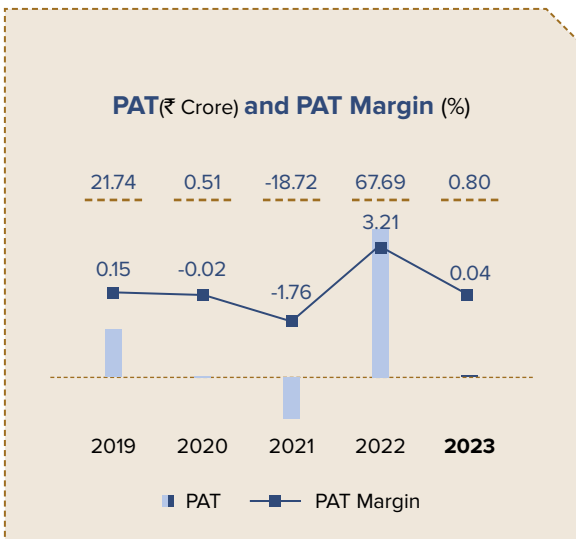
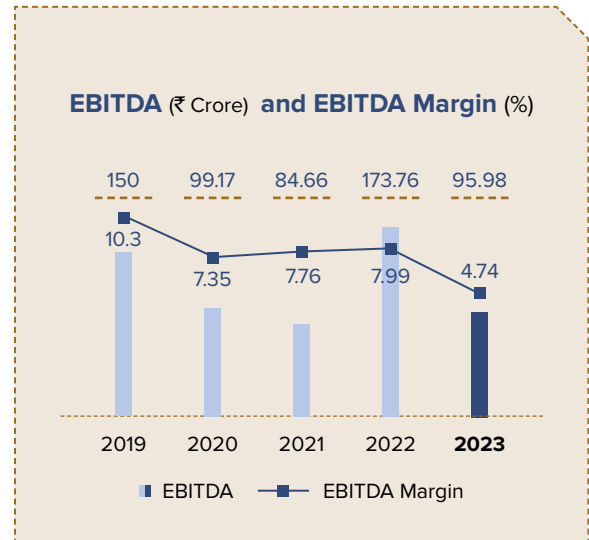
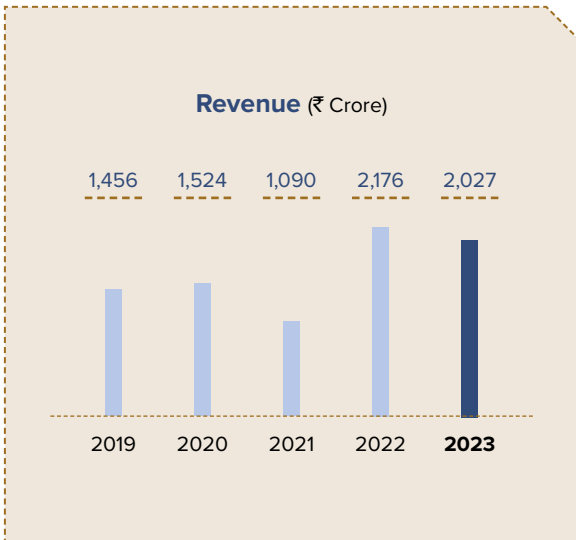




## Our Financial Performance

**Our aim is to deliver long-term shareholder returns by capitalising on substantial market potential and our capacity expansion programme. As part of our strategy, we are improving our operational efficiencies and working capital management to further our shareholder value.**





## Our Leadership and Key Personnel



**Mr. Jyotiprasad Chiripal**  
 Managing Director

The Managing Director of the Company is a Commerce graduate with more than 41 years of business experience in fabric, yarn business and knitted apparels. His expertise is in finance, production, marketing and new customer development for various Group companies of Chiripal Group.



**Ms. Falguni Vasavada**  
 Independent Director

Ms. Falguni Vasavada is Professor & Chair, Strategic Marketing Area at MICA. She has over two decades of teaching experience in the area of Marketing and Advertising. She has trained corporate professionals and mentored young entrepreneurs in areas like Advertising, Marketing, Consumer Understanding, Branding, Social Media. She has published in International Journals and presented papers in national and international conferences and is involved in international joint research projects in the area of advertising. Her teaching, research and consultancy interests are in the area of Advertising, Branding, and Social Media.



**Mr. Giraj Mohan Sharma**  
 Independent Director

A seasoned management professional with three decades of varied experience, Mr. Sharma is the Founder-Director of a Brand & Strategy Consulting boutique – BehindTheMoon Consultants. He has been working towards facilitating and strengthening of brands by guiding companies on strategically working around their brand's identity and values.



**Mr. Shaktidan Gadhavi**  
 Whole-Time Director

Mr. Gadhavi has been working with Nandan Denim Limited since 2007. He has earlier worked with Companies like Gomti Processors Limited and Manisha Fabrics Limited. He is a Commerce Graduate and has more than 21 years of experience in the field of excise, liaisoning and commercial aspects.



#### Mr. Kirit Joshi

Independent Director

Mr. Kirit Joshi is B.Sc (Maths/Physics/Statistics), CAIIB (Part I) from Indian Institute of Bankers and Diploma in cooperation of M.S. University Baroda (First Rank). He is having more than 3 decades of experience with key focus on Banking operations, client relationship management & team management.

He was Asst. Vice President at SBI Factors & Commercial Services Pvt. Ltd. (A subsidiary of SBI) from 1998 to 2004. Currently he is associated with CA firm engaged in project finance for Mid corporates and large corporates, TVC Study work as Knowledge Partner and Solution provider to Mid and Large Corporates in the field of banking, Debt Restructuring, export and import.



#### Mr. Rahul Mehta

Independent Director

Mr. Rahul Mehta is MBA from Management Schools of India, the Bajaj Institute having 41 years of experience in the Garment Industry. He was Past President of the Clothing Manufacturers Association of India (CMAI), he is currently the Chief Mentor to CMAI since 2020. He is also a member of the Executive Committee of the Apparel Export Promotion Council. He is also the Immediate Past President of the International Apparel Federation (IAF) based out of Netherlands. He is the first Indian to be elected as President of the IAF, and only the second Asian to be in this position in the 40 years history of IAF.



#### Ms. Nalini Nageswaran

Independent Director

Nalini Nageswaran has more than 15 years' of experience in Corporate Credit and over a decade 'of experience in handling RBI Audit. She has been associated with Sunil Poddar & Associates, Chartered Accountants followed by CFML (Chartered Finance Management Advisors Pvt Ltd- a Mumbai head-quartered company) as the President-Debt Syndication.

## Leveraging Our Vertically-Integrated Business Model

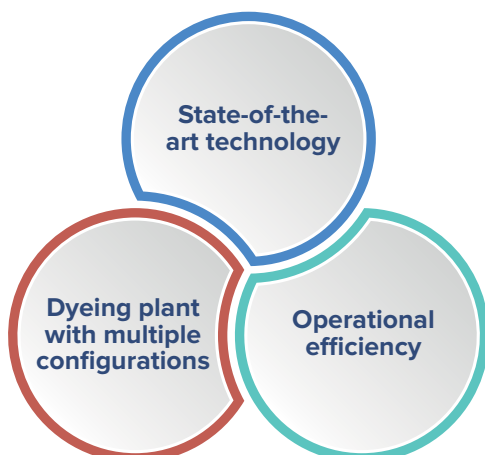
**We are established as the leading denim manufacturer with a multi-faceted and integrated denim manufacturing process. We also have one of the largest denim vertically-integrated manufacturing facility in India, with a capacity of 110 MMPA, manufacturing yarn to fabric under a single roof.**

At Nandan Denim, we have emerged as the largest denim manufacturer and one of the largest denim suppliers in the world. Our integrated facilities help us manufacture superior quality fabrics. This has resulted in an increased market share, expansion in exports, increased focus on value-added segments and better scale of operations.

### A vertically integrated business model

Our backward and vertical integration has geared the company in meeting the demands of our customers. Today, we are favourably placed to tap the growing domestic and international denim demand. Our in-house production facility manufactures denim fabric from cotton fibre and our design and development department designs prototypes for denim collections.

We are not just a pure-play denim player, but a one-stop product provider to buyers of denim fabrics with the motto of better quality and lower price. Moving ahead, we foresee our average realisation improve and gross margin to expand. We are aiming to become a value-added supplier with state-of-the-art machinery, producing a vast range of fabrics adaptable to changing market requirements.





**Being a value-added supplier**

With its state-of-the-art machinery, we are able to produce a vast range of fabrics adaptable to changing market requirements. We are not just a pure-play denim player, but a one-stop product provider to buyers of denim fabrics, with a library of over 8,000 products.

**Controlling quality**

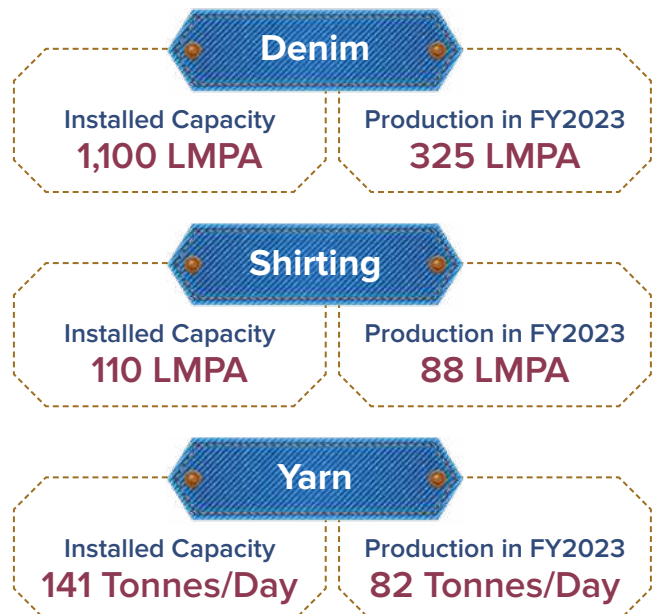
By evaluating, inspecting, and verifying all processes at every stage of manufacturing, we maintain product quality. Our sophisticated Fabric Physical Lab ensure the highest level of quality and inspects, checks and packages each batch of fabric. The international American Association of Textile Chemists and Colorists (AATCC) and American Society for Testing and Materials (ASTM) are the dual test procedures that the fabric have to undergo. Besides, all input chemicals and dyes used in manufacturing are also tested and certified.

**Enhancing operational efficiency**

Despite the challenging market scenario, we spent the year improving our operational efficiencies, enhancing working capital management and focussing on generating added capabilities. With new-age technologies and upgraded processes, our emphasis remained on increasing our market potential, further modernising the facilities, increasing our manufacturing capacities, and sustaining highest standards of product quality. Our world-class manufacturing capabilities help us increase productivity, maintain optimum levels of operational efficiency and improve revenue. Our 15 MW power plant is utilised for captive energy consumption and to accelerate the production process for converting cotton to finished garments.



**Our Manufacturing Capabilities**



# Maintaining Our Clear Focus on Innovation

**Nandan Denim is reputed for having developed several product innovations with distinctive characteristics. We continue to invest in research & development aimed at product re-engineering and product innovation to satiate the changing preferences of our consumers and to achieve revolutionary product development.**

Nandan Denim is taking a lead role in innovation. Our quality fabric is produced from cotton fibre with due research & development backing our innovation and production techniques. The Company's world-class facilities are ably backed by a solid infrastructure to make our processes even more productive, people more efficient, and our products unbeatable in quality.

The Company's innovative product designs help conserve water and new weave designs in the apparel industry. Our super-stretch and two-way stretch denims keep pace with evolving consumer preferences. We are also constantly developing novel weave designs, sustainable fibre blends and new chemical finishes for fabric dyeing and coating to keep up with our commitment on innovation combined with sustainability.

## Responsible manufacturing

We consider it our utmost responsibility to create consciously, remedy the ruin and reclaim the quality of life by making use of our sustainable products. The renewable fibre utilised to manufacture these products not only promote resource conservation, it also reduces environmental impact.



**Some of our Recent and Innovative Collection:**

**New Me**

This collection is an inspiration from the 1990s fashion - everything from subtle wash look to high-street fashion look. This includes tailored high-waist styles to cargo pants and slouchy, baggy silhouettes with an unmatched and nostalgic fervour.

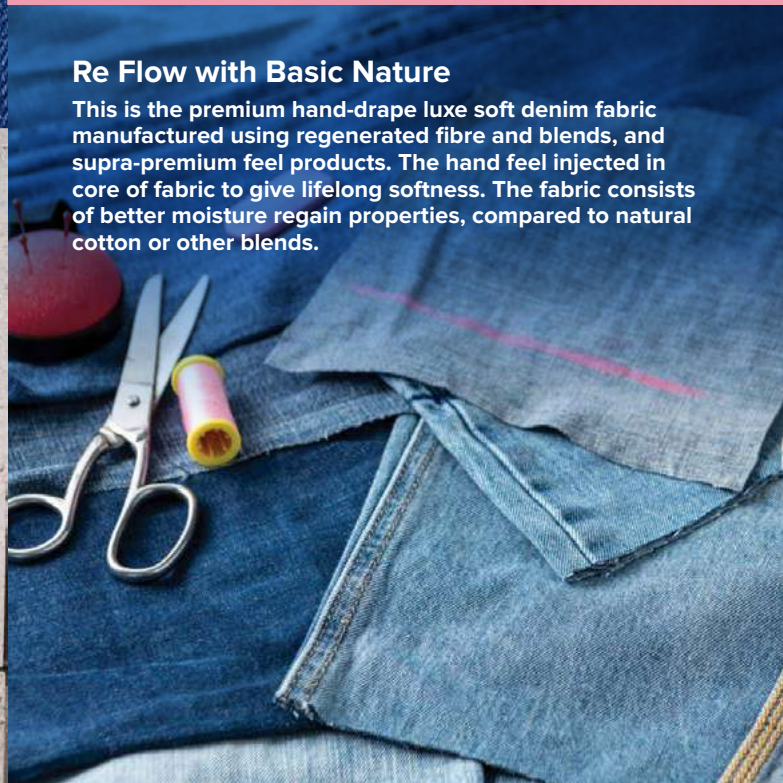
**CRADLE COLLECTION**

Eco Roots denims are designed for extreme comfort and form-fitting – perfectly curated for today’s youth. A range of ethically and ecologically produced denim, Eco Roots is manufactured using natural dyes. The vibrant colour palette of Eco Roots makes the clothing attractive and stylish, and also reduces its impact on the environment.



**Re Flow with Basic Nature**

This is the premium hand-drape luxe soft denim fabric manufactured using regenerated fibre and blends, and supra-premium feel products. The hand feel injected in core of fabric to give lifelong softness. The fabric consists of better moisture regain properties, compared to natural cotton or other blends.





# Towards A Better Tomorrow

**Strong ESG performance is at the heart of our business. As a responsible citizen, we identified our ESG commitments as we set on a journey of translating our ESG roadmap into tangible and measurable processes to build progress for people, planet and prosperity.**

## Steering our Green Agenda



### ENVIRONMENT

At Nandan Denim, sustainability as a differentiator. We recognise our role as socially and environmentally responsible citizen. Production of more ethical denim textiles that bridge the gap between fashion and sustainability is our motto. For our environmentally-aware customers, we are leveraging the use of sustainable materials to transform them into a stylish and adaptable clothing.

#### Creating sustainable fabrics

As a sustainable organisation, we adhere to the highest business ethics and standards with the below initiatives.



We take significant measures to lower our waste generation.



Through our sustainable practices, we consistently promote ethical denim for a better tomorrow.



We are committed to following stringent rules to reduce the use of harmful chemicals within the operations. Our facilities are GOTS, RGS, OCS and OEKO-TEX certified.



We are also in the process of developing a sustainable product range with fibre blends such as Tencel, Rayon and Exell and use Indigo in other applications like ethnic wear and formal wear.



As a carbon neutral company, we are implementing measures to support condensate recovery from processed water and also focus on reducing our energy requirements.

#### Key environmental initiatives

##### Water Management

We promote the reuse and recycling of water by establishing an Effluent Treatment Plant (ETP) and a Reverse Osmosis Plant (RO) within our facility. We also have a Sewage Treatment Plant (STP) where we treat waste water and reuse the treated water for gardening. We also installed a pipeline from power plant to fabric division to utilise backwash water.

##### Waste Management

Waste management and proper disposal is our prime responsibility. We are committed towards management of all wastes, including hazardous, e-waste, plastics and solid waste. We strive to minimise waste and recycle the denim manufactured at our manufacturing sites. We regularly optimise our production process and monitor waste management procedures to reduce waste. Our garning function allows us to recycle denim by converting used garments into fibre. The Caustic Recovery Plant (CRP) reuses and processes caustic in the manufacturing process. We aim to deploy the best practices for waste reduction, segregation and management of waste.

##### Energy Management

We have installed solar panels at our manufacturing sites to increase the contribution of renewable energy in our total energy mix. To further reduce energy consumption, LED lights have also been installed within the facilities. We also installed inverters in Card, Prep & Winding H-Plant Fan and Sec - E & F Humidification Plant return air fan and conserve energy. We utilise our in-house 15 MW power plant for captive consumption of energy.

#### Key Steps towards Sustainable Manufacturing:

1. By making use of green fabric made from regenerated and recycled fibre and blends, we reduce the direct impact our manufacturing operations and products can have on the environment.
2. During fabric manufacturing, we constantly focus on reducing water usage, and focus on creating products that consume less natural resources.
3. By reducing and recycling waste from the textile industry, we save tonnes of textiles from ending up in landfills every year.
4. Regenerated fibre and luxe-soft denim is equipped with good moisture regain properties vis-à-vis natural cotton and other blends.



**Sustainable Procurement and Responsible Sourcing**

We are committed to using the best efforts to adopt an inclusive approach towards sustainability that encompasses the activities of its supply chain partners such as vendors, contractors, sub-contractors, service providers, as well as materials and services we procure. We believe that to attain sustainability across our value chain, it is imperative to use sustainable and ethically-sourced raw materials, as well as collaborate with responsible value chain partners. We strive to reduce external environmental, economic, and social risks by encouraging suppliers to adopt sustainable practices; gain competitive advantage; and create value by adopting eco-efficiency throughout the product lifecycle and promote sustainable behaviour to drive change.

**SOCIAL**

We prioritise health and safety of our people above everything else. We also take pride in nurturing a truly diverse and inclusive workforce, and work together as a team, and actively promote a strong culture built on collaboration, innovation and trust. We also strive to provide a conducive work environment, where all our employees bring the best of themselves.

We maintain the highest standards of health, safety, and employee wellness at the workplace. To ensure maximum safety of our workplaces, we also supply protective clothing, helmets, goggles, and other Personal Protective Equipment (PPE) to prevent injuries and adverse accidents.

We practice zero tolerance for discrimination on the basis of religion, caste, creed or gender and guide our stakeholders, including our customers, suppliers and employees to follow our inclusive policies. We continue to organise employee engagement initiatives to motivate and empower our workforce. Being a responsible corporate citizen, we also carry out several health and education programmes for our communities.

**Thrust Areas of our CSR Policy**



**GOVERNANCE**

Adherence to good Corporate Governance and managing its affairs in a fair, honest, ethical, transparent and legal manner is an integral part of our philosophy. Furtherance to our philosophy, we are committed to acting and building relationships based on integrity and fairness in all our dealings. We have a robust governance framework and a streamlined reporting mechanism to enable consistent compliance reporting to the management. We follow robust and equitable corporate governance practices and strive to maintain transparency and open communication with stakeholders across operations and in all our business decisions.

**Key Policies of Nandan Denim**

**Anti-Bribery Policy**

The Anti-Bribery Policy reflects business practices and principles of behaviour that support this commitment to zero tolerance approach to acts of bribery and corruption. All employees of the Company must adhere to the ethos of bribery and corruption.

**Business Responsibility Policy**

The key objective of Business Responsibility Policy is to ensure a unified and common approach to the dimensions of business responsibility across the Company and act as a strategic driver that will help the Company respond to complexities and challenges that keep emerging.

**Equal Opportunity Policy**

The Company is committed to promoting diversity and inclusion among its workforce and aims to create a harmonious workplace for employees regardless of their gender, nativity, community, religious beliefs or physical and mental ability. We believe in providing equal opportunity to persons from all sections of the society.

**Grievance Redressal Policy**

The objective of this policy is to facilitate a work culture where no grievances exist and help in improving performance and productivity of concerned employees.

**Human Rights Policy**

The Company recognises the valuable role that business can play in long-term protection of human rights. It is committed to respecting human rights of our workforce, communities and those affected by our operations.

**IT Security Policy**

The IT Security policy promotes a holistic approach to information security management and protect information and technology against compromise of confidentiality, integrity and availability.



# Corporate Information

## **NANDAN DENIM LIMITED**

CIN: L51909GJ1994PLC022719

GST: 24AAACN5327L1ZG

LEI: 335800W54W5SGHLKY444

## **Board of Directors**

### **Mr. Jyotiprasad Chiripal**

Managing Director

### **Mr. Shaktidan Gadhavi**

Whole Time Director

### **Ms. Falguni Vasavada**

Independent Director (up to May 29, 2023)

### **Mr. Giraj Mohan Sharma**

Independent Director

### **Mr. Kirit Vaikunthraya Joshi**

Independent Director

### **Mr. Rahul Narendra Mehta**

Independent Director

### **Ms. Nalini Nageswaran**

Independent Director  
(appointed w.e.f. May 30, 2023)

## **Chief Executive Officer**

### **Mr. Deepak Chiripal**

## **Chief Financial Officer**

### **Mr. Ashok Jain**

(appointed w.e.f. February 10, 2023 and resigned on May 29, 2023)

### **Mr. Suresh Maheshwari**

(appointed w.e.f. May 30, 2023)

## **Company Secretary**

### **Ms. Renuka Upadhyay**

(appointed w.e.f. February 10, 2023)

### **Akshit Soni**

(w.e.f August 13, 2022)  
(upto September 30, 2022)

## **Bankers**

Bank of Baroda (erstwhile Dena Bank)

Bank of India

Bank of Maharashtra

Canara Bank

Central Bank of India

DBS (erstwhile Lakshmi Vilas Bank)

IDBI Bank

Karnataka Bank

Punjab National Bank (erstwhile Oriental Bank of Commerce)

Saraswat Co. Op. Bank

State Bank of India

UCO Bank

Union Bank of India

Kotak Bank

## **Statutory Auditor**

### **M/s. J. T. Shah & Co.**

Chartered Accountants

## **Cost Auditor**

### **M/s. A.G. Tulsian & Co.**

Cost Accountants

## **Secretarial Auditor**

### **M/s. Jay Khatnani & Associates**

Company Secretaries

## **Registered Office**

Survey No. 198/1 & 203/2,

Saijpur – Gopalpur,

Pirana Road, Piplaj,

Ahmedabad

Gujarat – 382 405

## **Corporate Office**

'Chiripal House',

Near Shivranjani Cross Road,

Satellite, Ahmedabad, Gujarat – 380 015

Tel.: 079 69660000 | Fax: 079 26768656

Email: cs.ndl@chiripalgroup.com

## **Registrar & Transfer Agent**

Datamatics Business Solutions Limited

Plot No. B5, Part B Cross Lane,

MIDC, Andheri (E), Mumbai

Maharashtra – 400 093

Tel.: 022 66712001-06,

Fax: 022 66712011

Email: investorsqry@datamaticsbpm.com

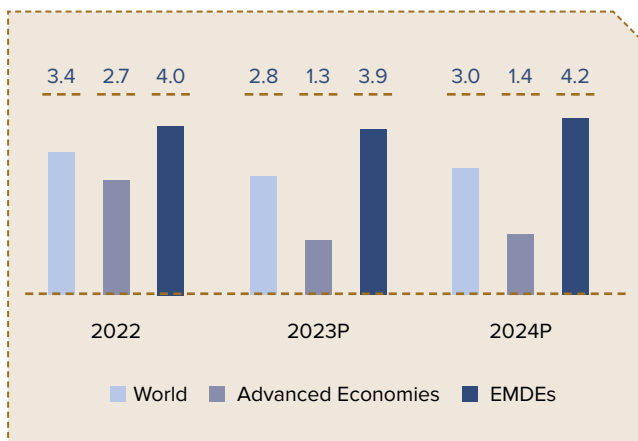
# Management Discussion and Analysis

## Economy Overview

### Global economy

The global economy has recovered from the COVID-19 pandemic and the Russia-Ukraine conflict by 2022, but it continued to face unexpected crises. As a consequence of pent-up demand, supply chain disruptions, and rising commodity prices, inflation in a number of economies reached multi-decade highs in early 2022. The strong monetary policies of central banks, however, helped inflation to start slowing down and commodity prices to gradually soften in late 2022. The global economy is projected to grow by 2.8% and 3.0%, respectively in 2023 and 2024, as compared to 3.4% growth reported in 2022.

### World GDP growth % YoY



P: Projected

Source: International Monetary Fund (IMF) April 2023 report

Central banks' rapid intervention seems to have reduced the impact of the recent global liquidity problems that arose in the wake of several global banking crises. The advanced economies are anticipated to experience GDP growth rates

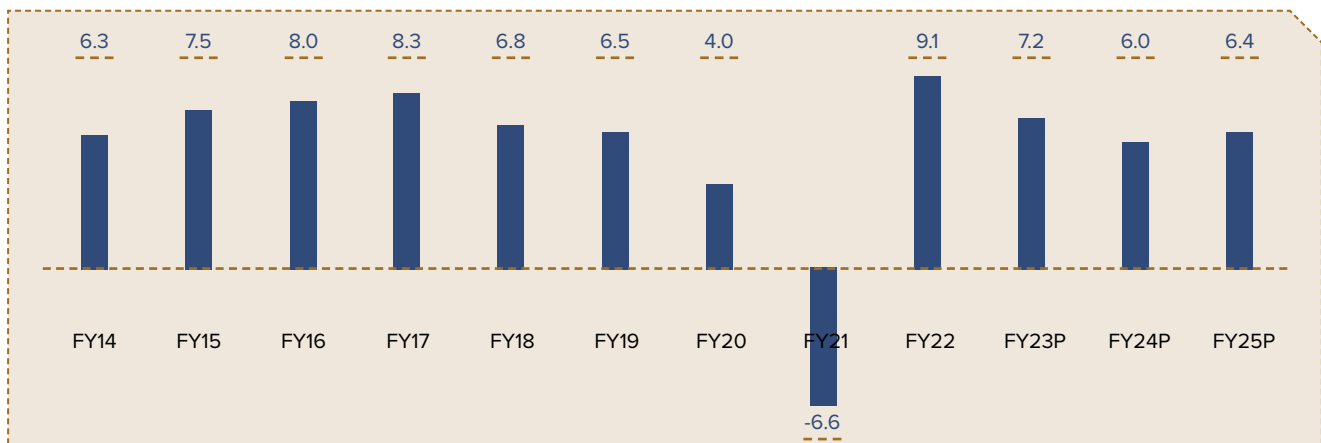
of 1.3% in 2023 and 1.4% in 2024, as compared to 2.7% in 2022. The reopening of Chinese economy in 2022 and sustained global financial conditions have contributed to a robust start for emerging markets in 2023. It is anticipated that emerging markets and developing economies (EMDEs), will continue to grow by 3.9% in 2023 and 4.2% in 2024 as compared to the 4.0% growth witnessed in 2022. Moreover, emerging markets are expected to outperform other global markets due to strong regional growth and robust economic development in India, China, and other ASEAN countries.

### Indian economy

India has emerged as an influential global economy over the past decade as a result of the government's persistent efforts to promote balanced growth and equitable development. India is the world's fastest-growing economy, with a 7.2% YoY (Year over Year) GDP growth rate in FY 2022-23, according to the Second Advance Estimates Report from the National Statistical Office. Recent out performance of India's economy, its enormous and increasing population, and its rapid ascent as a manufacturing alternative to China have all stimulated the interest of global investors. In FY 2022-23, India witnessed a significant upsurge in international exports of products and services, reaching unprecedented levels. The remarkable growth within the country was primarily driven by strong demand for Indian services, contributing to the overall expansion of the export sector.

As consumer inflation increased in FY 2022-23, the Reserve Bank of India (RBI) tightened its monetary policy to maintain a balance between inflation and growth. After increasing the repo rate from 4.0% in May 2022 to 6.5% in February 2023 over the course of five separate sessions, the RBI's Monetary Policy Committee (MPC) halted the repo rate increase cycle and maintained its "withdrawal of accommodation" stance. The RBI's SPF (Survey of Professional Forecasters) report

### Indian GDP Growth (%)



P: Projected

Source: NSO's Second Advanced Estimates dated 31<sup>st</sup> May, 2023

RBI SPF report as of 8<sup>th</sup> June, 2023

has projected real GDP growth of 6.0% for FY 2023-24 and 6.4% for FY 2024-25. In the budget for the fiscal year 2023-24, there has been a substantial boost in grants for the textile industry, with a total allocation of ₹ 4,389.34 crore, showcasing a year-on-year growth of 22.6%. Moreover, it is anticipated that the Union Budget's emphasis on capital expenditure will stimulate private investment, increase employment creation and overall consumer demand, and boost India's growth potential. The capex budget of ₹ 10 lakh crore would also provide a push in the green energy sector as the country is striving at accelerating decarbonisation and growing sustainable energy. Besides, incorporating cutting-edge technologies such as artificial intelligence, the Internet of Things (IoT), and machine learning would also significantly contribute to the digital empowerment of the nation.

## Industry Overview

### Global Textile Industry Overview and Outlook

The global textile market's growth is expected to be driven by the ever-increasing demand for apparel from the fashion industry, as well as the rapid expansion of e-commerce platforms. The global textile industry is projected to grow at a compound annual growth rate (CAGR) of 3.52% during the forecast period of 2023 to 2028. The industry's value is expected to increase from \$723 billion in 2023 to \$859 billion by 2028. In 2022, the cotton segment dominated the market and represented 38.9% of the total revenue share. Cotton is the most important natural fibre in the world due to its superior characteristics, which include high strength, absorption, and colour retention. China, India, and the United States are the world's largest producers of cotton and cotton-based goods.

The textile industry is a continuously expanding market, with prominent competitors including China, the European Union, the United States, and India. China holds the top position globally as both a producer and exporter of raw textiles and garments. The United States excels in raw cotton production and exports, while also ranking as the leading importer of raw textiles and garments. Within the European Union, Germany, Spain, France, Italy, and Portugal stand out, contributing over one-fifth of the global textile industry's value. India, as the third-largest textile manufacturing industry, accounts for more than 6% of global textile production. The industry benefits from rapid industrialisation in developed and developing countries, as well as advancements in technology that enable modern installations capable of highly efficient fabric production. These factors contribute to increased revenues in the textile industry and are expected to further support its growth during the next five years.

The textile industry operates based on three key principles: design, production, and distribution of various flexible materials, including yarn and clothing. A wide range of manufacturing processes, such as knitting, crocheting, weaving, and others, are extensively utilised to create a diverse array of finished and semi-finished products in sectors such as bedding, clothing, apparel, medical supplies, and other accessories. The growing popularity

of online shopping is anticipated to be a key driver for the textile manufacturing industry. Manufacturers now have access to a broader online platform for selling their products, enabling them to reach customers across various geographical locations. This expanded customer base is expected to contribute to the overall growth of the textile manufacturing market.

The global textile market is projected to experience a compound annual growth rate (CAGR) of 7.6% in terms of revenue from 2023 to 2030. Market progress has been hindered by global trade restrictions resulting from disrupted supply chains and reduced consumption of textile products since the imposed lockdowns. However, the industry is expected to experience a robust recovery in the coming years, supported by government initiatives and increasing public awareness regarding the importance of adopting effective precautionary measures.

Source: <https://www.grandviewresearch.com/industry-analysis/textile-market>

<https://www.mordorintelligence.com/industry-reports/global-textile-industry---growth-trends-and-forecast-2019---2024>

### Indian Textile Industry Overview and Outlook

The Indian textile industry holds a prominent position across the globe, as the second-largest producer of MMF (Man-Made Fibre) after China. Additionally, India ranks as the third-largest exporter of textiles and apparel globally. The textiles and clothing sector in India is a vital pillar of the national economy. In FY2022, the share of textiles and apparel, including handicrafts, in India's total merchandise exports stood at a substantial 10.5%. Furthermore, India holds a 4.6% share in the global trade of textiles and apparel. In 2022, the Indian textile and apparel industry achieved a market size of \$172.3 billion.

The Indian textile industry has been strategically strengthening its position in major export markets, particularly in the areas of home textiles and readymade garments. The Indian textile industry has benefited from the opportunities arising from the trade tensions between the US and China. India has experienced a significant increase in its share of exports in the home textiles and readymade garments segments, especially to the US. Despite a difficult and sluggish FY2023 characterised by weak demand, high retailer inventory, supply limitations, and rising cotton prices, the textile industry is expected to witness significant growth in the future.

The declining cotton and crude prices are expected to boost profit margins and enhance India's competitiveness in export markets. Also, with the completion of significant capital expenditures, textile players are well positioned to capitalise on their expanded capacities which would augur the growth in the textile industry. Going ahead, the industry is expected to experience substantial growth, projected to reach \$387.3 billion by 2028. This expansion demonstrates a strong CAGR of 14.45% from 2022 to 2028.

Source: Ministry of Textiles, <https://www.researchandmarkets.com/reports/5753360/indian-textile-apparel-market-industry-trends#:~:text=The%20Indian%20textile%20and%20apparel,14.45%25%20during%202022%2D2028>.

<https://www.financialexpress.com/industry/strong-demand-in-india-quite-supportive-for-future-growth-of-denim-industry/2949598/>

### Key Market Trends

India has emerged as one of the leading global manufacturers and exporters of textiles and garments, experiencing substantial growth in recent years. Here are some significant trends concerning India's textile industry:

- **Increasing textiles exports:** The export value of Indian apparel and garments has shown consistent growth over the years. According to the Apparel Export Promotion Council, from April to February in FY2023, cumulative exports of Ready-made Garments (RMG) amounted to ₹ 1,180.5 billion demonstrating growth of 11.2% compared to the same period from April 2021 to February 2022. Moreover, improvement in capacity utilisation with higher capacities across the industry is expected to further boost trade volumes in the textiles industry.
- **Growing demand in key markets:** The demand for Indian apparel and garments is primarily driven by key markets such as the United States, Europe, and the United Arab Emirates (UAE). The US serves as the largest market for Indian textiles and garments, followed by the UAE, the UK, and Germany.
- **Adequate Government Support:** The recent Union Budget for FY2024, has delivered a significant boost to the textile industry. The government has planned to establish seven mega textile parks across India. This strategic move not only creates more employment opportunities but also strengthens the Micro, Small, and Medium Enterprises (MSME) sector. These textile parks would be equipped with advanced infrastructure and offer tax benefits and other incentives to textile companies. Funding for programmes like the National Technical Textiles Mission (NTTM), PM-MITRA, and the textile development cluster plan has also been allocated. The allocation for ATUFs (Amended Technology Upgradation Funds Scheme) has seen a significant increase from ₹ 650 crore in 2022-23 to ₹ 900 crore in 2023-24. This increase will expedite pending payment processes.

To enhance the productivity of extra-long staple cotton, a cluster-based and value-chain approach will be implemented through public-private partnerships. This initiative aims to ensure raw material security for the garment industry. Furthermore, the identification of five new HS Codes will enable further classification of cotton based on staple length. There has been an increase in the allocation for both RoDTEP (Remission of Duties or Taxes on Export Products Scheme) and

RoSCTL (Scheme for Rebate of State and Central Taxes and Levies on Export of Garments and Made-ups). Additionally, a corpus of ₹ 9,000 crore have been allocated to revamp credit guarantee schemes, aiming to provide collateral-free guaranteed credit worth ₹ 2 lakh crore.

The PLI Scheme, initiated by the government with an approved outlay of ₹ 10,683 crore, aims to promote the manufacturing of MMF apparel, MMF fabrics, and Technical Textile products within the country. This scheme is designed to enhance the size, scale, and competitiveness of the textile industry. Recognising the importance of the textile sector in generating employment, the government has also implemented several labour-friendly policies.

- **Diversification of product offerings:** Indian textile and garment manufacturers are diversifying their product offerings to meet the evolving preferences of consumers. This includes a growing demand for athleisure wear, resulting in an increase in the production of activewear in India. Indian textile companies, including prominent yarn manufacturers, are embarking on expansion initiatives. They are either venturing into the production of knitted fabric or diversifying their operations by entering the denim fabric segment or exploring other related categories.
- **Investment in technology and innovation:** Indian textile and garment manufacturers are investing in technology and innovation to enhance their production processes and deliver high-quality products. This involves the implementation of automation, artificial intelligence, and 3D printing to improve efficiency and reduce production costs. The textile industry has experienced remarkable advancements in digital printing, fabric weaving, and various other processes, resulting in the production of fabrics with enhanced precision, uniformity, and cost-effectiveness. Digital printing technology has revolutionised the industry by enabling the printing of fabrics with more vivid and accurate colours, while inkjet printing has significantly accelerated the production speed of printed fabrics. Moreover, digital weaving techniques have unlocked new possibilities for creating intricate patterns and styles with exceptional durability and strength. These innovations have not only elevated the quality of fabrics but have also streamlined production processes, making them more efficient and productive. With the continuous development of advanced spinning machinery and tools, automation has become increasingly vital, enabling mills to enhance operational efficiency and productivity.

## Denim Industry

### Global Denim Industry

Denim, a versatile textile commonly associated with jeans and a key element of casual wear, has established itself as a staple in the global apparel market. The global market value

of denim fabric was estimated to be approximately \$27.1 billion in 2022, and it is anticipated to surpass \$35 billion by 2027. Alongside the influence of fashion trends, the adoption of advanced technologies in the manufacturing process has played a significant role in the industry's growth. Innovative manufacturing techniques, including laser technology and eco-friendly practices, are now being employed to produce denim garments. These advancements not only minimise waste but also reduce water and energy consumption, making the manufacturing process environmentally sustainable and economically efficient.

The denim fabric has undergone multiple transformations, and fashion designers and manufacturers worldwide continue to discover innovative applications for denim. It has shaped numerous fashion trends that continue to influence the industry today. The global market for denim fabric has also been propelled by several factors, including the availability of affordable denim fabrics and socioeconomic trends. The demand for denim has spanned across the globe, with notable market interest in regions including North America, Europe, Asia-Pacific, and Latin America. Traditionally, North America and Europe have been robust markets for denim, benefiting from their well-established fashion industries and consumer preferences. Countries such as India, China, Brazil, Italy, and Bangladesh possess ample cotton resources, creating a strong demand for denim. Consequently, new manufacturers are entering the market, and established players are expanding their global footprint, leading to intense competition across numerous countries.

Source: <https://www.statista.com/topics/5959/denim-market-worldwide/#dossier-chapter5>

## Indian Denim Industry

The denim market has grown significantly in recent years, owing to the growing demand for denim garments worldwide. Consumers have embraced a diverse range of colours, styles, and finishes, leading to the expansion of the denim market beyond traditional blue jeans. For several years, the Indian domestic denim market has consistently maintained an average CAGR ranging from 8% to 9%. It is anticipated that by 2028, the market's value will ascend to approximately \$12.27 billion. Many national and international brands are expanding their foothold in the Indian market, capitalising on not only metropolitan cities but also Tier-3 and Tier-4 cities, which present promising markets for jeans.

India has the second-largest installed capacity for denim fabrics in the world, with an annual production capacity exceeding 1,600 million metres, following China. Presently, there are over 50 denim fabric mills operating in the organised segment within the country, marking a significant increase of approximately 60% compared to the number ten years ago. Around 850-900 million metres of denim fabric, accounting for roughly 55% of India's total capacity, are utilised within the domestic market. This includes the manufacturing of jeans for both local consumption and export purposes. The remaining fabric is exported to various countries such as Bangladesh, Colombia, Venezuela, Egypt, Sri Lanka, and others. India has long been recognised as a leader in denim

fabric production, and more recently, the domestic jeans market has been experiencing steady growth, surpassing the global growth rate. The Indian denim fabric industry is poised for continued growth in the foreseeable future, projected to achieve a higher growth rate in the near future.

Source: <https://www.financialexpress.com/industry/strong-demand-in-india-quite-supportive-for-future-growth-of-denim-industry/2949598/>

<https://markwideresearch.com/denim-market/>

## Opportunities and Threats

### Opportunities

- **Underpenetration in the domestic denim market:** In the past five years, the growth of India's denim industry has surpassed that of the domestic apparel sector and the global denim market. Despite this exceptional performance, India remains underpenetrated compared to developed economies. Moreover, factors such as a lower dependency ratio, rising urbanisation, the country's pervasive trend of westernisation and the growing acceptance of denim among women and children are expected to contribute significantly to the industry's growth rate.
- **Focus on sustainability:** Denim mills, renowned within the fashion industry, are progressively embracing recycling in their production processes. Indian denim brands are putting significant efforts into developing more ethical denim textiles that bridge the gap between fashion and sustainability. These materials cater to environmentally conscious customers seeking stylish and versatile clothing options. Increasing customised services would lead to a higher acquisition of customers in the denim industry and is also expected to boost growth in the industry.
- **Industry-wide expansion and consolidation drive:** To enhance denim manufacturing capabilities, some mills are making investments in spindles. This strategic move allows them to tap into additional domestic and international markets while reducing their reliance on yarn markets. By incorporating backward integration, businesses can effectively manage raw material availability and streamline cost-effective manufacturing processes. While larger, more established mills are concentrating their efforts on consolidating their operations, a growing number of newer, smaller firms are making strides toward expansion. Increasing expansion and consolidation activities would effectively contribute to the growth of the denim markets in India.
- **Technological advancements:** Technological advancements have brought about a significant transformation in denim fabric production. Innovations like laser finishing and 3D printing have revolutionised the industry, empowering designers with enhanced capabilities and boosting production efficiency. These advancements have contributed to the overall growth of the market.

- **Growing prominence of athleisure:** The rise of athleisure wear has also made a notable impact on the denim fabric market. The increasing demand for clothing that seamlessly blends comfort and functionality has prompted manufacturers to incorporate stretch and performance properties into denim fabrics. This shift towards athleisure-inspired denim caters to evolving consumer preferences and has further fuelled the market's expansion.
- **E-commerce expansion:** The expansion of the denim market has been greatly facilitated by the growth of e-commerce. Online platforms have played a significant role in providing convenient access to a wide array of denim products, thereby attracting a substantial customer base.

In addition to fashion and style preferences, the entire denim industry has received a boost from factors such as increasing urbanisation, celebrity endorsements, product innovation, and evolving lifestyles.

### Threats

- **Raw Material Prices:** The fluctuations in the prices of raw materials, such as cotton, polyester, and dyes, can significantly affect the production costs for textile and denim manufacturers. Sudden spikes in prices can adversely impact profit margins and the industry's competitiveness.
- **Trade Disputes and Tariffs:** International trade disputes and imposition of tariffs on textiles and denim products can disrupt global supply chains and impact export-import relationships. The tariff barriers could lead to reduced exports and increase costs for businesses thereby posing threats to the global textile and denim industry.
- **Environmental Concerns:** Sustainability and environmental issues have been gaining huge attention in the textile and denim industry. Concerns related to water usage, chemical pollution, and waste generation are increasing thereby prompting industry players to adopt more eco-friendly practices and comply with stringent environmental regulations.

In response to these challenges, both the global and Indian textile and denim industries have been focussing on innovation, sustainability, technology adoption, and strategic collaborations to stay competitive and resilient in the dynamic market landscape.

## Company Overview

### Company Background

Nandan Denim Limited, (hereafter referred to as 'NDL' or 'the Company') based in Ahmedabad, Gujarat, was founded as a private limited corporation on August 9, 1994 under the name Nandan Exim Private Limited. Vedprakash D Chiripal and Brijmohan Chiripal founded the Company with the intent of manufacturing, trading, and exporting textiles. The Company began with a small number of powerlooms and is

now an expansive textile conglomerate manufacturing every textile product ranging from fibre to apparel under one roof.

NDL has an integrated denim manufacturing process from spinning to delivering finished fabric. Initially, the Company operated in the domestic and international cloth commerce sector, but later expanded into the production of denim fabrics. Over the years, the Company has transitioned from an only denim manufacturer to a manufacturer of superior quality shirting and other fabrics.

NDL manufactures and distributes denim fabric, yarn/dyed yarn, cotton fabric, and shirting fabric to consumers in different parts of the globe. NDL produces primarily grey cotton fabrics, khakis, and denims. Moreover, the Company specialises in manufacturing fabrics with a wide range of weaves, colours, textile combinations, and weights. Their product offerings include denim twills, stretch bull denim, and broken twills, among others. Additionally, they provide grey cotton fabric and blend textiles. The Company's inventory primarily comprises cotton fibres, denim fabrics, and ready-to-wear garments. The Company has established a consistent market leadership owing to its huge economies of scale and diverse product portfolio. NDL has been known for providing high-quality products that satisfy evolving customers preferences.

As India's largest denim supplier, the Company consistently stays ahead of fashion curve, while excelling market trends to maintain a seamless supply for partners in over 15 countries. NDL's annual operational capacity is 50 million metres. The Company employs 1,182 individuals across all of its locations and generated ₹ 2,026.76 crore in revenue in FY 2022-23.

### Key Business Strengths

- **State-of-the-Art Manufacturing Facilities**  
The NDL Group manages a vertically integrated production line of significant scale, which includes in-house operations for spinning, weaving, dyeing, processing, and finishing yarn and fabric. The Company's internal manufacturing capabilities allow for streamlined production processes and its facilities hold an ISO 17050-1 Standard 100 by OEKO-TEX quality certification to ensure efficient management. Additionally, the Company has acquired the following certifications:
  - Global Organic Textile Standard (GOTS) certified
  - Global Recycled Standard (GRS) certified
  - Organic Content Standard (OCS) certified
  - Recycled Claim Standard (RCS) certified
  - Better Cotton Initiative (BCI) certification

The production facilities of the Company are housed within its Piplej and Bareja plants located in Ahmedabad, ensuring a continuous and uninterrupted manufacturing process. NDL develops a fabric from cotton fibres, and the internal R&D (Research and Development) department



supports innovation. The Company possesses a strong and reliable infrastructure, including superior facilities, which enhances the productivity, efficiency, and overall quality of both employees and products.

- **Robust R&D Activity**

The Company has developed a dynamic product portfolio that combines utility and function owing to its R&D efforts, constant focus on product innovations, and commitment to delivering excellence. The Company takes a proactive approach to anticipating emerging fashion trends and remaining ahead in the fashion industry. It offers a wide variety of denim and shirt fabrics that complement both traditional and contemporary fashion trends. Additionally, the Company invests in cutting-edge technology to remain competitive in the global market.

- **Excellent Product Quality**

The Company's infrastructure, technology, and manufacturing facilities have enabled it to manufacture products of unparalleled quality over the years. During yarn production, special rewinding machines guarantee proper waxing. All of its products are subjected to stringent quality measures to attain a consistent quality structure across the board. In addition, each fabric set is evaluated for quality according to ASTM (American Society for Testing and Materials) and AATCC (American Association of Textile Chemists and Colorists) specifications before shipment. Following the tensile strength test, shrinkage, weight, and movement are evaluated using a chemical test and cutting-edge technology. These cutting-edge production methods, backed by extensive research, ensure the continuous maintenance of high-quality standards.

- **Strong Exports:**

NDL has been reliable supplier to over 15 countries around the globe. The Company has relationships with prominent U.S. retailers. Its jeans, denim, and other products are utilised by over 20 well-known global corporations.

## Operational Performance

- **Denim** - NDL is India's leading denim supplier. It is capable of producing 50 million metres per annum

(MMPA). It offers numerous product categories, such as Core Classics, Reinvented Classics, Novelties, Structured, Knit Denim, Innovations, Light Weight Denim, Blends, Feather Touch, Stretch Tech, and Prints. Innovation and technology in denim are integral to the Company's mission to create new types of denim to meet contemporary requirements and desires.

- **Shirting** - NDL has a dyeing facility that enables its shirt fabrics to come in a wider range of hues. The Company provides a wide variety of fabric shades due to its 20 TPD (tonnes per day) yarn dyeing plant with several configurations starting from 6 kg. In addition, there are high-speed airjet looms and rapiers with dobby attachments for 10 MMPA-worth of cutting-edge weaving facilities. With these facilities, the Company guarantees the production of high-quality fabrics, including plain, twill, dobby, chambray, fil a fil, herringbone, basket weave, and pin-point oxford. Modern processing equipment & finishing machines for all kinds of finishes, such as Easy to Iron, brushing, carbon peaching, Calendaring machines, create a wide range of finished products to cater to all types of customers. Its variations include Basic, Smart Casual, Casual, Textured, Indigo, Sulphur, Fancy, and Blends. These shirting fabrics are produced in-house from 100 percent cotton fabric. In addition to blending cotton with other fibres such as tencel, viscose, modal, and linen, the Company creates novel shirting styles with enriched designs & aesthetics, by way of having a state-of-the-art in-house Design Studio and product development facilities.

- **Yarn Dyeing** - NDL provides a variety of compositions and counts of blended yarn as well as dyed yarn for the hosiery and weaving industries. The yarn dyeing facility can do any colour of packaged yarn in accordance with customer specifications. The Company's wide array of dyeing vessels from 6 kg to 900 kg capacities give its yarn a competitive edge. Company has facilities to do the larger yarn dye packages of size of 1,200–1,300 grams, due to which there are fewer cone adjustments during knitting and warping, thus it improves knitting and warping efficiency and reduces waste. The unit is Oeko tex certified, which is must for supplying yarn and fabrics made of these yarns to Europe.

## Financial Highlights

| Particulars                          | FY2023   | FY2022   | YoY (%) Change |
|--------------------------------------|----------|----------|----------------|
| Revenue from operations (in ₹ crore) | 2,026.76 | 2,175.57 | -6.84          |
| PAT (In ₹ crore)                     | 0.80     | 67.82    | -98.8          |
| EBIDTA (In ₹ crore)                  | 95.98    | 178.71   | -46.3          |
| Debtor Turnover (days)               | 71.97    | 74.82    | -3.8           |
| Inventory Turnover (days)            | 49.67    | 48.26    | 2.92           |
| Interest Coverage Ratio (in times)   | 1.11     | 3.46     | -68.20         |
| Current Ratio (In times)             | 1.32     | 1.38     | -4.35          |
| Debt/Equity Ratio (in times)         | 0.86     | 1.04     | -17.31         |
| EBIDTA Margin (%)                    | 4.74     | 7.99     | -40.68         |
| Net Profit Margin (%)                | 0.04     | 3.21     | -98.75         |
| Return on Net Worth                  | 0.28     | 12.59    | -97.78         |

## Key Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e., change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor. The key financial ratios are given as follows:

| Particulars                      | FY2023 | FY2022 | Reasons of variance   |
|----------------------------------|--------|--------|---|
| Debt Service Coverage Ratio      | 0.19   | 0.33   | Due to decrease in Profitability the ratio has decreased.     |
| Return on Equity Ratio           | 0.00   | 0.13   | Due to decrease in Profitability the ratio has decreased.     |
| Inventory Turnover Ratio         | 7.35   | 7.56   | -   |
| Trade Receivables Turnover Ratio | 4.97   | 5.86   | -   |
| Trade payables Turnover Ratio    | 7.36   | 9.26   | -   |
| Net Capital Turnover Ratio       | 11.30  | 8.83   | -   |
| Net Profit Ratio                 | 0.00   | 0.03   | Due to decrease in Profitability the ratio has decreased.     |
| Return on Capital Employed       | 0.10   | 0.24   | Due to decrease in Profitability the ratio has decreased.     |
| Return on Investment             | (0.39) | 0.21   | Due to reduction in Investment price the ratio has decreased. |

## Business Outlook

Macroeconomic factors like US-China trade tensions, the “China Plus One” strategy, better availability of skilled labour in India, and government initiatives like the Production Linked Incentive (PLI) scheme are expected to boost the textile industry. NDL's industry-leading position would also enable it to become its customers' preferred choice. The Company has been upgrading and expanding its current capacities to meet the needs of its consumers in light of anticipated demand. The Company is in the midst of introducing new weave designs and several innovative water-saving product designs. The Company has been developing ultra-stretch and two-way stretch denims to accommodate its consumers' changing preferences. The Company ensures on-time delivery and gives its customers delivery services for its various products. Additionally, the Company has prioritised product innovation on a regular basis for the best customer experience.

The Company is confident that the robust demand for denim will contribute to its future development. The Company will continue to offer the latest fashions and designs to customers worldwide while paving a sustainable route for its shareholders through excellent leadership, best practices, and continuous innovation.

## Internal Controls

The Company's internal control system is proportional to the size, nature, and complexity of its operations. The internal control system is accountable for addressing the evolving business risks, the accuracy of financial data, the timely reporting of operational and financial transactions, the protection of assets, and the strict observance of applicable laws and regulations. The Company's internal auditors are responsible for monitoring and reviewing these controls on a regular basis. Periodically, the Audit Committee examines the audit reports and ensures any discrepancies are rectified as necessary. Important observations are conveyed to the management, who promptly implements corrective actions.

## Key Risks

- Raw material risk:**  
 The volatility in prices of raw materials such as cotton, specialty fibres and textiles, glass roving, specialty chemicals and a variety of resins increases input costs, which has a negative impact on the profitability of the Company. In addition, many of the Company's raw materials have a correlation with crude oil prices, and volatility in crude oil prices may reduce the Company's profit margins.  
**Mitigation**  
 The Company monitors price fluctuations and adheres to inventory management and a flexible procurement policy to ensure timely and cost-effective procurement of raw materials. To protect margins, it also enters into contracts with customers and attempts to pass on fluctuations in the cost of basic materials.
- Technology Risk**  
 Enhancing efficiency and productivity necessitates constant technological innovation and ongoing R&D. Failure to use the most recent and sustainable technologies to meet the ever-changing demands of the global market may result in business failure.  
**Mitigation**  
 The Company places the utmost importance on technology and invests aggressively in R&D, modern and sustainable technologies, machinery and equipment for enhancing the manufacturing process and product quality, as well as broadening its product offering to accommodate emergent market trends.
- Economic Risk**  
 Geopolitical unrest, global economic slowdown and high inflation in key markets such as the United States and Europe have slowed the export market. Demand contraction would diminish the Company's exports.

### Mitigation

The macroeconomic outlook for the U.S. and European Union markets has begun to strengthen, although export demand will remain uncertain. However, the domestic market will continue to provide the Company with substantial business opportunities.

- **Exchange Rate Volatility Risk**

The Company deals in foreign currency for its textile exports and a substantial portion of its expenses being in Indian rupees, any fluctuation in currency exchange rates would directly impact the Company's performance.

### Mitigation

Exposures on foreign currency sales are managed through the hedging activities, which is periodically reviewed to ensure that fluctuations in currency exchange rates are managed appropriately. In addition, the Company uses forward contracts and foreign exchange options to hedge risk arising from changes and fluctuations in foreign currency exchange rates.

- **Attrition Risk**

Labour-intensive Indian textile industry has been facing a shortage of qualified labourers. Hence, the Company might as well face attrition risk.

### Mitigation

The government is attempting to close the shortage of talent in the textile industry through programmes such as PMKVY (Pradhan Mantri Kaushal Vikas Yojana). However, NDL does not encounter this issue due to its best HR practices, which are unique and distinguishable from those of its competitors. Low absenteeism and attrition rates, increased productivity, and the ability to recruit the necessary workforce are the results of its strategic HR policies.

- **Logistics Cost Risk:** The Company's business is also focussed on textile exports and is dependent on the supply chain for exporting final products, any disruptions in the supply chain, rising container shipping costs, availability, and delays pose significant challenges to the Company's operations. In addition, inadequate and inefficient logistics in India contribute to delays and excessive logistics costs.

### Mitigation

The Company has bolstered its supply chain network and established long-standing relationships with its suppliers and vendors to facilitate efficient operations.

## Human Resources

The Company considers its employees to be its most valuable asset and an integral part of its competitive position. It has a well-designed HR policy that promotes a conducive work environment, inclusive growth, equal opportunities, and competitiveness, and aligns the objectives of its employees

with the organisation's vision for growth. Its division of human resources plays a crucial role in developing a robust and talented workforce. It provides opportunities for professional and personal development and implements comprehensive employee engagement and development programmes to increase employee productivity and skills. The Company prioritises the health and safety of its employees. Throughout the course of the year, the Company organised a variety of employee motivation and empowerment initiatives to promote employee engagement. The Company takes pride in its ability to develop their talents and encourage teamwork, and also to actively promote a culture based on strong values. As of March 31, 2023, the total number of Company employees stood at 1,182.

## Sustainability

The Company is committed to protecting the environment in a responsible manner. Water management has always been an important priority for the Company due to the nature of the business. Large volumes of water are used in the manufacturing textile sector due to the need to clean raw materials and for various flushing operations during production. The Company demonstrates a strong commitment towards efficient water management, environmental responsibility and acknowledges its duty towards the environment. The Company uses an Effluent Treatment Plant (ETP) and a Reverse Osmosis (RO) Plant for water recycling and reuse to conserve water. The wastewater is subjected to responsible treatment at a Sewage Treatment Plant (STP), and the treated water is reused for gardening purposes.

As a responsible corporate citizen, the Company provides its communities with a variety of health and education programmes. The Company also endeavours to create a work environment in which all of its employees can excel. The use of LEDs for department illumination, the implementation of solar panel systems, and the reuse of process water from condensate recovery have all contributed to the Company's carbon neutrality. To ensure its long-term viability, it conforms to all chemical standards. As a carbon-neutral Company, the Company has implemented measures to support the recovery of condensate from processed water and to reduce its energy needs. Additionally, the Company recycles denim to manage its refuse. A Caustic Recovery Plant (CRP) is used for caustic recycling and processing. After closely examining the denim manufacturing process, the Company continues to refine its waste management policies in order to minimise its waste production.

## Disclaimer

It is possible that some of the forward-looking statements contained in the MDA section regarding future prospects could be deemed forward-looking statements, which are subject to risks and uncertainties. The Company and the environment in which it operates may face unforeseen,

unprecedented, unascertainable and constantly evolving risk(s) due to global pandemics such as COVID-19. The report's facts and figures are derived from assumptions made based on information available both internally and externally. These assumptions are subject to change over time, which also affects the estimates based on them. Any

forward-looking statement only speaks as of the date on which it was made, and any forward-looking statement represents only the Company's current intentions, beliefs, or expectations. As a result of new information, future events, or otherwise, the Company assumes no obligation to revise or update any forward-looking statements.

## NANDAN DENIM LIMITED

**CIN:** L51909GJ1994PLC022719

**Registered Office:** Survey No. 198/1 & 203/2, Saijpur – Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405

**Corporate Office:** Chiripal House, Near Shivranjani Cross Road, Satellite, Ahmedabad – 380 015

**Website:** [www.nandandenim.com](http://www.nandandenim.com), Email: [cs.ndl@chiripalgroup.com](mailto:cs.ndl@chiripalgroup.com)

**Tel No.:** 079 – 69660000

## Notice

Notice is hereby given that the **TWENTY NINTH ANNUAL GENERAL MEETING** of the Members of Nandan Denim Limited will be held on Monday, August 28, 2023 at 03:00 p.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses:-

### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2023 together with Report of the Board of Directors, Auditors thereon and in this regard pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** the Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2023 together with Report of the Board of Directors, Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

- To appoint a Director in place of Mr. Shaktidan Jayendrasingh Gadhavi (DIN: 09004587) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment and in this regard pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Shaktidan Jayendrasingh Gadhavi (DIN: 09004587), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

### SPECIAL BUSINESS:

- To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2024 and in this regard pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any

statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of an amount, not exceeding ₹ 3.00 lakhs (Rupees Three Lakh Only) plus taxes and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit payable to M/s A.G. Tulsian & Co., Cost Accountants (Firm Registration Number:100629) who were appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audit relating to cost records of the Company under the Companies (Cost Records and Audit) Rules, 2015 for the financial year ending March 31, 2024.”

**“RESOLVED FURTHER THAT** the Board of Directors and / or the Company Secretary be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution.”

- To appoint Ms. Nalini Nageswaran (DIN: 10128138) as an Independent Director of the Company

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to provision of Section 149,150,152 read with Schedule IV to the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations,2015 and also provisions of Articles of Association of the Company, Ms. Nalini Nageswaran (DIN: 10128138) who was appointed as an Additional Director (Non-executive Independent Director) of the Company by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, with effect from May 30, 2023 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act proposing her candidature for

the office of the Director and declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for five (5) consecutive years for the maximum period upto May 29, 2028.”

**“RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the applicable provisions of the Companies Act, 2013 and relevant Rules framed thereunder (including any statutory modification(s) / amendment(s) / re-enactment(s) thereto), approval of the Members be and is hereby accorded to the continuation of directorship of Ms. Nalini Nageswaran [Director Identification Number (DIN): 10128138], after she attains the age of 75 years during the tenure of her directorship with the Company as aforesaid.”

**5. To approve Related Party transactions by the Company.**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable rules made there under and pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), if any, the Company’s Policy on Materiality of Related Party Transactions and basis the approval of the Audit Committee and recommendation of the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors (including Committee(s) of the Board),

to enter into material contract(s)/arrangement(s)/ transaction(s) for a period of 2 (two) financial years, with the respective Related Parties (as defined under section 2(76) of the Companies Act, 2013 and regulation 2(zb) of the Listing Regulations) during the year 2023-24 and 2024-25 for contract(s)/arrangement(s)/transaction(s), which are commercial transactions as detailed in the explanatory statement attached to this notice.”

**“RESOLVED FURTHER THAT** the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company, to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation/ renegotiation/ modification/ ratification/ amendments to or termination thereof, of the subsisting arrangements/ transactions/ contracts or any future arrangements/ transactions/ contracts and to make or receive/ pay monies or to perform all other obligations in terms of such arrangements/ transactions/ contracts with the Related Parties.”

**“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  
For Nandan Denim Limited**

August 04, 2023  
Ahmedabad

**Renuka Upadhyay**  
Company Secretary  
Mem. No. F8040

**NOTES:**

1. Pursuant to General Circulars No.14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020, No.20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 2/2022 dated May 5, 2022 and No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') and in terms of relaxations provided by Securities and Exchange Board of India ('SEBI'), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard, from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Company is convening the 29<sup>th</sup> Annual General Meeting ('AGM') through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue, on Monday, August 28, 2023 at 03:00 p.m IST. The deemed venue for the AGM will be the Corporate Office of the Company i.e. Chiripal House, Shivaranjani Cross Road, Satellite, Ahmedabad - 380 015 Gujarat.
2. In accordance with the provisions of Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014 read with the said MCA Circulars, the Annual Report of the Company is being sent through email only to the members whose email address are registered with the Company/ Depositories, as the case may be. Member(s), however, are entitled to receive Annual Report in physical form, free of cost, on receipt of written request for the same. Members may also note that the Annual Report for the financial year 2022-23 together with the Notice of 29<sup>th</sup> Annual General Meeting is also available on the website of the Company viz. [www.nandandenim.com](http://www.nandandenim.com).
3. Electronic copies of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be made available for inspection. During the 29<sup>th</sup> AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act; the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at [cs.ndl@chiripalgroup.com](mailto:cs.ndl@chiripalgroup.com)
4. Pursuant to the provisions of the act, a member entitled to attend and vote at the agm is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars and the SEBI circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
6. Members of the Company who are Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Corporate Members intending to authorize their representatives to participate and vote through e-voting on their behalf at the meeting are requested to send a certified copy of the Board Resolution/ Power of Attorney/ Authorization Letter to the Company.
7. The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 Members on a first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis. The Members will be able to view the proceedings on Central Depository Services (India) Limited ('CDSL') e-Voting website at [www.evotingindia.com](http://www.evotingindia.com)
8. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of business to be transacted at the Annual General Meeting (AGM), as set out in Item Nos. 2 and 4 above and the relevant details of the Directors seeking appointment/ re-appointment under Item No. 2 and 4, above as required by Regulation 26(4) and 36(3) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements), Regulations, 2015 and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed hereto. Requisite declarations have been received from the Directors seeking appointment/re-appointment.
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 RTA, for consolidation of such multiple folios into a single folio.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, PAN, mandates,

nominations, power of attorney, bank details such as, name of Bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.

11. SEBI has mandated submission of pan by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their pan details to their depository participants. Members holding shares in physical form are requested to submit their pan details to the company's RTA.
12. Norms for furnishing of PAN, KYC, Bank details and Nomination: Pursuant to SEBI Circular no. SEBI/HO/MIRSD/MIRSDPoD1/P/ CIR/2023/37 dated March 16, 2023, issued in supersession of earlier circulars issued by SEBI bearing nos. SEBI/HO/ MIRSD/MIRSD RTAMB /P/CIR/2021/655 and SEBI/HO/MIRSD/ MIRSD RTAMB/ P/CIR/2021/687 dated November 3, 2021 and December 14, 2021, respectively, SEBI has mandated all listed companies to record PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers of holders of physical securities. The folios wherein any one of the cited documents/details is not available on or after October 1, 2023, shall be frozen by the RTA. The securities in the frozen folios shall be eligible:
  - To lodge any grievance or avail of any service, only after furnishing the complete documents / details as mentioned above;
  - To receive any payment including dividend, interest or redemption amount (which would be only through electronic mode) only after they comply with the above stated requirements.

The forms for updation of PAN, KYC, bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and the said SEBI circular are available on our website <https://www.nandandenim.com>. In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest. The Company has dispatched a letter to the Members holding shares in physical form in relation to the above referred SEBI Circular. Members who hold shares in dematerialised form and wish to update their PAN, KYC, Bank details and Nomination, are requested to contact their respective DPs.

Further, Members holding shares in physical form are requested to ensure that their PAN is linked to

Aadhaar to avoid freezing of folios. Such frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, after December 31, 2025. The security holder(s) whose folio(s) have been frozen shall be eligible:

- to lodge grievance or avail any service request from the RTA only after furnishing the complete documents/details as mentioned in the SEBI Circular;
- for any payment including dividend, interest or redemption in respect of such frozen folios, only through electronic mode with effect from April 1, 2024 and that such payment shall be made electronically only upon complying with the requirements stated in the SEBI Circular. Frozen folios shall be referred by the RTA/the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025. The Company has sent letters to concerned shareholders holding shares in physical mode for furnishing the required details.

13. Book Closure:  
The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, August 22, 2023 to Monday, August 28, 2023 (both days inclusive).
14. Transfer of Unclaimed Dividend Accounts to the Investor Education and Protection Fund (IEPF):
  - A. Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of 7 (seven) years. Further, according to the Rules, shares in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.
  - B. During the financial year 2022-23, the Company has transferred amount of unclaimed dividend and corresponding shares thereto into the IEPF. The Details as follows:

| Dividend declared in Financial Year | Amount transferred to IEPF | Date on which amount has been transferred | Corresponding shares |
|-------------------------------------|----------------------------|---|----------------------|
| 2014-15 (Interim)                   | 438915                     | 01/04/2022                                | 10143                |
| 2014-15 (Final)                     | 883405                     | 07/12/2022                                | 15184                |
| 2015-16 (Interim)                   | 437714                     | 06/04/2023                                | In process           |



Shareholders are requested to note that, pursuant to the provisions of section 124 of the Act read with IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the MCA.

In accordance with the aforesaid IEPF Rules, an individual communication is being sent to all Shareholders whose shares are due for transfer to the IEPF Authority and whose email IDs are available, informing them to claim their unclaimed/unpaid dividend before due date to avoid such transfer of shares to IEPF Authority and notice in this regard is being published in Newspapers.

The shareholders who have not claimed their dividend for the financial year 2016-17 and all subsequent years are requested to claim their dividend as early as possible, failing which it would be transferred to IEPF as per the (tentative) dates mentioned below and no claim shall lie against the Company for the said amount of unclaimed dividend so transferred.

| <b>Financial Year ended</b> | <b>Date of declaration of dividend</b> | <b>Tentative Date for transfer to IEPF</b> |
|-----------------------------|--|--|
| 31st March, 2017            | 29th September, 2017                   | 04th November, 2024                        |
| 31st March, 2018            | 29th September, 2018                   | 04th November, 2025                        |

Shareholders whose unclaimed dividends/shares are/will be transferred to the IEPF Authority can claim the same by making an online application to the IEPF Authority in the prescribed Form No. IEPF-5 by following the refund procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>.

The details of unclaimed dividends are available on the Company's website under the heading 'Unpaid Dividend'.

15. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company's RTA in case the shares are held by them in physical form.
16. Members are requested to note that the Company's shares are under compulsory electronic trading for all investors. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience. Members whose shares are in electronic mode are requested to inform change of address and updates of bank account(s) to their

respective Depository Participants. Members are encouraged to use the Electronic Clearing Services (ECS) for receiving dividends.

SEBI vide its notification dated January 24, 2022 has amended Regulation 40 of the SEBI (LODR) and has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or the Company's RTA, for assistance in this regard.

Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.

17. Brief Profiles of Director(s) seeking appointment/ re-appointment at the ensuing Annual General Meeting of the Company as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('SS-2'), are annexed and forms integral part of the Notice.
18. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, securities of listed company can only be transferred in dematerialized form with effect from April 1, 2019. In view of the above, members are advised to dematerialize shares held by them in physical form.
19. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the meeting so that the information required may be made available at the meeting. The Company has connectivity from the CDSL & NSDL and equity shares of the Company may also be held in the electronic form with any DP, with whom the members/ investors are having their depository account. The ISIN for the Equity Shares of the Company is INE875G01030. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact Company's Registrar and Share Transfer Agent for assistance in this regard.
20. Documents open for inspection:  
All documents referred to in the Notice along with the Statutory Registers maintained by the Company as per the Act will be available for inspection in electronic mode upto the date of AGM of the Company and will also be available electronically for inspection by the members during the AGM. Members seeking to

inspect such documents can send an email to [cs.ndl@chiripalgroup.com](mailto:cs.ndl@chiripalgroup.com).

21. In compliance with MCA Circulars and SEBI Circulars Notice of AGM along with the Annual Report for the financial year 2022-23 are being sent only through electronic mode to those members whose email addresses are registered with the Company / DPs. Members may note that the Notice and Annual Report will also be available on the Company's website i.e. [www.nandandenim.com](http://www.nandandenim.com), websites of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of Central Depository Services Limited (CDSL) at [www.evotingindia.com](http://www.evotingindia.com).

Members, who have not registered their email ids so far, are requested to register their email ids with their depository for receiving all communications including Annual Report, Notices etc. from the Company electronically by updating their information with respective depositories.

22. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
23. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the meeting so that the information required may be made available at the meeting.
24. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form; the nomination form may be filed with the respective Depository Participant.
25. Procedure for voting:
- A. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Section 109 of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014 along with Regulation 44 of the Listing Regulations (including any statutory modification(s) and / or enactment(s) thereof for the time being in force), members are provided with the following alternatives by which they may cast their votes:

- By electronic means through the remote e-voting platform provided by the Central Depository Services (India) Limited (CDSL).
- By voting through ballot paper at the Annual General Meeting.

In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through ballot form shall be treated as invalid.

Information and instructions relating to e-voting are as under:

The Company has appointed Mr. Keyur J. Shah (Membership Number: FCS 9559; CP No. 8814) of M/s. Keyur J. Shah & Associates, Company Secretaries as the scrutiner for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The e-voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on August 21, 2023 being the cut-off date.

#### THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on August 25, 2023 and ends on August 27, 2023. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 21, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in

India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

In terms of SEBI circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of shareholders   | Login Method   |
|--|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b> | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol> |
| Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b> | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>  |

| Type of shareholders  | Login Method   |
|---|--|
|   | 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.   |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

#### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type   | Helpdesk details  |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800225533 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022 - 48867000 and 022 - 24997000    |

#### Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

| <b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b> |   |
|--|---|
| PAN  | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul> |
| Dividend Bank Details<br><b>OR</b> Date of Birth (DOB)                                       | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>                  |

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions 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 take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for the relevant Company name (Nandan Denim Limited) on which you choose to vote.
- (vi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (viii) 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.
- (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together

with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs.ndl@chiripalgroup.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs.ndl@chiripalgroup.com](mailto:cs.ndl@chiripalgroup.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs.ndl@chiripalgroup.com](mailto:cs.ndl@chiripalgroup.com). These queries will be replied by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be

eligible to vote through e-Voting system available during the EGM/AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

### **COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS**

- i. The e-voting period commences on, August 25, 2023 at 9.00 a.m. (IST) and ends on, August 27, 2023 at 05.00 p.m. (IST). The remote e-voting module will be disabled by CSDL for voting thereafter. 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 21, 2023 may cast their vote electronically. 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 J. Shah, of M/s. Keyur J. Shah & Associates, Company Secretaries (Membership Number: FCS 9559; CP No. 8814) (Address: 1007, Sun Avenue One, Near Shreyas Foundation, Manekbaug Society, Ambawadi, Ahmedabad, Gujarat - 380015, 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 by the Chairperson or a person so authorized by him in writing on receipt of consolidated report from Scrutinizer. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.nandandenim.com](http://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 the same being passed with requisite majority.

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**Contact Details**


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|                                 |  |
|---------------------------------|--|
| Company                         | : Nandan Denim Limited   |
|                                 | Corporate Office: 'Chiripal House',<br>Near Shivranjani Cross Road,<br>Satellite, Ahmedabad – 380 015. |
| CIN                             | : L51909GJ1994PLC022719  |
| Email ID                        | : cs.ndl@chiripalgroup.com   |
| Registrar and<br>Transfer Agent | : Datamatics Business Solutions<br>Limited   |
|                                 | Plot No. B-5, Part B, Cross Lane,<br>MIDC, Andheri (east), Mumbai –<br>400 093                         |
| Phone                           | : 022-66712001-06  |
| E-voting Agency                 | : Central Depository Services (India)<br>Limited   |
| Email ID                        | : helpdesk.evoting@cdslindia.com   |
| Scrutinizer                     | : CS Keyur Shah, Practicing<br>Company Secretary   |
| Email ID                        | : keyur@keyurjshah.com   |

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## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)

The following explanatory statement sets out all material facts relating to the Special Business mentioned in the Notice:

### Item No. 3:

The Board of Directors at their meeting held on May 29, 2023, on the recommendation of the Audit Committee, had approved the appointment and remuneration of M/s A.G. Tulsian & Co., Cost Accountants, Ahmedabad (Firm Registration Number: 100629) as Cost Auditor to conduct the audit of the cost accounting records maintained by the Company in respect of textiles and related products for the financial year ending March 31, 2023 at a remuneration not exceeding ₹ 3.00 lacs (Rupees Three Lakhs Only) excluding taxes and reimbursement of out of pocket expenses at actuals, if any, in connection with the audit.

M/s A. G. Tulsian & Co., Cost Accountants (Firm Registration Number: 100629) have confirmed that they hold a valid certificate of practice under sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) for the time being in force), the remuneration payable to Cost Auditor has to be ratified by the members of the Company.

Accordingly, ratification by members is sought to the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company, if required, for the financial year ending March 31, 2024.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said Ordinary 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. 3 of the Notice for the approval of the members.

### Item No. 4:

The Board of Directors of the Company at its meeting held on May 29, 2023, appointed Ms. Nalini Nageswaran as an Additional Director of the Company in the capacity of Independent Director for a term of 5 years with effect from May 30, 2023, subject to the approval of the Members of the Company. In terms of section 160 of the Companies Act, 2013, the Nomination and Remuneration Committee and the Board have recommended the appointment of Ms. Nalini Nageswaran as an Independent Director pursuant to the

provisions of Sections 149 and 152 of the Companies Act, 2013.

The Company has also received a notice in writing from a member proposing the candidature of Ms. Nalini Nageswaran to be appointed as Director of the Company. The Company has received a declaration from Ms. Nalini Nageswaran confirming that she meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Ms. Nalini Nageswaran's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Ms. Nalini Nageswaran fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for her appointment as an Independent Director of the Company and she is independent of the management. Considering Ms. Nalini Nageswaran's knowledge and experience, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint her as an Independent Director for a period of five years with effect from May 30, 2023.

Copy of letter of appointment of Ms. Nalini Nageswaran setting out the terms and conditions of appointment is being made available for inspection by the members through electronic mode. Additional information in respect of Ms. Nalini Nageswaran, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at **Annexure A** to this Notice.

Brief profile of Ms. Nalini Nageswaran is given at Annexure A to this Notice. Except Ms. Nalini Nageswaran, being the appointee, or her relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in resolution set out at Item No. 4.

### Item No. 5

In order to sustain quality standards of Chiripal Group, quantitative benefits, ease of customer reach, global representation and in the best interest of the Company and its shareholders, major transactions of the Company pertaining to sale, purchase or supply of goods, materials & services have been since long with Chiripal Group Companies. Considering the prevailing market trend these transactions will continue in the financial years 2023-24 and 2024-25. Further, the Company being in existence for more than two decades has developed into an institution with



efficient systems, competent credit management practices and stringent operational control processes and thus, may extend the required support to its Group Companies.

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of section 188 of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the Related Party, the Company must obtain the prior approval of the Audit Committee and of the Board of Directors and in certain transaction which is above the limit as specified in the aforesaid Section, prior approval of the shareholders by way of an Ordinary Resolution must be obtained. Regulation 23 of the Listing Regulations has been amended effective April 1, 2022 to provide that shareholders' approval should be obtained for related party transactions which, in a financial year, exceed the lower of (i) ₹1,000 crore; and (ii) 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, require approval of the shareholders and the Related Parties of the Company shall abstain from voting on such resolutions. Since the aggregate value of these transactions (proposed in 2023-24 and 2024-25) are likely to exceed ten percent of the annual consolidated turnover of the Company

as per the last audited financial statements of the Company, the said transactions would be considered to be Material Related Party Transactions for the purpose of provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and will thus require approval of the members of the Company through an Ordinary Resolution.

The Audit Committee has already approved the abovementioned Related Party Transactions in its meeting held on 29<sup>th</sup> May, 2023, prior to this meeting and has noted that these transactions are in the ordinary course of business and are at arm's length. Further the Audit Committee and Board of Directors have reviewed major terms and conditions of these transactions and hence recommended to the members for their approval for 2 (two) financial years i.e. for 2023-24 and 2024-25.

In the light of the provisions of the Companies Act, 2013, the Board of Directors of your Company have approved the proposed transactions along with annual limit that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013), the name of the related parties, name of the Director or Key Managerial Personnel who is related, if any and other details required are mentioned below:

| Sr. No. | Particulars                    |   |   |  |   | Remarks / Details  |   |   |                                  |  |
|---------|--------------------------------|---|---|--|---|--|---|---|----------------------------------|--|
| 1.      | Name of Related Party/ies      | Chiripal Industries Limited   | Nova Textiles Private Limited                                   | Nandan Terry Limited   | Vraj Integrated Textile Park Private Limited                              | Vishal Fabrics Limited   | Chiripal Textile Mills Private Limited                          | Shanti Educational Initiatives Ltd.   | CIL Nova Petrochemicals Limited  | Shanti Exports Private Limited                                       |
| 2.      | Name of Related Director / KMP | Jyotiprasad Chiripal  | Jyotiprasad Chiripal  | Jyotiprasad Chiripal   | Jyotiprasad Chiripal  | Jyotiprasad Chiripal   | Jyotiprasad Chiripal  | Jyotiprasad Chiripal  | Jyotiprasad Chiripal             | Jyotiprasad Chiripal   |
| 3.      | Nature of Relationship         | Common Directorship & Shareholding  | Brijmohan Chiripal, Brother of Jyotiprasad Chiripal is Director | Brijmohan Chiripal, Brother of Jyotiprasad Chiripal is Managing Director | Jaiprakash Chiripal, Brother of Jyotiprasad Chiripal is Managing Director | Brijmohan Chiripal, Brother of Jyotiprasad Chiripal is Managing Director | Brijmohan Chiripal, Brother of Jyotiprasad Chiripal is Director | Holding Shares  | Common Directorship              | Brijmohan Chiripal, Brother of Jyotiprasad Chiripal is Director      |
| 4.      | Nature of Transaction          | Sale of goods including job work  | Sale of goods including job work                                | Sale of goods / products including yarn                                  | Rent/ Lease expenses including maintenance and electricity expenses       | Sale of goods  | Sale of power and yarn  | Sale of Goods/ Rent / Lease expenses including maintenance and electricity expenses | Sale of goods including job work | Rent / Lease expenses including maintenance and electricity expenses |
|         |                                | Purchase of goods including raw materials & stock in trade. Payment for rent / lease of property. | Purchase of goods including raw materials & stock in trade.     | Purchase of Goods/ Jobwork   |   | Purchase of goods  | Purchase of goods including raw material                        | -   | Purchase of goods                |  |

| Sr. No. | Particulars                                 | Remarks / Details   |                               |                      |  |                        |  |                                     |                                 |                                |
|---------|---|---|-------------------------------|----------------------|--|------------------------|--|-------------------------------------|---------------------------------|--------------------------------|
| 1.      | Name of Related Party/ies                   | Chiripal Industries Limited   | Nova Textiles Private Limited | Nandan Terry Limited | Vraj Integrated Textile Park Private Limited | Vishal Fabrics Limited | Chiripal Textile Mills Private Limited | Shanti Educational Initiatives Ltd. | CIL Nova Petrochemicals Limited | Shanti Exports Private Limited |
| 5.      | Material Terms                              | These transactions as well as the proposed transactions would continue to be in ordinary course of business and at arm's length basis |                               |                      |  |                        |  |                                     |                                 |                                |
| 6.      | Monetary Value                              | 500 Cr.   | 500 Cr.                       | 100 Cr.              | 2 Cr.  | 150 Cr.                | 50 Cr.                                 | 2 Cr.                               | 75 Cr.                          | 2 Cr.                          |
| 7.      | Particulars of Contracts or Arrangements    | Contract or Arrangement have been entered into after consultation and approval of Audit Committee and Board.                          |                               |                      |  |                        |  |                                     |                                 |                                |
| 8.      | Any other relevant or important information | No other relevant or important information.   |                               |                      |  |                        |  |                                     |                                 |                                |

| Sr. No. | Particulars                                 | Remarks / Details   |   |   |   |  |   |   |
|---------|---|---|---|---|---|--|---|---|
| 1.      | Name of Related Party/ies                   | Shanti Shirting Pvt. Ltd.   | Dholi Spintex Pvt. Ltd.   | Chiripal Poly Films Limited   | Chiripal Lifestyle Limited                                    | Narol textile infrastructure & Enviro Management | Hunky dory travel Pvt. Ltd.                                     | Tripoli Management Pvt. Ltd.                        |
| 2.      | Name of Related Director / KMP              | Jyotiprasad Chiripal  | Jyotiprasad Chiripal  | Jyotiprasad Chiripal  | Jyotiprasad Chiripal  | Jyotiprasad Chiripal                             | Jyotiprasad Chiripal  | Jyotiprasad Chiripal                                |
| 3.      | Nature of Relationship                      | Brijmohan Chiripal, Brother of Jyotiprasad Chiripal is Director   | Brijmohan Chiripal, Brother of Jyotiprasad Chiripal is Director | Common Directorship and shareholding and Jaiprakash Chiripal, Brother of Jyotiprasad Chiripal is Director | Jaiprakash Chiripal, both of Jyotiprasad Chiripal is Director | Son of Jyotiprasad Chiripal is Director          | Brijmohan Chiripal, Brother of Jyotiprasad Chiripal is Director | Daughter-in-law of Jyotiprasad Chiripal is Director |
| 4.      | Nature of Transaction                       | Sale of goods including job work  | Electricity Expense and Commission charges                      | Sale of goods   | Sale of goods   | Repairs and Maintenance and Other Expenses       | Tour & Travels and Other expenses                               | Availing and rendering of services                  |
|         |   | Purchase of goods including raw materials & stock in trade. Payment for rent / lease of property.                                     | Purchase of goods including raw materials & stock in trade.     | Purchase of goods   | Purchase of goods   |  |   |   |
| 5.      | Material Terms                              | These transactions as well as the proposed transactions would continue to be in ordinary course of business and at arm's length basis |   |   |   |  |   |   |
| 6.      | Monetary Value                              | 10 Cr.  | 5 Cr.   | 25 Cr.  | 5 Cr.   | 5 Cr.  | 5 Cr.   | 1 Cr.   |
| 7.      | Particulars of Contracts or Arrangements    | Contract or Arrangement have been entered into after consultation and approval of Audit Committee and Board.                          |   |   |   |  |   |   |
| 8.      | Any other relevant or important information | No other relevant or important information.   |   |   |   |  |   |   |

The support and services extended by the Company to its Group Companies in relation to business enhancement and for building up robust practices and processes are towards the benefit of all the Companies.

The members are further informed that no member(s), being a Related Party shall be entitled to vote on this resolution.

None of the Promoters/Directors, their relatives and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, 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. 5 of the Notice for the approval of the members.

**By order of the Board of Directors  
For Nandan Denim Limited**

August 04, 2023  
Ahmedabad

**Renuka Upadhyay**  
Company Secretary  
Mem. No. F8040

**ANNEXURE TO THE NOTICE DATED AUGUST 04, 2023****DETAILS OF DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 29TH ANNUAL GENERAL MEETING TO BE HELD ON AUGUST 28, 2023 (PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015.**

| Name of Director  | Mr. Shaktidan Gadhavi<br>(DIN: 09004587)   | Mr. Nalini Nageswaran<br>(DIN: 10128138)  |
|---|--|---|
| Date of Birth   | 05.09.1971   | 09.07.1960  |
| Age   | 52 years   | 63 years  |
| Date of Appointment   | 14/08/2021   | 29/05/2023  |
| Qualifications  | Bachelor of Commerce   | <ul style="list-style-type: none"> <li>- MSc (Microbiology), Gujarat University</li> <li>- MBA(Finance), Gujarat University</li> <li>- CAIIB</li> </ul>   |
| <b>Brief Resume / Experience (including expertise in specific functional are) /</b> | Mr. Gadhavi is working with Nandan Denim Limited since 2007. He has earlier worked with Companies like Gomti Processors Limited and Manisha Fabrics Limited. He is a Commerce Graduate and has experience in the field of excise, liasioning and commercial aspects. | Ms. Nalini Nageswaran has 15+years' experience in Corporate Credit from Jan 2002 to July 2020, 10+ years' experience in handling RBI Audit U/s 35; RBI Onsite inspection under SPARC; direct interactions with the RBI SSM and their team). 5 years' experience in Risk Management. Member of RBI Working Group on Expected Credit Losses under Basel. Member of the Tranche Data Validation Committees for Credit and Operational Risk. Deloitte was the Consultant for this project. Also headed the CCG (Commercial Clients Group) team for whole Bank Data Automation Project. Member of SBI's Working Group constituted for addressing issues relating to Risk Weighted Assets and Capital Conservation. All these committees addressed the requirements of RBI's Risk Based Supervision of Banks. Developed Corporate Loan products and credit scoring models for niche borrowers. (Scoring model for Mudra Loan was also developed by her) Member of committee for designing and development of Corporate YONO Business. (Digital banking for off Balance sheet products) Conducted annual Risk Control Self- Assessment Workshops across all 47 branches in the CCG vertical between 2018 and 2020. All these branches handle high value credit. Conducted workshops at RSETI (Bhavnagar), NIBM (Pune) and SBI in-house training centres, covering various Banking & Finance topics. Diverse experience includes assignments in 11 branches and 5 administrative offices during the course of service in SBI. Credit related experience includes Green field project finance, structuring of special loan products, resolution under CDR, restructuring consequent to the economic slowdowns in FY 2008-09 and FY 2013-14, resolution of Stressed Assets including sale to ARC. |
| <b>Terms and Conditions of Appointment / Re-appointment</b>                         | As per terms and conditions mentioned in agreement entered into between Shaktidan Gadhavi and Nandan Denim Limited. His reappointment is as Whole time Director.   | As per terms and conditions mentioned in letter of appointment provided by Nandan Denim Limited. Her appointment is as Non-Executive Independent Director.  |

|   |   |  |
|---|---|--|
| <b>Name of Director</b>   | <b>Mr. Shaktidan Gadhavi<br/>(DIN: 09004587)</b>  | <b>Mr. Nalini Nageswaran<br/>(DIN: 10128138)</b>   |
| <b>Details of remuneration paid</b>   | 6.47 Lakhs  | N.A.   |
| <b>Details of remuneration to be proposed</b>   | As approved by the Nomination & Remuneration Committee/ Board from time to time within the overall remuneration as stated in the regulation and approved by the shareholders. | To be decided by the Nomination & Remuneration Committee/ Board from time to time within the overall remuneration as stated in the regulation and approved by the shareholders.  |
| <b>Date of first appointment on the Board</b>   | 28/12/2020  | 29/05/2023   |
| <b>Shareholding in the Company as on March 31, 2023</b>   | NIL   | NIL  |
| <b>Relationship with other Directors / Key Managerial Personnel</b>   | Not related to any Director or Key Managerial Personnel.  | Not related to any Director or Key Managerial Personnel.   |
| <b>Number of meetings of the Board attended during the year</b>   | 4 (Four) Board Meetings   | N.A.   |
| <b>Name of entities in which the person also holds the Directorships as on March 31, 2023</b>   | NIL   | NIL  |
| <b>Membership / Chairmanship of Committees of other Boards of entities as on March 31, 2023</b>   | NIL   | NIL  |
| <b>In case of Independent Director, the skills and capabilities required for the role and manner proposed person made such requirements</b> | N.A.  | <p><b>Skills and capabilities:</b></p> <ul style="list-style-type: none"> <li>• She is Project Finance Consultant</li> <li>• She is qualified MSC, MBA &amp; CAIIB and having more than 15 years of experience in Corporate Credit.</li> <li>• Having more than 10 years of experience in handling RBI Audit U/s 35; RBI Onsite inspection under SPARC; direct interactions with the RBI SSM and their team</li> <li>• 5 years' experience in Risk Management</li> </ul> <p>Her expert knowledge in banking sector and being auditor in various departments of regulatory authority and firms will be beneficial to the Company and she is fit for the requirements.</p> |

# Board's Report

To,  
The Members

The Directors have pleasure in submitting their 29<sup>th</sup> Annual Report of Nandan Denim Limited ('the Company') together with the Audited Financial Statements for the Financial Year ('FY') ended March 31, 2023.

## OPERATIONAL & FINANCIAL HIGHLIGHTS

The Management Discussion & Analysis Report for financial year 2022-23 is part of the Annual Report and explains the operating and financial performance of the business for the year.

Summary of the financial results of the Company for the year under review is as under:

| Particulars  | (₹ in Crore)             |                          |
|--|--------------------------|--------------------------|
|  | Year ended<br>31/03/2023 | Year ended<br>31/03/2022 |
| Revenue from Operations  | 2026.76                  | 2175.57                  |
| Earnings Before Interest, Taxes, Depreciation and Amortisation | 95.98                    | 178.71                   |
| Less: Finance Cost   | 53.38                    | 42.06                    |
| Less: Depreciation and Amortisation Cost                       | 37.19                    | 44.51                    |
| Profit Before Tax  | 5.42                     | 92.14                    |
| Less: Tax Expense  | 4.61                     | 24.45                    |
| Profit After Tax   | 0.80                     | 67.69                    |
| Other Comprehensive Income                                     | 0.69                     | 0.15                     |
| Total Comprehensive Income                                     | 1.49                     | 67.84                    |
| Earnings Per Share   | 0.06                     | 4.70                     |
| Tax on Dividend  | -                        | -                        |

## COMPANY'S PERFORMANCE REVIEW

Your Company has registered degrowth in Revenue and Profitability due to weak demand of cotton yarn and fabrics in domestic as well as export markets due to worldwide recession and after effect of Ukraine war, fluctuating raw materials prices, reduction in selling rate more than the reduction in yarn and cotton prices etc. During the year under review, the Total Income of your Company was Rs. ₹ 2026.76 Crores as compared to ₹ 2175.57 Crores in the previous year. The net profit for the year stood at ₹ 5.42 crores against ₹ 92.14 Crores in the previous year.

Cost of Goods sold as a percentage to revenue from operations increased to 81.79% as against 78.05% in the previous year.

Employee cost as a percentage to revenue from operations decreased to 3.66 % (₹ 74.11 cr.) against 3.70 % (₹ 80.57 cr.) in the previous year.

Other expense as a percentage to revenue from operations decreased to 10.39% (₹ 210.56 cr.) against 10.89% (₹ 236.91 cr.) in the previous year.

The Profit Before Tax (PBT) for the current year is ₹ 5.42 cr. against ₹ 92.14 cr. in the previous year. The Profit After

Tax (PAT) decreased to ₹ 0.80 cr. against ₹ 67.69 cr. in previous year.

The finance cost (interest) for the current year is ₹ 53.38 cr. as compared to ₹ 42.06 cr. in the previous year, there being no significant change.

## DIVIDEND

### Dividend Distribution Policy

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), the Board has approved and adopted a Dividend Distribution Policy. The policy details various considerations based on which the Board may recommend or declare Dividend, your Company's dividend track record, usage of retained earnings for corporate actions, etc. The policy can be accessed on the Company's website at <https://nandandenim.com/wp-content/uploads/2018/03/Dividend-Distribution-Policy.pdf>

### Declaration and Payment of Dividend

In ordinary circumstances, the Board of Directors considers recommending dividend on interim / annual basis. Board

usually considers the Company's profitability, cash needs for working capital, capital expenditure and other relevant factors while recommending dividend for any financial year. However, in the event where the Company's profits are inadequate or the Company suffers losses, the Board may consider recommending a lower dividend rate or may not recommend dividend. Keeping in view the profit earned during the year, future outlook, investment plans, long term interest and working capital needs; the Company has not recommended any dividend for the year 2022-23. The decision has been taken mainly to provide financial flexibility for the future in the current circumstances.

### TRANSFER TO RESERVES:

The Board of Directors has decided to retain the entire amount of profit for FY 2022-23 in the distributable retained earnings.

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 124 and Section 125 of the Companies Act, 2013, unclaimed or unpaid Dividend (declared on Meetings dated 29.09.2015 and 12.02.2016) relating to the financial year 2015-16 has been transferred to Investor Education and Protection Fund (IEPF), Shareholders are required to lodge their claims with the Company's RTA for unclaimed dividend. Pursuant to the provisions of Investor Education and Protection Fund, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company <https://nandanddenim.com/dividend>, as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

### SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

Nandan Denim Limited did not have any Subsidiary, Joint Venture or Associate Company for the year ended March 31, 2023.

### FINANCIAL STATEMENTS

In line with the General Circulars No. 20/2020 dated May 5, 2020 and General Circular No. 02/2022 dated May 5, 2022 issued by the MCA and the SEBI Circulars, Notice of the AGM along with the Integrated Annual Report FY 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories/Registrar & Transfer Agent ('RTA'), unless any Member has requested for a physical copy of the same. The Notice of AGM and Annual Report FY 2022-23 are available on the Company's website at [www.nandanddenim.com](http://www.nandanddenim.com) and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also available on the website of Central Depository Services Limited at [www.evotingindia.com](http://www.evotingindia.com).

### COMPLIANCE WITH SECRETARIAL STANDARD

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

### CREDIT RATING

The external credit rating from ICRA reaffirmed at ICRA triple B minus with a Negative outlook (ICRA BBB-) and ICRA A three (ICRA A3).

The outlook is negative towards weak quarterly financial performance during the year. However, there has been no impact on the company's operations and over the availability of bank funding. With the sector recovering from the impact of the pandemic and demand for denim products improving, ICRA expects the improved performance to sustain over the medium term, with the revised rating more closely reflecting an updated view on the company's credit profile.

### SHARE CAPITAL

The paid up Equity Share Capital of the Company as on March 31, 2023 was ₹ 144.14 crores divided into 14,41,47,168 Equity Shares of ₹ 10 each fully paid.

As on March 31, 2023, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

The Company's equity shares are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The shares are actively traded on BSE and NSE and have never been suspended from trading.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under section 134 of the Act read with the Companies (Accounts) Rules, 2014, is set out in 'Annexure A' to this report.

### CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act, comprising of three Directors including Independent Director. The composition and report on CSR is set out in 'Annexure B' to this report.

Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): The average net profit for the last three financial years was ₹ 34,83,691 calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. During the financial year 2022-23, the Company has spent ₹ 35,00,000/- (Rupees Thirty Five Lakhs Only) in defined Activities mentioned in Schedule VII and CSR policy of the Company.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report ('BRSR') on initiatives taken from an environmental, social and governance perspective, in the prescribed format is available as a separate section of the Annual Report and is also available on the Company's website URL: [www.nandandenim.com](http://www.nandandenim.com)

## CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS

As required under Regulation 34 of the Listing Regulations, a Cash Flow Statement is part of the Annual Report. The Company does not have any subsidiaries and hence not required to publish Consolidated Financial Statements.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Directors retiring by rotation

Mr. Shaktidan Gadhavi (DIN: 09004587), Whole-time Director of the Company, aged 52 years, retires by rotation as a Director at the conclusion of this Annual General Meeting pursuant to the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and being eligible have offered himself for re-appointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing AGM.

In accordance with the provisions of the Act read with the Rules issued thereunder, the Listing Regulations and the Articles of Association of the Company, Additional Directors and Independent Directors are not liable to retire by rotation.

### Change in Directorate/ KMPs

- i. Resignation of Ms. Falguni Vasavada (DIN: 08921942)  
Ms. Falguni Vasavada has been associated with Nandan Denim as Independent Director since November 2020. She has tendered her resignation from the post of Independent Director w.e.f. May 29, 2023.
- ii. Resignation of Mr. Vedprakash Chiripal (DIN: 00290454)  
Mr. Vedprakash Chiripal has been associated with Nandan Denim Limited as Chairman since September 2003. He has tendered his resignation from the post of Chairman and Director of the Company w.e.f. October 8, 2022.
- iii. Resignation of Mr. Tara Sankar Bhattacharya (DIN: 00157305)  
Mr. Tara Sankar Bhattacharya has been associated with Nandan Denim as Independent Director since February 2013. He has tendered his resignation to management due to his advanced age. He resigned w.e.f. August 13, 2022.

- iv. Appointment and Resignation of Mr. Mehul Shah (PAN: ALXPS5280L)

The Board of Directors at their meeting held on March 26, 2022, based on recommendation of the Audit Committee and Nomination & Remuneration Committee approved the appointment of Mr. Mehul Shah as a CFO. Mr. Mehul Shah was a Chartered Accountant and also holds degree in law from Gujarat University. He has served in capacity of CFO in Gujarat Ambuja Exports Limited and Arvind Smart spaces Limited. He has an excellent track record of working with top Companies of Ahmedabad as Ashima Limited, Reliance Logistics Private Limited, Adani Enterprises Limited, Nirma Limited amongst others. His role in previous organisations included spearheading the entire Finance & Accounts Team, Fund Management-Debt & Equity, Performance Analysis, Internal Audits, Compliance Management, managing portfolios relating to Insurance, Treasury & Forex. He has resigned for better prospects, from his position of Chief Financial Officer (CFO) of the Company from the close of business hours on May 19, 2022.

- v. Appointment and Resignation of Mr. Mahesh Jain (PAN: AEDPJ6340M)

The Board of Directors at their meeting held on August 13, 2022, based on recommendations of the Audit Committee and Nomination & Remuneration Committee approved the appointment of Mr. Mahesh Jain as CFO of the Company. Mr. Mahesh Jain is qualified CA, CWA with over 25 years of experience in enhancing corporate financing, financial controls process & reviewing complex financial data and compliances governance and risk management for facilitating strategic financials growth for different companies.

He has resigned for personal growth, from his position of Chief Financial Officer (CFO) of the Company w.e.f. February 9, 2023.

- vi. Appointment and Resignation of Mr. Ashok Jain (PAN: AFKJP7012C)

The Board of Directors at their meeting held on February 09, 2023, based on recommendation of the Audit Committee and Nomination & Remuneration Committee approved the appointment of Mr. Ashok Kumar Jain as a CFO w.e.f. February 10, 2023. Mr. Ashok Kumar Jain, prior to joining us had almost 30 years relevant experience in various Companies and worked with organization(s) like M/s. Poddar Tyres Ltd, M/s. Rajasthan Petro Synthetics, M/s J.K. Udaipur Udyog Ltd., M/s International Tractor Ltd., M/s Jindal Saw Ltd., EHES Ltd., etc.

He has resigned for better prospects, from his position of Chief Financial Officer (CFO) of the Company from the close of business hours on May 29, 2023.



- vii. Appointment of Ms. Nalini Nageswaran as an Independent Director of the Company (DIN: 10128138) w.e.f. May 30, 2023.

The Board of Directors at their meeting held on May 29, 2023, based on recommendations of the Nomination & Remuneration Committee approved the appointment of Ms. Nalini Nageswaran as an Additional Independent Director w.e.f. May 30, 2023.

Ms. Nalini Nageswaran has 15+years' experience in Corporate Credit from Jan 2002 to July 2020, 10+ years' experience in handling RBI Audit U/s 35; RBI Onsite inspection under SPARC; direct interactions with the RBI SSM and their team). 5 years' experience in Risk Management. Member of RBI Working Group on Expected Credit Losses under Basel.

Member of the Tranche Data Validation Committees for Credit and Operational Risk. Deloitte was the Consultant for this project. Also headed the CCG (Commercial Clients Group) team for whole Bank Data Automation Project. Member of SBI's Working Group constituted for addressing issues relating to Risk Weighted Assets and Capital Conservation. All these committees addressed the requirements of RBI's Risk Based Supervision of Banks. Developed Corporate Loan products and credit scoring models for niche borrowers. (Scoring model for Mudra Loan was also developed by her) Member of committee for designing and development of Corporate YONO Business. (Digital banking for off Balance sheet products) Conducted annual Risk Control Self- Assessment Workshops across all 47 branches in the CCG vertical between 2018 and 2020. All these branches handle high value credit. Conducted workshops at RSETI (Bhavnagar), NIBM (Pune) and SBI in-house training centres, covering various Banking & Finance topics Diverse experience includes assignments in 11 branches and 5 administrative offices during the course of service in SBI. Credit related experience includes Green field project finance, structuring of special loan products, resolution under CDR, restructuring consequent to the economic slowdowns in FY 2008-09 and FY 2013-14, resolution of Stressed Assets including sale to ARC.

- viii. Appointment of Mr. Suresh Chand Maheshwari (PAN: AHAPM9992L)

The Board of Directors at their meeting held on May 29, 2023, based on recommendation of the Audit Committee and Nomination & Remuneration Committee approved the Appointment of Mr. Suresh Chand Maheshwari as a CFO. Mr. Suresh Chand Maheshwari is a Chartered Accountant and had almost 40 years relevant experience in different sectors and worked with organization(s), like Modern Terry Towel, Nandan Denim Limited, Maral Overseas, Welspun etc. He has appointed w.e.f. May 30, 2023.

- ix. Appointment and Resignation of Mr. Akshit Soni (PAN: CWPPS7787B) as Company Secretary & Compliance Officer of the Company.

The Board of Directors at their meeting held on August 13, 2022, based on recommendations of the Nomination & Remuneration Committee approved the appointment of Mr. Akshit Soni as Company Secretary & Compliance Officer of the Company w.e.f. August 13, 2022. Mr. Akshit Soni is qualified Company Secretary and having 10 years of work experience in compliance of Secretarial Practice including Company Law & Securities Law, ROC Compliances, Stock Exchange compliances, Compliance of SEBI Rules and Regulations, FEMA Regulation etc. for Listed, Unlisted, Private Companies and LLPs.

He has resigned for exploring opportunities and better professional growth, from his position of Company Secretary & Compliance Officer of the Company w.e.f. September 30, 2022.

- x. Appointment of Ms. Renuka Upadhyay (PAN: AAZPU7698H) as Company Secretary & Compliance Officer of the Company.

The Board of Directors at their meeting held on February 9, 2023, based on recommendations of the Nomination & Remuneration Committee approved the appointment of Ms. Renuka Upadhyay as Company Secretary & Compliance Officer of the Company w.e.f. February 10, 2023.

An astute professional & Member of Institute of Company Secretaries of India with 16 years of post-qualification experience seeking assignment in secretarial department in corporate industries, business development and implementation of effective business strategies to achieve revenue & profitability.

She has worked in Reliance Industries Limited an Indian multinational conglomerate, one of the most profitable companies in India as well as largest publicly traded company in India by market capitalization as Team Manager FC&A- CS & Compliance in Hydrocarbon division. She previously worked at Asian Granito India Ltd (Company Secretary & (DGM) Legal- Tiles Manufacturing Co) in Ahmedabad.

She was Independent Director on the Board of Deep Industries Limited and Chiripal Polyfilms Limited.

### **Declarations from Independent Directors**

The Company has received declarations from all the Independent Directors of the Company confirming that:

- (i) they meet the criteria of independence as prescribed under the Act;

- (ii) they have registered their names in the Independent Directors' Databank; and
- (iii) they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

Ms. Falguni Vasavada, Independent Director of the Company has yet to clear their proficiency test as per MCA guidelines.

### Familiarization Programmes

The Company has adopted a familiarization policy for independent directors. The policy as well as the details with regard to no. of hours and details of imparting the training to the independent directors of the Company are available on the Company's website <https://nandandenim.com/wp-content/uploads/2023/03/Familiarization-Policy-Familiarization-Programme-for-Directors.pdf>.

### Nomination and Remuneration Policy

The Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of Companies Act, 2013 read with Rules issued thereunder and the Listing Regulations.

The salient features of the Policy are set out in the Corporate Governance Report which forms part of this Annual Report. The Policy is also available on the website of the Company at [https://nandandenim.com/wp-content/uploads/2018/07/Remuneration\\_Policy\\_REMUNERATION-CRITERIA-FOR-NON-EXECUTIVE-DIRECTORS.pdf](https://nandandenim.com/wp-content/uploads/2018/07/Remuneration_Policy_REMUNERATION-CRITERIA-FOR-NON-EXECUTIVE-DIRECTORS.pdf)

### Policy on Director's Appointment and Remuneration

The Nomination and Remuneration Committee (NRC) has approved the following criteria and process for identification / appointment of Directors:

#### Criteria for Appointment:

- i. Proposed Director ("Person") shall meet all statutory requirements and should:
  - possess the highest ethics, integrity and values.
  - not have direct / indirect conflict with present or potential business / operations of the Company.
  - have the balance and maturity of judgment.
  - be willing to devote sufficient time and energy.
  - have demonstrated leadership and vision at senior levels, and have the ability to articulate a clear direction for the Company.
  - have relevant experience with respect to Company's business (in exceptional

circumstances, specialisation / expertise in unrelated areas may also be considered).

- have appropriate comprehension to understand or be able to acquire that understanding relating to corporate functioning, concerning the scale, complexity of business and specific market and environment factors affecting the functioning of the Company.

- ii. The appointment shall be in compliance with the Board Diversity Policy of the Company

#### Process for Identification / Appointment of Directors:

- i. Board members may (formally or informally) suggest any potential person to the Chairperson of the Company meeting the above criteria. If the Chairperson deems fit, necessary recommendation shall be made by him to the NRC.
- ii. Chairpersons of the Company can himself also refer any potential person meeting the above criteria to the NRC.
- iii. NRC will process the matter and recommend such proposal to the Board.
- iv. Board will consider such proposal on merit and decide suitably.

### Board Evaluation

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provision of the Act and the SEBI Listing Regulations.

The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Chairman of the Board had one-on-one meetings with the Independent directors and the Chairman of NRC had one-on-one meetings with the Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/Committee processes.

The Board and the NRC reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the

issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors and the Board as a whole was evaluated. Additionally, they also evaluated the Chairman of the Board, taking into account the views of Executive and Non-Executive Directors in the aforesaid Meeting. The Board also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The above evaluations were then discussed in the Board Meeting and performance evaluation of Independent directors was done by the entire Board, excluding the Independent Director being evaluated.

### Key Managerial Personnel

As per the provisions of sections 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to Key Managerial Personnel, the following officials were the 'Key Managerial Personnel' for the financial year 2022-23:

- Mr. Jyotiprasad Chiripal – Managing Director
- Mr. Deepak Chiripal – Chief Executive Officer
- Mr. Shaktidan Gadhavi – Whole Time Director
- Mr. Mehul Shah – Chief Financial Officer (Appointed w.e.f. March 26, 2022 & resigned w.e.f. May 19, 2022)
- Mr. Mahesh Jain – Chief Financial Officer (Appointed w.e.f. August 13, 2022 & resigned w.e.f. February 9, 2023)
- Mr. Ashok Jain – Chief Financial Officer (Appointed w.e.f. February 10, 2023 & resigned w.e.f. May 29, 2023)
- Ms. Purvee Roy – Company Secretary & Compliance Officer (Resigned w.e.f. June 15, 2022)
- Mr. Akshit Soni – Company Secretary & Compliance Officer (Appointed w.e.f. August 13, 2022 & resigned w.e.f. September 30, 2022)
- Ms. Renuka Upadhyay – Company Secretary & Compliance Officer (Appointed w.e.f. February 10, 2023)
- \* Mr. Suresh Chand Maheshwari – Chief Financial Officer (Appointed w.e.f. May 30, 2023) in financial year 2023-24.

### Remuneration of Directors, Key Managerial Personnel and particulars of employees

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with section 178

of the Act and regulation 19 of the SEBI Listing Regulations [including any statutory modification(s) or re-enactment(s) thereof for the time being in force.]

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in '**Annexure C**' to this report.

In terms of Section 136 of the Companies Act 2013, the Report and Accounts are being sent to the Members and other entitled thereto, excluding the aforesaid Annexure which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. In any member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

### Performance Evaluation by Nomination and Remuneration Committee:

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for evaluating the performance of Individual Directors, Committees of the Board and the Board as a whole.

The parameters for the performance evaluation of the Board, inter alia, include performance of the Board on deciding long term strategy, rating the composition and mix of Board members, discharging of governance and fiduciary duties, handling critical and dissenting suggestions etc.

The parameters for the performance evaluation of the Directors include attendance, effective participation in meetings of the Board, domain knowledge, vision, strategy, etc.

The Chairperson(s) of the respective Committees based on feedback received from the Committee members on the outcome of performance evaluation exercise of the Committee, shares a report to the Board.

The details of the evaluation process are set out in the Corporate Governance Report which forms a part of this Annual Report.

### ENVIRONMENT AND POLLUTION CONTROL

Nandan Denim Limited strives to maintain good standards of environmental care and ensures that increasing level of operations do not adversely impact standards of health and environment. To combat pollution and strengthen the area ecology, considerable emphasis is placed on trees. All manufacturing facilities possess the required environmental

clearance from the respective Pollution Control Boards and do comply with the relevant statutory provisions.

The Company is well aware of its responsibility towards a better and cleaner environment. Our efforts in environment management go well beyond mere compliance with statutory requirements.

We take the entire issue of water management with utmost seriousness and realize that we owe a lot to the environment. And that is why we reuse and recycle water by employing Effluent Treatment Plant (ETP) and Reverse Osmosis (RO) Plant. We also ensure we treat wastewater with responsibility through Sewage Treatment Plant (STP) and reuse the same for gardening purpose and rest of treated effluent as per the prescribed parameters goes to Common Effluent treatment plant.

As a part of our waste management compliance, we recycle our denim to minimize our wastages. Also, we are setting up garneting function to convert used garments into fibers and then recycle the same to denim. We are happy to inform that we have also set up our own Caustic Recovery Plant (CRP) to reuse and process caustic. At the same time, we keep upgrading our waste management policies closely examining our entire denim manufacturing process to further minimize any wastes that we may be generating.

## HUMAN RESOURCES / INDUSTRIAL RELATIONS

### Human Resources

Framing the human resource/employee relationship helps maintain perspective on the Company's ultimate goal: to help employees do their best at their jobs. It is a function within an organisation concentrated on recruiting, managing and directing people who work in it. Human Resource Management deals with issues related to compensation, performance management, organisation development, safety, wellness, benefits, employee motivation, training and others.

Your Company attaches significant importance to continuous up gradation of Human Resources for achieving the highest levels of efficiency, customer satisfaction and growth. As part of the overall HR Strategy, training programmes have been organized for employees at various levels through both internal and external faculties during the year under review, thereby strengthening employee engagement and learning. This has helped to ensure that learning is not time bound and location bound, at the same time employees have access to the information.

A team of around 1182 passionate & motivated individuals drive Nandan Denim Limited. Your Company has taken various initiatives to engage the employees using digital and technology platforms.

### Industrial Relations

The industrial relations during the year under review continued to be cordial. The Directors place on record

their sincere appreciation for the services rendered by employees at all levels.

## DISCLOSURE REQUIREMENTS

- Details of the familiarization programme of the Independent Directors are available on the website of the Company;
- The Code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for prevention of insider trading have also been uploaded on the Company's website;
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees/Directors or by trustees for the benefit of employees/Directors;
- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

## INSIDER TRADING POLICY

As required under the Insider Trading Policy Regulations of SEBI and amendments thereto, your Directors have framed Insider Trading Regulations and Code of Internal Procedures and Conducts for Regulating, Monitoring and Reporting of Trading by Insider as well as Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The same is also posted on the website of the Company at <https://nandandenim.com/wp-content/uploads/2023/03/Code-of-Conduct-for-Prevention-of-Insider-Trading.pdf>

## BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on the Company's policies and strategies apart from other Board matters. The tentative dates of Board and Committee Meetings is decided and informed well in advance to facilitate the Directors to arrange their schedule and to ensure participation in the meetings.

During the financial year 2022-23, four board meetings were held on May 28, 2022, August 13, 2022, November 14, 2022 and February 09, 2023 respectively. The gap between two Board Meetings did not exceed 120 days and a meeting was held in every quarter.

The details of the meetings of the Board of Directors and its Committees, convened during the financial year 2022-23 are given in the Corporate Governance Report which forms a part of this Report. Further, the Board of Directors also confirms compliance and adherence of the Secretarial Standard – 1 as issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs, with regards to Board Meeting.

## BOARD COMMITTEES

Your Company has nine Committees of the Board as per the statutory requirement, namely:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Management Committee
- Finance & Investment Committee
- Bonus Committee
- Executive Committee

Details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in detail in the 'Corporate Governance Report' which forms part of the Annual Report.

### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Directors of the Company confirm that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable Accounting Standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the Profit and Loss of the Company for the financial year ended March 31, 2023;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a 'going concern' basis;
- e. proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively; and
- f. proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis as stipulated as per Regulation 34(2)(e) of SEBI (Listing Obligations and

Disclosures Requirement) Regulations, 2015 is presented in a separate section forming part of this Annual Report. It speaks about the overall industry structure, global and domestic economic scenarios, developments in business operations / performance of the Company's business and other material developments during the financial year 2022-23.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of loans, guarantees given and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014, as on March 31, 2023, are set out in Note 5 and 6 to the Financial Statements of the Company.

### **CORPORATE GOVERNANCE**

Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for Effective Management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders. Corporate governance is the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as, the board, managers, shareholders and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the Company objectives are set, and the means of attaining those objectives and monitoring performance. The concept of corporate governance hinges on total transparency, integrity and accountability of the management and the Board of Directors.

The Company is committed to maintaining good standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by Securities and Exchange Board of India (SEBI). Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a separate section titled 'Report on Corporate Governance' has been included as part of this Report which also contains certain disclosures required under the Companies Act, 2013. The Certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also published in this Annual Report.

### **AUDIT COMMITTEE**

The Company has in place an Audit Committee in terms of requirements of the Act read with rules framed thereunder and Listing Regulations. The details relating to the Audit Committee are given in the Corporate Governance Report forming part of this report. The recommendations of Audit Committee were duly accepted by the Board of Directors.

### **AUDITORS**

#### **Statutory Auditor**

M/s. J.T. Shah & Co., Chartered Accountants (Firm Registration No. 109616W), were appointed as the Statutory

Auditors of the Company for a tenure of 5 years commencing from the conclusion of the 28<sup>th</sup> AGM of the Company until the conclusion of the 33<sup>rd</sup> AGM of the Company to be held in the year 2027.

The Auditors' Report for the financial year ended March 31, 2023 does not contain any qualification, reservation or adverse remark.

#### **Explanation to the observations of Auditor's Report:**

Export packing credit was taken for 180 days and extension was requested by the Company for further 90 days. Hence there was delay of 21 days.

#### **Cost Auditor**

In terms of Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 (as amended), it is stated that the cost accounts and records are made and maintained by the Company as specified by Central Government.

The Board of Directors of the Company, on the recommendations made by the Audit Committee at its meeting held on May 29, 2023 have approved the appointment of M/s. A.G. Tulsian & Co., Cost Accountants, Ahmedabad [Firm Registration No. 100629] as the Cost Auditor of your Company for the financial year 2023-24 to conduct the audit of the cost records of your Company. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of ensuing Annual General Meeting. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment within the meaning of the said Act.

Your Company has received consent from M/s. A.G. Tulsian & Co., Cost Accountants, to act as Cost Auditor for conducting audit of cost records for the financial year 2023-24 along with a certificate confirming their independence and arm's length relationship.

#### **Secretarial Auditor**

M/s Jay Khatnani & Associates, Company Secretaries, Ahmedabad (Firm Registration Number: S2018GJ620700) was appointed as Secretarial Auditor of the Company for the financial year 2022-23 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is set out in 'Annexure-D' to this report

#### **Explanation to the observations of Secretarial Audit Report:**

As prescribed under section 204(1) of the Act, the Company has received the Secretarial Audit Report. The observations made therein and the corresponding explanations are given below:

One of the Independent Director Mrs. Falguni A. Vasavada has yet to appear for Online Proficiency Exam on Independent Directors Data Bank portal. Also, Company has made compliances on Belated Basis for which the Company has received Penalty Letters under SOP Guidelines which is being paid by the Company Under SEBI (Listing Obligations and Disclosure Requirements), 2015.

Mrs. Falguni A. Vasavada was not able to appear for Online Proficiency Exam on Independent Directors Data Bank portal, due her preoccupation and the Board has appointed Ms. Nalini Nageswaran as an Additional Woman Director w.e.f. May 30, 2023 in its meeting held on May 29, 2023.

The delayed filling was on account of absence/ frequent changes of Company Secretary and Compliance Officer in the Company.

M/s Jay Khatnani & Associates, Company Secretaries have been appointed to conduct the Secretarial Audit of the Company for the financial year 2023-24. They have confirmed that they are eligible for the said appointment.

#### **Auditors' certificate on corporate governance**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors' Certificate on corporate governance is enclosed as part of Board's report. The Auditors' Certificate for FY 2022-23 does not contain any qualification, reservation or adverse remark except following observation:

One of the Independent Director Mrs. Falguni A. Vasavada has yet to appear for Online Proficiency Exam on Independent Directors Data Bank. Also, various compliance submission was done on belated basis under SEBI (LODR) 2015 on the Quarterly and Half Yearly basis.

#### **Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government**

The Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

#### **DISCLOSURE UNDER SCHEDULE V(F) OF THE SEBI (LODR) REGULATIONS, 2015**

The Company does not have any Unclaimed Shares issued in physical form pursuant to Public Issue / Rights Issue.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts/ arrangements/ transactions entered by the Company during the F.Y. 2022-23 with related parties were on an arm's length basis and in the ordinary course of business and approved by the Audit Committee. Certain transactions, which were repetitive in nature, were approved through omnibus route.

As per the SEBI Listing Regulations, if any Related Party Transactions ('RPT') exceeds 1,000 crores or 10% of the annual consolidated turnover as per the last audited financial statement whichever is lower, would be considered as material and would require Members approval. In this regard, during the year under review, the Company has taken necessary Members approval. Since the aggregate value of these transactions (proposed in FY 2023-24 and FY 2024-25) are likely to exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company and will thus require approval of the members of the Company through an Ordinary Resolution.

The details of the related party transactions as per Indian Accounting Standard 24 are set out in Note 38 to the Financial Statements forming part of this report.

Form AOC – 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as 'Annexure-E' to this report.

During the FY 2022-23, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees, commission and reimbursement of expenses, as applicable.

Pursuant to the requirements of the Act and the SEBI Listing Regulations the Company has formulated a policy on RPTs and is available on Company's website <https://nandandenim.com/wp-content/uploads/2023/06/Related-Party-Transaction-Policy-1.pdf>

## POLICIES OF THE COMPANY

The Company is committed to good corporate governance and has consistently maintained its organizational culture as a remarkable confluence of high standards of professionalism and building shareholder equity with principles of fairness, integrity and ethics. The Board of Directors of the Company have from time to time framed and approved various Policies as required by the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations. These Policies and Codes are reviewed by the Board and are updated, as and when required.

Some of the key policies as per the Companies Act 2013 and Listing Regulations requirements, adopted by the Company are as follows:

| Sr. No. | Name of Policies   |
|---------|--|
| 1       | Related Party Transaction Policy                               |
| 2       | Risk Management Policy   |
| 3       | Whistle Blower Policy  |
| 4       | Policy of the Company under the Sexual Harassment at Workplace |
| 5       | Code of Conduct for Prevention of Insider Trading              |

| Sr. No. | Name of Policies  |
|---------|---|
| 6       | Code Of Practices And Procedures For Fair Disclosure Of Unpublished Price Sensitive Information |
| 7       | Policy on Material Subsidiary/ies   |
| 8       | Corporate Social Responsibility Policy  |
| 9       | Familiarization Policy  |
| 10      | Policy on Determination of materiality of events/information                                    |
| 11      | Dividend Distribution Policy  |
| 12      | Archival Policy For Any Material Event / Information Disclosed To The Stock Exchanges           |
| 13      | Remuneration Policy   |
| 14      | Code of Conduct and Ethics  |

ESG Policies adopted by the Company are as follows:

| Sr. No. | Name of Policies  |
|---------|---|
| 1       | Anti-Bribery Policy                                     |
| 2       | Business Responsibility Policy                          |
| 3       | Grievance Redressal Policy for Employees                |
| 4       | Grievance Redressal Policy for Investors                |
| 5       | Equal Opportunity Policy                                |
| 6       | Waste Management Policy                                 |
| 7       | IT Security Policy                                      |
| 8       | Human Rights Policy                                     |
| 9       | Grievance Redressal Policy for Investors                |
| 10      | Health and Safety Policy                                |
| 11      | Non Discrimination Policy                               |
| 12      | Sustainable Procurement and Responsible Sourcing Policy |

## INTERNAL CONTROLS

The Company has robust internal control systems and procedures commensurate with its nature of business which meets the following objectives:

- providing assurance regarding the effectiveness and efficiency of operations;
- efficient use and safeguarding of resources;
- compliance with policies, procedures and applicable laws and regulations; and
- transactions being accurately recorded and promptly reported.

The Company continues to have periodical internal audits conducted of all its functions and activities to ensure that systems and procedures are followed across all areas.

The Audit Committee of the Board of Directors of the Company regularly reviews the adequacy of internal control systems through such audits. The Internal Auditor reports directly to the Audit Committee.

## DETAILS OF INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

Nandan Denim Limited has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956 to the extent applicable. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.

The Company operates in SAP, an ERP system and has many of its accounting records stored in an electronic form and backed up periodically. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account. The Company has automated processes to ensure accurate and timely updation of various master data in the underlying ERP system.

The management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary.

For all amendments to Accounting Standards and the new standards notified, the Company carries out a detailed analysis and presents the impact on accounting policies of the Group, the impact on financial results, including revised disclosures to the Audit Committee. The approach and changes in policies are also validated with the statutory auditors. The Company takes steps to make these amendments as part of the underlying ERP systems to the extent possible.

Your Company has a code of conduct applicable to all its employees along with a Whistle Blower Policy which requires employees to update accounting information accurately and in a timely manner. Any non-compliance noticed is to be reported and action upon in line with the Whistle Blower Policy.

The Company gets its standalone accounts audited every quarter by its Statutory Auditors.

## RISK MANAGEMENT

Your Company is exposed to risks across all levels and functions of the organisation. The Board has constituted Risk Management committee and approved Risk Management Policy (RMP) to effectively address financial, operational,

business, compliance and strategic risk. The Committee regularly review and analysis of various risks in the Company and take effective steps to mitigate those risks.

Refer to the MDA Section in this Report for risks and threats applicable to your Company.

## CODE OF CONDUCT & ETHICS

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and all Senior Management Personnel, which is available on Company's website [https://nandandenum.com/wp-content/uploads/2018/07/Code-of-Conduct-and-Ethics\\_NDL.pdf](https://nandandenum.com/wp-content/uploads/2018/07/Code-of-Conduct-and-Ethics_NDL.pdf). All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

## INSURANCE

All properties and insurable interests of the Company including buildings, plant & machinery and stocks have been adequately insured.

## POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Prevention of Sexual Harassment of Women at Workplace Act") and Rules framed thereunder and an Internal Complaints Committee (ICC) has also been set up to redress complaints received regarding sexual harassment at three places i.e. Corporate Office, Piplej Plant and Bareja Plant.

The Company believes in zero tolerance towards Sexual Harassment at workplace and maintains itself as a safe and non-discriminatory organization. The ICC members have been trained in handling and resolving complaints.

During the financial year 2022-23, no cases in the nature of sexual harassment were reported at any workplace of Nandan Denim Limited.

## EXTRACT OF ANNUAL RETURN

The Annual Return of the Company as on March 31, 2023 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at [www.nandandenum.com](http://www.nandandenum.com).

## DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of section 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Chapter V of the Companies Act, 2013.



## DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Company has in place an Audit Committee in terms of requirements of the applicable provisions of the Companies Act, 2013, Rules made there under and Listing (Obligations and Disclosure Requirements) Regulations, 2015. The details of the composition of the Audit Committee, terms of reference and meetings held are provided in the Corporate Governance Report which forms part of this Report.

The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Act and Regulation 22 of the Listing Regulations.

The Company has developed an in-house system which can be used to, inter alia, report any instances of financial irregularities, breach of code of conduct, abuse of authority, disclosure of financial/ price sensitive information, unethical/unfair actions concerning company vendors/ suppliers, mala-fide manipulation of Company records, discrimination to the Code of Conduct in an anonymous manner.

The Policy also provides protection to the employees and business associates who report unethical practices and irregularities. Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy. The Whistle Blower Policy of the Company can be accessed at website of the Company at <https://nandanddenim.com/wp-content/uploads/2023/06/Whistle-Blower-Policy.pdf>

## MATERIAL CHANGES AND COMMITMENTS

There are no material changes affecting the financial position of the Company subsequent to the close of the FY 2022-23 till the date of this Report.

## ANNEXURES

Following statements/reports/certificates are set out as Annexures to the Directors' Report:

- Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo
- Details of CSR activities and spends under Section 135 of the Companies Act, 2013.
- Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013.
- Information as per Section 197
- Form AOC – 2

## SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

## GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- Details relating to deposits covered under Chapter-V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares and Employee Stock Option Scheme) to employees of the Company under any scheme.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- As the Company did not have any subsidiary / joint venture during the year, the reporting requirements under Rules 8(1) and 8(5)(iv) of the Companies (Accounts) Rules are not applicable to the Company.
- The Whole Time Director of the Company did not receive any remuneration or commission from its holding company.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.
- Details in terms of Sections 197(12) and 197(14) of the Act read with applicable rules.
- Maintenance of Cost records as specified by the Central Government under sub section (1) of section 148 of the Act.
- There has been no change in nature of the business of the Company.
- There is no application made / proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of one-time settlement with any Bank or Financial Institution.

## ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all of the Company's employees for their contribution towards the Company's performance. The Directors would also like to thank the members, employee unions, customers, dealers, suppliers, bankers, governments and all other business associates for their continuous support to the Company and their confidence in its management.

**For and on behalf of the Board of Directors**

**Jyotiprasad Chiripal**  
Managing Director  
(DIN: 00155695)

**Shaktidan Gadhavi**  
Whole Time Director  
(DIN: 09004587)

Place: Ahmedabad  
Date: August 04, 2023

# Annexure - A

## Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Particulars pursuant to Section 134 of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014

### A. CONSERVATION OF ENERGY:

Energy conservation measures taken:-

1. Installed Pipe line for Dy sizing color recovery at dy. No 13 & 14.
2. Installed in Wvg (Sec C & D)H-Plant Return Air Fan inverter
3. Installed in SPG Phase-1 H-Plant Supply & Return Air Fan inverter

### B. ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY:

1. Recently steam audit done by forbes marshall, as per their suggestion Implementation work is under progress.
2. Recently AIR audit done by SYSTEL, as per their suggestion Implementation work is under progress.
3. Recently all plant motor efficiency checked by SEA ENERGY AUDITORS & final report is under progress.

### 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. With implementation of above measure we will reduce :- ₹ 45 Lakhs

### D. TECHNOLOGY:

- i. Research & Development (R & D)

Company has in house R&D facilities in Piplejplant. Two major activities are in R&D.

- a. Product Re-engineering
- b. Product innovations
  1. Sustainable product range with sustainable fibres like Tencel/Rayon/ Exell
  2. New product design for saving water.
  3. New weave design for fashion segments.
  4. Super stretch denims as per upcoming fashion trends.
  5. Special finish
  6. New colour denim range.

- ii. Benefits derived as a result of the above R & D

1. Higher sales turnover.
2. Product acceptance has increased.
3. Customer retention with price increase.
4. Image / Branding of the Company has increased.
5. Penetration in all customer segment.

- iii. Future Plan of Action

As Innovations is a continuous process for growth of a Company, more and more work is going on in this area. More focus are on

1. More new weave design.
2. New sustainable fibre blend.
3. New chemical finish like fabric dyeing and coating.

### E. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Efforts made towards Technology Absorption, Adaptation and Innovation:

1. New spinning machines for special fibre blends.
2. New finishing range for better fabric dimensions.
3. New Technology of colorations which is sustainable technology also.

Benefits derived:

1. Increase sales volume due to customer oriented product availability.
2. Increase company Image

### F. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a. The Company has taken various steps to increase the exports of the products during the year.
- b. Foreign Exchange earnings and outgo during the year:

(₹ in Crore)

| Particulars               | 31.03.2023 | 31.03.2022 |
|---------------------------|------------|------------|
| Foreign Exchange Earnings | 101.93     | 172.42     |
| Foreign Exchange Outgo    | 55.99      | 86.57      |

Total Foreign Exchange used and earned : as per notes on accounts.

## Annexure - B

### Annual Report on Corporate Social Responsibility (CSR) Activities 2022-23

#### 1. Brief outline on CSR policy of the Company:

The Company has framed the Corporate Social Responsibility (CSR) Policy in terms of the provisions of Section 135(1) of the Companies Act, 2013.

The CSR policy of the Company focusses on three thrust areas in which CSR activities are planned – (a) Community Healthcare, Sanitation and Hygiene (b) Education and Knowledge Enhancement (c) Social Care and Concern.

The CSR activities are conducted preferably in the areas where Company has industrial or business presence.

CSR activities are implemented directly by the Company or indirectly by implementing agencies engaged in CSR activities.

The CSR activities of the Company are aligned with the activities specified in Schedule VII of the Companies Act, 2013.

#### 2. Composition of the CSR Committee:

The CSR Committee has been entrusted with responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013; recommending to the Board the amount of expenditure to be incurred; monitoring the implementation of framework of CSR Policy and ensuring that implementation of the project and program is in compliance with the CSR Policy of the Company.

In accordance with the provisions of section 135 of Companies Act, 2013 read with Rule 5 of Companies (CSR Policy) Rules, 2014, the Company has constituted its CSR Committee, which presently comprises of three Directors.

| Sl. No | Name of Director         | Designation / Nature of Directorship             | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------|--------------------------|--|--|--|
| 1      | Mr. Giraj Mohan Sharma   | Chairperson (Non-Executive Independent Director) | 1  | 1  |
| 2      | Mr. Jyotiprasad Chiripal | Member (Executive Promoter Director)             | 1  | 1  |
| 3      | Mr. Shaktidan Gadhvi     | Member (Executive Director)                      | 1  | 1  |

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

For CSR Committee: <https://nandandenim.com/wp-content/uploads/2023/05/Committee-Membership-and-Chairmanship.pdf>

For CSR Policy: <https://nandandenim.com/wp-content/uploads/2018/03/CorporateSocialResponsibilityPolicy.pdf>

For CSR Projects: <https://www.nandandenim.com>

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule(3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)

- Not Applicable – as the Company does not have an average CSR obligation of ₹10 Crores or more in the three immediately preceding financial years.

#### 5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|---------|----------------|--|---|
|---------|----------------|--|---|

--- Not Applicable as no amount is required to be set-off ---

6. Average net profit of the Company as per section 135(5): ₹ 1741.85 Lakhs
7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 34.84 Lakhs
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:  
Not Applicable
- Amount required to be set off for the financial year, if any: Not Applicable
- (c) Total CSR obligation for the financial year (7a+7b-7c): ₹ 34.84 Lakhs
8. (a) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year.(in ₹) | Amount Unspent (in Lakh)   |                  |  |        |                  |
|--|--|------------------|--|--------|------------------|
|  | Total Amount transferred to Unspent CSR Account as per section 135(6). |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). |        |                  |
|  | Amount.  | Date of transfer | Name of the Fund   | Amount | Date of transfer |
| 35.00  |  |                  |  |        | NIL              |

- (b) Details of CSR amount spent against ongoing projects for the Financial Year:

| (1)                  | (2)                 | (3)  | (4)                 | (5)                     |       | (6)      | (7)              | (8)                                     | (9)   | (10)   | (11)                                   |   |      |                         |
|----------------------|---------------------|--|---------------------|-------------------------|-------|----------|------------------|---|---|--|--|---|------|-------------------------|
| Sr. No.              | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No) | Location of the Project | State | District | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current financial year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation Direct (Yes/No) | Mode of Implementation through Implementing Agency. | Name | CSR Registration number |
| ---Not Applicable--- |                     |  |                     |                         |       |          |                  |   |   |  |  |   |      |                         |

- (c) Details of CSR amount spent against other than ongoing projects for the Financial year:

| (1)          | (2)             | (3)  | (4)                 | (5)     |           | (6)                                 | (7)                                    | (8)   |                         |  |  |
|--------------|-----------------|--|---------------------|---------|-----------|-------------------------------------|--|---|-------------------------|--|--|
| Sr No        | Name of project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No) | State   | District  | Amount spent for the project (in ₹) | Mode of implementation Direct (Yes/No) | Mode of implementation – Through implementing agency. |                         |  |  |
|              |                 |  |                     |         |           |                                     |  | Name  | CSR registration Number |  |  |
| 1.           |                 | Education and Knowledge enhancement                          | Yes                 | Gujarat | Ahmedabad | ₹ 35.00 Lakhs                       | No                                     | Karmaputra Charitable Trust                           | CSR00022403             |  |  |
| <b>Total</b> |                 |  |                     |         |           | <b>₹ 35.00 Lakhs</b>                |  |   |                         |  |  |

- (d) Amount spent in Administrative Overheads Not Applicable
- (e) Amount spent on Impact Assessment, if applicable Not Applicable
- (f) Total amount spent for the Financial (8b + 8c + 8d + 8e) ₹ 35.00 Lakhs

(g) Excess amount for set-off, if any

| Sr. No. | Particular  | Amount        |
|---------|---|---------------|
| (i)     | Two percent of average net profit of the Company as per Section 135(5)                                      | ₹ 34.84 Lakhs |
| (ii)    | Total amount spent for the Financial Year   | ₹ 35.00 Lakhs |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | Nil           |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil           |
| (v)     | Amount available for set-off in succeeding financial years [(iii) – (iv)]                                   | Nil           |

9. (a) Details of Unspent CSR amount for the preceding three financial years

| Sr. No.                | Preceding Financial Year | Amount transferred to Unspent CSR Account under Section 135(6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any. |               |                  | Amount remaining to be spent in succeeding financial years (in ₹) |
|------------------------|--------------------------|---|---|--|---------------|------------------|---|
|                        |                          |   |   | Name of the Fund   | Amount (in ₹) | Date of transfer |   |
| --- Not Applicable --- |                          |   |   |  |               |                  |   |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1)                    | (2)        | (3)                 | (4)   | (5)              | (6)   | (7)  | (8)   | (9)  |
|------------------------|------------|---------------------|---|------------------|---|--|---|--|
| Sr. No                 | Project ID | Name of the project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year (in ₹) | Status of the Project- Completed / ongoing |
| --- Not Applicable --- |            |                     |   |                  |   |  |   |  |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year.

(asset-wise details) : Not Applicable

|    |  |   |
|----|--|---|
| a. | Date of creation or acquisition of the capital asset(s)  | – |
| b. | Amount of CSR spent for creation or acquisition of capital asset.  | – |
| c. | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | – |
| d. | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).    | – |

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profits as per Section 135 (5):

- Not Applicable-

**For and on behalf of the Board**  
**Nandan Denim Limited**

**Giraj Mohan Sharma**

Independent Director  
(Chairman of the CSR Committee)

DIN: 01215950

**Jyotiprasad Chiripal**

Managing Director  
(Member of CSR Committee)

DIN: 00155695

Place: Ahmedabad  
Date: 29<sup>th</sup> May, 2023

## Annexure - C

Information required under section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration) Rules, 2014

### A. Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2022-23 is as follows:

(₹ in lakhs)

| Name of Director(s)          | Total Remuneration (in ₹) | Ratio of Remuneration of Director to the Median Remuneration * |
|------------------------------|---------------------------|--|
| Mr. Vedprakash Chiripal      | NIL                       | -  |
| Mr. Jyotiprasad Chiripal     | NIL                       | -  |
| Mr. Tara Sankar Bhattacharya | 1.00                      | 0.55   |
| Ms. Falguni Vasavada         | 1.00                      | 0.55   |
| Mr. Giraj Mohan Sharma       | 2.00                      | 1.09   |
| Mr. Kirit Joshi              | 1.00                      | 0.55   |
| Mr. Rahul Mehta              | 0.50                      | 0.27   |
| Mr. Shaktidan Gadhavi        | 6.47                      | 3.53   |

#### Notes:

- \*Median remuneration for the financial year 2022-23 is ₹ 183456/-.
- The aforesaid details are calculated on the basis of remuneration for the financial year 2022-23.
- The remuneration to Directors includes sitting fees paid to them. The sitting fees mentioned is based on the number of meetings held and attended during the financial year 2022-23.
- Mr. Tara Sankar Bhattacharya has resigned w.e.f. August 13, 2022.
- Mr. Vedprakash Chiripal has resigned as Director of the Company w.e.f. October 08, 2022.
- Mr. Kirit Joshi has been appointed as an Independent Director of the Company w.e.f. August 13, 2022.
- Mr. Rahul Mehta has been appointed as an Independent Director of the Company w.e.f. August 13, 2022.

### B. Details of percentage increase in the remuneration of each Director, CFO & Company Secretary in the financial year 2022-23 are as follows:

| Name of Director             | Remuneration (in Lakhs) |         | Increase / (Decrease) % |
|------------------------------|-------------------------|---------|-------------------------|
|                              | 2022-23                 | 2021-22 |                         |
| Mr. Vedprakash Chiripal      | NIL                     | NIL     | -                       |
| Mr. Jyotiprasad Chiripal     | NIL                     | NIL     | -                       |
| Mr. Tara Sankar Bhattacharya | 1.00                    | 2.50    | (60%)                   |
| Ms. Falguni Vasavada         | 1.00                    | 2.50    | (60%)                   |
| Mr. Giraj Mohan Sharma       | 2.00                    | 3.00    | (33.33%)                |
| Mr. Kirit Joshi              | 1.00                    | -       | -                       |
| Mr. Rahul Mehta              | 0.50                    | -       | -                       |
| Mr. Shaktidan Gadhavi        | 6.47                    | 6.27    | 3.19%                   |

| Name of Key Managerial Personnel | Remuneration (in Lakhs) |         | Increase / (Decrease) % |
|----------------------------------|-------------------------|---------|-------------------------|
|                                  | 2022-23                 | 2021-22 |                         |
| Mr. Deepak Chiripal              | 84.00                   | 84.00   | -                       |
| Mr. Mehul Shah                   | 2.90                    | 1.00    | 190%                    |
| Mr. Mahesh Jain                  | 18.40                   | -       | -                       |
| Mr. Ashok Jain                   | 14.68                   | -       | -                       |
| Ms. Purvee Roy                   | 2.48                    | 12.85   | (80.70%)                |
| Mr. Akshit Soni                  | 1.83                    | -       | -                       |
| Ms. Renuka Upadhyay              | 3.16                    | -       | -                       |
| Mr. Ashok Bothra                 | Nil                     | 15.65   | -                       |

**Notes:**

1. *\*Percentage increase in remuneration is not reported as they were holding Directorship/ KMP position for the part of financial year, thus remuneration is proportionately adjusted.*
2. *The remuneration to Directors is within the overall limits approved by the shareholders of the Company.*
3. *The remuneration to Directors includes sitting fees paid to them. The sitting fees mentioned is based on the number of meetings held and attended during the financial year 2022-23.*
4. *Mr. Mehul Shah has resigned as Chief Financial Officer of the Company w.e.f. May 19, 2022.*
5. *Ms. Purvee Roy has resigned as Company Secretary of the Company w.e.f. June 15, 2022.*
6. *Mr. Tara Shankar Bhattacharya has resigned as Independent Director of the Company w.e.f. August 13, 2022.*
7. *Mr. Kirit Joshi has been appointed as an Independent Director of the Company w.e.f. August 13, 2022.*
8. *Mr. Rahul Mehta has been appointed as an Independent Director of the Company w.e.f. August 13, 2022.*
9. *Mr. Mahesh Jain has been appointed as Chief Financial Officer of the Company w.e.f. August 13, 2022 and resigned w.e.f. February 09, 2023.*
10. *Mr. Akshit Soni has been appointed as Company Secretary of the Company w.e.f. August 13, 2022 and resigned w.e.f. September 30, 2022.*
11. *Mr. Vedprakash Chiripal has resigned as Director of the Company w.e.f. October 08, 2022.*
12. *Mr. Ashok Jain has been appointed as Chief Financial Officer of the Company w.e.f. February 10, 2023.*
13. *Ms. Renuka Upadhyay has been appointed as Company Secretary and Nodal Officer of the Company w.e.f. February 10, 2023.*

**C. Percentage increase in the median remuneration of all employees in the financial year 2022-23: 33.64 %**

**D. Number of permanent employees on the rolls of the Company as on March 31, 2023: 1182**

**E. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average increase for Key Managerial Personnel is 6% and for other employees was about 6%.

**F. Affirmation that the remuneration is as per the Nomination & Remuneration Policy of the Company:**

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Nomination & Remuneration Policy of the Company.

# Annexure - D

FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014]

To,  
The Members,  
**NANDAN DENIM LIMITED**  
CIN: L51909GJ1994PLC022719

I/we have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices followed by **NANDAN DENIM LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and on that basis; we are expressing our opinion thereon.

Based on my/our verification of the records of **NANDAN DENIM LIMITED**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the Company has, during the audit period covering the **financial year ended on 31<sup>st</sup> March 2023** complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and record maintained by **NANDAN DENIM LIMITED (CIN: L51909GJ1994PLC022719)** for the financial year ended on **31.03.2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under; **Except Few E-Forms were filed with required late filing fees as per the provisions of the Companies Act, 2013.**
- (ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011; (**COMPLIED WITH ANNUAL DISCLOSURE OF SHAREHOLDING AS PER REGULATION NO. 30 OF THE REGULATIONS**)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (**NO ESOS OR ESOPS WERE ISSUED DURING THE YEAR UNDER REVIEW**)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**NOT APPLICABLE FOR THE YEAR UNDER REVIEW**)
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**NOT APPLICABLE FOR THE YEAR**)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; as applicable (**NOT APPLICABLE FOR THE YEAR UNDER REVIEW**)



(vi) The Management has identified and confirmed the Following laws as specifically applicable to the Company: -

1. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
2. Acts as prescribed under Direct Tax and Indirect Tax;
3. Acts as prescribed under Shops and Establishment Act of various local authorities.
4. The Environment (Protection) Act, 1986, The Public Liability Insurance Act, 1991, The Water (Prevention and Control of Pollution) Act, 1974, The Air (Prevention and Control of Pollution) Act, 1981, The Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008

(Vi) No other major corporate events occurred during the year and various compliances made by the Company with applicable Laws, Rules, Regulations, Listing Agreements etc.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and as applicable to the Company have been adopted by passing requisite Board Resolutions and are complied with.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Place: Ahmedabad  
Date: 19<sup>th</sup> July, 2023

### **We further report that**

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non -Executives Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. **However, One of the Independent Director Mrs. Falguni A. Vasavada has yet to appear for Online Proficiency Exam on Independent Directors Data Bank portal. Also, Company has made compliances on Belated Basis for which the Company has received Penalty Letters under SOP Guidelines which is being paid by the Company Under SEBI (Listing Obligations and Disclosure Requirements), 2015.**

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations, and guidelines.

**We further report that** during the audit period the company has not made any

- (I) Public/ Right/ Preferential issue of shares/ debentures/ sweat equity, etc.
- (II) Redemption/ buy-back of securities
- (III) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (IV) Foreign technical collaborations

**FOR J D KHATNANI & ASSOCIATES**  
PRACTICING COMPANY SECRETARIES

**(JAY D. KHATNANI)**

PROPRIETOR

ACS: 50727, COP: 18421

Peer Review No.1246/2021

FIRM REG. NO. S2018GJ620700

UDIN: A050727E000642626

**“ANNEXURE-A”****Securities Laws**

1. All Price Sensitive Information was informed to the stock exchanges from time to time.
2. All investors' complaints directly received by the RTA & Company is recorded and resolved.

**Labour Laws**

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour/ Bonded labour in any of its establishments.
3. Provisions with relate to compliances of PF / Gratuity Act are applicable to Company.
4. The Company is regular in filing return of PF dues.
5. The Company is making payment of Gratuity to their Employees regularly when they become due and payable except dues which are under dispute.

6. The Company has framed a policy on prevention of Sexual Harassment of Women Employee at work place and also all preventive measure has been taken by the Company.

**Environmental Laws**

1. The Company is not discharging the contaminated water at the public drains / rivers.
2. The Company has been disposing the hazardous waste as per applicable rules.

**Taxation Laws**

1. The Company follows provisions of the taxation and Income Tax Act, 1961 and filing the returns with Income tax department and all other necessary departments.
2. The Company is normally making payment of TDS, GST and other statutory payment with appropriate Authorities.

**FOR J D KHATNANI & ASSOCIATES**  
PRACTICING COMPANY SECRETARIES

**(JAY D. KHATNANI)**

PROPRIETOR

ACS: 50727, COP: 18421

Peer Review No.1246/2021

FIRM REG. NO. S2018GJ620700

UDIN: A050727E000642626

Place: Ahmedabad

Date: 19<sup>th</sup> July, 2023

**“ANNEXURE-B”**

To

The Members,

**NANDAN DENIM LIMITED**

CIN: L51909GJ1994PLC022719

SURVEY NO 198/1 203/2

SAIJPUR GOPALPUR PIRANA ROAD,

PIPLEJ AHMEDABAD 382405 GUJARAT

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures and compliances done are on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied on Management Representation Letter provided by the Company before issuing this Report to the Company.

**FOR J D KHATNANI & ASSOCIATES**  
PRACTICING COMPANY SECRETARIES

**(JAY D. KHATNANI)**

PROPRIETOR

ACS: 50727, COP: 18421

Peer Review No.1246/2021

FIRM REG. NO. S2018GJ620700

UDIN: A050727E000642626

Place: Ahmedabad

Date: 19<sup>th</sup> July, 2023

# Annexure - E

## FORM NO. AOC 2

[Pursuant to Clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Company (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

### 1. Details of contracts or arrangements or transactions not at arm's length basis:

| Particulars  | Remarks |
|--|---------|
| a. Name(s) of the related party / parties and nature of relationship   |         |
| b. Nature of contracts / arrangements / transactions   |         |
| c. Duration of contracts / arrangements / transactions   |         |
| d. Salient terms of the contracts / arrangements / transactions  |         |
| e. Justification for entering into such contracts / arrangements / transactions                                  | NIL     |
| f. Date(s) of approval by the Board  |         |
| g. Amount paid as advances, if any   |         |
| h. Date on which special resolution was passed in general meeting as required under first proviso to section 188 |         |

### 2. Details of material contracts / arrangements / transactions at arm's length basis:

| Name(s) of the related party / parties and nature of relationship  | Nature of contracts / arrangements / transactions                                       | Duration of contracts / arrangements / transactions | Salient terms of contracts / arrangements / transactions | Date(s) of approval by the Board | Amount paid as advances, if any |
|--|---|---|--|----------------------------------|---------------------------------|
| Chiripal Industries Limited<br>Nova Textiles Private Limited<br>Vishal Fabrics Limited                                 | • Purchase, sale, supply of goods or materials  |   |  |                                  |                                 |
| Chiripal Poly Films Limited<br>Shanti Exports Private Limited<br>Chiripal Textile Mills Private Limited                | • Selling or otherwise disposing of or buying property of any kind or any capital asset |   |  | 28.05.2022                       |                                 |
| Vraj integrated Textile Park Limited<br>CIL Nova Petrochemicals Limited  | • Giving on rent or leasing of property of any kind                                     | -   | At market price  | 13.08.2022                       | -                               |
| Nandan Terry Limited<br>Shanti Educational Initiatives Limited<br>Shanti Shirting Private Limited                      | • Availing or rendering of services including job work                                  |   |  | 14.11.2022<br>09.02.2023         |                                 |
| Dholi Spintex Private Limited<br>Narol textile infrastructure & Enviro Management<br>Hunky dory travel Private Limited | • Purchase or sale of investment  |   |  |                                  |                                 |

All related party transactions are in the ordinary course of business and on arm's length basis which are approved by Audit Committee of the Company.

## Corporate Governance Report

The name Nandan Denim evokes the feeling of 'Trust' in the minds of our consumers and also our investors. As a publicly traded Company, Nandan Denim Limited is committed to conduct business with integrity and ensuring adherence to all laws and regulations and achieving highest standards of Corporate Governance. The Company has set the highest standards in transparency to not just maintain but also grow the confidence of all its stakeholders.

Our governance approach promotes the ethos of transparency, accountability, and fairness while creating competitive positioning in the market to generate long-term value for the shareholders and foster the stakeholders' rights and interests.

We are committed to continuously scaling up our Corporate Governance standards. Strong corporate governance is the bedrock of our sustained performance and has helped us gain the trust and respect of all our stakeholders.

A report on compliance with the Corporate Governance provisions as prescribed under the SEBI Listing Regulations is given below:

### BOARD OF DIRECTORS AND ITS COMPOSITION

As on March 31, 2023, the strength of the Board was six Directors. Out of the six Directors, four (i.e. 67% percent) are Non-Executive Directors as well as Independent Directors. The Board Members consists of persons with professional expertise and experience in various fields of Textile, Marketing, Finance, Management, Accountancy, etc. The Chairman of the Board is Executive- Managing Director.

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an Independent Director on more than seven Listed Companies. Necessary disclosures regarding

Committee positions in other Public Companies as on March 31, 2023 has been made by the Directors. None of the Directors are related to each other.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1) (b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under the SEBI Listing Regulations and that they are independent of management.

The meetings of the Board of Directors are generally held at the Corporate Office of the Company. Meetings are scheduled well in advance. The Board meets at regular intervals to review the quarterly performance and the financial results of the Company. The Members of the Board have access to all information on the Company and are free to recommend inclusion of any matter in the agenda for discussion. Senior Management persons are also invited to attend the Board meetings and provide clarifications as and when required. Four Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held respectively on May 28, 2022; August 13, 2022; November 14, 2022; and February 09, 2023.

The necessary quorum was present for all the meetings.

The details of attendance of Directors at Board Meetings either in person or through video conference during the financial year 2022-23 and at the Annual General Meeting (AGM) of the Company are as reproduced below:

| Name of Director                          | Board Meeting |           |             |             | Annual General Meeting through VC/OAVM |
|---|---------------|-----------|-------------|-------------|--|
|   | 2022          |           |             | 2023        | 2022                                   |
|   | May 28        | August 13 | November 14 | February 09 | September 30                           |
| Mr. Vedprakash Chiripal <sup>§</sup>      | Yes#          | Yes#      | NA          | NA          | No                                     |
| Mr. Jyotiprasad Chiripal                  | Yes           | Yes       | Yes#        | Yes         | Yes                                    |
| Mr. Shaktidan Gadhavi                     | Yes           | Yes       | Yes         | Yes         | Yes                                    |
| Mr. Tara Sankar Bhattacharya <sup>^</sup> | Yes#          | Yes#      | NA          | NA          | NA                                     |
| Mr. Giraj Mohan Sharma                    | Yes#          | Yes#      | Yes#        | Yes#        | Yes                                    |
| Ms. Falguni Vasavada                      | Yes#          | No        | Yes#        | No          | No                                     |

| Name of Director             | Board Meeting |           |             | Annual General Meeting through VC/OAVM |              |
|------------------------------|---------------|-----------|-------------|--|--------------|
|                              | 2022          |           |             | 2023                                   | 2022         |
|                              | May 28        | August 13 | November 14 | February 09                            | September 30 |
| Mr. Kirit Joshi <sup>@</sup> | NA            | NA        | Yes#        | Yes                                    | Yes          |
| Mr. Rahul Mehta <sup>@</sup> | NA            | NA        | No          | Yes#                                   | Yes          |

\* NA – Not Applicable

# The Board Meeting was attended through video conferencing.

**Note:**

<sup>^</sup> Mr. Tara Shankar Bhattacharya has resigned as an Independent Director of the Company w.e.f. August 13, 2022.

<sup>\$</sup> Mr. Vedprakash Chiripal has resigned as Director (Non-executive Promoter Director, Chairman) of the Company w.e.f. October 08, 2022.

<sup>@</sup> Mr. Kirit Joshi has been appointed as an Independent Director of the Company w.e.f. August 13, 2022.

<sup>@</sup> Mr. Rahul Mehta has been appointed as an Independent Director of the Company w.e.f. August 13, 2022.

Mrs. Nalini Nageswaran who joined our Board as an Independent director on 30<sup>th</sup> May, 2023, has expertise/knowledge in the field of banking sector.

During FY 2023, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

**Scheduling and selection of agenda items for Board Meetings:**

Dates of Board Meeting are decided well in advance. The Board Meetings are convened by giving appropriate notice after obtaining the approval of the Chairman, the Managing Director and the CEO. The Board meets at least once a quarter to review the results and other items on the agenda. Whenever necessary, additional meetings are held. In case of matters requiring urgent approval of the Board, resolutions are passed through circulation. The Company also provides video conferencing facility to its Directors to enable them to participate in the discussions held at the meetings, when it may not be possible for them to be physically present for the meeting.

The agenda of the Board Meetings is drafted by the Company Secretary along with explanatory notes in consultation with the Managing Director and CEO and these are distributed in advance to the Directors. All departments in the Company are advised to plan their functions well in advance with regard to matters requiring discussion or approval in the Board / Committee Meetings.

In the path of digitalization and with a view to ensure its commitment to Go Green Initiative of the Government, the Company circulates to its Directors, notes for Board / Committee Meetings through an E-mail.

All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as

prescribed under Part A of Schedule II of SEBI Listing Regulations.

The Company Secretary attends all the Meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the Members for their comments in accordance with the Secretarial Standards. Thereafter, the minutes are entered in Minutes Book within thirty days of conclusion of Meetings, subsequent to incorporation of comments, if any, received from Directors.

The Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Secretarial Standards and SEBI Listing Regulations with respect to convening and holding the Meetings of the Board of Directors, its Committees and General Meetings of the Shareholders of the Company.

**Responsibilities of the Board of Directors:**

The Board has a variety of matters related to the operations of the Company for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources and reporting to Shareholders.

The Board of Directors ensures that their other responsibilities do not materially impact their responsibility as Directors of the Company. The Company has not entered into any materially significant transactions with its Directors or their relatives etc. which affects the interest of the Company.

**Meeting of Independent Directors':**

The Independent Directors play an important role in deliberations at the Board Meetings and bring to the

Company their wide experience in the fields of Textile, Technology, Management, Finance, Accountancy, etc.

Schedule IV of the Companies Act, 2013 and Secretarial Standard – 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of Non Independent Directors.

During the financial year 2022-23, the Independent Directors met on March 29, 2023 and following matters were, inter alia, reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board of Directors as a whole;
- Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors;
- Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### Tenure of Board of Directors:

As per the provisions under section 152 of the Companies Act, 2013 and the Companies (Appointment and qualifications of Directors) Rules, 2014 as amended from time to time, every year one third (1/3) of the total strength of the Board, is liable to retire by rotation. The Directors, who are required to retire every year and if eligible, they qualify for re-appointment.

The tenure of Independent Directors is in accordance with Section 149(10) & (11) of the Companies Act, 2013.

#### Non-Executive Directors with materially significant, pecuniary or business relationship with the Company:

There has been no pecuniary or business relationship between the Non-Executive Directors and the Company, except for the sitting fees payable to them in accordance with the applicable laws and with the approval of shareholders. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.

### Directorship and Membership of Committees and Shareholding of Directors:

#### Board Membership

- (i) Following is a table containing details of various listed entities where each board member is also a director, along with information about the category of directorship as on March 31, 2023:

| Name of Director         | Name of Listed Entities where the Person is a Director | Category of Directorship                             |
|--------------------------|--|--|
| Mr. Jyotiprasad Chiripal | Nandan Denim Limited                                   | Managing Director                                    |
|                          | CIL Nova Petrochemicals Limited                        | Non-Executive - Non Independent Director-Chairperson |
| Mr. Giraj Mohan Sharma   | Nandan Denim Limited                                   | Non-Executive - Independent Director                 |
| Ms. Falguni Vasavada     | Nandan Denim Limited                                   | Non-Executive - Independent Director                 |
| Mr. Shaktidan Gadhavi    | Nandan Denim Limited                                   | Executive Wholetime Director                         |
| Mr. Kirit Joshi#         | Nandan Denim Limited                                   | Non-Executive - Independent Director                 |
| Mr. Rahul Mehta#         | Nandan Denim Limited                                   | Non-Executive - Independent Director                 |
|                          | Kamadgiri Fashion Limited                              | Non-Executive - Independent Director                 |

#Mr. Kirit Joshi has been appointed as an Independent Director of the Company w.e.f. August 13, 2022.

#Mr. Rahul Mehta has been appointed as an Independent Director of the Company w.e.f. August 13, 2022.

Mr. Vedprakash Chiripal has resigned as Director of the Company w.e.f. October 08, 2022.

Mr. Tara Shankar Bhattacharya has resigned as an Independent Director of the Company w.e.f. August 13, 2022.

- (ii) The names and categories of the Directors on the Board, name of other listed entities in which the Director is a Director and the number of Directorships and Committee Chairmanships / Memberships held by them in other Public Limited Companies as on March 31, 2023 are given herein below. Other Directorships do not include Directorships of Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Act. Further, none of them is a member of more than ten Committees or Chairman of more than five Committees across all the Public Companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

| Name of Director         | Category                           | Relationship with each other   | Directorships held in Listed Companies | Directorships held in other Public Companies | Committee  |              | No. of Shares Held as on March 31, 2023 |
|--------------------------|------------------------------------|--------------------------------|--|--|------------|--------------|---|
|                          |                                    |                                |  |  | Membership | Chairmanship |   |
| Mr. Jyotiprasad Chiripal | Managing Director                  | Brother of Vedprakash Chiripal | CIL Nova Petrochemicals Limited        | 6  | 4          | 1            | 18,90,000 (1.31%)                       |
| Mr. Giraj Mohan Sharma   | Non Executive Independent Director | -                              | -                                      | 0  | 1          | 1            | -                                       |
| Ms. Falguni Vasavada     | Non Executive Independent Director | -                              | -                                      | 0  | 2          | 0            | -                                       |
| Mr. Shaktidan Gadhavi    | Whole Time Director                | -                              | -                                      | 0  | 0          | 0            | -                                       |
| Mr. Kirit Joshi#         | Non Executive Independent Director | -                              | -                                      | 1  | 0          | 1            | -                                       |
| Mr. Rahul Mehta#         | Non Executive Independent Director | -                              | Kamadgiri Fashion Limited              | 1  | 2          | 0            | -                                       |

**Note:**

#Mr. Kirit Joshi has been appointed as an Independent Director of the Company w.e.f. August 13, 2022.

#Mr. Rahul Mehta has been appointed as an Independent Director of the Company w.e.f. August 13, 2022.

**Changes in Board Structure**

During the year under review, based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors approved the appointment of:

The Board and shareholders approved the appointment of Mr. Kirit Joshi and Mr. Rahul Mehta as Independent Director for tenure of five years commencing from August 13, 2022 till August 12, 2027.

The appointments and re-appointments were made keeping in mind proximity to seventy five years of age, in compliance with the requirements of SEBI Listing Regulations.

Mr. Vedprakash Chiripal has resigned as Director of the Company w.e.f. October 08, 2022.

Mr. Tara Shankar Bhattacharya has resigned as Independent Director of the Company w.e.f. August 13, 2022.

**Changes in KMPs:**

Mr. Mehul Shah has resigned as Chief Financial Officer of the Company w.e.f. May 19, 2022.

Ms. Purvee Roy has resigned as Company Secretary of the Company w.e.f. June 15, 2022.

Mr. Mahesh Jain has been appointed as Chief Financial Officer of the Company w.e.f. August 13, 2022 and resigned w.e.f. February 09, 2023.

Mr. Akshit Soni has been appointed as Company Secretary of the Company w.e.f. August 13, 2022 and resigned w.e.f. September 30, 2022.

Mr. Ashok Jain has been appointed as Chief Financial Officer of the Company w.e.f. February 10, 2023.

Ms. Renuka Upadhyay has been appointed as Company Secretary and Nodal Officer of the Company w.e.f. February 10, 2023.

**Declarations:**

The Independent Directors have submitted declaration(s) that they meet the criteria of Independence laid down under the Companies Act, 2013 and SEBI Listing Regulations. The Independent Directors have also confirmed that they have registered themselves in the databank of persons offering to become Independent Directors.

The Board of Directors, based on the declaration(s) received from the Independent Directors, verified the disclosures and confirmed that the Independent Directors fulfil the conditions of independence specified in SEBI Listing Regulations. Based on the intimations / disclosures received from the Directors, none of the Directors of the Company hold Memberships / Chairmanships in excess of the prescribed limits.

**Familiarisation Programme:**

The Company conducts familiarization programme for the Independent Directors to enable them to familiarize



with the Company, its management and its operations so as to gain a clear understanding of their roles, rights and responsibilities for the purpose of contributing significantly towards the growth of the Company. They are given full opportunity to interact with senior management personnel and are provided with all the documents required and/or sought by them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part. The initiatives undertaken by the Company in this respect has been disclosed on the website of the Company at <https://nandandanim.com/wp-content/uploads/2023/03/Familiarization-Policy-Familiarization-Programme-for-Directors.pdf>

Quarterly updates on important changes in the regulatory environment is presented to the Board by the functional heads. Apart from this, the statutory auditors present to the Audit Committee / Board, on regular intervals, on important regulatory changes while presenting the financial results.

List of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s)

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

|                                     |  |
|-------------------------------------|--|
| <b>Financial</b>                    | Understanding the financial statements, financial controls, risk management, mergers and acquisitions, etc.  |
| <b>Global Business</b>              | Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks and a board perspective on global market opportunities.  |
| <b>Leadership</b>                   | Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning and risk management. Demonstrated strengths in developing talent, planning succession and driving change and long-term growth. |
| <b>Technical</b>                    | Technical, professional skills and knowledge including legal and regulatory aspects.   |
| <b>Board Service and Governance</b> | Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices.  |
| <b>Sales and Marketing</b>          | Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation   |

| Sr. No. | Name of Director         | Financial | Global Business | Leadership | Technical | Board Service and Governance | Sales and Marketing |
|---------|--------------------------|-----------|-----------------|------------|-----------|------------------------------|---------------------|
| 1       | Vedprakash Chiripal      | ✓         | ✓               | ✓          | ✓         | ✓                            | ✓                   |
| 2       | Jyotiprasad Chiripal     | ✓         | ✓               | ✓          | ✓         | ✓                            | ✓                   |
| 3       | Tara Sankar Bhattacharya | ✓         | ✓               | ✓          | ✓         | ✓                            | X                   |
| 4       | Giraj Mohan Sharma       | ✓         | ✓               | ✓          | ✓         | ✓                            | ✓                   |
| 5       | Falguni Vasavada         | ✓         | ✓               | ✓          | ✓         | ✓                            | ✓                   |
| 6       | Shaktidan Gadhavi        | ✓         | X               | ✓          | ✓         | ✓                            | X                   |
| 7       | Kirit Joshi              | ✓         | ✓               | ✓          | ✓         | ✓                            | ✓                   |
| 8       | Rahul Mehta              | ✓         | ✓               | ✓          | ✓         | ✓                            | ✓                   |

Board of Directors hereby confirm, in the opinion of the Board, that the Independent Directors fulfil the conditions specified in LODR regulations and are independent of the management.

## • COMMITTEES OF THE BOARD

The Board has constituted various Committees with specific terms of reference in line with the provisions of SEBI Listing Regulations; Companies Act, 2013 and Rules issued thereunder. The Board periodically reviews the composition and terms of reference of its Committees in order to comply with any amendments / modifications to the provisions relating to composition of Committees. During the year, the Board of Directors have, inter alia, revised the terms of reference of Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee of the Board of Directors of the Company in view of the amendments to SEBI Listing Regulations by way of notification of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2021 and amendments to the Companies Act, 2013.

The Company presently has Nine Committees of the Board, namely Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Management Committee, Finance & Investment Committee, Bonus Committee and Executive Committee.

### Audit Committee

The Company has an adequately qualified Audit Committee and its composition meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015.

The quorum of the said Audit Committee Meetings is 2 (Two) members or one third (1/3) of the members of the Audit Committee, whichever is greater, with at least two independent directors. The Audit Committee met four times during the financial year 2022-23. The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2022-23 are detailed below:

During the year under review, four meetings of the Audit Committee were held on May 28, 2022; August 13, 2022; November 14, 2022; and February 09, 2023 respectively.

| Name of Directors             | Category   | Number of Audit Committee Meetings attended during the year |
|-------------------------------|--|---|
| *Mr. Tara Sankar Bhattacharya | Chairperson – Non-Executive Independent Director | 2   |
| Mr. Giraj Mohan Sharma        | Member – Non-Executive Independent Director      | 4   |
| Mr. Jyotiprasad Chiripal      | Member – Executive Promoter Director             | 4   |
| Ms. Falguni Vasavada          | Member – Non-Executive Independent Director      | 2   |
| *Mr. Kirit Joshi              | Chairperson – Non-Executive Independent Director | 2   |

#### Note:

\* Mr. Tara Shankar Bhattacharya has resigned as Independent Director of the Company w.e.f. August 13, 2022 and ceased to act as Chairperson of the Committee.

\* Mr. Kirit Joshi has been appointed as an Independent Director of the Company w.e.f. August 13, 2022 and he has given consent to act as Chairperson of Audit Committee w.e.f. August 13, 2022.

The Company Secretary acts as the Secretary to the Committee.

The Chief Executive Officer and Chief Financial Officer are invitees to the meetings of the Committee. All the members of the Audit Committee are financially literate and have accounting and related financial management expertise.

The terms of reference of Audit Committee, as approved by the Board and amended from time to time, includes the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Reviewing with the management quarterly, half-yearly, nine months and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon

before submission to the Board for approval, with particular reference to:

- a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report as per Sec 134(3)(c) of the Companies Act, 2013;
  - b. Changes in the Accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
  - c. Compliance with listing and other legal requirements relating to financial statements;
  - d. Disclosure of any related party transactions; and
  - e. Modified opinion(s) in the draft audit report, if any.
5. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board
    - a. qualifications and experience of the individual/firm proposed to be considered for appointment as auditor;

- b. whether such qualifications and experience are commensurate with the size and requirements of the Company; and
  - c. giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;
7. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
8. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
9. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
10. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
11. Reviewing the appointment, removal and terms of remuneration of the Internal Auditors of the Company;
12. Formulating in consultation with the Internal Auditors, the scope, functioning, periodicity and methodology for conducting the internal audit;
13. Evaluating the internal financial controls and risk management policies system of the Company;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. Review of internal audit reports relating to internal control weaknesses and discuss with internal auditors any significant findings and follow-up thereon;
16. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
17. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the Company by its officers/ employees;
18. Approval or any subsequent modification of transactions of the company with related parties;
19. Reviewing the statements of significant related party transactions submitted by the management;
20. Reviewing and scrutinizing the inter-corporate loans and investments;
21. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy and overseeing the functioning of the same;
22. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
23. Approving the auditors (appointed under the Companies Act, 2013) to render any service other than consulting and specialized services along with approval of payment to statutory auditors for the same;
24. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
25. Review the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;
26. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
27. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
28. Review and approve, policy on materiality of related party transactions and also dealing with related party transactions;
29. Review compliance with provisions of Securities Exchange Board of India (Prevention of Insider Trading) Regulation, 2015 (including any amendment or modification from time to time) at least once in a financial year and shall verify that the systems for internal controls for ensuring compliance to these Regulations, are adequate and are operating effectively; and
30. Such other activities as the Board of Directors may determine from time to time.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee met four times during the financial year 2022-23. The composition of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2022-23 are detailed below:

During the year under review, four meetings of the Stakeholders Relationship Committee were held on May 28, 2022; August 13, 2022; November 14, 2022; and February 09, 2023 respectively.

| Name of Directors        | Category   | Number of Stakeholders Relationship Committee Meetings attended during the year |
|--------------------------|--|---|
| Mr. Giraj Mohan Sharma   | Chairperson – Non Executive Independent Director | 4   |
| Mr. Jyotiprasad Chiripal | Member – Executive Promoter Director             | 4   |
| *Mr. Vedprakash Chiripal | Member – Non Executive Promoter Director         | 2   |
| Ms. Falguni Vasavada     | Member – Non Executive Independent Director      | 2   |

### Note:

\*Mr. Vedprakash Chiripal ceased to act as member of the Committee w.e.f October 08, 2022.

The Company Secretary acts as the Secretary to the Committee.

The Chief Executive Officer and Chief Financial Officer are invitees to the meetings of the Committee.

Ms. Renuka Upadhyay, Company Secretary is the Compliance Officer in accordance with Regulation 6 of Listing Regulations.

The terms of reference of Stakeholders Relationship Committee, as approved by the Board and amended from time to time, includes the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. Review of matters relating to unclaimed equity shares and dividend transferred to Investor Education and Protection Fund (IEPF) pursuant to the IEPF Rules.
6. Such other activities as the Board of Directors may determine from time to time.

Details relating to the number of complaints received and redressed during the financial year 2022-23 are as under:

| Nature of complaints received   | Number of complaints received | Number of complaints redressed | Number of pending complaints |
|---------------------------------|-------------------------------|--------------------------------|------------------------------|
| Non-receipt of dividend         | 0                             | 0                              | 0                            |
| Non-receipt of Annual Report    | 0                             | 0                              | 0                            |
| Dematerialization of securities | 0                             | 0                              | 0                            |
| Others                          | 0                             | 0                              | 0                            |
| <b>Total</b>                    | <b>0</b>                      | <b>0</b>                       | <b>0</b>                     |

Nature of complaints in the category "Others" include transfer of shares, transmission of shares, change in signatures, loss of shares and non-receipt of shares after split, etc.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee met one time during the financial year 2022-23. The composition of the Corporate Social Responsibility Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2022-23 are detailed below:

During the year under review, one meeting of the Corporate Social Responsibility Committee was held on February 09, 2023.

| Name of Directors        | Category  | Number of Corporate Social Responsibility Committee Meetings attended during the year |
|--------------------------|---|---|
| Mr. Giraj Mohan Sharma   | Chairperson – Non Executive Independent Director  | 1   |
| Mr. Jyotiprasad Chiripal | Member – Executive Promoter Director              | 1   |
| *Mr. Vedprakash Chiripal | Member - Non-Executive - Non Independent Director | 0   |
| Mr. Shaktidan Gadhavi    | Member – Executive Director                       | 1   |

\*Mr. Vedprakash Chiripal ceased to act as member of the Committee w.e.f October 08, 2022 and Mr Shaktidan Gadhvi shall act as member of the Committee w.e.f. October 08, 2022.

The Company Secretary acts as the Secretary to the Committee.

The Chief Executive Officer and Chief Financial Officer are invitees to the meetings of the Committee.

The terms of reference of Corporate Social Responsibility Committee, as approved by the Board and amended from time to time, includes the following:

1. Recommend the amount of expenditure to be incurred on the activities;
2. Monitor implementation and adherence to the CSR Policy of the Company from time to time;
3. Prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company; and
4. Such other activities as the Board of Directors may determine from time to time.

The details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Section in the Annual Report. The CSR Policy of the Company has been uploaded on the Company's website and can be accessed at: <https://nandandenim.com/wp-content/uploads/2018/03/CorporateSocialResponsibilityPolicy.pdf>

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee met three times during the financial year 2022-23. The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2022-23 are detailed below:

During the year under review, three meetings of the Nomination and Remuneration Committee were held on May 28, 2022, August 13, 2022 and February 09, 2023 respectively.

| Name of Director              | Category   | Number of Nomination & Remuneration Committee Meetings attended during the year |
|-------------------------------|--|---|
| *Mr. Tara Sankar Bhattacharya | Chairperson – Non-Executive Independent Director | 2   |
| *Mr. Vedprakash Chiripal      | Member – Non Executive Promoter Director         | 2   |
| Mr. Giraj Mohan Sharma        | Member – Non-Executive Independent Director      | 3   |
| Ms. Falguni Vasavada          | Member – Non-Executive Independent Director      | 1   |
| *Mr. Kirit Joshi              | Chairperson – Non-Executive Independent Director | 1   |

### Note :-

\* Mr. Tara Shankar Bhattacharya has resigned as Independent Director of the Company w.e.f. August 13, 2022 and ceased to as Chairperson of the Committee.

\* Mr. Vedprakash Chiripal ceased to act as member of the Committee w.e.f October 08, 2022.

\* Mr. Kirit Joshi has been appointed as an Independent Director of the Company w.e.f. August 13, 2022 and shall act as Chairperson of the Committee w.e.f. August 13, 2022.

The Company Secretary acts as the Secretary to the Committee.

The Managing Director, Chief Executive Officer and Chief Financial Officer are invitees to the meetings of the Committee.

The terms of reference of Nomination and Remuneration Committee, as approved by the Board and amended from time to time, includes the following:

1. Formulate a criterion for determining qualifications, positive attributes and independence of a director;
2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
3. Devise a policy on Board Diversity;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
5. Specify methodology for effective evaluation of performance of Board/committees of the Board and review the terms of appointment of Independent Directors on the basis of the report of performance evaluation of the Independent Directors;
6. Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company;
7. Recommend to the board all remuneration, in whatever form, payable to senior management; and
8. To ensure that the general character of the Management of the Company shall not be prejudicial to the interests of the Company
9. Such other activities as the Board of Directors may determine from time to time.

During the year under review, the Board of Directors amended the Nomination and Remuneration Policy to bring it in line with the amendments to Section 178 of Companies Act, 2013 and Listing Regulations. The Nomination and Remuneration Policy of the Company has been uploaded on the Company's website and can be accessed at: [https://nandandenim.com/wp-content/uploads/2018/07/Remuneration\\_Policy\\_REMUNERATION-CRITERIA-FOR-NON-EXECUTIVE-DIRECTORS.pdf](https://nandandenim.com/wp-content/uploads/2018/07/Remuneration_Policy_REMUNERATION-CRITERIA-FOR-NON-EXECUTIVE-DIRECTORS.pdf).

**The salient features of the Nomination and Remuneration Policy and changes therein, are as follows:**

The Nomination and Remuneration Policy of the Company has been formulated in accordance with the Companies Act, 2013 and Listing Regulations and outlines the role of the Nomination and Remuneration Committee, inter alia, for determining the criteria for Board membership, approve, recommend compensation packages and policies for Directors and Senior Management and lay down the

effective manner of performance evaluation of the Board, its Committees and individual Directors. In accordance with the Policy, the responsibilities of Nomination and Remuneration Committee, inter alia, include:

- a. Formulation of criteria and its review on an on-going basis, for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director, based on the qualities, including independence for Independent Directors, and such expertise which may be beneficial for the Company and essential for it to operate in changing business environment. Identification of persons as potential candidates, who are qualified to be appointed as Directors and recommend their re – appointment, if any, to the Board after taking into consideration the performance of a Director.
- b. The Nomination & Remuneration Committee, inter alia, has been entrusted with the responsibility of evaluating the performance of every Director, Committees of the Board and the Board. The Committee also evaluates the performance of Managing Director against the Key Performance Indicators set at the beginning of the financial year.
- c. Remuneration of Directors, Senior Management and other employees:
  - i. Compensation to Managing Director or Executive Director: The Committee shall approve compensation package of the Managing Director or Executive Director(s). The Committee ensures that the compensation packages are in accordance with applicable law, in line with the Company's objectives, shareholders' interests, with industry standards and have an adequate balance between fixed and variable component, subject to approval of the Board.
  - ii. Compensation to Senior Management: The Nomination & Remuneration Committee shall review performance of the senior management of the Company, i.e., the members of the Executive/ Operating Council of the Company (which includes Key Managerial Personnel), as presented by the Managing Director & CEO. The Committee shall ensure that the remuneration to the Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
  - iii. Remuneration to Non-Executive Directors: The Nomination & Remuneration Committee shall recommend to the Board for its approval, commission payable to the Non-Executive Directors, including Independent Directors, after reviewing payments made by similar sized, successful companies. The Nomination and Remuneration Committee considers and recommends commission payable to Directors after taking into account their contribution to

the decision making at meetings of the Board/ Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of Corporate Governance and Board effectiveness.

- iv. Remuneration to other employees: Focus on productivity and pay for performance have been the cornerstone of the Company's overall remuneration policy. The Company regularly

benchmarks the compensation levels and employee benefits in the market and makes necessary changes to remain consistent with the industry standards. The Committee shall review the Company's policy on performance management and rewards for employees from time to time. The remuneration structure of employees is designed on principles of fairness, transparency and internal and external parity.

## RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted by the Board to carry out a number of responsibility of the Risk Management and monitoring and reviewing of the risk management plan.

During the year under review, two meetings of the Risk Management Committee were held on February 09, 2023 and March 29, 2023 respectively.

| Name of Directors        | Category                                    | Number of Risk Management Committee Meetings attended during the year |
|--------------------------|---|---|
| Mr. Jyotiprasad Chiripal | Chairperson – Executive Promoter Director   | 2   |
| Mr. Shaktidan Gadhavi    | Member – Executive Director                 | 2   |
| Ms. Falguni Vasavada     | Member – Non-Executive Independent Director | 0   |

The Company Secretary acts as the Secretary to the Committee.

The Chief Executive Officer and Chief Financial Officer are invitees to the meetings of the Committee.

The terms of reference of Risk Management Committee, as approved by the Board and amended from time to time, includes the following:

- The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- The role of the Risk Management Committee includes (a) establishing a framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (particularly ESG related), information, and cyber security risks, or any other risks, as may be determined by the committee, (b) implementing measures for risk mitigation including systems and processes for internal control of identified risks, (c) developing a business continuity plan and other functions, as specifically stated in part D of Schedule II of the Listing Regulations.

## MANAGEMENT COMMITTEE

The Management Committee has been constituted by the Board to carry out a number of significant responsibilities.

During the year under review, no meeting of the Management Committee was held. The constitution and number of meetings attended by the Members of the Committee are given below:

| Name of Directors             | Category                                    | Management Committee Meetings attended during the year |
|-------------------------------|---|--|
| Mr. Jyotiprasad Chiripal      | Chairperson - Executive Promoter Director   | 0  |
| *Mr. Tara Sankar Bhattacharya | Member – Non-Executive Independent Director | 0  |
| Ms. Falguni Vasavada          | Member – Non-Executive Independent Director | 0  |
| Mr. Giraj Mohan Sharma        | Member – Non-Executive Independent Director | 0  |
| *Mr. Kirit Joshi              | Member – Non-Executive Independent Director | 0  |

### Note :-

\* Mr. Tara Shankar Bhattacharya was resigned as Independent Director of the Company w.e.f. August 13, 2022 and ceased to act as member of the Committee simultaneously.

\* Mr. Kirit Joshi appointed as Independent Director of the Company w.e.f. August 13, 2022 and shall act as member of the Committee w.e.f. August 13, 2022.

The Company Secretary acts as the Secretary to the Committee.

The Chief Executive Officer and Chief Financial Officer are invitees to the meetings of the Committee.

#### Terms of Reference:

The terms of reference are set out below:

1. Ensuring that the Company is well run and delivering the outcomes for which it has been set up;
2. Setting strategic direction to guide and direct the activities of the organisation;
3. Ensuring the effective management of the organization and its activities;
4. Monitoring the activities of the Company to ensure they are in consistence with the founding principles, objects and values;

5. To take important decisions concerning the activities of the Company.

6. Carrying out any other function as is mentioned in the terms of reference of the Management Committee by the Board from time to time.

#### FINANCE AND INVESTMENT COMMITTEE

The Finance and Investment Committee has been constituted for aligning the use of resources (financial, workforce and assets) with the strategic direction of the organisation and support the Board of Directors in meeting its fiduciary duties.

During the year under review, no meeting of the Finance and Investment Committee was held. The constitution and number of meetings attended by the Members of the Committee are given below:

| Name of Directors             | Category                                    | Finance and Investment Committee Meetings attended during the year |
|-------------------------------|---|--|
| Mr. Jyotiprasad Chiripal      | Chairperson - Executive Promoter Director   | 0  |
| *Mr. Vedprakash Chiripal      | Member – Non-Executive Promoter Director    | 0  |
| *Mr. Tara Sankar Bhattacharya | Member – Non-Executive Independent Director | 0  |
| Mr. Shaktidan gadhavi         | Executive Non-Independent Director          | 0  |
| *Mr. Kirit Joshi              | Non-Executive Independent Director          | 0  |

#### Note :-

\*Mr. Tara Shankar Bhattacharya has resigned as Independent Director of the Company w.e.f. August 13, 2022 and ceased to act as member of the Committee simultaneously.

\*Mr. Vedprakash Chiripal ceased to act as member of the Committee w.e.f. October 08, 2022.

\*Mr. Kirit Joshi has been appointed as an Independent Director of the Company w.e.f. August 13, 2022 and shall act as member of the Committee w.e.f. August 13, 2022.

The Company Secretary acts as the Secretary to the Committee.

The Chief Executive Officer and Chief Financial Officer are invitees to the meetings of the Committee.

#### Terms of Reference:

The terms of reference are set out below:

1. Review the Company's financial policies, risk assessment and minimisation procedures, strategies and capital structure, working capital and cash flow management, and make such reports and recommendations to the Board with respect thereto, as it may deem advisable;
2. Review banking arrangements and cash management;
3. Exercise all powers to borrow money (otherwise than by issue of debentures) within limits approved by the Board, and take necessary actions connected therewith, including refinancing for optimisation of borrowing costs;

4. Give guarantees / issue letters of comfort / providing securities within the limits approved by the Board;

5. Borrow money by way of loan and / or issue and allot bonds / notes denominated in one or more foreign currencies in international markets for the purpose of refinancing the existing debt, capital expenditure, general corporate purposes, including working capital requirements and possible strategic investments within the limits approved by the Board;

6. Provide corporate guarantee / performance guarantee by the Company within the limits approved by the Board;

7. Approve opening and operation of Investment Management Accounts with foreign banks and appoint them as agents, establishment of representative / sales offices in or outside India;

8. Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable;



9. Other transactions or financial issues that the Board may desire to have them reviewed by the Committee such as:
  - a. -Forex Derivative Transactions
  - b. - OTC Trades Note outstanding borrowings, inter corporate investments, loans and guarantees
  - c. - Note status report and hedging activities on commodity and forex products
10. Delegate authorities from time to time to the executives / authorised persons to implement the Committee's decisions;
11. Approve reinvestment of funds generated from the investment portfolio.
12. Monitor investment portfolio performance and report performance to the Board of Directors.
13. Ensure that competent and professional advice on investment matters is obtained.
14. To appoint fund advisors and investment managers through a competitive process.
15. Consider, approve and evaluate significant investment appraisal proposals.
16. Review current investments and future investments, including the policy, risks and performance of the Company's funds.
17. Such other activities as the Board of Directors may determine from time to time.

#### Remuneration of Directors

The remuneration of the Executive Directors is decided by the Board based on the recommendations of the Nomination and Remuneration Committee of the Company, within the limits fixed and approved by the shareholders at the general meeting. The remuneration of the Non-Executive Directors comprises of sitting fees and commission, if any. The Non-Executive Independent Directors are paid sitting fees of ₹ 50,000/- for each meeting of the Board, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee attended by them and reimbursement of expenses towards attending the fees.

The remuneration paid / payable to each Director for the financial year ended March 31, 2023 is as under:

| Name of Director             | Tenure upto | No. of equity shares held by Directors as on March 31, 2023 | Remuneration for the financial year ended March 31, 2023 (₹ In Lakhs) |                        |       |
|------------------------------|-------------|---|---|------------------------|-------|
|                              |             |   | Sitting Fees  | Salary and Perquisites | Total |
| Mr. Vedprakash Chiripal      | NA          | 70,45,386   | -   | -                      | -     |
| Mr. Jyotiprasad Chiripal     | 31.05.2027  | 18,90,000   | -   | -                      | -     |
| Mr. Tara Sankar Bhattacharya | NA          | -   | 1.00  | -                      | 1.00  |
| Mr. Giraj Mohan Sharma       | 28.09.2025  | -   | 2.00  | -                      | 2.00  |
| Ms. Falguni Vasavada         | NA          | -   | 1.00  | -                      | 1.00  |
| Mr. Shaktidan Gadhavi        | 13.08.2024  | -   | -   | 6.47                   | 6.47  |
| Mr. Kirit Joshi              | 12.08.2027  | -   | 1.00  | -                      | 1.00  |
| Mr. Rahul Mehta              | 12.08.2027  | -   | 0.50  | -                      | 0.50  |

#### Notes:

- (i) Mr. Tara Shankar Bhattacharya has resigned as Independent Director of the Company w.e.f. August 13, 2022.
  - (ii) Mr. Kirit Joshi has been appointed as an Independent Director of the Company w.e.f. August 13, 2022.
  - (iii) Mr. Rahul Mehta has been appointed as an Independent Director of the Company w.e.f. August 13, 2022.
  - (iv) Mr. Vedprakash Chiripal has resigned as Director of the Company w.e.f. October 08, 2022.
1. No commission has been paid to Executive and Non-Executive Directors (including Independent Directors) during the year ended March 31, 2023;
  2. There is no provision for payment of severance fees and no performance linked incentives are paid to any Director. The tenure of office of the Managing Director / Executive Director is for five years from their respective dates of appointments. The notice period of Managing Director / Executive Director is governed by service rules of the Company;
  3. None of the Directors hold any stock options and convertible instruments in the Company;
  4. The Non-Executive Directors on the Company's Board, apart from receiving sitting fees do not have any other pecuniary relationship or transactions vis-à-vis the Company. The details of remuneration paid to Directors have also been disclosed under the heading 'Related Party Disclosures' of Notes to Financial Statement.

The other details about Independent Directors, Remuneration Policy, Performance Evaluation Criteria and Remuneration of Directors have also been provided in the Board's Report forming part of this Annual Report.

Further, no loans and advances in the nature of loans to firms/companies in which directors are interested was given by the Company and its subsidiaries.

**DISCLOSURES:****Related Party Transactions:**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on arm's length basis. There were materially significant transactions with the related parties during the financial year that may have potential conflict with the interests of the Company at large and for that Company is in process to sought approval of members under requisite provisions of the Companies Act, 2013 and LODR. Related party transactions have been disclosed in Note 38 to the financial statements. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for its review.

Material Subsidiaries: The Company does not have a material subsidiary as defined under Regulation 16(1)(c) SEBI (LODR) Regulations, 2015.

**PERFORMANCE EVALUATION CRITERIA**

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of Directors. In accordance with the provisions of SEBI Listing Regulations

and the Act, the performance evaluation of the individual Directors shall be done by the entire Board of Directors, subject to the condition that the Director who is subject to evaluation should not participate. The criteria for performance evaluation covers parameters such as decision taken in the interest of the organization objectively; assisting the Company in implementing the Corporate Governance; monitoring performance of organization based on agreed goals & financial performance; fulfilment of the independence criteria as prescribed and their independence from the management; and active participation in the affairs of the Company as Board / Committee Members.

**CEO / CFO CERTIFICATION**

Pursuant to Regulation 17(8) of the Listing Regulations, the CEO / CFO certificate for the financial year 2022-23 signed by Mr. Deepak Chiripal, CEO and Mr. Ashok Jain, CFO was placed before the Board of Directors of the Company at their meeting held on May 29, 2023 and is annexed to this Report.

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

As required by Schedule V of the Listing Regulations, the Auditors Certificate on Corporate Governance is annexed to this Report.

**GENERAL BODY MEETINGS**

Details of last three AGM and summary of Special Resolutions passed therein, if any, are as under:

| Financial Year | Day and Date                 | Time       | Location   | No. of Special Resolutions set out at the AGM |
|----------------|------------------------------|------------|--|---|
| 2021-22        | Friday, September 30, 2022   | 03.00 p.m. | Conducted through video conferencing/<br>Other Audio Visual Means. | 3   |
| 2020-21        | Thursday, September 30, 2021 | 03.00 p.m. | Conducted through video conferencing/<br>Other Audio Visual Means. | 2   |
| 2019-20        | Thursday, December 31, 2020  | 03:00 pm   | Conducted through video conferencing/<br>Other Audio Visual Means. | 3   |

**OTHER DISCLOSURES:****VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

Pursuant to Section 177(9) and (10) of the Act and Regulation 22 of the Listing Regulations, the Company has formulated a Whistle Blower Policy for the vigil mechanism of directors and employees to report to management about unethical behaviour, fraud or violation of the Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and directors who use such mechanisms and makes provisions for direct access to the chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. This policy is available on the Company's website at <https://nandandenim.com/wp-content/uploads/2023/07/Whistle-Blower-Policy.pdf>

**COMPLIANCE WITH REGULATION 26(6)**

In accordance with the provisions of Regulation 26(6) of the SEBI Listing Regulations, the Key Managerial Personnel, Director(s) and Promoter(s) of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

## DETAILS OF NON COMPLIANCE BY THE COMPANY, PENALTIES, STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGE OR SEBI OR ANY STATUTORY AUTHORITY ON ANY MATTER RELATED TO CAPITAL MARKETS DURING THE LAST THREE YEARS

The Company has complied with all the requirements of the Stock Exchanges and SEBI on matters relating to Capital Markets except following late submissions to stock exchanges under various regulations of SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, for which respective penalties were paid by Company:

| Regulation of SEBI(LODR), 2015 | Particulars  | Notice of exchanges            | Amount of penalty in Rupees |
|--------------------------------|--|--------------------------------|-----------------------------|
| Regulation 23 (9)              | Late submission of Related party transactions within fifteen days from the date of publication of financial results for the half yearly ended on 31 March 2022 | BSE notices dated 14 July 2022 | 82600                       |
| Regulation 31                  | Late submission of shareholding pattern for the quarter ended on 30th Sep 2022 within twenty one days from the end of each quarter                             | BSE notices dated 29 Dec 2022  | 16520                       |
| Regulation 27(2)               | Late submission of quarterly compliance report on corporate governance within 21 days from for the quarter ended on 30th September 2022                        | BSE notices dated 29 Dec 2022  | 16520                       |
| Regulation 23 (9)              | Late submission of Related party transactions within fifteen days from the date of publication of financial results for the half yearly ended on 31 March 2022 | NSE notices dated 14 July 2022 | 88500                       |
| Regulation 31                  | Late submission of shareholding pattern for the quarter ended on 30th Sep 2022 within twenty one days from the end of each quarter                             | NSE notices dated 30 Nov 2022  | 16520                       |
| Regulation 27(2)               | Late submission of quarterly compliance report on corporate governance within 21 days from for the quarter ended on 30th September 2022                        | NSE notices dated 30 Nov 2022  | 16520                       |

Stock exchanges had imposed penalty for noncompliance of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2020 and delayed filing under Regulation 29 (2) (3). The non compliance / delayed filing was mainly due to nationwide lockdown imposed.

### DETAILS OF PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONAL PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A) OF THE LISTING REGULATIONS

The Company has not raised funds through preferential allotment or qualified institutional placement.

### LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD ARE AS UNDER:

Details of Credit Rating have been included as part of Boards Report.

### SECRETARIAL COMPLIANCE REPORT

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019. & NSE Circular Ref No: NSE/CML/2023/30 dated April 10, 2023 read with Regulation 24(A)

of the SEBI Listing Regulations, directed listed entities to conduct Annual Secretarial Compliance Audit from Practicing Company Secretary of all applicable SEBI Regulations and circulars / guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR-3 and is required to be submitted to Stock Exchanges within 60 days of the end of financial year.

The Company has engaged the services of M/s J D Khatnani & Associates, Practicing Company Secretary for providing this certification.

### CERTIFICATE FROM PRACTISING COMPANY SECRETARY

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Jay Khatnani (CP No. 18421), Proprietor of M/s J D Khatnani & Associates, Practicing Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on May 29, 2023.

### SUBSIDIARY COMPANY/IES:

The Company does not have any Subsidiary Company in terms of Regulation 16 of SEBI Listing Regulations.

## DISCLOSURE RELATING TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place, an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2022-23 are as under:

| Particulars                 | No. of Complaints |
|-----------------------------|-------------------|
| Filed during the year       | NIL               |
| Disposed of during the year | NIL               |
| Pending at the end of year  | NIL               |

## CODE OF CONDUCT:

The Company has adopted a Code of Conduct for all employees including the members of the Board and Senior Management Personnel. All members of the Board and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the financial year 2022-23. The declaration to this effect signed by Mr. Jyotiprasad Chiripal – Managing Director and Mr. Deepak Chiripal – Chief Executive Officer of the Company forms part of this Report.

## CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS:

SEBI notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were effective from April 1, 2019.

Pursuant to the amendment, the Company has adopted a Code of Conduct to regulate, monitor and report trading by Designated Persons (Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading Regulations).

The Code of Conduct to regulate, monitor and report trading by Designated Persons, Code of Fair Disclosure & Conduct have been uploaded on website of the Company.

All compliances relating to Code of Conduct for Prevention of Insider Trading are being managed through regular intimation on opening and closing window and time to time presentation of these codes. This code lays down guidelines advising the management, staff and other connected persons, on procedures to be followed and disclosures to be made by them while dealing with the shares of NDL, and while handling any unpublished price sensitive information, cautioning them of the consequences of violations.

## RESIGNATION OF INDEPENDENT DIRECTORS:

- (i) Mr. Tara Shankar Bhattacharya has resigned as Independent Director of the Company w.e.f. August 13, 2022.

### Detailed reasons for the resignation of an independent director

During the year, Mr. Tara Shankar Bhattacharya has resigned as Independent Director of the Company w.e.f. August 13, 2022 who resigns before the expiry of his tenure. The reason of his resignation was that he was on the way to become 75

years and he wanted to reduce his professional commitments and confirmed that there were no other material reasons for his resignation as an Independent Director.

## ADOPTION OF DISCRETIONARY REQUIREMENTS

The Company has complied with all mandatory requirements of Regulation 34 of the SEBI Listing Regulations. The Company has adopted the following discretionary requirements of the SEBI Listing Regulations:

1. Maintenance of the Chairman's Office – The Company maintains the office of Executive Chairman and provides for reimbursement of expenses incurred in performance of his duties.
2. Shareholders Rights – Yearly financial statements /Annual Reports are sent electronically to all shareholders possessing email ids every year. The same is also uploaded on the Company's website [www.nandandanim.com](http://www.nandandanim.com).
3. Modified opinion(s) in Audit Report – The Auditors have expressed an unmodified opinion on the financial statements of the Company.
4. Separate posts of Chairman and CEO – Separate persons have been appointed by the Company to the post of Chairman and CEO.
5. Reporting of Internal Auditors – The Internal Auditors of the Company report directly to the Audit Committee.

## MEANS OF COMMUNICATION:

### Quarterly Results

The quarterly financial results are normally published in edition of Financial Express (Gujarati) and The Indian Express (English) newspapers. Details of publication of financial results for the year under review are given below:

| Description  | Date              |
|--|-------------------|
| Unaudited Financial Results for the quarter ended June 30, 2022                  | August 13, 2022   |
| Unaudited Financial Results for the quarter/ half year ended September 30, 2022  | November 14, 2022 |
| Unaudited Financial Results for the quarter/ nine months ended December 31, 2022 | February 09, 2023 |
| Audited Financial Results for the quarter/ financial year ended March 31, 2023   | May 29, 2023      |

Quarterly / half yearly / nine months / annual results, notices and information relating to General Meetings, etc. are published in leading English newspapers viz. Indian Express, Business Standard, etc. and Gujarati newspapers viz. Financial Express, Jai Hind, etc. They are also notified to the stock exchanges as required under the Listing Regulations and other communications to shareholders and stock exchanges, inter alia, presentations to institutional investors & analysts, press releases, etc. are made available in the Company's website [www.nandandanim.com](http://www.nandandanim.com) under 'Investors' section.

## Annual Report

Annual Report for FY 2021-22 containing inter-alia, audited Financial Statements, Directors' Report (including Management Discussion & Analysis, Corporate Governance Report) was sent via email to all shareholders who have provided their email ids and is also available at the Company's website at <https://nandandenim.com>

## Communication to shareholders on email

Documents like Notices, Annual Report, ECS advices for dividends, etc. are sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA). This helps in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit. The Company proposes to send documents like Shareholders Meeting Notice/ other Notices, Audited Financial Statements, Directors' Report, Auditor's Report or any other document, to its members in electronic form at the email address provided by them and/or made available to the Company by their depositories. Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/ updated with their depositories for future correspondence.

## News Releases and Presentations

Official press releases, presentations made to the media, analysts, institutional investors, etc. are displayed on the Company's website <https://nandandenim.com>

## Website

The Company's website <https://nandandenim.com> contains a separate section 'Investors' for use of investors. The quarterly, half yearly and annual financial results, official news releases and presentations made to institutional investors and to analysts are promptly and prominently displayed on the website. Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other Corporate Communications made to the Stock Exchanges are also available on the website. Financial Statements of subsidiary companies are also posted on the website.

## NEAPS (NSE Electronic Application Processing System) and BSE Corporate Compliance & Listing Centre

NSE and BSE have developed web-based applications for corporates. All compliances like financial results, Shareholding Pattern and Corporate Governance Report, etc. are filed electronically on NEAPS/ BSE Listing centre.

## SCORES (SEBI Complaints Redressal System)

SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system, a shareholder can lodge complaint against a Company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the

shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

## Exclusive email ID for investors

The Company has designated an email id [cs.ndl@chiripalgroup.com](mailto:cs.ndl@chiripalgroup.com) exclusively for investor servicing, and the same is prominently displayed on the Company's website [www.nandandenim.com](http://www.nandandenim.com).

## Arbitration Mechanism

SEBI has issued a circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 on May 30, 2022, regarding Standard Operating Procedures (SOP) for dispute resolution under the Stock Exchange arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents (RTAs) and its Shareholder(s)/ Investor(s). This information along with SEBI circular is uploaded on the website of the Company at [www.nandandenim.com](http://www.nandandenim.com) for the shareholders' information and reference.

## Investor Relations

Investor Relations (IR) at Nandan Denim is aimed at two way communication of information and insights between the Company and the investment community. This process enables a full appreciation of the Company's business activities, strategy and prospects and allows the market to make an informed judgement about the Company.

The Company arranges investor meetings, updates and calls to ensure timely communication, thereby keeping stakeholders updated with financial performance and material business events. Inputs and feedback from the investor community is given due consideration and factored into future plans and strategies. The Company hosts meetings with institutional investors at its office on request and also arranges conference calls with those who are unable to travel.

A conference call is organized after declaration of the quarterly financial results and this is used to answer questions and provide clarifications to investors and analysts. The Company hosts con call through brokerage houses so as to provide a free and equitable forum for dissemination of information. It interacts with all types of funds and investors throughout the country in order to have a diversified shareholder base both in terms of geographical location and investment horizon.

Updates on investor relations are available on the website of the Company [www.nandandenim.com](http://www.nandandenim.com).

## Reminders to shareholders

Reminders are sent to shareholders for KYC updation/ dematerialisation of shares/ updating PAN and Bank Account details and claiming unpaid / unclaimed dividends lying with the Company which are liable to be transferred to the Investor Education and Protection Fund Authority.

**Payment of Listing Fees**

Annual Listing Fees for the financial year 2023-24 has been paid by the Company to BSE and NSE.

**Payment of Depository Fees**

Annual Custody / Issuer Fees for the year 2023-24 has been paid by the Company to Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL).

**Recommendations of Committee(s) of the Board of Directors**

During the year, all recommendations of Committee(s) of the Board of Directors, which are mandatorily required, were accepted by the Board.

**Fees paid to Statutory Auditor**

Fees for all services paid by the Company to Statutory Auditors of the Company during the year ended March 31, 2023 is as follows:

| Particulars                         | Amount in lakhs<br>(excluding taxes) |
|-------------------------------------|--------------------------------------|
| Fees for audit and related services | 13.50                                |
| Other fees                          | 1.50                                 |
| Fees paid to network entities       | 0.00                                 |
| <b>Total</b>                        | <b>15.00</b>                         |

**GENERAL SHAREHOLDER INFORMATION**

The Company is registered in Gujarat, India. The Corporate Identification Number (CIN) allotted by Ministry of Corporate Affairs (MCA) is L51909GJ1994PLC022719.

**Annual General Meeting**

Monday, August 28, 2023 at 03:00 pm through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting

Brief particulars of dividend amount remaining unclaimed are given below:

| Financial Year        | Type of Dividend | Declared at the AGM / Board Meeting held on | Due date for transfer to IEPF   |
|-----------------------|------------------|---|---------------------------------|
| Final Dividend - 2017 | 1.60             | 29 <sup>th</sup> September, 2017            | 04 <sup>th</sup> November, 2024 |
| Final Dividend - 2018 | 0.80             | 29 <sup>th</sup> September, 2018            | 04 <sup>th</sup> November, 2025 |

Details of the unclaimed dividend pertaining to the years 2014 to 2018 is hosted on Company's website. No dividend was declared since the year 2018-19 onwards.

Members can claim the unpaid dividend from the Company before transfer to the Investor Education and Protection Fund. As per the prevailing statutory provisions, the unpaid dividend once transferred to the said Fund cannot be claimed.

Shareholders who have not encashed their Demand Drafts / Dividend Warrants / Multi City Cheques are requested to immediately send their request for issue of duplicate Demand Drafts / Dividend Warrants / Multi City Cheques.

**Listing of shares and stock code:**

The Company's equity shares are listed at the following Stock Exchanges:

| Name and address of the Stock Exchange  | Stock Code |
|---|------------|
| BSE Limited,<br>Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001 | 532641     |

**Financial Year**

April 1, 2022 to March 31, 2023

**Dividend**

No dividend has been recommended for the year 2022-23

**Book Closure**

The Company's Register of Members and Share Transfer Books will remain closed from Tuesday, August 22, 2023 to Monday, August 28, 2023 (both days inclusive).

**Electronic Clearing Service:**

The Company provides the facility of payment of dividend to the shareholders by directly crediting the dividend amount to the shareholder's Bank Account. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their Bank Account through the Banks' Automated Clearing House ("ACH") and / or any other permitted mode for credit of dividend.

Members holding shares in physical form are requested to register and / or update their banking details with the Registrar and Transfer Agent and those holding shares in electronic form shall update their details with their Depository Participant to enable credit of the dividend to their Bank Account electronically and / or any other permitted mode for credit of dividend.

**Particulars of Dividend remaining unclaimed:**

In terms of section 124 of The Companies Act, 2013, amounts transferred to the Unpaid Dividend Account of the Company, which remain unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund (the Fund) established by the Central Government.

National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor, Bandra-Kurla Complex, Bandra, Mumbai 400 051

NDL

Bloomberg Code: NAND: IN

Reuters Code: NANE: NS

The International Securities Identification Number (ISIN) for the Company's Shares is INE 875G01030

**Market Price Data-High / Low during each month in the financial year 2022-2023 on BSE Limited (BSE) and National Stock Exchange of India Limited:**

**BSE**

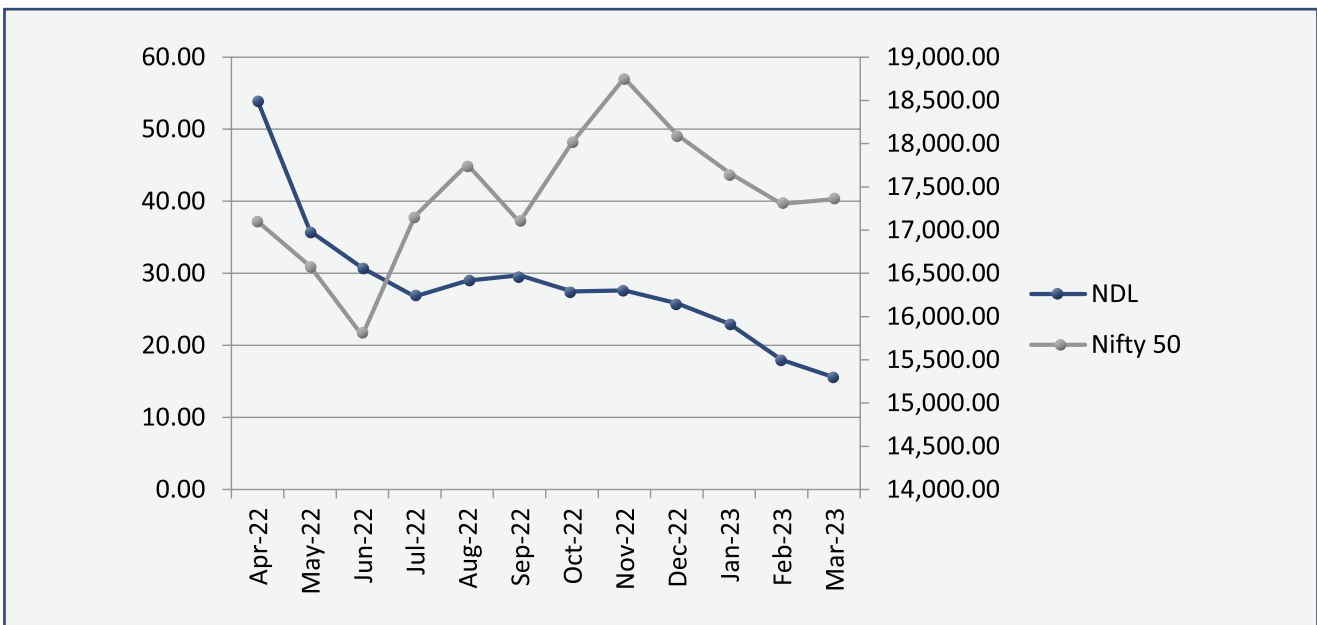
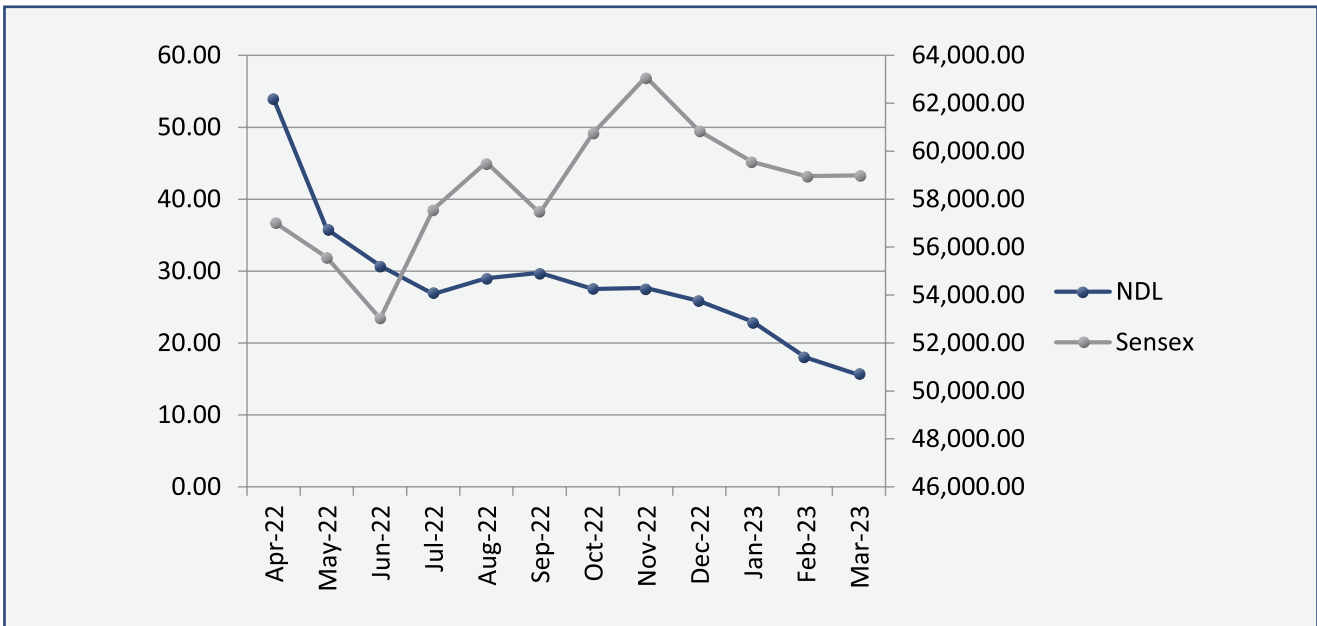
| Month  | Share Price BSE |       | BSE Sensex |           |
|--------|-----------------|-------|------------|-----------|
|        | High            | Low   | High       | Low       |
| Apr-22 | 69.90           | 53.95 | 60,845.10  | 56,009.07 |
| May-22 | 53.45           | 32.20 | 57,184.21  | 52,632.48 |
| Jun-22 | 40.00           | 27.60 | 56,432.65  | 50,921.22 |
| Jul-22 | 32.00           | 24.25 | 57,619.27  | 52,094.25 |
| Aug-22 | 30.40           | 25.25 | 60,411.20  | 57,367.47 |
| Sep-22 | 36.50           | 28.10 | 60,676.12  | 56,147.23 |
| Oct-22 | 30.50           | 27.25 | 60,786.70  | 56,683.40 |
| Nov-22 | 30.70           | 26.20 | 63,303.01  | 60,425.47 |
| Dec-22 | 29.00           | 21.75 | 63,583.07  | 59,754.01 |
| Jan-23 | 28.70           | 22.05 | 61,343.96  | 58,699.20 |
| Feb-23 | 23.70           | 17.95 | 61,682.25  | 58,795.97 |
| Mar-23 | 20.00           | 15.01 | 60,498.48  | 57,084.91 |

**NSE**

| Month  | Share Price NSE |       | NSE (NIFTY) |           |
|--------|-----------------|-------|-------------|-----------|
|        | High            | Low   | High        | Low       |
| Apr-22 | 70.00           | 53.45 | 18,114.65   | 16,824.70 |
| May-22 | 53.85           | 32.00 | 17,132.85   | 15,735.75 |
| Jun-22 | 39.90           | 26.50 | 16,793.85   | 15,183.40 |
| Jul-22 | 31.85           | 24.25 | 17,172.80   | 15,511.05 |
| Aug-22 | 30.50           | 25.05 | 17,992.20   | 17,154.80 |
| Sep-22 | 36.45           | 28.05 | 18,096.15   | 16,747.70 |
| Oct-22 | 31.00           | 27.10 | 18,022.80   | 16,855.55 |
| Nov-22 | 30.80           | 26.35 | 18,816.05   | 17,959.20 |
| Dec-22 | 28.15           | 22.55 | 18,887.60   | 17,774.25 |
| Jan-23 | 26.30           | 22.05 | 18,251.95   | 17,405.55 |
| Feb-23 | 23.75           | 17.95 | 18,134.75   | 17,255.20 |
| Mar-23 | 19.70           | 15.05 | 17,799.95   | 16,828.35 |

Closing Price of the Company's Shares on March 31, 2023 on Bombay Stock Exchange (BSE) and on National Stock Exchange (NSE) is 15.57 and 15.70 respectively.

**Performance of Share Price in Comparison**



**Permanent Account Number:**

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferor(s), transferee(s), surviving joint holders, legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

**Email id registration:**

To support the green initiative, shareholders are requested to register their email address with their DPs or with the Company's RTA, as the case may be. Communications in relation to the Company like Notice and Outcome of Board Meetings, Notice of AGM and Annual Report are regularly sent electronically to such shareholders who have registered their email addresses.

The shareholders willing to register their email address can write to their respective DP.



**Details of securities suspended:**

Not applicable

**Registrar and Share Transfer Agent (RTA):**

Nandan Denim Limited has appointed Datamatics Business Solutions Limited as its RTA for both segments i.e. physical and electronic.

Datamatics Business Solutions Limited.

Plot No. B-5, Part B, Cross Lane, MIDC, Andheri (East),

Mumbai, Maharashtra – 400 093

Tel.: 022 - 66712001-06

Fax: 022 – 66712011

Email: investorqry@datamaticsbpm.com

As required under Regulation 7(3) of the Listing Regulations, the Company has filed a Certificate issued by RTA & Compliance Officer of the Company certifying that all activities in relation to both physical and electronic share transfer facility are maintained by RTA registered with SEBI i.e. Datamatics Business Solutions Limited.

The shares lodged for transfer transmission, etc. are processed and share certificates duly endorsed are returned within stipulated time, subject to documents being valid and in all respects.

**Nomination facility**

Pursuant to the provisions of Section 72 of the Companies Act, 2013, and Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014, Members may file Nomination in respect of their shareholdings. Members holding shares in Physical Form willing to avail this facility may submit to the Company the prescribed Form SH-13 and any change or variation in the nomination in prescribed Form SH-14.

**Nodal Officer:**

In accordance with IEPF rules, Ms. Renuka Upadhyay, Company Secretary has been appointed as Nodal Officer.

**Shareholding Pattern (as on March 31, 2023)**

| PARTICULARS                           | NO. OF SHARES    | %             |
|---------------------------------------|------------------|---------------|
| Promoter & Promoter Group             | 93506441         | 64.87         |
| Foreign Portfolio Investors           | 1140000          | 0.79          |
| Financial Institutions/Banks          | 0                | 0.00          |
| Central Government / State Government | 16500            | 0.01          |
| Resident Individuals                  | 40939471         | 28.41         |
| Non-Resident Individuals              | 3448862          | 2.39          |
| Others                                | 5095894          | 3.53          |
| <b>TOTAL</b>                          | <b>144147168</b> | <b>100.00</b> |

**Distribution of Shareholding**

| NANDAN DENIM LIMITED              |              |           |                  |               |                    |                     |
|-----------------------------------|--------------|-----------|------------------|---------------|--------------------|---------------------|
| Share Holding Distribution Report |              |           |                  |               | As on 31-Mar- 2023 |                     |
| Sr. No.                           | Shares Range |           | Shares           | % To Capital  | No. of Holders     | % To No. Of Holders |
|                                   | From         | To        |                  |               |                    |                     |
| 1                                 | 1            | 500       | 3852527          | 2.67          | 25267              | 73.40               |
| 2                                 | 501          | 1000      | 3119344          | 2.16          | 4225               | 12.27               |
| 3                                 | 1001         | 2000      | 3449785          | 2.39          | 2346               | 6.82                |
| 4                                 | 2001         | 3000      | 2693400          | 1.87          | 1021               | 2.97                |
| 5                                 | 3001         | 4000      | 1191241          | 0.83          | 335                | 0.97                |
| 6                                 | 4001         | 5000      | 1327789          | 0.92          | 290                | 0.84                |
| 7                                 | 5001         | 10000     | 3711919          | 2.58          | 522                | 1.52                |
| 8                                 | 10001        | 50000     | 6655410          | 4.62          | 330                | 0.96                |
| 9                                 | 50001        | 999999999 | 118145753        | 81.96         | 85                 | 0.25                |
| <b>TOTAL</b>                      |              |           | <b>144147168</b> | <b>100.00</b> | <b>34421</b>       | <b>100.00</b>       |

**Shares in Physical and Electronic Mode**

| Particulars  | Position as on March 31, 2022 |                         | Position as on March 31, 2023 |                         | Net Change during 2022-23 |                         |
|--------------|-------------------------------|-------------------------|-------------------------------|-------------------------|---------------------------|-------------------------|
|              | No. of Shares                 | % to total shareholding | No. of Shares                 | % to total shareholding | No. of Shares             | % to total shareholding |
| Physical     | 31134                         | 0.02                    | 23340                         | 0.01                    | (7794)                    | (0.01)                  |
| Demat:       |                               |                         |                               |                         |                           |                         |
| NSDL         | 74022145                      | 51.35                   | 73210167                      | 50.79                   | (811978)                  | (0.56)                  |
| CDSL         | 70093889                      | 48.63                   | 70913661                      | 49.20                   | 819772                    | 0.57                    |
| Sub-total    | 144116034                     | 99.98                   | 144123828                     | 99.99                   | 7794                      | 0.01                    |
| <b>Total</b> | <b>144147168</b>              | <b>100.00</b>           | <b>144147168</b>              | <b>100.00</b>           | <b>-</b>                  | <b>-</b>                |

To facilitate trading in demat form, in India; there are two depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Nandan has entered into agreement with both these depositories. Shareholders can open their accounts with any of the Depository Participant registered with these depositories.

As on March 31, 2023, 99.98% shares of the Company were held in dematerialized form.

The equity shares of the Company are frequently traded at Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Members still holding physical share certificates are requested to dematerialize their shares by approaching any of the Depository Participants registered with the Securities and Exchange Board of India (SEBI).

**Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity**

None

**Commodity price risk and hedging activities**

Not Applicable

**Foreign exchange risk and hedging activities**

The Company is exposed to foreign exchange risk on account of import of various raw materials used in its production and technology products imported and sold, and other important export transactions. To mitigate the Foreign Exchange Risk which may be exposed to Company, the Company is less dependent on import of different machines, equipments which are required to it for its business. Since the substantial portion of turnover of Company comprises of export turnover, accordingly Company receives payment in different currency from its customers which may sometime involve substantial risk on account of adverse currency movements in global foreign exchange markets. Therefore, Company generally trade on advance payments as far as possible. Further proper followups are made with overseas customers so as to receive the payments in time bound schedule in order to have minimal foreign currency fluctuation risk.

**Plant Locations**

Survey No. 198/1 & 203/2,  
Saijpur – Gopalpur, Pirana Road,  
Piplej, Ahmedabad, Gujarat – 382 405  
Plot No. 4 & 5,  
Vraj Integrated Textile Park Limited  
National Highway No. 8,  
Bidaj, Gujarat – 387 420

**Investor Service Centre**

Company Secretary  
Nandan Denim Limited  
Corporate Office  
Chiripal House  
Near Shivranjani Cross Roads,  
Satellite, Ahmedabad – 380 015  
Tel: (079) 69660000

Monday to Saturday: 10.00 a.m. to 07.00 p.m. (except holidays)

Designated e-mail ID for redressal of investor complaints:  
cs.ndl@chiripalgroup.com

Shareholders may also contact the Registrar & Share Transfer Agent of the Company.

**Reconciliation of Share Capital Audit**

During the year under review, an audit was carried out at the end of every quarter by a qualified Practicing Company Secretary for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL. The report for every quarter upon reconciliation of capital was submitted to the stock exchanges and was also placed before the Board of Directors at their meetings.

**Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account**

Not Applicable

**Compliance with Secretarial Standards**

The Institute of Company Secretaries of India (ICSI), a Statutory Body, has issued Secretarial Standards on various aspects of corporate laws and practices. The Company is adhering to the standards issued by ICSI.

**Governance Process**

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in conduct of affairs of the Company and to ensure compliance with applicable statutory requirements and Secretarial Standards. The Company Secretary is an interface between the management and regulatory authorities for governance matters.

## Code of Conduct

The Company has in place a comprehensive Code of Conduct ('the Code') applicable to the Board Members and Senior Management Personnel. The Code is applicable to Non-Executive Directors including Independent Directors, to such extent as may be applicable to them, depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence.

A copy of the Code has been put up on the Company's website and can be accessed at [www.nandandenim.com](http://www.nandandenim.com). The Code has been circulated to Board Members and Senior Management Personnel, and its compliance is affirmed by them annually.

A declaration signed by the Company's Managing Director and CEO is published in this Report.

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## DECLARATION BY MANAGING DIRECTOR AND CEO PURSUANT TO SCHEDULE V(D) OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As required by Schedule V(D) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, this is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code is available on the Company's website.

We confirm that the Company has obtained from all the Members of the Board and Senior Management Personnel, a declaration of compliance with the Code of Conduct in respect of the financial year ended March 31, 2023.

Place: Ahmedabad  
Date: August 04, 2023

**Jyotiprasad Chiripal**  
Managing Director  
(DIN : 00155695)

**Deepak Chiripal**  
CEO

## Report on Corporate Governance

To,  
The Members,  
**NANDAN DENIM LIMITED**  
CIN: L51909GJ1994PLC022719

We have examined the compliance of conditions of Corporate Governance by Nandan Denim Limited ('the Company'), for the year ended 31<sup>st</sup> March, 2023 as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in the Listing Regulations for the period 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable subject to our below observation:

**One of the Independent Director Mrs. Falguni A. Vasavada has yet to appear for Online Proficiency Exam on Independent Directors Data Bank. Also, various compliance submission was done on belated basis under SEBI (LODR) 2015 on the Quarterly and Half Yearly basis.**

**FOR, J. D. KHATNANI & ASSOCIATES,**  
Practicing Company Secretary

**JAYKUMAR D. KHATNANI**

Proprietor

ACS: 50727 COP: 18421

Peer Review No. 1246/ 2021

Firm Reg. No. S2018GJ620700

UDIN: A050727E000549555

Date: 05<sup>th</sup> July, 2023

Place: Ahmedabad

## Certificate of Non-disqualification of Directors

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
 Members,  
**NANDAN DENIM LIMITED,**  
 Ahmedabad-05, Gujarat

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of NANDAN DENIM LIMITED bearing CIN: L51909GJ1994PLC022719 and having its registered office at Survey No 198/1 203/2 Saijpur Gopalpur Pirana Road, Piplej Ahmedabad 382405 Gujarat India (hereinafter referred to 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority. All the Independent Directors are Registered at [www.independentdirectorsdatabank.in](http://www.independentdirectorsdatabank.in) Portal. However, One of the Independent Director Mrs. Falguni A. Vasavada yet to appear for Online Proficiency Exam on Independent Directors Data Bank portal.

| Sr. No. | Name of Director                 | DIN      | Date of Appointment in Company |
|---------|----------------------------------|----------|--------------------------------|
| 1       | JYOTIPRASAD DEVKINANDAN CHIRIPAL | 00155695 | 29/05/2017                     |
| 2       | GIRAJ MOHAN SHARMA               | 01215950 | 11/11/2014                     |
| 3       | FALGUNI AKSHAYKANT VASAVADA      | 08921942 | 04/11/2020                     |
| 4       | SHAKTIDAN JAYENDRASINGH GADHAVI  | 09004587 | 28/12/2020                     |
| 5       | RAHUL MEHTA NARENDRA             | 00165521 | 13/08/2022                     |
| 6       | KIRIT VAIKUNTHRAYA JOSHI         | 05316488 | 13/08/2022                     |

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

**For, J.D. KHATNANI & ASSOCIATES,**  
 Practicing Company Secretary

**Jaykumar D. Khatnani**  
 (Proprietor)

(ACS: 50727, COP: 18421)

Peer Review No.1246/2021

FIRM REG. NO. S2018GJ620700

UDIN: A050727E000345219

Place: Ahmedabad  
 Date: May 28, 2022

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity - L51909GJ1994PLC022719
2. Name of the Listed Entity - Nandan Denim Limited
3. Year of incorporation – 09/08/1994
4. Registered office address - Survey No 198/1 203/2 Saijpur Gopalpur Pirana Road, Piplej, Ahmedabad – 382405, Gujarat
5. Corporate address - Chiripal House, Shivranjani Cross Road, Satellite Ahmedabad – 380015, Gujarat
6. E-mail - [cs.ndl@chiripalgroup.com](mailto:cs.ndl@chiripalgroup.com)
7. Telephone – 079-69660000
8. Website – [www.nandandenim.com](http://www.nandandenim.com)
9. Financial year for which reporting is being done – 01/04/2022 to 31/03/2023
10. Name of the Stock Exchange(s) where shares are listed – BSE Limited and National Stock Exchange of India Limited
11. Paid-up Capital – ₹ 1441471680
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report – Ms. Renuka Upadhyay (Mobile No -: 6357310846, Email ID: [cs.ndl@chiripalgroup.com](mailto:cs.ndl@chiripalgroup.com))
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis – Standalone Basis

### II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity      | % of Turnover of the entity |
|--------|------------------------------|---------------------------------------|-----------------------------|
| 1.     | Manufacturing                | Textile, leather and apparel products | 100%                        |

Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service                 | NIC Code | % of total Turnover contributed |
|--------|---------------------------------|----------|---------------------------------|
| 1.     | Manufacture of textile products | 131      | 100%                            |

### III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 2                | 3                 | 5     |
| International | 0                | 0                 | 0     |

17. Markets served by the entity:

- a. Number of locations

| Locations                        | Number |
|----------------------------------|--------|
| National (No. of States)         | 18     |
| International (No. of Countries) | 15     |

- b. What is the contribution of exports as a percentage of the total turnover of the entity?  
8% of Total Turnover

## c. A brief on types of customers

Nandan Denim Limited has redefined the world's love for denim in truly remarkable ways. The company manufactures Denim, Shirting materials, Yarn and various types of fabrics. The business model of our company is B2B (Business to business) which mainly includes Fabric Re-seller, Garment Converter, Distributors, Wholesalers, Dealers, Brand Owners and Exporters.

#### IV. Employees

In whole Report, Employee means Staff of the Company.

## 18. Details as at the end of Financial Year:

## a. Employees and workers (including differently abled):

| S. No.           | Particulars                    | Total (A) | Male    |           | Female  |           |
|------------------|--------------------------------|-----------|---------|-----------|---------|-----------|
|                  |                                |           | No. (B) | % (B / A) | No. (C) | % (C / A) |
| <b>EMPLOYEES</b> |                                |           |         |           |         |           |
| 1.               | Permanent (D)                  | 480       | 466     | 97        | 14      | 3         |
| 2.               | Other than Permanent (E)       | 0         | 0       | 0         | 0       | 0         |
| 3.               | <b>Total employees (D + E)</b> | 480       | 466     | 97        | 14      | 3         |
| <b>WORKERS</b>   |                                |           |         |           |         |           |
| 4.               | Permanent (F)                  | 766       | 740     | 96.60     | 26      | 3.40      |
| 5.               | Other than Permanent (G)       | 0         | 0       | 0         | 0       | 0         |
| 6.               | <b>Total workers (F + G)</b>   | 766       | 740     | 96.60     | 26      | 3.40      |

## b. Differently abled Employees and workers:

| S. No.                             | Particulars                               | Total (A) | Male    |           | Female  |           |
|------------------------------------|---|-----------|---------|-----------|---------|-----------|
|                                    |   |           | No. (B) | % (B / A) | No. (C) | % (C / A) |
| <b>DIFFERENTLY ABLED EMPLOYEES</b> |   |           |         |           |         |           |
| 1.                                 | Permanent (D)                             | 0         | 0       | 0         | 0       | 0         |
| 2.                                 | Other than Permanent (E)                  | 0         | 0       | 0         | 0       | 0         |
| 3.                                 | Total differently abled employees (D + E) | 0         | 0       | 0         | 0       | 0         |
| <b>DIFFERENTLY ABLED WORKERS</b>   |   |           |         |           |         |           |
| 4.                                 | Permanent (F)                             | 0         | 0       | 0         | 0       | 0         |
| 5.                                 | Other than permanent (G)                  | 0         | 0       | 0         | 0       | 0         |
| 6.                                 | Total differently abled workers (F + G)   | 0         | 0       | 0         | 0       | 0         |

## 19. Participation/Inclusion/Representation of women

|                          | Total (A) | No. and percentage of Females |           |
|--------------------------|-----------|-------------------------------|-----------|
|                          |           | No. (B)                       | % (B / A) |
| Board of Directors       | 6         | 1                             | 16.67     |
| Key Management Personnel | 5*        | 1                             | 20.00     |

\* Includes Managing Director & Whole time Director who are also covered in the number of Board of Directors.

## 20. Turnover rate for permanent employees and workers

|                     | FY 2022-23<br>(Turnover rate in current FY) |        |       | FY 2021-22<br>(Turnover rate in previous FY) |        |       | FY 2020-21<br>(Turnover rate in the year prior to the previous FY) |        |       |
|---------------------|---|--------|-------|--|--------|-------|--|--------|-------|
|                     | Male  | Female | Total | Male   | Female | Total | Male   | Female | Total |
| Permanent Employees | 1.25%                                       | Nil    | 1.25% | 1.80%  | Nil    | 1.80% | 2%   | Nil    | 2%    |
| Permanent Workers   | 2.07%                                       | Nil    | 2.07% | 2.04%  | 0.05%  | 2.09% | 3%   | 0.25%  | 3.25% |

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

21. (a) Names of holding / subsidiary / associate companies / joint ventures: The Company does not have any holding, subsidiary, associate or joint venture company.

**VI. CSR Details**

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes  
(ii) Turnover (in ₹) – 20,26,76,40,000  
(iii) Net worth (in ₹) – 5,40,35,82,000

**VII. Transparency and Disclosures Compliances**

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2022-23<br>Current Financial Year       |  |                                | FY 2021-22<br>Previous Financial Year      |  |         |
|---|--|--|--|--------------------------------|--|--|---------|
|   |  | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks                        | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities                                       | Yes, the company has in place internal mechanism to address grievance on case to case basis                  | Nil  | Nil  | Nil                            | Nil  | Nil  | Nil     |
| Investors (other than shareholders)               | Yes, the company has in place internal mechanism to address grievance on case to case basis                  | Nil  | Nil  | Nil                            | Nil  | Nil  | Nil     |
| Shareholders                                      | Yes  | Nil  | Nil  | Nil                            | Nil  | Nil  | Nil     |
| Employees and workers                             | Yes  | Nil  | Nil  | Nil                            | Nil  | Nil  | Nil     |
| Customers   | Yes  | 309  | 45   | Open for commercial settlement | 194  | 0  | -       |
| Value Chain Partners                              | NA   | Nil  | Nil  | Nil                            | Nil  | Nil  | Nil     |
| Other (please specify)                            | NA   | Nil  | Nil  | Nil                            | Nil  | Nil  | Nil     |



24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, are as under:

| S. No. | Material issue identified | Indicate whether risk Or opportunity (R/O) | Rationale for identifying the risk / opportunity  | In case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative implications)  |
|--------|---------------------------|--|---|--|---|
| 1      | Chemical Management       | Risk and Opportunity                       | <p>Risk:<br/>Shifting consumer preference towards safe &amp; sustainable products. Additionally, the regulatory environment is getting more stringent on the sustainability aspects of chemicals and its associated impacts.</p> <p>Opportunity:<br/>To become a globally preferred denim brand in manufacturing safe, sustainable products while adhering to all regulatory compliances</p>  | We are engaged with our vendors and suppliers for the elimination of hazardous chemicals and to implement safer sustainable products   | <p>Positive:<br/>Reputational benefit resulting in increased demand for goods. Increased revenue due to better competitive position to reflect shifting consumer preferences.</p> <p>Negative:<br/>Reduced revenue from decreased demand of goods</p>     |
| 2      | People                    | Risk and Opportunity                       | <p>Risk:<br/>Reputational risk if we fail to ensure fair labour practices, protection of human rights, health and safety of our employee &amp; workers.</p> <p>Opportunity:<br/>By addressing the above risks, we are securing our social license to operate and representing ourselves</p>   | We have identified potential hazards and associated risks across our facility and integrating them into SOPs. We have adopted various social compliance certifications like GOTS, Better Cotton, Oeko Tex Standard 100 in operating sites. | <p>Positive:<br/>While ensuring our people's prosperity in consideration, we seek to improve employee satisfaction, better retention and lowering cost of management.</p> <p>Negative:<br/>Reduced revenue due to negative impact on workforce.</p>       |
| 3      | Energy Management         | Risk and Opportunity                       | <p>Risk:<br/>While energy contributes to the growth of textile and apparel industry, resulting emissions are a dampener for environmental health. Increasing demand of textile and apparels in the world, followed by increased production is the cause of higher GHG emissions.</p> <p>Opportunity:<br/>Improving upon the energy efficiency and increasing renewable usage will support us in cutting down the energy expenses and achievement of pertinent emission reduction commitments.</p> | We have implemented 2 MW Wind Mill Power Project for captive electricity consumption and under process for installation of solar rooftop system in the coming years.   | <p>Positive:<br/>Wind Mill Project installation for captive consumption shall result in reduction in energy cost and reduction in fuel consumption</p> <p>Negative:<br/>Due to increase in price of fuel and energy, the cost of production increases</p> |

| S. No. | Material issue identified | Indicate whether risk Or opportunity (R/O) | Rationale for identifying the risk / opportunity   | In case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative implications)  |
|--------|---------------------------|--|--|--|---|
| 4      | Innovation                | Opportunity                                | Investing in innovation and technology to accelerate the journey ahead across product development, manufacturing, supply chain, waste management and consumer engagement                                 | NA   | Positive : Partnering with innovative summit, product innovation, digital transformation, Sewage Treatment plant.                           |
| 5      | Cotton                    | Risk                                       | Cotton is our main raw material and being an agricultural product it is dependent on weather/ environment. Inadequate rain results in lower production of cotton and in turn result high price of cotton | Preparation of advance strategic plan for purchase of cotton to mitigate any shortage in raw material.   | Negative Increase in cost of raw materials which in turn results in increase in product cost.   |
| 6      | Natural fiber             | Opportunity                                | Due to increasing green revolution and environment sustainability, the use of natural fiber is increasing due to increase in demand by customers.  | NA   | Positive Implications Increase in revenue due to increase in demand of sustainable products   |
| 7      | Water                     | Risk                                       | Water is one of the essential requirement for our operation and due to its scarcity, efficient management of water is highly essential for our operations  | We reuse and recycle water by establishing an Effluent Treatment Plant (ETP) and a Reverse Osmosis Plant (RO) within our facility. We also treat wastewater with our Sewage Treatment Plant (STP) and reuse the treated water for gardening. In order to utilise backwash water, we have also installed a pipeline from the power plant to the fabric division | Positive Implications Increase in cost to adopt new technologies but in the long run it will result in controlling our operational expenses |
| 8      | Climate Change            | Risk                                       | Due to inadequate climate conditions and unseasonal rain, the production of cotton and other essential raw materials are effected which results in scarcity of available raw materials                   | The company prepares a strategic plan for mitigating the risk in line with production  | Negative implication Non Availability of raw materials at reasonable price, which results in sourcing of materials at higher price.         |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions   | P 1   | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--|---|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>Policy and management processes</b>   |   |     |     |     |     |     |     |     |     |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)   | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No)   | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web Link of the Policies, if available  | <a href="https://nandandenim.com/policies/">https://nandandenim.com/policies/</a>   |     |     |     |     |     |     |     |     |
| 2. Whether the entity has translated the policy into procedures. (Yes / No)  | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No)  | NA  | NA  | NA  | NA  | NA  | NA  | NA  | NA  | NA  |
| 4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | The Company has following certifications:<br>ISO 17050-1 Standard 100 by OEKO-TEX<br>Global Organic Textile Standard (GOTS) certified<br>Global Recycled Standard (GRS) certified<br>Organic Content Standard (OCS) certified<br>Recycled Claim Standard (RCS) certified<br>Better Cotton Initiative (BCI) certification  |     |     |     |     |     |     |     |     |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any.   | NDL is a carbon neutral company. The company has set goals and targets considering the ESG parameters which includes the following: <ul style="list-style-type: none"> <li>• Reuse of condensate recovery as process water.</li> <li>• Department lighting arrangements are covered under LED.</li> <li>• Implementation of IMS (combination of QMS / EMS / OSHAS) systems is under process.</li> <li>• Solar system implementation is being considered.</li> <li>• Plantation of our own greenbelt with over 25,000 trees.</li> <li>• Implementation of Wind Mill Project for Captive Electricity consumption</li> </ul> |     |     |     |     |     |     |     |     |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.  | Wind Mill Project of 2MW has been implemented for Captive Electricity Consumption.<br><br>Performance on goals and targets are reviewed periodically by Mr. Suresh Maheshwari, President (Finance & ESG) and CFO of the Company.  |     |     |     |     |     |     |     |     |

### Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:

At Nandan Denim Limited, we recognize our role as socially and environmentally responsible citizen. As a sustainable company, we adhere to the highest business ethics and standards. We take significant measures to lower our waste generation. Through our sustainable practices we consistently promote ethical denim for a better tomorrow. We are committed to following stringent rules to reduce the use of harmful chemicals within our operations. Our facilities are Oeko Tex 100, GOTS 5.0 and BCI certified. We are also in the process of developing a sustainable product range with fibre blends such as Tencel, Rayon and Excel and use Indigo in other applications like ethnic wear, formal wear, and so on. As a carbon neutral Company, we have implemented measures to support condensate recovery from processed water and also focus on reducing our energy requirements. Being a responsible corporate citizen, we carry out several health and education programmes for our communities. We also strive to provide a conducive work environment where all our employees bring the best of themselves. We take pride in our ability to nurture their skills and work together as a team, and actively promote a strong culture built on collaboration, innovation and trust. We also prioritize the health and safety of our people above everything else. During the year, we continued to organize several employee engagement initiatives to motivate and empower our people.

|   |   |
|---|---|
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).   | Mr. Suresh Maheshwari<br>The President (Finance & ESG) and CFO<br>Contact No.: +91 9825225582<br>Email ID: <a href="mailto:sureshmaheshwari@chiripalgroup.com">sureshmaheshwari@chiripalgroup.com</a> |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | The Board of Directors are responsible for decision making on sustainability related issues   |

10. Details of Review of NGRBCs by the Company:

| Subject for Review   | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) |
|--|--|--|
|  | P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9  | P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9                                      |
| Performance against above policies and follow up action  | Yes  | Annually   |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Yes  | Quarterly  |

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

|  |  |
|--|--|
|  | <b>P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9</b><br>No |
|--|--|

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions   | P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9 |
|---|-------------------------------------|
| The entity does not consider the Principles material to its business (Yes/No)   |                                     |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) |                                     |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No)                         | Not Applicable                      |
| It is planned to be done in the next financial year (Yes/No)  |                                     |
| Any other reason (please specify)   |                                     |

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment                           | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact  | %age of persons in respective category covered by the awareness programmes |
|-----------------------------------|--|--|--|
| Board of Directors                | 2  | Business Model of the Company and Strategic Planning for smooth running of Business,   | 67%  |
|                                   |  | Structured Digital Database Compliance as per SEBI(PIT) Regulations, 2015 through presentation   | 83.33%   |
| Key Managerial Personnel          | 1  | Structured Digital Database Compliance as per SEBI(PIT) Regulations, 2015 through presentation   | 66.67%   |
| Employees other than BOD and KMPs | 22   | Fire & Safety Awareness<br>- Firefighting practical<br>- Electrical Safety<br>- Use of PPE's<br>- Chemical Safety<br>- Accident Prevention                                 | 85%  |
| Workers                           | 66 - Training<br>5 – Awareness Programmes              | Fire & Safety Awareness<br>- Firefighting practical<br>- Electrical Safety<br>- Use of PPE's<br>- Chemical Safety<br>- Accident Prevention<br>- Environment<br>- First Aid | 88%  |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

#### a. Monetary

|                 | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹) | Brief of the Case  | Has an appeal been preferred? (Yes/No) |
|-----------------|-----------------|---|---------------|--|--|
| Penalty/ Fine   | 1 & 4           | SEBI  | 201000        | Delay in submission of Related Party Transactions Disclosure, Corporate Governance Report and Shareholding pattern during the year | No                                     |
| Settlement      | NIL             | NIL   | NIL           | NIL  | NIL                                    |
| Compounding fee | NIL             | NIL   | NIL           | NIL  | NIL                                    |

#### b. Non-Monetary

|              | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|--------------|-----------------|---|-------------------|--|
| Imprisonment | NIL             | NIL   | NIL               | NIL                                    |
| Punishment   | NIL             | NIL   | NIL               | NIL                                    |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details   | Name of the regulatory/ enforcement agencies/ judicial institutions |
|----------------|---|
| Not Applicable |   |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

- Yes, NDL has an anti-bribery policy that outlines our responsibility to comply with laws, acts, and enactments prohibiting all forms of bribery and corruption. This policy is well complemented by our Code of Ethics and Conduct. We encourage every personnel to report any concerns regarding bribery issues, suspicion of malpractice, any case of corrupt practice, any breach of this policy, or applicable laws at the earliest possible stage. Suspected violations will be reviewed and investigated appropriately and may lead to disciplinary action as per company rules and, in severe cases, termination of employment.
- Anti-Bribery Policy Link: <https://nandandenim.com/wp-content/uploads/2023/07/Anti-Bribery-Policy.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

|           | FY 2022-23<br>(Current Financial Year) | FY 2021-22<br>(Previous Financial Year) |
|-----------|--|---|
| Directors | Nil                                    | Nil                                     |
| KMPs      | Nil                                    | Nil                                     |
| Employees | Nil                                    | Nil                                     |
| Workers   | Nil                                    | Nil                                     |

6. Details of complaints with regard to conflict of interest:

|  | FY 2022-23<br>(Current Financial Year) |         | FY 2021-22<br>(Previous Financial Year) |         |
|--|--|---------|---|---------|
|  | Number                                 | Remarks | Number                                  | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil                                    | -       | Nil                                     | -       |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | Nil                                    | -       | Nil                                     | -       |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. – **Not Applicable**

## PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

|       | FY 2022-23<br>(Current Financial Year) | FY 2021-22<br>(Previous Financial Year) | Details of improvements in environmental and social impacts |
|-------|--|---|---|
| R&D   | Nil                                    | Nil                                     | NA  |
| Capex | Nil                                    | Nil                                     | NA  |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)  
Yes

- b. If yes, what percentage of inputs were sourced sustainably?

We procure organic cotton, fair trade cotton, BCI Certified Cotton and recycled Polyester. During the Financial Year 2022-23, we have sourced about 3-5% sustainable fibre from sustainable sources. We also procure all the chemicals which are GOTS certified.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) Other waste.

We have devised an internal process that focusses on classification of waste followed by segregation and storage in separated areas. After storage, periodically the waste is collected and responsibly disposed in accordance with the regulatory norms defined by the Gujarat Pollution Control Board (GPCB).

Plastic and E-waste is sold to registered recyclers buyers approved by Gujarat Pollution Control Board.

Waste water is treated and recycled back into process water by establishing an Effluent Treatment Plant (ETP) and a Reverse Osmosis Plant (RO) within our facility. We also treat wastewater with our Sewage Treatment Plant (STP) and reuse the treated water for gardening.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). => No

### PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

#### Essential Indicators

1. a. Details of measures for the well-being of employees:

| Category                              | % of employees covered by |                  |            |                    |              |                    |             |                    |            |                     |          |
|---------------------------------------|---------------------------|------------------|------------|--------------------|--------------|--------------------|-------------|--------------------|------------|---------------------|----------|
|                                       | Total (A)                 | Health insurance |            | Accident insurance |              | Maternity benefits |             | Paternity Benefits |            | Day Care facilities |          |
|                                       | Number (B)                | % (B / A)        | Number (C) | % (C / A)          | Number (D)   | % (D / A)          | Number (E)  | % (E / A)          | Number (F) | % (F / A)           |          |
| <b>Permanent employees</b>            |                           |                  |            |                    |              |                    |             |                    |            |                     |          |
| Male                                  | 480                       | 0                | 0          | 330                | 68.75        | NA                 | NA          | 0                  | 0          | 0                   | 0        |
| Female                                | 14                        | 0                | 0          | 10                 | 71.42        | 10                 | 71.42       | 0                  | 0          | 0                   | 0        |
| <b>Total</b>                          | <b>494</b>                | <b>0</b>         | <b>0</b>   | <b>340</b>         | <b>68.83</b> | <b>10</b>          | <b>2.02</b> | <b>0</b>           | <b>0</b>   | <b>0</b>            | <b>0</b> |
| <b>Other than Permanent employees</b> |                           |                  |            |                    |              |                    |             |                    |            |                     |          |
| Male                                  |                           |                  |            |                    |              |                    |             |                    |            |                     |          |
| Female                                | Not Applicable            |                  |            |                    |              |                    |             |                    |            |                     |          |
| Total                                 |                           |                  |            |                    |              |                    |             |                    |            |                     |          |

- b. Details of measures for the well-being of workers

| Category                            | % of workers covered by |                  |            |                    |            |                    |              |                    |            |                     |          |
|-------------------------------------|-------------------------|------------------|------------|--------------------|------------|--------------------|--------------|--------------------|------------|---------------------|----------|
|                                     | Total (A)               | Health insurance |            | Accident insurance |            | Maternity benefits |              | Paternity Benefits |            | Day Care facilities |          |
|                                     | Number (B)              | % (B / A)        | Number (C) | % (C / A)          | Number (D) | % (D / A)          | Number (E)   | % (E / A)          | Number (F) | % (F / A)           |          |
| <b>Permanent workers</b>            |                         |                  |            |                    |            |                    |              |                    |            |                     |          |
| Male                                | 740                     | 0                | 0          | 740                | 96.60      | NA                 | NA           | 0                  | 0          | 0                   | 0        |
| Female                              | 26                      | 0                | 0          | 26                 | 03.40      | 26                 | 03.40        | 0                  | 0          | 0                   | 0        |
| <b>Total</b>                        | <b>766</b>              | <b>0</b>         | <b>0</b>   | <b>766</b>         | <b>100</b> | <b>26</b>          | <b>03.40</b> | <b>0</b>           | <b>0</b>   | <b>0</b>            | <b>0</b> |
| <b>Other than Permanent workers</b> |                         |                  |            |                    |            |                    |              |                    |            |                     |          |
| Male                                |                         |                  |            |                    |            |                    |              |                    |            |                     |          |
| Female                              | Not Applicable          |                  |            |                    |            |                    |              |                    |            |                     |          |
| <b>Total</b>                        |                         |                  |            |                    |            |                    |              |                    |            |                     |          |

## 2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits                | FY 2022-23<br>Current Financial Year               |  |  | FY 2021-22<br>Previous Financial Year              |  |  |
|-------------------------|--|--|--|--|--|--|
|                         | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF                      | 100  | 100  | Y  | 100  | 95   | Y  |
| Gratuity                | 100  | 100  | Y  | 100  | 100  | Y  |
| ESI                     | 100  | 100  | Y  | 100  | 100  | Y  |
| Others – please specify | NA   | NA   | NA   | NA   | NA   | NA   |

3 **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.  
- **Not applicable, as there are no differently abled employees in company**

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. - **Yes**

We are proud to be an equal opportunity employer, and this principle is not only reflected on our website but also ingrained in our ways of working as governed by our Code of Ethics & Conduct. Our Human Rights Policy and Equal Opportunity Policy clearly outlines that at NDL, all employees are evaluated solely on their performance, regardless of their race, religion, caste, gender, sexual orientation, age or disability. This approach ensures that there is no discrimination in recruitment, remuneration, and promotion processes.

Equal Opportunity Policy Link: <https://nandandenim.com/wp-content/uploads/2023/07/Equal-Opportunity-policy.pdf>

Human Rights Policy Link: <https://nandandenim.com/wp-content/uploads/2023/07/Human-Rights-Policy.pdf>

## 5 Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender       | Permanent employees |                | Permanent workers   |                |
|--------------|---------------------|----------------|---------------------|----------------|
|              | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male         | Nil                 | Nil            | Nil                 | Nil            |
| Female       | Nil                 | Nil            | Nil                 | Nil            |
| <b>Total</b> |                     |                |                     |                |

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief. -&gt; Yes

| Category                       | Yes  |
|--------------------------------|--|
| Permanent Workers              | Company has grievances redressal policy, whistle blower policy, sexual harassment to receive and address grievances from employees and workers |
| Other than Permanent Workers   |  |
| Permanent Employees            | Not Applicable   |
| Other than Permanent Employees |  |



## 7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

| Category                         | FY 2022-23<br>(Current Financial Year)               |  |         | FY 2021-22<br>(Previous Financial Year)              |  |         |
|----------------------------------|--|--|---------|--|--|---------|
|                                  | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D/C) |
| <b>Total Permanent Employees</b> | NA   | NA   | NA      | NA   | NA   | NA      |
| - Male                           |  |  |         |  |  |         |
| - Female                         |  |  |         |  |  |         |
| <b>Total Permanent Workers</b>   | NA   | NA   | NA      | NA   | NA   | NA      |
| - Male                           |  |  |         |  |  |         |
| - Female                         |  |  |         |  |  |         |

## 8. Details of training given to employees and workers:

| Category         | FY 2022-23<br>Current Financial Year |                               |            |                      |            | FY 2021-22<br>Previous Financial Year |                               |            |                      |            |
|------------------|--------------------------------------|-------------------------------|------------|----------------------|------------|---------------------------------------|-------------------------------|------------|----------------------|------------|
|                  | Total (A)                            | On Health and safety measures |            | On Skill upgradation |            | Total (D)                             | On Health and safety measures |            | On Skill upgradation |            |
|                  |                                      | No. (B)                       | % (B / A)  | No. (C)              | % (C / A)  |                                       | No. (E)                       | % (E / D)  | No. (F)              | % (F / D)  |
| <b>Employees</b> |                                      |                               |            |                      |            |                                       |                               |            |                      |            |
| Male             | 466                                  | 466                           | 100        | 466                  | 100        | 380                                   | 380                           | 100        | 380                  | 100        |
| Female           | 14                                   | 14                            | 100        | 14                   | 100        | 11                                    | 11                            | 100        | 11                   | 100        |
| <b>Total</b>     | <b>480</b>                           | <b>480</b>                    | <b>100</b> | <b>480</b>           | <b>100</b> | <b>391</b>                            | <b>391</b>                    | <b>100</b> | <b>391</b>           | <b>100</b> |
| <b>Workers</b>   |                                      |                               |            |                      |            |                                       |                               |            |                      |            |
| Male             | 740                                  | 740                           | 100        | 740                  | 100        | 665                                   | 665                           | 100        | 665                  | 100        |
| Female           | 26                                   | 26                            | 100        | 26                   | 100        | 18                                    | 18                            | 100        | 18                   | 100        |
| <b>Total</b>     | <b>766</b>                           | <b>766</b>                    | <b>100</b> | <b>766</b>           | <b>100</b> | <b>683</b>                            | <b>683</b>                    | <b>100</b> | <b>683</b>           | <b>100</b> |

## 9. Details of performance and career development reviews of employees and worker:

| Category         | FY 2022-23<br>Current Financial Year |            |            | FY 2021-22<br>Previous Financial Year |            |            |
|------------------|--------------------------------------|------------|------------|---------------------------------------|------------|------------|
|                  | Total (A)                            | No. (B)    | % (B / A)  | Total (C)                             | No. (D)    | % (D / C)  |
| <b>Employees</b> |                                      |            |            |                                       |            |            |
| Male             | 466                                  | 466        | 100        | 380                                   | 380        | 100        |
| Female           | 14                                   | 14         | 100        | 11                                    | 11         | 100        |
| <b>Total</b>     | <b>480</b>                           | <b>480</b> | <b>100</b> | <b>391</b>                            | <b>391</b> | <b>100</b> |
| <b>Workers</b>   |                                      |            |            |                                       |            |            |
| Male             | 740                                  | 740        | 100        | 665                                   | 665        | 100        |
| Female           | 26                                   | 26         | 100        | 18                                    | 18         | 100        |
| <b>Total</b>     | <b>766</b>                           | <b>766</b> | <b>100</b> | <b>683</b>                            | <b>683</b> | <b>100</b> |

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity?

Yes, for creating safe and healthy working environment at our operations, company is conducting Safety Audit and Fire Safety Audit. In addition, Company has also done Environment Management System Audit by a recognized agency with GPCB. Internal SOP is also kept in place for Occupational health and safety management system.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Yes, as per the internal process at operation site routine visit and checks are made to find out any risk or work related hazards by respective department heads. Further safety audit and environment audit are also carried out on regularly basis by external agencies. The company is also carrying out Training programmes on routine basis for industrial safety and new process implemented for product development.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.

Yes, the company has placed internal mechanism for reporting any work related hazards to respective heads and steps to be taken to mitigate such risks.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

- No

11. Details of safety related incidents, in the following format:

| Safety Incident/Number  | Category  | FY 2022-23             | FY 2021-22              |
|---|-----------|------------------------|-------------------------|
|   |           | Current Financial Year | Previous Financial Year |
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.0091                 | 0.048                   |
|   | Workers   | 0.054                  | 0.045                   |
| Total recordable work-related injuries  | Employees | 1                      | 1                       |
|   | Workers   | 6                      | 4                       |
| No. of fatalities   | Employees | Nil                    | Nil                     |
|   | Workers   | Nil                    | Nil                     |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employees | Nil                    | Nil                     |
|   | Workers   | Nil                    | Nil                     |

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

To ensure safe and healthy working environment, NDL has assigned the responsibility at different levels to ensure safety of the workers and employees at work place. Fixing the responsibility of the contractors, sub-contractors, transporters and other agencies entering the premises. Relevant techniques and methods (such as safety audits and risk assessment) for periodical assessment at least once in every two years on the status of health, safety and environment and taking all the remedial measures by external competent authority. Regular training and awareness programmes has been organized at operation site for workers and employees. Medical camps and fire safety training are conducted at operations site on regular basis. To mitigate fire related incidents, we have installed fire safety machinery and instruments to ensure safety of workers and employees. Mock drills, training and programmes are organized to bring awareness among health and safety management.

13. Number of Complaints on the following made by employees and workers:

|                    | FY 2022-23<br>(Current Financial Year) |                                       |         | FY 2021-22<br>(Previous Financial Year) |                                       |         |
|--------------------|--|---------------------------------------|---------|---|---------------------------------------|---------|
|                    | Filed during the year                  | Pending resolution at the end of year | Remarks | Filed during the year                   | Pending resolution at the end of year | Remarks |
| Working Conditions | Nil                                    | Nil                                   | NA      | Nil                                     | Nil                                   | NA      |
| Health & Safety    | Nil                                    | Nil                                   | NA      | Nil                                     | Nil                                   | NA      |

14. Assessments for the year:

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 100   |
| Working Conditions          | 100   |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

**- Corrective and prevention action register maintain to control fire incidence, injury incidence and near miss incidence.**

However, to maintain a safe working environment, we undertake stringent measures, including but not limited to safety-related training, access to first aid, mandatory use of PPEs in our operations, standard hygiene protocols, free access to doctors and psychologists for employees, and webinars. We are also following COVID-related protocols such as wearing masks, regular sanitization, thermal screening, etc.

Periodic mock drills are conducted across manufacturing operations. For any modifications, routine maintenance, electrical installations, erection, and commissioning of machines, work permits are issued as per the defined safety guidelines of the organization.

#### **PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

##### **Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

The company has identified its internal as well as external stakeholders to deepen its insights into their needs and expectations and to develop sustainable strategies for the short term, medium and long term. Key stakeholders are Suppliers, Customers, Employees, Investors/Bankers and Shareholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| <b>Stakeholder Group</b> | <b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b> | <b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others</b> | <b>Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)</b> | <b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b> |
|--------------------------|---|---|---|--|
| Suppliers                | No  | Email, SMS, Meeting   | Regularly   | Quality of Products, New order, Improvement Scope  |
| Customers                | No  | Email, SMS, Meeting, plant visit  | Regularly   | Quality of Products, After sales Service, New order, Improvement Scope                                 |
| Employees                | No  | Email, internal training programs, seminars   | Regularly   | Employee Benefits and Employee Engagement  |
| Banker/ Investors        | No  | Email, Physical Visit, Publication of Annual reports, Website   | Event Based   | Annual Performance Report, Annual Report, Quarterly result   |
| Shareholders             | No  | Email, SMS, Newspaper, Letter, Meetings, Public Disclosure, Website   | Quarterly   | Grievance handling, meeting-agenda approval and services related to shareholders requirement           |

**PRINCIPLE 5 Businesses should respect and promote human rights****Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity in the following format:

| Category               | FY 2022-23<br>Current Financial Year |   |           | FY 2021-22<br>Previous Financial Year |   |           |
|------------------------|--------------------------------------|---|-----------|---------------------------------------|---|-----------|
|                        | Total (A)                            | No. of employees /<br>workers covered (B) | % (B / A) | Total (C)                             | No. of employees /<br>workers covered (D) | % (D / C) |
| <b>Employees</b>       |                                      |   |           |                                       |   |           |
| Permanent              | 480                                  | 480                                       | 100       | 391                                   | 391                                       | 100       |
| Other permanent than   | NA                                   | NA  | NA        | NA                                    | NA  | NA        |
| <b>Total Employees</b> | 480                                  | 480                                       | 100       | 391                                   | 391                                       | 100       |
| <b>Workers</b>         |                                      |   |           |                                       |   |           |
| Permanent              | 766                                  | 766                                       | 100       | 683                                   | 683                                       | 100       |
| Other permanent than   | NA                                   | NA  | NA        | NA                                    | NA  | NA        |
| <b>Total Workers</b>   | 766                                  | 766                                       | 100       | 683                                   | 683                                       | 100       |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category                    | FY 2022-23<br>Current Financial Year |                          |              |                           |              | FY 2021-22<br>Previous Financial Year |                          |              |                           |              |
|-----------------------------|--------------------------------------|--------------------------|--------------|---------------------------|--------------|---------------------------------------|--------------------------|--------------|---------------------------|--------------|
|                             | Total<br>(A)                         | Equal to<br>Minimum Wage |              | More than<br>Minimum Wage |              | Total<br>(D)                          | Equal to<br>Minimum Wage |              | More than<br>Minimum Wage |              |
|                             |                                      | No.<br>(B)               | % (B /<br>A) | No.<br>(C)                | % (C /<br>A) |                                       | No.<br>(E)               | % (E /<br>D) | No.<br>(F)                | % (F /<br>D) |
| <b>Employees</b>            |                                      |                          |              |                           |              |                                       |                          |              |                           |              |
| <b>Permanent</b>            |                                      |                          |              |                           |              |                                       |                          |              |                           |              |
| Male                        | 466                                  | 466                      | 100          | 466                       | 100          | 380                                   | 380                      | 100          | 380                       | 100          |
| Female                      | 14                                   | 14                       | 100          | 14                        | 100          | 11                                    | 11                       | 100          | 11                        | 100          |
| <b>Other Permanent than</b> |                                      |                          |              |                           |              |                                       |                          |              |                           |              |
| Male                        | NA                                   | NA                       | NA           | NA                        | NA           | NA                                    | NA                       | NA           | NA                        | NA           |
| Female                      | NA                                   | NA                       | NA           | NA                        | NA           | NA                                    | NA                       | NA           | NA                        | NA           |
| <b>Workers</b>              |                                      |                          |              |                           |              |                                       |                          |              |                           |              |
| <b>Permanent</b>            |                                      |                          |              |                           |              |                                       |                          |              |                           |              |
| Male                        | 740                                  | 740                      | 100          | 0                         | 0            | 665                                   | 665                      | 100          | 0                         | 0            |
| Female                      | 26                                   | 26                       | 100          | 0                         | 0            | 18                                    | 18                       | 100          | 0                         | 0            |
| <b>Other Permanent than</b> |                                      |                          |              |                           |              |                                       |                          |              |                           |              |
| Male                        | NA                                   | NA                       | NA           | NA                        | NA           | NA                                    | NA                       | NA           | NA                        | NA           |
| Female                      | NA                                   | NA                       | NA           | NA                        | NA           | NA                                    | NA                       | NA           | NA                        | NA           |

3. Details of remuneration/salary/wages, in the following format:

|                                  | Male   |   | Female |   |
|----------------------------------|--------|---|--------|---|
|                                  | Number | Median remuneration/<br>salary/ wages of<br>respective category | Number | Median remuneration/<br>salary/ wages of<br>respective category |
| Board of Directors (BoD)         | 5      | ₹ 673128  | 1      | NA  |
| Key Managerial Personnel         | 6      | ₹ 3677850   | 2      | ₹ 1527042   |
| Employees other than BoD and KMP | 604    | ₹ 348360  | 52     | ₹ 470760  |
| Workers                          | 740    | ₹ 151008  | 35     | ₹ 141336  |

\* Mr. Shaktidan Gadhavi is Whole Time Director, whose details mentioned in Board of Directors as well as Key Managerial Personnel.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the company has internal mechanism to for addressing human rights impacts.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Grievances related to Human Rights issues at NDL are addressed as per the policy depending upon the nature of matter. The internal mechanism for handling the grievances is in line with the Human Rights policy.

6. Number of Complaints on the following made by employees and workers:

|                                   | FY 2022-23<br>Current Financial Year |                                       |         | FY 2021-22<br>Previous Financial Year |                                       |         |
|-----------------------------------|--------------------------------------|---------------------------------------|---------|---------------------------------------|---------------------------------------|---------|
|                                   | Filed during the year                | Pending resolution at the end of year | Remarks | Filed during the year                 | Pending resolution at the end of year | Remarks |
| Sexual Harassment                 | 0                                    | 0                                     | -       | 0                                     | 0                                     | -       |
| Discrimination at workplace       | 0                                    | 0                                     | -       | 0                                     | 0                                     | -       |
| Child Labour                      | 0                                    | 0                                     | -       | 0                                     | 0                                     | -       |
| Forced Labour/Involuntary Labour  | 0                                    | 0                                     | -       | 0                                     | 0                                     | -       |
| Wages                             | 0                                    | 0                                     | -       | 0                                     | 0                                     | -       |
| Other human rights related issues | 0                                    | 0                                     | -       | 0                                     | 0                                     | -       |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

No such cases

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No

9. Assessments for the year:

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child labour                | Nil   |
| Forced/involuntary labour   | Nil   |
| Sexual harassment           | Nil   |
| Discrimination at workplace | Nil   |
| Wages                       | Nil   |
| Others – please specify     | Nil   |

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Nil

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment****Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter   | FY 2022-23<br>(Current Financial Year) | FY 2021-22<br>(Previous Financial Year) |
|---|--|---|
| Total electricity consumption (A) (TJ)  | 137.232                                | 128.035                                 |
| Total fuel consumption (B) (TJ)   | 584.341                                | 760.212                                 |
| Energy consumption through other sources (C)  | -                                      | -                                       |
| <b>Total energy consumption (A+B+C) (TJ)</b>  | <b>721.573</b>                         | <b>888.247</b>                          |
| Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) | 0.35 TJ/₹ Crore                        | 0.41 TJ/₹ Crore                         |
| Energy intensity (optional) – the relevant metric may be selected by the entity       | -                                      | -                                       |

Note: No, Independent assessment/ evaluation/assurance has not been carried out by an external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

| Parameter   | FY 2022-23<br>(Current Financial Year) | FY 2021-22<br>(Previous Financial Year) |
|---|--|---|
| <b>Water withdrawal by source (in kiloliters)</b>                                     |  |   |
| (i) Surface water   | -                                      | -                                       |
| (ii) Groundwater  | 2,70,686                               | 3,92,560                                |
| (iii) Third party water   | -                                      | -                                       |
| (iv) Seawater / desalinated water   | -                                      | -                                       |
| (v) Others  | -                                      | -                                       |
| <b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b>       | <b>2,70,686</b>                        | <b>3,92,560</b>                         |
| <b>Total volume of water consumption (in kiloliters)</b>                              | <b>2,70,686</b>                        | <b>3,92,560</b>                         |
| <b>Water intensity per rupee of turnover (Water consumed / turnover)</b>              | <b>133.556</b>                         | <b>180.440</b>                          |
| <b>Water intensity (optional) – the relevant metric may be selected by the entity</b> | <b>-</b>                               | <b>-</b>                                |

Note: Yes, Independent Assessment was conducted by an external agency i.e. M/s. Go Green Mechanisms Pvt. Ltd. in the current financial year and M/s. Excel Enviro Tech in Previous Financial Year which covers the above scope.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No, but the company takes the entire issue of water management with utmost seriousness and realize that we owe a lot to the environment. And that is why we reuse and recycle water by employing Effluent Treatment Plant (ETP) and Reverse Osmosis (RO) Plant. We also ensure we treat wastewater with responsibility through Sewage Treatment Plant (STP) and reuse the same for gardening purpose and rest of treated effluent as per the prescribed parameters goes to Common Effluent treatment plant.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter                           | Please specify unit | FY 2022-23<br>(Current Financial Year) | FY 2021-22<br>(Previous Financial Year) |
|-------------------------------------|---------------------|--|---|
| NOx                                 | MICROGRAM/NM3       | 9.75                                   | 8.43                                    |
| SOx                                 | MICROGRAM/NM3       | 23.67                                  | 15.87                                   |
| Particulate matter (PM)             | MICROGRAM/NM3       | 87.21                                  | 91.99                                   |
| Persistent organic pollutants (POP) | -                   | -                                      | -                                       |
| Volatile organic compounds (VOC)    | -                   | -                                      | -                                       |
| Hazardous air pollutants (HAP)      | -                   | -                                      | -                                       |
| Others – please specify             | -                   | -                                      | -                                       |

Note: Yes, Independent Assessment was conducted by an external agency i.e. M/s. Go Green Mechanisms Pvt. Ltd. in the current financial year and M/s. Excel Enviro Tech in Previous Financial Year which covers the above scope.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) intensity, in the following format:

| Parameter  | Unit  | FY 2022-23<br>(Current Financial Year) | FY 2021-22<br>(Previous Financial Year) |
|--|---|--|---|
| <b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | 30870.19                               | 28801.28                                |
| <b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | 65801                                  | 85605                                   |
| <b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>   | MT CO <sub>2</sub> /Rupee Turnover          | 47.70                                  | 52.59                                   |
| <b>Total Scope 1 and Scope 2 emission intensity</b> (optional)   | -   | -                                      | -                                       |

Note: Yes, Independent Assessment was conducted by an external agency i.e. M/s. Go Green Mechanisms Pvt. Ltd in the current financial year and M/s. Excel Enviro Tech in previous financial year which covers above scope of activities.

7. Does the entity have any project related to reducing Green House Gas emission?

Yes, the company as part of his sustainable goals and to participate in environment friendly initiative has organized a Green Yodha program in association with Radio Mirchi and Ahmedabad Municipal Corporation. Through this program more than 50,000 trees has been planted in Ahmedabad and in coming year the company is planning to double this number for a better green community.

8. Provide details related to waste management by the entity, in the following format:

| Parameter  | FY 2022-23<br>Current Financial Year | FY 2021-22<br>(Previous Financial Year) |
|--|--------------------------------------|---|
| <b>Total Waste generated (in metric tonnes)</b>                  |                                      |   |
| Plastic waste* (A)   | 14.72                                | 14.86                                   |
| E-waste (B)  | -                                    | -                                       |
| Bio-medical waste (C)  | -                                    | -                                       |
| Construction and demolition waste (D)                            | -                                    | -                                       |
| Battery waste (E)  | -                                    | -                                       |
| Radioactive waste (F)  | -                                    | -                                       |
| Other Hazardous waste. Please specify, if any. (G)               | 42                                   | 48                                      |
| Other Non-hazardous waste generated (H). Please specify, if any. | -                                    | -                                       |
| <b>Total (A+B + C + D + E + F + G + H)</b>                       | <b>56.72</b>                         | <b>62.86</b>                            |

| Parameter  | FY 2022-23<br>Current Financial Year | FY 2021-22<br>(Previous Financial Year) |
|--|--------------------------------------|---|
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b> |                                      |   |
| <b>Category of waste</b>   |                                      |   |
| (i) Recycled   | -                                    | -                                       |
| (ii) Re-used   | -                                    | -                                       |
| (iii) Other recovery operations  | -                                    | -                                       |
| <b>Total</b>   | -                                    | -                                       |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>                              |                                      |   |
| <b>Category of waste</b>   |                                      |   |
| (i) Incineration   | -                                    | -                                       |
| (ii) Landfilling   | 27.18                                | 43.74                                   |
| (iii) Other disposal operations  | -                                    | -                                       |
| <b>Total</b>   | 27.18                                | 43.74                                   |

\* Plastic Waste are mainly Plastic Carboys, average weight of carboys are taken due to variance in carboy drum size (50 Litres carboy weight is 2.5 kg and 100 litres carboy weight is 5.8 kg)

Note: Yes, Independent Assessment as per GPCB norms was conducted by an external agency i.e. M/s. Go Green Mechanisms Pvt. Ltd. in current financial year and M/s. Excel Enviro Tech in previous financial year which covers above scope of activities.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The company has laid down an internal waste management process that focuses on classification of waste followed by segregation and storage in separated areas. After storage, periodically the waste is collected and responsibly disposed in accordance with the regulatory norms define by Central Pollution Control Board. Further, the company also recognize the significance of an efficient water management system and therefore, promote the reuse and recycling of water by establishing an Effluent Treatment Plant (ETP) and a Reverse Osmosis Plant (RO) within our facility. We also treat wastewater with our Sewage Treatment Plant (STP) and reuse the treated water for gardening. In order to utilise backwash water, we have also installed a pipeline from the power plant to the fabric division.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

| S. No.   | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|--|--------------------------------|--------------------|---|
| Not Applicable as there no operations nearby above mentioned zones |                                |                    |   |

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project   | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web Link |
|---|----------------------|------|---|--|-------------------|
| No such project requiring EIA has been undertaken in the current reporting year |                      |      |   |  |                   |

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes, the Company is compliant with the applicable environmental laws/ regulations/ guidelines in India.



## PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.  
Nandan Denim Limited is affiliated with 11 trade and industry associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body the entity is a member of/ affiliated to.

| Sr. No. | Name of the trade and industry chambers/ associations   | Reach of trade and industry chambers/ associations (State/National) |
|---------|---|---|
| 1       | BETTER COTTON INITIATIVE                                | National  |
| 2       | DENIM MANUFACTURERS ASSOCIATION                         | National  |
| 3       | FEDERATION OF INDIAN EXPORT ORGANISATIONS               | National  |
| 4       | GUJARAT CHAMBER OF COMMERCE & INDUSTRY                  | State   |
| 5       | MASKATI CLOTH MARKET ASSOCIATION                        | State   |
| 6       | MSTC LIMITED  | National  |
| 7       | NAROL TEXTILE INFRASTRUCTURE & ENVIRO MANAGEMENT        | State   |
| 8       | THE SYNTHETIC & RAYON TEXTILES EXPORT PROMOTION COUNCIL | National  |
| 9       | TICKER PLANT LIMITED                                    | National  |
| 10      | WGSN LTD  | International   |
| 11      | YPO GUJARAT   | State   |

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities. NIL

## PRINCIPLE 8 Businesses should promote inclusive growth and equitable development Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project  | SIA Notification No.    | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|--|-------------------------|----------------------|---|--|-------------------|
| COVID-19 Support Initiatives Political Contribution (Bharatiya Janata Party) | CG-DL-E-22012021-224640 | 22.01.2021           | Yes   | No   | -                 |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity,  
We do not have any R&R projects as communities have not been displaced by us.

3. Describe the mechanisms to receive and redress grievances of the community.

The unit HR heads work closely with the communities. These individuals interact with the community members, village elders and local opinion leaders on time to time basis to assess their specific needs and concerns; address their queries and grievances, if any. We haven't received any complaints from the communities we operate in.

Percentage of input material (inputs to total inputs by value) sourced from suppliers:

|   | FY 2022-23<br>Current Financial Year | FY 2021-22<br>Previous Financial Year |
|---|--------------------------------------|---------------------------------------|
| Directly sourced from MSMEs/ small producers                        | 3.26%                                | 3.59%                                 |
| Sourced directly from within the district and neighboring districts | 3.26%                                | 3.59%                                 |

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner****Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The company has laid down internal procedure to receive and address consumer's complaints and feedback. A designated team has been established for receiving, addressing and communicating the response to any consumer complaint or feedback.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

|   | <b>As a percentage to total turnover</b> |
|---|--|
| Environmental and social parameters relevant to the product | 100%                                     |
| Safe and responsible usage                                  | 100%                                     |
| Recycling and/or safe disposal                              | 100%                                     |

3. Number of consumer complaints in respect of the following:

|                                | FY2022-23<br>(Current Financial Year) |                                   | Remarks | FY 2021-22<br>(Previous Financial Year) |                                   | Remarks |
|--------------------------------|---------------------------------------|-----------------------------------|---------|---|-----------------------------------|---------|
|                                | Received during the year              | Pending resolution at end of year |         | Received during the year                | Pending resolution at end of year |         |
| Data privacy                   | NIL                                   | NA                                | NA      | Nil                                     | NA                                | NA      |
| Advertising                    | NA                                    | NA                                | NA      | NA                                      | NA                                | NA      |
| Cyber-security                 | NIL                                   | NA                                | NA      | Nil                                     | NA                                | NA      |
| Delivery of essential Services | NIL                                   | NA                                | NA      | Nil                                     | NA                                | NA      |
| Restrictive Trade Practices    | Nil                                   | NA                                | NA      | Nil                                     | NA                                | NA      |
| Unfair Trade Practices         | Nil                                   | NA                                | NA      | Nil                                     | NA                                | NA      |
| Other                          | Nil                                   | NA                                | NA      | Nil                                     | NA                                | NA      |

4. Details of instances of product recalls on account of safety issues:

|                   | <b>Number</b> | <b>Reasons for recall</b> |
|-------------------|---------------|---------------------------|
| Voluntary recalls | NIL           | NIL                       |
| Forced recalls    | NIL           | NIL                       |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. - Yes

IT Security Policy Link: <https://nandandenim.com/wp-content/uploads/2023/08/IT-Security-Policy.pdf>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There were no such incident related to the mentioned topics reported.

# Financial Statements

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# INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**Nandan Denim Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the Standalone financial statements of **NANDAN DENIM LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone

Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

4. As described in Note 49 to the Financial Statement, the Income Tax Department had carried out the search at the company's business premises from July 20, 2022 to July 26, 2022. The assessments for the period covered by search are pending. The management of the Company does not expect any material additional liability as a result of the search and hence no provision for the additional income tax liability has been made by the Company.

Our opinion is not modified in respect of the above matters.

### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment were, of most significance in our audit of the, standalone financial statements of the current period.

These matters were addressed in the context of our audit, of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion, on these matters.

6. Key audit matter identified in our audit is on assessment of Existence & Recoverability of Trade Receivable as follows:

| Key audit matter   | How our audit addressed the key audit matter  |
|--|---|
| <b>Existence &amp; Recoverability of Trade Receivable</b>  |   |
| <p>The company has trade receivables (net) outstanding of ₹35,322.00 Lakhs after deducting the provision for impairment of ₹ 3522.94 Lakhs at the end of reporting period.</p> <p>This represents 27.87% of the total assets of the company.</p> <p>These balances are receivable in relation to the revenue recognized in accordance with the requirements of Ind AS 115 “Revenue from Contracts with Customers”.</p> <p>The recoverability of trade receivables is a key element of the company’s working capital management, which is managed on an ongoing basis by its management. Due to the nature of the business, the requirements of customers and various contract terms that are in place, there is a risk that the carrying values may not reflect the recoverable amounts as at the reporting date.</p> <p>Therefore, the assessment of existence &amp; recoverability of trade receivables is a key audit matters due to its size, and inherent uncertainty involved in the Management judgement.</p> <p>Refer note 2.1.1 to significant accounting policies and note 9 &amp; 9.3 and note 35.3.3 to the standalone Financial statements.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Reviewing the accounting policy with respect to <ul style="list-style-type: none"> <li>o recognition of revenue &amp; its appropriateness in accordance with Ind AS 115: Revenue from Contract with Customers;</li> <li>o Appropriateness of Recognition, Measurement and Impairment of Trade Receivables in accordance with Ind AS 109: Financial Instruments.</li> </ul> </li> <li>• Evaluating the design &amp; implementation of internal controls in relation to recovery of Trade receivables, calculation of allowance for impaired trade receivable along with testing its operating effectiveness on sample basis.</li> <li>• Obtaining the external balance confirmations on samples basis to ascertain the existence &amp; completeness of trade receivables.</li> <li>• Verified the subsequent receipts of trade receivables for selected samples to ascertain its existence as on balance sheet date.</li> <li>• Obtaining an understanding of the processes for evaluating the recoverability of the trade receivables including the collection process &amp; allowances for impaired trade receivables.</li> <li>• Evaluating management’s assumptions in determining the provision for impairment of trade receivables, by analysing the ageing of receivables, assessing significant overdue Individual trade receivables and specific local risks, historical trends &amp; patterns, combined with the legal documentations, where applicable.</li> <li>• Verifying the ageing analysis of Trade receivables, long outstanding &amp; overdue balances, latest correspondences with customers for recovery of dues &amp; evaluating its impact on provisioning &amp; impairment.</li> <li>• Assessing the adequacy of the disclosures as required by the statute.</li> </ul> |

### Information other than the Standalone Financial Statements and Auditors’ Report thereon.

7. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information identified above when it becomes available

and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and as may be legally advised.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone

financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of opinion.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS Specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in the financial statements- Refer Note-36 of financial statement;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. There has been a delay of 4 days in transferring the amount of ₹8.83 Lakhs to the Investor Education and Protection Fund by the Company.
    - iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (ii) The management has represented, that to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on such audit procedures applied by us, nothing has come to our notice that has caused us to believe that the representations made under sub clause (i) and (ii) contain any material misstatement.
- v. The company has not declared or paid any dividend during the year hence the provisions of section 123 of the Companies Act, 2013 are not applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For, **J. T. Shah & Co.**  
Chartered Accountants,  
[Firm Regd. No. 109616W]

**(J. J. Shah)**  
Partner  
[M. No. 045669]  
UDIN: 23045669BGYLCE1819

Place: Ahmedabad  
Date: 29/05/2023



## ANNEXURE “A” TO INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 16 of “**Report on Other Legal and Regulatory Requirements**” of our Report of even date to the Members of **NANDAN DENIM LIMITED** for the year ended **31<sup>st</sup> March, 2023**.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

### 1. In respect of Property, Plant and Equipment:

- (a) (i) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipments.
- (ii) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.
- (b) The property, plant and equipments were physically verified by the Management according to a phased programme at regular interval intervals which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, property, plant and equipments have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties of land and buildings (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date. In respect of immovable and movable properties that have been taken on lease and disclosed in the financial statements as right-of use asset as at the balance sheet date, the lease agreements are duly executed in favour of the Company.
- (d) Company has not revalued its Property, Plant & Equipments and intangible assets during the year.
- (e) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 and rules made there under.

### 2. In respect of its Inventories :

- (a) The physical verification of inventories has been conducted at reasonable intervals by the

management. In our opinion, the coverage and procedure of such verification by management is appropriate and no material discrepancies of 10% or more in aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

- (b) The company has been sanctioned working capital limit in excess of ₹5.00 Crores in aggregate. Copies of quarterly statement and return, furnished to bank have also been made available for our verification. We have verified the same on random sampling basis and discrepancies noticed during the verification were reasonably explained by the management.

**3.** During the year, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the clauses 3 (iii) (a) to (f) of the Companies (Auditor’s Report) Order, 2020 are not applicable to the company.

**4.** The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

### 5. In respect of Deposits:

The company has not accepted any deposits or amount which are deemed to be deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company. Accordingly, clause 3(v) of Companies (Auditor’s Report) Order, 2020 is not applicable.

### 6. Cost Records:

Pursuant to the rules made by the central government of India, the Company is required to maintain cost records as specified under section 148(1) of the Act.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

## 7. In respect of Statutory Dues :

- (a) The Company is by and large regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, Value Added tax, cess and any other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect statutory dues were outstanding as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, the dues of Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, Value Added tax or cess which have not been deposited as on 31<sup>st</sup> March, 2023 on account of disputes and the forum where the dispute is pending are as under:

| Name of the Statute  | Nature of the Dues           | Year    | Amount (₹ in Lakhs) | Forum where dispute is pending              |
|----------------------|------------------------------|---------|---------------------|---|
| Income Tax Act, 1961 | Income Tax Demand & Interest | 2011-12 | 11.84               | Commissioner of Income Tax (Appeals)        |
|                      | Income Tax Demand & Interest | 2012-13 | 33.96               | Commissioner of Income Tax (Appeals)        |
|                      | Income Tax Demand & Interest | 2014-15 | 663.86              | Commissioner of Income Tax (Appeals)        |
|                      | Income Tax Demand & Interest | 2015-16 | 385.11              | Commissioner of Income Tax (Appeals)        |
|                      | Income Tax Demand & Interest | 2016-17 | 1.12                | Commissioner of Income Tax (Appeals)        |
|                      | Income Tax Demand & Interest | 2017-18 | 1992.11             | Commissioner of Income Tax (Appeals)        |
| Value Added Tax      | Value Added Tax Demand       | 2010-11 | 27.16               | Gujarat Value Added Tax Tribunal, Ahmedabad |
|                      | Value Added Tax Demand       | 2010-11 | 40.02               | Gujarat Value Added Tax Tribunal, Ahmedabad |
| ESIC Act             | ESIC Demand                  | 2013-14 | 26.04               | ESIC Court                                  |

## 8. In respect of Undisclosed Income Discovered in Income tax Assessment:

There were no transactions that were not recorded in books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, clause 3(viii) of Companies (Auditor's Report) Order, 2020 is not applicable to the company.

## 9. In respect of Repayment of Loans:

- (a) In our opinion, generally the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders except in the following case. The details of delay in repayment of loan is as under:

| Nature of borrowing, including debt securities | Name of lender | Amount not paid on due date (₹ in Lakhs) | Whether principal or interest | No. of days delay |
|--|----------------|--|-------------------------------|-------------------|
| Packing Credit                                 | UCO Bank       | 267.00                                   | Principal                     | 21 days           |

- (b) The company has not been declared as willful defaulter by any bank or financial institution or other lenders.
- (c) The term loans taken by the company during the year have been applied for the purpose for which term loan has been obtained.
- (d) On an overall examination of the standalone financial statements of the Company, prima facie,
- (e) the company has not utilized any funds raised on short term basis for long term purpose.
- (e) The company has not taken any funds from any entity or person to meet obligations of its subsidiaries, associates or joint ventures. Hence reporting under clause 3(ix)(e) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

- (f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, clause 3 (ix)(f) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

#### 10. In respect of Public Offerings:

- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3 (x)(a) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, clause 3(x)(b) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

11. (a) As represented to us by the management and to the best of our knowledge, no fraud by the Company or no material fraud on the company has been noticed or reported during the year.
- (b) As informed to us by the management and to the best of our knowledge, no report under sub-Section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditor) Rules 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there were no whistle-blower complaints were received during the year and up to the date of this report by the company.

12. As the company is not a Nidhi Company, the Nidhi Rules, 2014 are not applicable to it. Accordingly, provisions of clause (xii) (a) to (c) of the Company's (Auditor's Report) Order, 2020 are not applicable to the Company.

13. The company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Companies Act 2013 where applicable and the details of related part transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24 "Related Party Disclosure" specified under section 133 of the act.

#### 14. In respect of Internal Audit:

- (a) In our opinion, the company has an internal audit system commensurate with the size and nature of its business of the company.
- (b) We have considered the report of the internal auditor for the period under audit received till date of this report.

15. The Company has not entered in to any non-cash transactions with its directors or persons connected with him. Accordingly, clause 3(xv) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

#### 16. In Respect to the Provisions of Reserve Bank Of India Act 1934:

- (a) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause (xvi)(a) of the Company's (Auditor's Report) Order, 2020 is not applicable to the company.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, clause (xvi)(b) of the Company's (Auditor's Report) Order, 2020 is not applicable to the company.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, clause (xvi)(c) & (d) of the Company's (Auditor's Report) Order, 2020 is not applicable to the company.

17. The Company has not incurred any cash losses in the financial year under review and immediately preceding financial year. Accordingly, clause (xvii) of the Company's (Auditor's Report) Order, 2020 is not applicable to the company.

18. During the year, M/s. Samir M. Shah & Co, the erstwhile statutory auditors of the Company have resigned with effect from 30<sup>th</sup> September'2022 consequent to the amended rules/regulations applicable to the Company. As informed, there have been no issues, objections or concerns raised by the said outgoing auditors.

19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management

plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- 20.** According to the information and explanation given to us and the records of the company examined by us, there were no unspent amount required to be transferred to special account as required by Section 135 of the Companies Act, 2013. Accordingly, provisions of sub clause (a) and (b) of clause (xx) of the Company's (Auditor's Report) Order, 2020 are not applicable to the company.

For, **J. T. Shah & Co.**  
Chartered Accountants,  
[Firm Regd. No. 109616W]

**(J. J. Shah)**  
Partner

Place: Ahmedabad  
Date: 29/05/2023

[M. No. 045669]  
UDIN: 23045669BGYLCE1819

## ANNEXURE “B” TO INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 17(f) of “**Report on Other Legal and Regulatory Requirements**” of our Report of even date to the Members of **NANDAN DENIM LIMITED** for the year ended **31<sup>st</sup> March, 2023**.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of NANDAN DENIM LIMITED as of 31<sup>st</sup> March, 2023, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal control over financial reporting criteria established by the Company considering

the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **J. T. Shah & Co.**  
Chartered Accountants,  
[Firm Regd. No. 109616W]

Place: Ahmedabad  
Date: 29/05/2023

**(J. J. Shah)**  
Partner  
[M. No. 045669]  
UDIN: 23045669BGYLCE1819

# Balance Sheet

as at 31<sup>st</sup> March, 2023

(₹ in Lakhs)

| Particulars                                     | Note Reference | As at 31/03/2023   | As at 31/03/2022   |
|---|----------------|--------------------|--------------------|
| <b>ASSETS</b>                                   |                |                    |                    |
| <b>(1) Non-Current Assets</b>                   |                |                    |                    |
| (a) Property, Plant and Equipment               | 3              | 53,405.19          | 53,662.41          |
| (b) Capital Work-in-Progress                    | 3.2            | 39.51              | 34.12              |
| (c) Right of use Asset                          | 3.3            | 513.54             | 688.34             |
| (d) Other Intangible Assets                     | 4              | 1.91               | 3.84               |
| (e) Financial Assets                            |                |                    |                    |
| (i) Investments                                 | 5              | 31.70              | 47.24              |
| (iii) Others Financial Assets                   | 6              | 422.99             | 498.51             |
| (f) Other Non-Current assets                    | 7              | 361.86             | 1,951.05           |
| <b>(2) Current Assets</b>                       |                |                    |                    |
| (a) Inventories                                 | 8              | 20,731.67          | 24,355.67          |
| (b) Financial Assets                            |                |                    |                    |
| (i) Trade Receivables                           | 9              | 35,322.00          | 44,604.79          |
| (ii) Cash and cash Equivalents                  | 10             | 317.38             | 2,864.87           |
| (iii) Other Bank Balances                       | 11             | 2,439.49           | 1,693.71           |
| (iv) Others Financial Assets                    | 6              | 11,262.25          | 10,173.47          |
| (c) Current Tax Asset (Net)                     | 12             | 315.39             | Nil                |
| (d) Other Current Assets                        | 7              | 1,575.67           | 3,714.45           |
| <b>TOTAL ASSETS</b>                             |                | <b>1,26,740.57</b> | <b>1,44,292.47</b> |
| <b>EQUITY AND LIABILITIES</b>                   |                |                    |                    |
| <b>Equity</b>                                   |                |                    |                    |
| (a) Equity Share Capital                        | 13             | 14,414.72          | 14,414.72          |
| (b) Other Equity                                | 14             | 39,621.10          | 39,472.23          |
| <b>TOTAL EQUITY</b>                             |                | <b>54,035.82</b>   | <b>53,886.95</b>   |
| <b>Liabilities</b>                              |                |                    |                    |
| <b>(1) Non-Current Liabilities</b>              |                |                    |                    |
| (a) Financial Liabilities                       |                |                    |                    |
| (i) Borrowings                                  | 15             | 16,280.75          | 25,288.23          |
| (ii) Lease Liability                            | 16             | 20.04              | 19.97              |
| (iii) Other Financial Liabilities               | 17             | Nil                | Nil                |
| (b) Provisions                                  | 18             | 334.30             | 367.16             |
| (c) Deferred Tax Liabilities (Net)              | 19             | 1,493.60           | 1,183.82           |
| (d) Deffered Government Grants Liabilities      | 20             | 194.59             | 198.06             |
| (e) Other Non-Current Liabilities               | 21             | Nil                | Nil                |
| <b>(2) Current Liabilities</b>                  |                |                    |                    |
| (a) Financial Liabilities                       |                |                    |                    |
| (i) Borrowings                                  | 15             | 30,205.74          | 30,533.72          |
| (ii) Lease Liabilities                          | 16             | Nil                | Nil                |
| (iii) Trade Payables                            | 22             |                    |                    |
| (a) Due to Micro & Small Enterprises            |                | 350.47             | 69.96              |
| (b) Due to Other than Micro & Small Enterprises |                | 17,971.35          | 26,145.39          |
| (iv) Other Financial Liabilities                | 17             | 5,028.81           | 5,680.66           |
| (b) Other Current Liabilities                   | 21             | 605.22             | 598.69             |
| (c) Provisions                                  | 18             | 84.04              | 91.27              |
| (d) Deffered Government Grants Liabilities      | 20             | 135.85             | 117.20             |
| (e) Current Tax Liabilities (Net)               | 23             | Nil                | 111.41             |
| <b>TOTAL LIABILITIES</b>                        |                | <b>72,704.75</b>   | <b>90,405.54</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>             |                | <b>1,26,740.57</b> | <b>1,44,292.47</b> |
| Statement of Significant Accounting Policies    | 2              |                    |                    |

As per our report of even date attached herewith.

For, **J. T. Shah & Co.**Chartered Accountants  
(Firm Regd. No. 109616W)

For and on Behalf of the Board

**(J. J. Shah)**  
Partner  
(M.No. 045669)  
Date :29/05/2023  
Place: Ahmedabad

**Jyotiprasad Chiripal**  
(Managing Director)  
(DIN: 00155695)

**Shaktidan Gadhavi**  
(Whole Time Director)  
(DIN: 09004587)

**Deepak Chiripal**  
(Chief Executive Officer)

**Ashok Jain**  
(Chief Financial Officer)  
Date :29/05/2023  
Place: Ahmedabad

**Renuka Upadhyay**  
(Company Secretary)

# Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakhs)

| Particulars   | Note Reference | Year Ended 31/03/2023 | Year Ended 31/03/2022 |
|---|----------------|-----------------------|-----------------------|
| <b>I INCOME</b>   |                |                       |                       |
| (1) Revenue from Operations   | 24             | 2,02,676.40           | 2,17,557.16           |
| (2) Other Income  | 25             | 1,161.50              | 1,860.81              |
| <b>TOTAL INCOME</b>   |                | <b>2,03,837.91</b>    | <b>2,19,417.98</b>    |
| <b>II EXPENSES</b>  |                |                       |                       |
| (1) Cost of materials consumed  | 26             | 1,60,094.74           | 1,68,634.36           |
| (2) Purchases of Stock-in-Trade   | 27             | 5,785.89              | 3,212.62              |
| (3) Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 28             | (108.12)              | (2,048.60)            |
| (4) Employee Benefit expenses   | 29             | 7,411.47              | 8,057.37              |
| (5) Finance Costs   | 30             | 5,337.56              | 4,206.22              |
| (6) Depreciation and Amortisation expenses  | 31             | 3,718.52              | 4,450.61              |
| (7) Other Expenses  | 32             | 21,056.19             | 23,691.02             |
| <b>TOTAL EXPENSES</b>   |                | <b>2,03,296.26</b>    | <b>2,10,203.60</b>    |
| <b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS FOR THE YEAR</b>                        |                | <b>541.65</b>         | <b>9,214.38</b>       |
| <b>III EXCEPTIONAL ITEMS</b>  |                | Nil                   | Nil                   |
| <b>PROFIT/(LOSS) BEFORE TAX FOR THE YEAR</b>                                      |                | <b>541.65</b>         | <b>9,214.38</b>       |
| <b>IV TAX EXPENSE</b>   |                |                       |                       |
| (1) Current Tax   | 33             | Nil                   | 1,601.47              |
| (2) Deferred Tax  | 33             | 286.75                | 949.04                |
| (3) Short/(Excess)Provision Of Income Tax of earlier year                         | 33             | 174.55                | (105.19)              |
| <b>TOTAL TAX EXPENSE</b>  |                | <b>461.30</b>         | <b>2,445.32</b>       |
| <b>PROFIT/(LOSS) AFTER TAX FOR THE YEAR</b>                                       |                | <b>80.35</b>          | <b>6,769.06</b>       |
| <b>V OTHER COMPREHENSIVE INCOME</b>   |                |                       |                       |
| (i) Items that will not be reclassified to Profit or Loss (Net of Taxes)          |                |                       |                       |
| (a) Remeasurements of Defined Benefit Plans                                       |                | 91.56                 | 20.46                 |
| (ii) Income Tax relating to items that will not be reclassified to Profit or Loss |                | (23.04)               | (5.15)                |
| <b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)</b>                 |                | <b>68.52</b>          | <b>15.31</b>          |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                                    |                | <b>148.87</b>         | <b>6,784.37</b>       |
| <b>VI EARNINGS PER EQUITY SHARE OF RS. 10/- EACH FULLY PAIDUP</b>                 |                |                       |                       |
| (a) Basic (in ₹)  | 34             | 0.06                  | 4.70                  |
| (b) Diluted (in ₹)  | 34             | 0.06                  | 4.70                  |

As per our report of even date attached herewith.  
For, **J. T. Shah & Co.**  
Chartered Accountants  
(Firm Regd. No. 109616W)

For and on Behalf of the Board

**(J. J. Shah)**  
Partner  
(M.No. 045669)  
Date :29/05/2023  
Place: Ahmedabad

**Jyotiprasad Chiripal**  
(Managing Director)  
(DIN: 00155695)

**Shaktidan Gadhavi**  
(Whole Time Director)  
(DIN: 09004587)

**Deepak Chiripal**  
(Chief Executive Officer)

**Ashok Jain**  
(Chief Financial Officer)  
Date :29/05/2023  
Place: Ahmedabad

**Renuka Upadhyay**  
(Company Secretary)



# Statement of Changes in Equity

for the year ended on 31<sup>st</sup> March, 2023

## A) Equity Share Capital

| Particulars  | Note No. | ₹ in Lakhs       |
|--|----------|------------------|
| <b>Balance as on 1st April, 2021</b>                       | 13       | <b>4,804.91</b>  |
| Changes in Equity Share Capital due to Prior Period Errors |          | Nil              |
| Restated Balance as on 01st April, 2021                    |          | 4,804.91         |
| Changes during the Year                                    |          | 9,609.81         |
| <b>Balance as on 31st March, 2022</b>                      | 13       | <b>14,414.72</b> |
| Changes in Equity Share Capital due to Prior Period Errors |          | Nil              |
| Restated Balance as on 31st March, 2022                    |          | 14,414.72        |
| Changes during the Year                                    |          | Nil              |
| <b>Balance as on 31st March, 2023</b>                      | 13       | <b>14,414.72</b> |

## B) Other Equity

(₹ in Lakhs)

| Particulars  | Reserves and Surplus       |                 |                   | Total            |
|--|----------------------------|-----------------|-------------------|------------------|
|  | Securities Premium Reserve | General Reserve | Retained Earnings |                  |
| <b>Balance as at 01/04/2021</b>                              | <b>8,378.33</b>            | <b>755.40</b>   | <b>33,163.93</b>  | <b>42,297.67</b> |
| Profit for the year  | Nil                        | Nil             | 6,769.06          | 6,769.06         |
| Other Comprehensive Income for the year (Net of Tax)         | Nil                        | Nil             | 15.31             | 15.31            |
| <b>Total Comprehensive Income for the year</b>               | Nil                        | Nil             | 6,784.37          | 6,784.37         |
| <b>Transactions with owners in their capacity as owners:</b> |                            |                 |                   |                  |
| Capitalisation of reserve on issue of Bonus Share            | (8,378.33)                 | Nil             | (1,231.48)        | (9,609.81)       |
| Dividend paid  | Nil                        | Nil             | Nil               | Nil              |
| <b>Balance as at 31/03/2022</b>                              | <b>Nil</b>                 | <b>755.40</b>   | <b>38,716.83</b>  | <b>39,472.23</b> |
| Profit for the year  | Nil                        | Nil             | 80.35             | 80.35            |
| Other Comprehensive Income for the year (Net of Tax)         | Nil                        | Nil             | 68.52             | 68.52            |
| <b>Total Comprehensive Income for the year</b>               | Nil                        | Nil             | 148.87            | 148.87           |
| <b>Transactions with owners in their capacity as owners:</b> |                            |                 |                   |                  |
| Capitalisation of reserve on issue of Bonus Share            | Nil                        | Nil             | Nil               | Nil              |
| Dividend paid  | Nil                        | Nil             | Nil               | Nil              |
| <b>Balance as at 31/03/2023</b>                              | <b>Nil</b>                 | <b>755.40</b>   | <b>38,865.70</b>  | <b>39,621.10</b> |

As per our report of even date attached herewith.

For, **J. T. Shah & Co.**

Chartered Accountants

(Firm Regd. No. 109616W)

For and on Behalf of the Board

**(J. J. Shah)**

Partner

(M.No. 045669)

Date :29/05/2023

Place: Ahmedabad

**Jyotiprasad Chiripal**

(Managing Director)

(DIN: 00155695)

**Ashok Jain**

(Chief Financial Officer)

Date :29/05/2023

Place: Ahmedabad

**Shaktidan Gadhavi**

(Whole Time Director)

(DIN: 09004587)

**Deepak Chiripal**

(Chief Executive Officer)

**Renuka Upadhyay**

(Company Secretary)

## Statement of Cash Flows for the year ended on 31<sup>st</sup> March, 2023

(₹ in Lakhs)

| Particulars   | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|---|--------------------------|--------------------------|
| <b>Cash flow from operating activities</b>                                    |                          |                          |
| Profit before Tax from Continuing operations                                  | 541.65                   | 9,214.38                 |
| <b>Profit before tax</b>  | 541.65                   | 9,214.38                 |
| Adjustments to reconcile profit before tax to net cash flows:                 |                          |                          |
| Depreciation  | 3,718.52                 | 4,450.61                 |
| Provision/(Reversal) for Doubtful debts                                       | (258.99)                 | 1,072.76                 |
| (Gain)/Loss on Fair Value on Forward Contract                                 | 11.99                    | (0.68)                   |
| Finance Charges   | 5,337.56                 | 4,206.22                 |
| Deferred Government Grant Income  | (162.06)                 | (158.54)                 |
| Provision/(Reversal) for doubtful Advances                                    | (33.75)                  | (0.83)                   |
| Gain on disposal of Property, Plant & Equipment                               | (105.00)                 | (96.93)                  |
| Net (gains)/Loss on fair value changes on Investments classified through FVPL | 15.54                    | (17.82)                  |
| Interest Received   | (119.05)                 | (112.09)                 |
| EPCG Grant Income   | Nil                      | (1,019.49)               |
| Dividend Income   | (0.04)                   | (0.03)                   |
| <b>Working capital adjustments:</b>   |                          |                          |
| Increase/(decrease) in Trade Payable  | (7,893.53)               | 14,246.70                |
| Increase/(decrease) in short-term Provision                                   | 84.33                    | 37.46                    |
| Increase/(decrease) in Long-term Provision                                    | (32.86)                  | 31.31                    |
| Increase/(decrease) in other current liability                                | 6.53                     | 112.31                   |
| Increase/(decrease) in other current Financial liability                      | (507.85)                 | 327.05                   |
| Increase/(decrease) in other Non Current Financial liability                  | Nil                      | Nil                      |
| Decrease/(increase) in Trade receivable                                       | 9,541.78                 | (17,826.69)              |
| Decrease/(increase) in Inventories  | 3,624.00                 | (3,807.63)               |
| Decrease/(increase) in other Current assets                                   | 2,141.03                 | 53.54                    |
| Decrease/(increase) in other Non Current Financial assets                     | (111.00)                 | Nil                      |
| Decrease/(increase) in other Current Financial assets                         | (1,100.56)               | 963.29                   |
| Decrease/(increase) in other non-current assets                               | 3.96                     | 7.67                     |
| <b>Cash generated from operations</b>   | <b>14,702.22</b>         | <b>11,682.56</b>         |
| Income taxes paid   | (605.91)                 | (1,542.67)               |
| <b>Net cash from operating activities</b>                                     | <b>14,096.31</b>         | <b>10,139.89</b>         |
| <b>Cash Flows from Investing activities</b>                                   |                          |                          |
| Purchase of property, plant and equipment and Intangible Asset (Incl. WIP)    | (1,753.82)               | (5,251.42)               |
| Proceeds from sale of property, plant and equipment and Intangible Asset      | 105.00                   | 301.65                   |
| Payment for Right of Use Assets   | (10.00)                  | Nil                      |
| Margin Money Deposit(Net)   | (568.10)                 | (707.93)                 |
| Interest Received   | 118.83                   | 114.70                   |
| Dividend Income   | 0.04                     | 0.03                     |
| <b>Net cash used in investing activities</b>                                  | <b>(2,108.05)</b>        | <b>(5,542.97)</b>        |

## Statement of Cash Flows for the year ended on 31<sup>st</sup> March, 2023

(₹ in Lakhs)

| Particulars   | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|---|--------------------------|--------------------------|
| <b>Cash Flows from financing activities</b>                             |                          |                          |
| Proceeds from borrowings  | 260.64                   | 6,075.90                 |
| Repayment of borrowings   | (11,056.24)              | (7,295.82)               |
| Increase in Short Term Borrowing (Net)                                  | 1,475.32                 | 1,850.42                 |
| Interest paid   | (5,215.47)               | (4,055.36)               |
| <b>Net cash used in financing activities</b>                            | <b>(14,535.75)</b>       | <b>(3,424.86)</b>        |
| <b>Net increase in cash and cash equivalents</b>                        | <b>(2,547.49)</b>        | <b>1,172.06</b>          |
| <b>Cash and cash equivalents at the beginning of the financial year</b> | <b>2,864.87</b>          | <b>1,692.82</b>          |
| <b>Cash and cash equivalents at end of the year</b>                     | <b>317.38</b>            | <b>2,864.87</b>          |

### Reconciliation of cash and cash equivalents as per the cash flow statement

(₹ in Lakhs)

| Cash and cash equivalents as per above comprise of the following: | As at<br>31/03/2023 | As at<br>31/03/2022 |
|---|---------------------|---------------------|
| Cash and cash equivalents (Note 10)                               | 317.38              | 2,864.87            |
| Fixed deposits with less than 3 month from date of origination    | Nil                 | Nil                 |
| <b>Balances per statement of cash flows</b>                       | <b>317.38</b>       | <b>2,864.87</b>     |

#### Note:

The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard - 7 "Statement of Cash Flows" specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015.

As per our report of even date attached herewith.

For, **J. T. Shah & Co.**  
 Chartered Accountants  
 (Firm Regd. No. 109616W)

**For and on Behalf of the Board**

**(J. J. Shah)**  
 Partner  
 (M.No. 045669)  
 Date :29/05/2023  
 Place: Ahmedabad

**Jyotiprasad Chiripal**  
 (Managing Director)  
 (DIN: 00155695)

**Shaktidan Gadhavi**  
 (Whole Time Director)  
 (DIN: 09004587)

**Deepak Chiripal**  
 (Chief Executive Officer)

**Ashok Jain**  
 (Chief Financial Officer)  
 Date :29/05/2023  
 Place: Ahmedabad

**Renuka Upadhyay**  
 (Company Secretary)

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note: 1

### 1.1 Company Overview

Nandan Denim Limited is a public limited Company incorporated and domiciled in India and its shares are traded on the National Stock Exchange of India Ltd ('NSE') and BSE Limited ('BSE'), in India. The registered office of the Company is situated at Survey No. 198/1 & 203/2 Saijpur-Gopalpur, Pirana Road, Piplej, Ahmedabad-382405-Gujarat.

The Company is principally engaged in the manufacturing and Sale of fabrics including Denim, Yarn and Shirting etc. The Company has manufacturing facilities located at Piplej and Bareja, Gujarat.

These financial statements presented in Indian Rupee with figures rounded off to nearest rupees in lakhs except otherwise indicated were approved and adopted by Board of Directors of the Company in their meeting held on 29<sup>th</sup> May, 2023.

### 1.2 Basis of Preparation of Accounts

These individual financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values. The Ind ASs prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company retains the presentation and classification of items in the financial statements from one period to the next.

### 1.3 Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in financial statements have been specified in Note 1.4 below. Accounting estimates could change from period to period. Actual results could differ from

estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in financial statements in the period in which the changes are made and, if material, their effects are disclosed in these notes to the individual financial statements.

### 1.4 Critical Accounting Estimates and Judgement used in application of Accounting Policies

#### a. Income Taxes

Significant judgements are involved in determining the provision for Income Taxes, including amount expected to be paid / recovered for uncertain tax positions. (Also refer Note 19 and 33)

#### b. Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technology. (Refer Note 3)

#### c. Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on empirical evidence available without undue cost or effort, existing market conditions as well as forward looking estimates at the end of each reporting period. (Refer Note 9 and 35.3.3)

#### d. Defined Benefit Plan

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

All assumptions are reviewed at each reporting date. (Refer Note 29, 29.1 and 29.2)

## e. Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments. (Refer Note 35)

## Note 2

### 2.1 Significant Accounting Policies

#### 2.1.1 Income Recognition

##### Revenue from Contacts with Customers

##### 2.1.1. a Sale of Goods

The company manufactures Denim Cloth, Shirting Cloth and Yarn and trades Cotton and Coal. The company also render job work service. Revenue from the sale of goods is recognized at a point in time when the control of the products has transferred which generally coincides with dispatch of products to customers in case of domestic sales and on the basis of bill of lading in the case of export sales.

At that point in time, the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset or to restrict the access of other entities to those benefits.

The time taken from entering into order and sale is less than 12 months and the normal credit period offered to customers is also less than 12 months. The company offers trade Discount, Quantity Discount, cash Discount, Discount for Shortage or quality issue discount which are factored while determining transaction price. Revenue is recognised such that significant reversal is not highly probable. The reconciliation between the contract price and revenue recognised is given in Note 24.

When the consideration is received, before the Company transfers goods to the customer, the Company present the consideration as a contract liability.

#### 2.1.1. b Rendering of Service

##### **Revenue from Job work service contracts:**

- i) The revenue relating to Job Work service contracts are recognised at point in time as control is transferred to the customer on dispatch of goods to them and
- ii) the revenue relating to supplies are measured in line with policy set out in 2.1.1.a

In respect of indivisible contracts, the revenues are recognised over a period of time, measured as per (i) above.

When the consideration is received, before the Company transfers goods to the customer, the Company shall present the consideration as a contract liability and when the services rendered by the Company exceed the payment, a contract asset is recognised excluding any amount presented as receivable.

#### 2.1.2 Dividend Income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

#### 2.1.3 Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except when the financial asset is credit-impaired in which case the effective interest rate is applied to the amortised cost of the financial asset. Effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount on initial recognition.

#### 2.1.4 Export Incentives

Export entitlements are recognized in the Statement of Profit and Loss when the right to receive credit as per the terms of scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. (Refer Note 2.1.11)

#### 2.1.5 Subsidy

Subsidy under Textiles Up gradation Fund Scheme (TUFS), Gujarat Textile Policy or any other subsidy are recognized when there is reasonable certainty

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

regarding the realization of the same. (Refer Note 2.1.11)

## 2.1.6 Insurance Claim

Insurance claims are recognized when there is reasonable certainty regarding the realization of the same at an amount estimated by the management to the extent that it is highly probable that a significant reversal in the amount recognised will not occur at the time of actual receipt of the claim amount. At the end of each reporting period, the estimated amount is updated, if required, to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

## 2.1.7 Inventories

Inventories are measured at cost and net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale. Cost in respect of raw materials and stock in trade are determined on FIFO basis. Costs in respect of all other Inventories are computed on weighted average basis method. Finished goods and process stock include cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.

Inventories are written down to net realizable value item by item except where it is appropriate to group similar or related items. When a decline in the price of materials, indicates that the cost of the finished products exceeds net realizable value, the materials are written down to their replacement cost. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed so that the new carrying amount is the lower of the cost and the revised net realizable value. Inventories are recognised as expense in the period in which the related revenue is recognised.

## 2.1.8 Property, Plant and Equipment

### 2.1.8.a Recognition of Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment is

recognised as an asset if and only, if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Freehold land is carried at cost less accumulated impairment losses. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of an item of property, plant and equipment comprises:

- Its purchase price, all costs including financial costs till commencement of commercial production are capitalized to the cost of qualifying assets. Goods & Service Tax credit, if any, are accounted for by reducing the cost of capital goods;
- Any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

### 2.1.8.b Depreciation of Property, Plant and Equipment

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately on straight-line method. Parts of plant and equipment that are technically advised to be replaced at prescribed intervals / periods of operation, insurance spares and cost of inspection / overhauling are depreciated separately based on their specific useful life provided these are of significant amounts. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. Depreciable amount of an item of property, plant and equipment is arrived at after deducting estimated residual value. The depreciable amount of an asset is allocated on a systematic basis over its useful life as disclosed in Note 3. The Company reviews the residual value and useful life at each financial year-end and, if expectations differ from previous estimates, the residual value and useful lives are changed prospectively and accounted for as a change in accounting estimate. Depreciation commences when the item of property, plant and equipment is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the asset is

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognized. The Company reviews the depreciation method at each financial year-end and if, there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted as a change in accounting estimate on prospective basis.

### 2.1.8.c Compensation for Impairment

The Company recognises compensation from third parties for items of property, plant and equipment that were impaired, lost or given up in profit or loss when the compensation becomes receivable.

### 2.1.8.d Derecognition of Property, Plant and Equipment

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss from the derecognition of an item of property, plant and equipment is recognised in profit or loss when the item is derecognized.

### 2.1.9 Leases

#### As a Lessee

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (i) the contract involves the use of an identified asset (ii) the company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and (iii) the company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from

the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured as given below:

- (a) increasing the carrying amount to reflect interest on the lease liability;
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### Short-term leases and leases of low-value assets

The Company has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as expense on straight line basis as per the terms of the lease.

### 2.1.10 Employee Benefits

#### 2.1.10.a Short-term Employee Benefits

Short-term employee benefits are employee benefits (other than termination benefits) that

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. Short-term employee benefits include salaries, wages, social security contributions, bonus, paid annual leave etc. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### 2.1.10.b Post-employment Benefits

Post-employment benefits are benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment. Post-employment benefits are identified under defined contribution plans and defined benefit plans.

#### 2.1.10.b.i Defined Contribution Plans

Post-employment benefits are identified under defined contribution plans if the Company has no obligation other than to contribute a fixed amount of money to a fund. Employees may contribute to the fund along with the Company. Contributions to the Employees' Regional Provident Fund and Superannuation Fund are recognised as defined contribution plan. Such contributions are recognised as liability and expenses during the period in which the employees perform the services. Any excess contributions to the fund are recognised as an asset.

#### 2.1.10.b.ii Defined Benefit Plans

Post-employment benefits in the form of Gratuity are considered as defined benefit plan and determined on actuarial valuation using the projected unit credit method at the balance sheet date. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is recognised in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Gratuity is funded through a trust for which a policy with SBI Life Insurance company Limited has been taken.

### 2.1.10.c Other long-term employment benefits

Employee Benefits that are neither short-term employee benefit nor post-employment benefit nor termination benefits are other long-term employee benefits. Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while

annual leave can be either availed or encashed subject to a restriction on the maximum number of accumulated leave. The Company determines the liability for such accumulated leaves using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

### 2.1.11 Government Grants

Assistance by government in the form of transfers of resources to the Company in return for past or future compliance with certain conditions relating to operating activities of the entity other than those which cannot reasonably have a value placed upon them or those that cannot be distinguished from normal trading transactions of the Company are termed as government grants. All government grants are identified as either relating to assets or relating to income. Government grants whose primary condition is that a Company qualifying for them should purchase, construct or otherwise acquire long-term assets are identified as grants related to assets. Grants other than those related to assets are identified as related to income. Government grants are recognised when there is a reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. A forgivable loan from government is treated as a government grant when there is a reasonable assurance that the entity will meet the terms for forgiveness of the loan. The Company recognises Government grants in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet as deferred income. Deferred income is recognised in profit or loss on the basis the related assets are depreciated or amortised if they are related to asset or under other income when the grant becomes receivable. Grants related to income are presented in profit or loss under other income. Grants received in advance before fulfilment of conditions are recognised as Other Liability classified into current or non-current, as appropriate in the circumstances of the case.

### 2.1.12 Foreign currency transactions and translations

Functional currency of the Company is Indian rupee. The financial statements have been presented under its functional currency. Any transaction that is denominated in a currency other than the functional currency is regarded as



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

foreign currency transaction. All foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. In case of consideration received or paid in advance, the exchange rate prevailing on the date of receipt or payment of advance is considered when subsequently the related asset is given up or received to the extent of advance consideration.

### At the end of the reporting period:

1. foreign currency monetary items are translated using the exchange rate for immediate delivery at the end of the reporting period;
2. non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
3. non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange difference arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

### 2.1.13 Borrowing Costs

Interest and other costs that the Company incurs in connection with the borrowing of funds are identified as borrowing costs. The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which it is incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. The Company identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining a qualifying asset. General borrowings include all other borrowings except the amount outstanding as on the balance sheet date of specific borrowings for assets that are not yet ready for use. Borrowing cost incurred actually

on specific borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalisation on borrowing costs commences when the Company incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

### 2.1.14 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company classifies financial instruments issued into financial liability and equity based on the substance of the arrangement and the contractual terms. Significant judgement is required to assess whether a particular asset is a financial instrument or otherwise. An asset that represents a contractual right to receive cash that is subject to other than only passage of time or cannot be sold independently of other operating rights have not been presented as financial assets. Such assets are mainly in the nature of security deposits and investments in equity shares for receiving services from third parties including government-controlled organisations.

#### 2.1.14.a Recognition, classification, measurements and derecognition of Financial Assets

Financial assets include cash and cash equivalents, trade and other receivables, investments in securities and other eligible current and non-current assets. At initial recognition, all financial assets are measured at fair value except for trade receivable that initially measured at transaction price. Financial assets are subsequently classified and measured under one of the following three categories according to the purpose for which they are held and contractual cash flow characteristics. Financial assets are reclassified only when the purpose for which they are held changes. Financial assets are derecognised when the right to cash flows from the financial asset

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

expires or when the financial asset is transferred resulting in transfer of significant risks and rewards to the buyer. Where significant risks and rewards are retained on transfer of a financial asset, the financial asset is not derecognised, and a financial liability is recognised for the consideration received. Where the transfer of financial asset results in partial transfer of risks and rewards, the asset is derecognised if the buyer obtains the right to sell the asset to third party unilaterally without attaching any conditions else the financial asset continues to be recognised to the extent of continuing involvement

## 2.1.14.a.i Financial Assets at amortised cost

The company subsequently measures the following financial assets at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset except for financial assets that are credit-impaired in which case the effective interest rate is applied to the amortised cost. Financial assets at amortised cost, at the date of initial recognition, are held to collect contractual cash flows and have contractual terms that are consistent with a basic lending arrangement comprising of cash flows on specified dates that are solely payments of principal and interest on principal amount outstanding. The losses arising from impairment are recognised in the profit or loss.

## 2.1.14.a.ii Financial asset at Fair Value through Other Comprehensive Income (FVOCI)

Financial asset at FVOCI, at the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the Effective Interest Rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

## 2.1.14.a.iii Financial assets at Fair Value through Profit or Loss (FVPL)

Financial Assets at FVPL, at the date of initial recognition, are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are

subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

## 2.1.14.b Impairment of Financial Assets

The Company recognizes the impairment on financial assets based on the expected credit loss model for the financial assets which are not measured at fair value through profit or loss. In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. In case of other financial assets, expected credit losses are measured at an amount equal to 12-month ECL unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime expected credit loss. The amount of expected credit losses or reversal that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the profit and loss for the period.

## 2.1.14.c Recognition, classification, measurement and derecognition of financial liabilities

Financial liabilities include long-term and short-term loans and borrowings, trade and other payables and other eligible current and non-current liabilities. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs. The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

After initial recognition, financial liabilities are classified under one of the following two categories:

### 2.1.14.c.i Financial liabilities at amortised cost

After initial recognition, such financial liabilities are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial liability. The EIR amortisation is included in finance expense in the statement profit or loss.

### 2.1.14.c.ii Financial liabilities at Fair Value through Profit or Loss (FVPL)

Financial Liabilities at FVPL are those which are designated as such on initial recognition, or which are held for trading. Fair value gains / losses attributable to changes in own credit risk

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

is recognised in OCI. These gains /losses are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.

### 2.1.14.d Derivative Financial Instruments

Derivative instruments such as forward foreign currency contracts, interest rate swaps and option contracts are used to hedge foreign currency risks and interest rate risk. Such derivatives are initially recognised at their fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### 2.1.15 Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### 2.1.16 Earnings per Share

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. (Refer Note 32)

### 2.1.17 Impairment of Non-Financial Assets

The Company reviews the carrying amount of its Property, Plant and Equipment, including Capital Work in progress of a "Cash Generating Unit" (CGU) at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the

recoverable amount of the Cash Generating Unit to which the asset belongs.

Recoverable Amount is determined:

- i) In case of individual asset, at higher of the fair value less cost to disposal and value in use; and
- ii) In case of cash generating unit (group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

### 2.1.18 Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made. Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

### 2.1.19 Intangible Assets

The Company identifies an identifiable non-monetary asset without physical substance as an intangible asset. The Company recognises an intangible asset if it is probable that expected future economic benefits attributable to the

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost unless acquired in a business combination in which case an intangible asset is measured at its fair value on the date of acquisition. The Company identifies research phase and development phase of an internally generated intangible asset. Expenditure incurred on research phase is recognised as an expense in the profit or loss for the period in which incurred. Expenditure on development phase are capitalised only when the Company is able to demonstrate the technical feasibility of completing the intangible asset, the ability to use the intangible asset and the development expenditure can be measured reliably. The Company subsequently measures all intangible assets at cost less accumulated amortisation less accumulated impairment. An intangible asset is amortised on a straight-line basis over its useful life. Amortisation commences when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognised. The amortisation charge for each period is recognised in profit or loss unless the charge is a part of the cost of another asset. The amortisation period and method are reviewed at each financial year end. Any change in the period or method is accounted for as a change in accounting estimate prospectively. The Company derecognises an intangible asset on its disposal or when no future economic benefits are expected from its use or disposal and any gain or loss on derecognition is recognised in profit or loss as gain / loss on derecognition of asset.

## 2.1.20 Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

### 2.1.20.a Current Tax

Current tax is determined on income for the year chargeable to tax in accordance on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current tax items are recognised in correlation to the underlying transaction either in profit or loss or OCI or directly in equity. The Company has provided for the tax

liability based on the significant judgment that the taxation authority will accept the tax treatment.

### 2.1.20.b Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unabsorbed losses and tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and tax credits will be utilised. The carrying amount of deferred tax assets is reviewed at the end of financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is expected to be settled or the asset realised, based on tax rates and tax laws that have been substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### 2.1.21 Assets Held for Sale

The Company classifies assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

### 2.1.22 Fair Value Measurement

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability, or
- In the absence of a principal market, in the most advantageous market for asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

### 2.1.23 Segment Reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments are reported in a manner consistent with the internal reporting to the CODM.

Accordingly, the Board of Directors of the Company is CODM for the purpose of segment

reporting. Refer note 41 for segment information presented.

### 2.1.24 Dividend

The Company recognises a liability for dividends to equity holders of the Company when the dividend is approved by the shareholders. A corresponding amount is recognized directly in equity.

### 2.1.25 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### 2.1.26 Statement of Cash flows:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## Note:2.2

### 2.2 Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide notification no. G.S.R 255(E) dated 31<sup>st</sup> March, 2023. Given below are the amendment made in brief and their possible impact on the financial statements of the company. The company will apply the amendments from 1<sup>st</sup> April, 2023 being the effective date of the amendments:

#### Ind AS 1 – Presentation of Financial Statements

Disclosure of Accounting Policies, amended paragraphs 7, 10, 114, 117 and 122, added paragraphs 117A–117E and deleted paragraphs 118, 119 and 121. The amendments to Ind AS 1 are applicable for annual reporting periods beginning on or after 1<sup>st</sup> April, 2023. The amendment seeks to replace significant accounting policies with material accounting policy information

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

and provides guidance on material accounting policy information. The amendment require complete review of existing disclosure of accounting policies and may involve redrafting, removing some of the accounting policies now being disclosed or adding new accounting policy disclosures. The company is reviewing its accounting policy disclosure to change the same as per the amendments.

### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

Definition of Accounting Estimates, amended paragraphs 5, 32, 34, 38 and 48 and added paragraphs 32A, 32B and 34A. These amendments are applicable for annual reporting periods beginning on or after 1<sup>st</sup> April, 2023. The amendment replaces the definition of changes in accounting estimates with a new definition of accounting estimates and provides guidance on that definition, what are regarded as changes in accounting estimates and how to apply changes in accounting estimates. The amendments shall be applied to changes in accounting estimates and changes in accounting policies that occur on or after 1<sup>st</sup> April, 2023. Therefore, the amendments have no impact on the financial position, financial performance or the cash flows of the entity in the current and previous year.

### **Ind AS 12 – Income Taxes**

Deferred Tax related to Assets and Liabilities arising from a Single Transaction, amended paragraphs 15, 22 and 24 and added paragraph 22A. The amendment clarifies that in case, where at the time of initial recognition, equal amount of taxable and deductible temporary

differences arise, the initial recognition exemption does not apply and the company shall recognise deferred tax liability and deferred tax asset on gross basis on that date of initial recognition depending on the applicable tax law. This happens typically when a lease liability and right-of-use asset is recognised initially or when decommissioning obligations are initially recognised and the same is added to the cost of the item of property, plant and equipment. If the application of this requirement results in unequal amount of deferred tax asset and deferred tax liability, the difference shall be recognised in profit or loss. These amendments are to be applied for annual reporting periods beginning on or after 1<sup>st</sup> April, 2023 to transactions that occur on or after the beginning of 1<sup>st</sup> April, 2022. The amendment also requires deferred tax assets and deferred tax liabilities to be recognised on 1<sup>st</sup> April, 2022 based on the carrying amounts of the lease liability and right-of-use asset as on 1<sup>st</sup> April, 2022 and recognise any difference in opening balance of retained earnings or another component of equity, where appropriate, if the company has applied the initial recognition exemption requirements earlier or had recognised deferred tax assets and deferred tax liabilities on net basis. The same is also required for decommissioning obligations recognised initially and added to the cost of the item of property, plant and equipment. As the company has recognised deferred tax assets and deferred tax liabilities on gross basis on lease liability and right-of use assets, the amendment has no impact of the financial statements. Further, the requirements relating to decommissioning obligations are not applicable to the company.

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 3 Property, Plant and Equipment

(₹ in Lakhs)

| Particulars   | Land            |  | Buildings        |  | Plant & equipment |  | Office equipment |  | Furniture & fixtures |  | Vehicles      |  | Computers     |  | Total              |
|---|-----------------|--|------------------|--|-------------------|--|------------------|--|----------------------|--|---------------|--|---------------|--|--------------------|
|   | Owned           |  | Owned            |  | Owned             |  | Owned            |  | Owned                |  | Owned         |  | Owned         |  |                    |
| <b>Gross Block</b>  |                 |  |                  |  |                   |  |                  |  |                      |  |               |  |               |  |                    |
| <b>Gross Carrying Value as at 01/04/2021</b>                                | 993.39          |  | 24,017.25        |  | 6,7112.00         |  | 168.05           |  | 251.79               |  | 267.61        |  | 142.86        |  | 92,952.95          |
| Additions during the year   | 258.83          |  | 935.62           |  | 6,719.31          |  | 14.87            |  | 96.40                |  | 18.22         |  | 19.09         |  | 8,062.34           |
| Disposals during the year   | Nil             |  | Nil              |  | (2,207.05)        |  | Nil              |  | Nil                  |  | (9.50)        |  | Nil           |  | (2,216.55)         |
| Other adjustments during the year   | Nil             |  | Nil              |  | Nil               |  | Nil              |  | Nil                  |  | Nil           |  | Nil           |  | Nil                |
| <b>Gross Carrying Value as at 31/03/2022</b>                                | <b>1,252.22</b> |  | <b>24,952.87</b> |  | <b>71,624.26</b>  |  | <b>182.92</b>    |  | <b>348.19</b>        |  | <b>276.33</b> |  | <b>161.95</b> |  | <b>98,798.74</b>   |
| Additions during the year   | 156.12          |  | 1,205.20         |  | 2,057.44          |  | 21.21            |  | 1.53                 |  | Nil           |  | 13.27         |  | 3,454.77           |
| Disposals during the year   | Nil             |  | Nil              |  | (739.69)          |  | Nil              |  | Nil                  |  | Nil           |  | Nil           |  | (739.69)           |
| Other adjustments during the year   | Nil             |  | Nil              |  | Nil               |  | Nil              |  | Nil                  |  | Nil           |  | Nil           |  | Nil                |
| <b>Gross Carrying Value as at 31/03/2023</b>                                | <b>1,408.34</b> |  | <b>26,158.06</b> |  | <b>72,942.01</b>  |  | <b>204.14</b>    |  | <b>349.72</b>        |  | <b>276.33</b> |  | <b>175.22</b> |  | <b>1,01,513.81</b> |
| <b>Accumulated depreciation as at the 01/04/2021</b>                        |                 |  |                  |  |                   |  |                  |  |                      |  |               |  |               |  |                    |
| Depreciation for the year   | Nil             |  | 3,784.18         |  | 38,415.54         |  | 132.21           |  | 131.06               |  | 127.97        |  | 113.10        |  | 42,704.07          |
| Disposals during the year   | Nil             |  | 898.51           |  | 3,448.30          |  | 17.23            |  | 30.44                |  | 31.89         |  | 17.72         |  | 4,444.09           |
| Other Adjustment**  | Nil             |  | Nil              |  | (2,004.40)        |  | Nil              |  | Nil                  |  | (7.42)        |  | Nil           |  | (2,011.83)         |
| <b>Accumulated depreciation as at the 31/03/2022</b>                        | <b>Nil</b>      |  | <b>4,682.69</b>  |  | <b>39,859.44</b>  |  | <b>149.44</b>    |  | <b>161.50</b>        |  | <b>152.44</b> |  | <b>130.81</b> |  | <b>45,136.33</b>   |
| Depreciation for the year   | Nil             |  | 937.85           |  | 2,678.01          |  | 14.30            |  | 33.82                |  | 29.48         |  | 18.53         |  | 3,711.99           |
| Disposals during the year   | Nil             |  | Nil              |  | (739.69)          |  | Nil              |  | Nil                  |  | Nil           |  | Nil           |  | (739.69)           |
| Other Adjustment**  | Nil             |  | Nil              |  | Nil               |  | Nil              |  | Nil                  |  | Nil           |  | Nil           |  | Nil                |
| <b>Accumulated depreciation as at the 31/03/2023</b>                        | <b>Nil</b>      |  | <b>5,620.55</b>  |  | <b>41,797.76</b>  |  | <b>163.74</b>    |  | <b>195.32</b>        |  | <b>181.92</b> |  | <b>149.35</b> |  | <b>48,108.63</b>   |
| <b>Net Carrying Value</b>   |                 |  |                  |  |                   |  |                  |  |                      |  |               |  |               |  |                    |
| As at 31/03/2022  | 1,252.22        |  | 20,270.18        |  | 31,764.82         |  | 33.48            |  | 186.69               |  | 123.89        |  | 31.14         |  | 53,662.41          |
| As at 31/03/2023  | <b>1,408.34</b> |  | <b>20,537.52</b> |  | <b>31,144.25</b>  |  | <b>40.40</b>     |  | <b>154.40</b>        |  | <b>94.41</b>  |  | <b>25.87</b>  |  | <b>53,405.19</b>   |
| <b>Capital Work-in-Progress (Refer Note 3.2)</b>                            |                 |  |                  |  |                   |  |                  |  |                      |  |               |  |               |  |                    |
| As at 31/03/2022  | Nil             |  | 636.46           |  | 51.88             |  | Nil              |  | Nil                  |  | Nil           |  | Nil           |  | 688.34             |
| As at 31/03/2023  | <b>Nil</b>      |  | <b>64.79</b>     |  | <b>448.70</b>     |  | <b>Nil</b>       |  | <b>Nil</b>           |  | <b>Nil</b>    |  | <b>Nil</b>    |  | <b>513.54</b>      |
| <b>Assets that are given as security for liabilities</b>                    |                 |  |                  |  |                   |  |                  |  |                      |  |               |  |               |  |                    |
| As at 31/03/2022  | 1,252.22        |  | 20,270.18        |  | 31,764.82         |  | 33.48            |  | 186.69               |  | 123.89        |  | 31.14         |  | 53,662.41          |
| As at 31/03/2023  | <b>1,408.34</b> |  | <b>20,537.52</b> |  | <b>31,144.25</b>  |  | <b>40.40</b>     |  | <b>154.40</b>        |  | <b>94.41</b>  |  | <b>25.87</b>  |  | <b>53,405.19</b>   |
| <b>Useful Life (In Years)</b>   |                 |  |                  |  |                   |  |                  |  |                      |  |               |  |               |  |                    |
| As at 31/03/2022  | Nil             |  | 30.00            |  | 25.00             |  | 5.00             |  | 10.00                |  | 8.00          |  | 3.00          |  |                    |
| As at 31/03/2023  | <b>Nil</b>      |  | <b>30.00</b>     |  | <b>25.00</b>      |  | <b>5.00</b>      |  | <b>10.00</b>         |  | <b>8.00</b>   |  | <b>3.00</b>   |  |                    |
| <b>Amount of Contractual commitments for acquisition (Refer Note. 36:1)</b> |                 |  |                  |  |                   |  |                  |  |                      |  |               |  |               |  |                    |
| As at 31/03/2022  | Nil             |  | Nil              |  | 3,126.34          |  | Nil              |  | Nil                  |  | Nil           |  | Nil           |  | 3,126.34           |
| As at 31/03/2023  | <b>Nil</b>      |  | <b>Nil</b>       |  | <b>542.19</b>     |  | <b>Nil</b>       |  | <b>Nil</b>           |  | <b>Nil</b>    |  | <b>Nil</b>    |  | <b>542.19</b>      |

### Note 3.1

Title deeds of immovable property (other than proper taken on lease by duly executed lease agreement) are held in the name of the company.

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 3 (Contd.)

### Note 3.2 Movement of Capital Work in Progress

(₹ in Lakhs)

| Particulars                        | Total         |
|------------------------------------|---------------|
| <b>Balance at 1st April, 2021</b>  | <b>207.51</b> |
| Addition during the year           | 7800.96       |
| Capitalised during the year        | 7320.12       |
| <b>Balance at 31st March, 2022</b> | <b>688.34</b> |
| Addition during the year           | 855.63        |
| Capitalised during the year        | 1030.49       |
| <b>Balance at 31st March, 2023</b> | <b>513.49</b> |

(₹ in Lakhs)

| Ageing of Capital Work in Progress    | As at<br>31/03/2023 | As at<br>31/03/2022 |
|---------------------------------------|---------------------|---------------------|
| For Period Less Than 1 Year           | 513.49              | 688.34              |
| For Period Between 1 Year and 2 Years | Nil                 | Nil                 |
| For Period Between 2 Year and 3 Years | Nil                 | Nil                 |
| For Period More Than 3 Years          | Nil                 | Nil                 |
| <b>Total</b>                          | <b>513.49</b>       | <b>688.34</b>       |

## Note 3.3

### Right of Use Assets

(₹ in Lakhs)

| Particulars  | Land        | Plant and<br>Equipments | Total        |
|--|-------------|-------------------------|--------------|
| <b>Gross Block</b>                                   |             |                         |              |
| <b>Gross Carrying Value as at 01/04/2021</b>         | <b>Nil</b>  | <b>Nil</b>              | <b>Nil</b>   |
| Additions during the year                            | 0.90        | 35.00                   | 35.90        |
| Disposals during the year                            | Nil         | Nil                     | Nil          |
| Other adjustments during the year                    | Nil         | Nil                     | Nil          |
| <b>Gross Carrying Value as at 31/03/2022</b>         | <b>0.90</b> | <b>35.00</b>            | <b>35.90</b> |
| Additions during the year                            | Nil         | 10.00                   | 10.00        |
| Disposals during the year                            | Nil         | Nil                     | Nil          |
| Other adjustments during the year                    | Nil         | Nil                     | Nil          |
| <b>Gross Carrying Value as at 31/03/2023</b>         | <b>0.90</b> | <b>45.00</b>            | <b>45.90</b> |
| <b>Accumulated Amortisation</b>                      |             |                         |              |
| <b>Accumulated Amortisation as at the 01/04/2021</b> | <b>Nil</b>  | <b>Nil</b>              | <b>Nil</b>   |
| Amortisation for the year                            | 0.04        | 1.75                    | 1.79         |
| Disposals during the year                            | Nil         | Nil                     | Nil          |
| Other adjustments during the year                    | Nil         | Nil                     | Nil          |
| <b>Accumulated Amortisation as at the 31/03/2022</b> | <b>0.04</b> | <b>1.75</b>             | <b>1.79</b>  |
| Amortisation for the year                            | 0.11        | 4.50                    | 4.61         |
| Disposals during the year                            | Nil         | Nil                     | Nil          |
| Other adjustments during the year                    | Nil         | Nil                     | Nil          |
| <b>Accumulated Amortisation as at the 31/03/2023</b> | <b>0.14</b> | <b>6.25</b>             | <b>6.39</b>  |
| <b>Net Carrying Value</b>                            |             |                         |              |
| <b>As at 31/03/2022</b>                              | <b>0.87</b> | <b>33.25</b>            | <b>34.12</b> |
| <b>As at 31/03/2023</b>                              | <b>0.76</b> | <b>38.75</b>            | <b>39.51</b> |



# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 4

### Other Intangible Assets

(₹ in Lakhs)

| Particulars  | Licence & software | Total         |
|--|--------------------|---------------|
| <b>Gross Block</b>                                       |                    |               |
| <b>Gross Carrying Value as at 01/04/2021</b>             | 159.82             | 159.82        |
| Additions during the year                                | 1.50               | 1.50          |
| Disposals during the year                                | Nil                | Nil           |
| Other adjustments during the year                        | Nil                | Nil           |
| <b>Gross Carrying Value as at 31/03/2022</b>             | <b>161.32</b>      | <b>161.32</b> |
| Additions during the year                                | Nil                | Nil           |
| Disposals during the year                                | Nil                | Nil           |
| Other adjustments during the year                        | Nil                | Nil           |
| <b>Gross Carrying Value as at 31/03/2023</b>             | <b>161.32</b>      | <b>161.32</b> |
| <b>Accumulated Amortisation</b>                          |                    |               |
| <b>Accumulated Amortisation as at the 01/04/2021</b>     | 152.75             | 152.75        |
| Amortisation for the year                                | 4.73               | 4.73          |
| Disposals during the year                                | Nil                | Nil           |
| Other adjustments during the year                        | Nil                | Nil           |
| <b>Accumulated Amortisation as at the 31/03/2022</b>     | <b>157.48</b>      | <b>157.48</b> |
| Amortisation for the year                                | 1.93               | 1.93          |
| Disposals during the year                                | Nil                | Nil           |
| Other adjustments during the year                        | Nil                | Nil           |
| <b>Accumulated Amortisation as at the 31/03/2023</b>     | <b>159.41</b>      | <b>159.41</b> |
| <b>Net Carrying Value</b>                                |                    |               |
| As at 31/03/2022   | 3.84               | 3.84          |
| As at 31/03/2023   | <b>1.91</b>        | <b>1.91</b>   |
| <b>Amount that are given as security for liabilities</b> |                    |               |
| As at 31/03/2022   | 3.84               | 3.84          |
| As at 31/03/2023   | <b>1.91</b>        | <b>1.91</b>   |
| <b>Amortisation period</b>                               |                    |               |
| As at 31/03/2022   | 3                  | 3             |
| As at 31/03/2023   | <b>3</b>           | <b>3</b>      |
| Amount of Contractual commitments for acquisition        |                    |               |
| As at 31/03/2022   | Nil                | Nil           |
| As at 31/03/2023   | <b>Nil</b>         | <b>Nil</b>    |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 5

### Non-Current Investments

| Name of the Body Corporate  | Subsidiaries / Associates / Joint Ventures / Structured Entities / Others | No. of Shares and Face Value of Shares |            |                  |            | Quoted / Unquoted | Partly Paid/ Fully paid | ₹ in Lakhs)      |                  | Measured as at Cost / Amortised Cost / FVOCI / FVPL |
|---|---|--|------------|------------------|------------|-------------------|-------------------------|------------------|------------------|---|
|   |   | As on 31/03/2023                       |            | As on 31/03/2022 |            |                   |                         | As On 31/03/2023 | As On 31/03/2022 |   |
|   |   | Nos.                                   | Face Value | Nos.             | Face Value |                   |                         |                  |                  |   |
| <b>(a) Investments in Equity Instruments [Non Trade]</b>                                |   |  |            |                  |            |                   |                         |                  |                  |   |
| (i) CIL Nova Petrochemicals Ltd.  | Others  | 64000                                  | 10.00      | 64000            | 10.00      | Quoted            | Fully Paid              | 11.61            | 26.94            | FVPL  |
| (ii) UCO Bank Ltd.  | Others  | 3500                                   | 10.00      | 3500             | 10.00      | Quoted            | Fully Paid              | 0.85             | 0.42             | FVPL  |
| (iii) Asian Paints Ltd.   | Others  | 200                                    | 1.00       | 200              | 1.00       | Quoted            | Fully Paid              | 5.52             | 6.16             | FVPL  |
| (iv) The Saraswat Co. Op. Bank Ltd.   | Others  | 2500                                   | 10.00      | 2500             | 10.00      | Unquoted          | Fully Paid              | 0.25             | 0.25             | FVPL  |
| <b>Total</b>  |   | <b>70200</b>                           |            | <b>70200</b>     |            |                   |                         | <b>18.24</b>     | <b>33.77</b>     |   |
| <b>(b) Investments in Preference Shares</b>   |   |  |            |                  |            |                   |                         |                  |                  |   |
| (i) Non Cumulative Redeemable Preference Shares of Vraj Integrated Textile Park Limited | Others  | 2203720                                | 10.00      | 2203720          | 10.00      | Unquoted          | Fully Paid              | 13.46            | 13.46            | Amortised Cost                                      |
| <b>Total</b>  |   | <b>2203720</b>                         |            | <b>2203720</b>   |            |                   |                         | <b>13.46</b>     | <b>13.46</b>     |   |
| <b>(c) Investments in bonds</b>   |   |  |            |                  |            |                   |                         |                  |                  |   |
| (i) LVB Unsecure Non-Con. Redeem. Basel III   | Others  | 10                                     | 1000000    | 10               | 1000000    |                   | Fully Paid              | 100.00           | 100.00           | Amortised Cost                                      |
| Less: Provision for the Dimunation in Value of investment in bonds                      |   |  |            |                  |            |                   |                         | (100.00)         | (100.00)         |   |
| <b>Total</b>  |   | <b>10</b>                              |            | <b>10</b>        |            |                   |                         | <b>Nil</b>       | <b>Nil</b>       |   |
| <b>Grand Total</b>  |   |  |            |                  |            |                   |                         | <b>31.70</b>     | <b>47.24</b>     |   |
| Aggregate Cost of quoted investments  |   |  |            |                  |            |                   |                         | 21.41            | 21.41            |   |
| Aggregate amount of quoted investments  |   |  |            |                  |            |                   |                         | 17.99            | 33.52            |   |
| Aggregate amount of unquoted investments  |   |  |            |                  |            |                   |                         | 13.71            | 13.71            |   |
| Aggregate amount of Investment in Bond  |   |  |            |                  |            |                   |                         | Nil              | Nil              |   |

## Note 6

### Other Financial Assets

(₹ in Lakhs)

| Particulars   | Non-Current      |                  | Current          |                  |
|---|------------------|------------------|------------------|------------------|
|   | As at 31/03/2023 | As at 31/03/2022 | As at 31/03/2023 | As at 31/03/2022 |
| (i) Bank deposits with more than 12 months maturity | 231.29           | 417.80           | Nil              | Nil              |
| (ii) Security Deposits (Unsecured, considered good) | 191.71           | 80.71            | 768.30           | Nil              |
| (iii) Interest Receivable                           | Nil              | Nil              | 8.37             | 8.15             |
| (iv) Forward Contract Asset                         | Nil              | Nil              | Nil              | 11.99            |
| (v) Insurance Claim Receivable                      | Nil              | Nil              | 4,166.91         | 2,952.76         |
| (vi) Amount Receivable from Statutory Authorities   | Nil              | Nil              | 6,318.67         | 7,200.56         |
| <b>Total</b>  | <b>422.99</b>    | <b>498.51</b>    | <b>11,262.25</b> | <b>10,173.47</b> |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 7

### Other Assets

(₹ in Lakhs)

| Particulars  | Non-Current         |                     | Current             |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2023 | As at<br>31/03/2022 |
| (i) Capital Advances   | 87.55               | 1,700.59            | Nil                 | Nil                 |
| Less: Allowance for Doubtful Capital Advances                        | (25.01)             | (56.50)             | Nil                 | Nil                 |
| (ii) Pre Payment Expenses  | 18.26               | 18.46               | Nil                 | Nil                 |
| (iii) Advances other than capital advances:                          |                     |                     |                     |                     |
| (a) Advance recoverable in cash or kind                              | Nil                 | Nil                 | 1,168.99            | 1,875.73            |
| Less: Allowance for Doubtful Advances                                | Nil                 | Nil                 | (736.45)            | (738.69)            |
| <b>Total (i+ii+iii)</b>  | <b>80.81</b>        | <b>1,662.56</b>     | <b>432.54</b>       | <b>1,137.03</b>     |
| (iv) Tax receivable  |                     |                     |                     |                     |
| Advance Tax & TDS Receivable   | 2,139.43            | 308.96              | Nil                 | Nil                 |
| Less: Provision for Tax  | (1,869.58)          | (35.43)             | Nil                 | Nil                 |
| <b>Total (iv)</b>  | <b>269.85</b>       | <b>273.53</b>       | <b>Nil</b>          | <b>Nil</b>          |
| (v) Loan to Employee   | 11.20               | 14.96               | 33.69               | 78.67               |
| (vi) Others  |                     |                     |                     |                     |
| Deferred Fair Value Gain / (Loss) on Investment in Preference Shares | Nil                 | Nil                 | 170.97              | 172.99              |
| (vii) Prepaid expenses   | Nil                 | Nil                 | 311.21              | 283.79              |
| (viii) Balance With Govt Authorities                                 | Nil                 | Nil                 | 627.26              | 2,041.97            |
| <b>Total (vi+vii+viii)</b>   | <b>Nil</b>          | <b>Nil</b>          | <b>1,109.44</b>     | <b>2,498.75</b>     |
| <b>Grand Total</b>   | <b>361.86</b>       | <b>1,951.05</b>     | <b>1,575.67</b>     | <b>3,714.45</b>     |

## Note 7.1

### Movements in each class of provision during the year

(₹ in Lakhs)

| Particulars                                    | Non-Current         |                     | Current             |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2023 | As at<br>31/03/2022 |
| <b>Allowance for Doubtful Capital Advances</b> |                     |                     |                     |                     |
| Balance at the beginning                       | 56.50               | 46.30               | Nil                 | Nil                 |
| Impairment loss recognised                     | Nil                 | 10.20               | Nil                 | Nil                 |
| Impairment loss reversed                       | 31.50               | Nil                 | Nil                 | Nil                 |
| <b>Balance at the end</b>                      | <b>25.01</b>        | <b>56.50</b>        | <b>Nil</b>          | <b>Nil</b>          |
| <b>Allowance for Doubtful Advances</b>         |                     |                     |                     |                     |
| Balance at the beginning                       | Nil                 | Nil                 | 738.69              | 749.72              |
| Impairment loss recognised                     | Nil                 | Nil                 | Nil                 | Nil                 |
| Impairment loss reversed                       | Nil                 | Nil                 | 2.25                | 11.03               |
| <b>Balance at the end</b>                      | <b>Nil</b>          | <b>Nil</b>          | <b>736.45</b>       | <b>738.69</b>       |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 8

### Inventories

(₹ in Lakhs)

| Particulars           | As at<br>31/03/2023 | As at<br>31/03/2022 |
|-----------------------|---------------------|---------------------|
| (a) Raw materials     |                     |                     |
| (i) in possession     | 9,803.12            | 14,006.33           |
| (ii) in transit       | Nil                 | Nil                 |
| (b) Work-in-progress  | 3,302.90            | 4,819.10            |
| (c) Finished goods    |                     |                     |
| (i) in possession     | 6,333.18            | 3,963.72            |
| (ii) in transit       | 264.90              | 1,010.04            |
| (d) Stock-in-trade    |                     |                     |
| (i) in possession     | Nil                 | Nil                 |
| (ii) in transit       | Nil                 | Nil                 |
| (e) Stores and spares |                     |                     |
| (i) in possession     | 539.01              | 344.49              |
| (ii) in transit       | Nil                 | Nil                 |
| (f) Fuel              |                     |                     |
| (i) in possession     | 389.54              | 93.39               |
| (ii) in transit       | Nil                 | Nil                 |
| (g) Packing Material  |                     |                     |
| (i) in possession     | 99.02               | 118.60              |
| (ii) in transit       | Nil                 | Nil                 |
| <b>Total</b>          | <b>20,731.67</b>    | <b>24,355.67</b>    |

Notes:

- (i) Inventories pledged as Security with bank for borrowing as on 31/03/2023 of ₹ 20,731.67 Lakhs (as on 31/03/2022 ₹24,355.67 Lakhs)

## Note 9

### Trade Receivables

(₹ in Lakhs)

| Particulars                                  | As at<br>31/03/2023 | As at<br>31/03/2022 |
|--|---------------------|---------------------|
| Trade Receivable Considered Good - Unsecured | 33,647.09           | 40,205.00           |
| Trade Receivable Credit Impaired             | 5,197.85            | 8,181.72            |
| Less: Allowance for Expected Credit Loss     | (3,522.94)          | (3,781.92)          |
| <b>Total</b>                                 | <b>35,322.00</b>    | <b>44,604.79</b>    |

### Note 9.1

(₹ in Lakhs)

| Particulars   | As at<br>31/03/2023 | As at<br>31/03/2022 |
|---|---------------------|---------------------|
| Trade Receivables due by Key Management Personnel(KMP) and Entities in which KMP has significant influence or control |                     |                     |
| (i) Private Companies in which any Director is a Director   | 5,939.96            | 2,517.03            |
| <b>Total</b>  | <b>5,939.96</b>     | <b>2,517.03</b>     |

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Note 9.2

(₹ in Lakhs)

| Particulars   | As at<br>31/03/2023 | As at<br>31/03/2022 |
|---|---------------------|---------------------|
| Trade Receivables offered as collateral for liabilities or contingent liabilities | 38,844.94           | 48,386.72           |

### Note 9.3 Gross Trade receivable ageing schedule for the year ended as on 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022

(₹ in Lakhs)

| Gross Outstanding as on 31/03/2023   | Disputed Trade Receivable |                 | Undisputed Trade Receivable |                  |
|--------------------------------------|---------------------------|-----------------|-----------------------------|------------------|
|                                      | Credit Impaired           | Considered Good | Credit Impaired             | Considered Good  |
| Not Due                              | Nil                       | Nil             | Nil                         | 24,947.72        |
| Due Less than 3 Months               | Nil                       | Nil             | Nil                         | 8,699.37         |
| Due for 3 to 6 Months                | 6.84                      | Nil             | Nil                         | 254.98           |
| Due for more than 6 Months to 1 Year | Nil                       | Nil             | Nil                         | 2,009.27         |
| Due for more than 1 Year to 2 Years  | 3.34                      | Nil             | Nil                         | 159.28           |
| Due for more than 2 Years to 3 Years | 125.33                    | Nil             | Nil                         | 43.05            |
| Due for more than 3 Years            | 2,497.39                  | 56.04           | Nil                         | 42.31            |
| <b>Total</b>                         | <b>2,632.91</b>           | <b>56.04</b>    | <b>Nil</b>                  | <b>36,155.99</b> |

(₹ in Lakhs)

| Gross Outstanding as on 31/03/2022   | Disputed Trade Receivable |                 | Undisputed Trade Receivable |                  |
|--------------------------------------|---------------------------|-----------------|-----------------------------|------------------|
|                                      | Credit Impaired           | Considered Good | Credit Impaired             | Considered Good  |
| Not Due                              | Nil                       | Nil             | Nil                         | 37,552.65        |
| Due Less than 3 Months               | Nil                       | Nil             | 9.78                        | 2,652.34         |
| Due for 3 to 6 Months                | 3.53                      | Nil             | 3,225.05                    | Nil              |
| Due for more than 6 Months to 1 Year | Nil                       | Nil             | 2,076.88                    | Nil              |
| Due for more than 1 Year to 2 Years  | 51.83                     | Nil             | 225.23                      | Nil              |
| Due for more than 2 Years to 3 Years | 941.99                    | Nil             | 28.03                       | Nil              |
| Due for more than 3 Years            | 1,609.23                  | Nil             | 10.16                       | Nil              |
| <b>Total</b>                         | <b>2,606.58</b>           | <b>Nil</b>      | <b>5,575.15</b>             | <b>40,205.00</b> |

### Note 9.4

The general credit period in respect of Domestic and Export sales ranges between 30-90 days and by and large the company is not charging any interest on late payment.

### Note 9.5

Credit risk is managed at the operational segmental level. The credit limit and credit period are fixed for each customer after evaluating the financial position, past performance, business opportunities, credit references etc. The credit limit and the credit period are reviewed regularly at periodical intervals.

### Note 9.6

Concentration risk considers significant exposures relating to industry, counterparty, geography, currency etc. The concentration of credit risk is not significant as the customer base is large and diversified.

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 10

### Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars         | As at<br>31/03/2023 | As at<br>31/03/2022 |
|---------------------|---------------------|---------------------|
| Balances with Banks | 298.97              | 2,847.07            |
| Cash on Hand        | 18.41               | 17.80               |
| <b>Total</b>        | <b>317.38</b>       | <b>2,864.87</b>     |

### Non Cash Transactions:

During the year, the company has not entered into any non cash transaction on investing and financing activities.

## Note 11

### Other Bank Balances

(₹ in Lakhs)

| Particulars  | As at<br>31/03/2023 | As at<br>31/03/2022 |
|--|---------------------|---------------------|
| Margin Deposits with bank (with original maturity of more than 3 months but less than 12 months) | 2,418.22            | 1,663.61            |
| Unclaimed dividend Account*  | 21.27               | 30.10               |
| <b>Total</b>   | <b>2,439.49</b>     | <b>1,693.71</b>     |

\* The company can utilise this balances only towards settlement of unclaimed dividend.

Of the above, the following have been offered as collateral for liabilities and contingent liabilities:

(₹ in Lakhs)

| Particulars  | As at<br>31/03/2023 | As at<br>31/03/2022 |
|--|---------------------|---------------------|
| Margin Deposits with bank (with original maturity of more than 3 months but less than 12 months) | 2,418.22            | 1,663.61            |
| <b>Total</b>   | <b>2,418.22</b>     | <b>1,663.61</b>     |

## Note 12

### Current Tax Asset (Net)

(₹ in Lakhs)

| Particulars                                     | As at<br>31/03/2023 | As at<br>31/03/2022 |
|---|---------------------|---------------------|
| Advance Tax & Tax deducted at source receivable | 315.39              | Nil                 |
| Provision for Taxation                          | Nil                 | Nil                 |
| <b>Total</b>                                    | <b>315.39</b>       | <b>Nil</b>          |

## Note 13

### Equity Share Capital

(₹ in Lakhs)

| Particulars                            | As at 31/03/2023 |           | As at 31/03/2022 |           |
|--|------------------|-----------|------------------|-----------|
|  | No.              | Amount    | No.              | Amount    |
| Authorised Share Capital of ₹10/- each | 150,000,000      | 15,000.00 | 150,000,000      | 15,000.00 |
| Issued Share Capital of ₹10/- each     | 144,147,168      | 14,414.72 | 144,147,168      | 14,414.72 |
| Subscribed Share Capital of ₹10/- each | 144,147,168      | 14,414.72 | 144,147,168      | 14,414.72 |
| Fully Paid-up Share Capital            | 144,147,168      | 14,414.72 | 144,147,168      | 14,414.72 |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 13 (Contd.)

Reconciliation of the number of shares outstanding and the amount of share capital as at 31/03/2023 and 31/03/2022 is set out below:-

(₹ in Lakhs)

| Particulars                          | As at 31/03/2023 |           | As at 31/03/2022 |           |
|--------------------------------------|------------------|-----------|------------------|-----------|
|                                      | No.              | Amount    | No.              | Amount    |
| Balance at the beginning of the year | 144,147,168      | 14,414.72 | 48,049,056       | 4,804.91  |
| Addition*                            | Nil              | Nil       | 96,098,112       | 9,609.81  |
| Deletion                             | Nil              | Nil       | Nil              | Nil       |
| Balance at the end of the year       | 144,147,168      | 14,414.72 | 144,147,168      | 14,414.72 |

\*Note: Shares has been issued as Bonus Shares during the previous year ended 31/03/2022.

### Note 13.1

#### Terms/right attached to Equity Shares:

The company has only one class of shares referred to as Equity shares having face value of ₹ 10/-. Each Holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholder.

The Company declares and pays dividends in Indian Rupees. The Dividend proposed by the Board of Director is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Details of the Share Holders holding Shares more than 5% shares :-

| Name of Shareholders        | As at 31/03/2023     |              | As at 31/03/2022     |              |
|-----------------------------|----------------------|--------------|----------------------|--------------|
|                             | No. of Equity Shares | % of Holding | No. of Equity Shares | % of Holding |
| Chiripal Industries Ltd.    | 3,59,82,810          | 24.96%       | 3,59,82,810          | 24.96%       |
| Chiripal Exim LLP           | 2,37,66,159          | 16.49%       | 2,37,66,159          | 16.49%       |
| Devkinandan Corporation LLP | 96,18,180            | 6.67%        | 96,18,180            | 6.67%        |

Details of the Promotor and Promotor Group Share holding are as under:-

| Name of Shareholders            | As at 31/03/2023     |                   | As at 31/03/2022     |                   | % Change |
|---------------------------------|----------------------|-------------------|----------------------|-------------------|----------|
|                                 | No. of Equity Shares | % of Total Shares | No. of Equity Shares | % of Total Shares |          |
| Brijmohan Devkinandan Chiripal  | 68,47,500            | 4.75%             | 68,47,500            | 4.75%             | 0.00%    |
| Jyotiprasad D Chiripal          | 18,90,000            | 1.31%             | 18,90,000            | 1.31%             | 0.00%    |
| Jaiprakash D Chiripal           | 11,28,975            | 0.78%             | 11,28,975            | 0.78%             | 0.00%    |
| Urmiladevi Jyotiprasad Chiripal | 18,95,406            | 1.31%             | 18,95,406            | 1.31%             | 0.00%    |
| Nishi J Agarwal                 | 14,40,000            | 1.00%             | 14,40,000            | 1.00%             | 0.00%    |
| Deepak J Chiripal               | 3,90,000             | 0.27%             | 3,90,000             | 0.27%             | 0.00%    |
| Vedprakash Chiripal             | 70,45,386            | 4.89%             | 70,45,386            | 4.89%             | 0.00%    |
| Vineeta Chiripal                | 9,61,025             | 0.67%             | 7,61,025             | 0.53%             | 0.14%    |
| Chiripal Industries Limited     | 3,59,82,810          | 24.96%            | 3,59,82,810          | 24.96%            | 0.00%    |
| Chiripal Exim LLP               | 2,37,66,159          | 16.49%            | 2,37,66,159          | 16.49%            | 0.00%    |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 13 (Contd.)

| Name of Shareholders                   | As at 31/03/2023     |                   | As at 31/03/2022     |                   | % Change     |
|--|----------------------|-------------------|----------------------|-------------------|--------------|
|  | No. of Equity Shares | % of Total Shares | No. of Equity Shares | % of Total Shares |              |
| Devkinandan Corporation LLP            | 96,18,180            | 6.67%             | 96,18,180            | 6.67%             | 0.00%        |
| Nandan Terry Private Limited           | 18,00,000            | 1.25%             | 18,00,000            | 1.25%             | 0.00%        |
| Chiripal Textile Mills Private Limited | 7,41,000             | 0.51%             | 7,41,000             | 0.51%             | 0.00%        |
| <b>Total</b>                           | <b>9,35,06,441</b>   | <b>64.87%</b>     | <b>9,33,06,441</b>   | <b>64.73%</b>     | <b>0.14%</b> |
| <b>Total No. of Shares</b>             | <b>14,41,47,168</b>  |                   | <b>14,41,47,168</b>  |                   |              |

During the Financial year 2022-23 the Company has allotted the Nil (PY. 9,60,98,112) Bonus Shares of ₹10, Fully paid up to its Share holder. The company has not buy back nor forfeited any amount of Shares in the period of last five years.

## Note 14

### Other Equity

(₹ in Lakhs)

| Particulars                                   | As at 31/03/2023 | As at 31/03/2022 |
|---|------------------|------------------|
| <b>Securities Premium Reserve</b>             |                  |                  |
| Balance as per last financial Statement       | Nil              | 8,378.33         |
| Add: Share premium received during the year   | Nil              | Nil              |
| Less: Bonus Share Issued during the year      | Nil              | (8,378.33)       |
| <b>Closing Balance</b>                        | <b>Nil</b>       | <b>Nil</b>       |
| <b>General Reserve</b>                        |                  |                  |
| Balance as per last financial Statement       | 755.40           | 755.40           |
| <b>Closing Balance</b>                        | <b>755.40</b>    | <b>755.40</b>    |
| <b>Retained Earnings</b>                      |                  |                  |
| Balance as per last financial Statement       | 38,716.82        | 33,163.93        |
| Add : Profit for the year                     | 80.35            | 6,769.05         |
| Add :Other Comprehensive income (net of tax)  | 68.52            | 15.31            |
| Less: Capitalisation on Issue of Bonus Shares | Nil              | (1,231.48)       |
| <b>Closing Balance</b>                        | <b>38,865.69</b> | <b>38,716.82</b> |
| <b>Grand Total</b>                            | <b>39,621.09</b> | <b>39,472.22</b> |

| Nature and Purpose of each component of equity | Nature and Purpose   |
|--|--|
| Securities Premium Reserve                     | The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.   |
| General Reserve                                | The general reserve is a free reserve, retained from Company's profits and can be utilized upon fulfilling certain conditions in accordance with Companies Act, 2013.  |
| Retained Earning                               | The amount of retained earning includes the component of Other Comprehensive income, which cannot be distributed by the Company as dividends to its equity shareholders. Balance amount is available for distribution to equity share holders. |



# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 15

### Borrowings

(₹ in Lakhs)

| Particulars                      | Non-Current         |                     |                     |                     | Current             |                     |                     |                     |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                  | Secured             |                     | Unsecured           |                     | Secured             |                     | Unsecured           |                     |
|                                  | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2023 | As at<br>31/03/2022 |
| <b>Term loans</b>                |                     |                     |                     |                     |                     |                     |                     |                     |
| (i) from banks                   | 14,380.75           | 22,784.87           | Nil                 | Nil                 | 6,516.20            | 8,315.99            | Nil                 | Nil                 |
| (ii) Vehicle Loan                | Nil                 | 3.35                | Nil                 | Nil                 | 3.30                | 6.81                | Nil                 | Nil                 |
| <b>Loans repayable on demand</b> |                     |                     |                     |                     |                     |                     |                     |                     |
| (i) from banks                   | Nil                 | Nil                 | Nil                 | Nil                 | 23,686.25           | 21,210.92           | Nil                 | Nil                 |
| (ii) Inter Corporate Deposit     | Nil                 | Nil                 | 1,000.00            | 2,500.00            | Nil                 | Nil                 | Nil                 | 1,000.00            |
| (iii) from others                | Nil                 | Nil                 | 900.00              | Nil                 | Nil                 | Nil                 | Nil                 | Nil                 |
| <b>Total</b>                     | <b>14,380.75</b>    | <b>22,788.23</b>    | <b>1,900.00</b>     | <b>2,500.00</b>     | <b>30,205.74</b>    | <b>29,533.72</b>    | <b>Nil</b>          | <b>1,000.00</b>     |

### Note 15.1

Nature of Security and terms of Payment of Borrowings

| Type of Debt Instrument          | Nature of Security  | Terms of Repayment   |
|----------------------------------|---|--|
| <b>Term loans</b>                |   |  |
| (i) from banks                   | Term Loans under Consortium finance are secured by first charge on the entire Fixed Assets of the company both present and future, second charge on Book Debts, Stock and other Current Assets of the Company and also further guaranteed by personal guarantee of Promoter Directors.  | Term Loans are repayable in Quarterly installments bearing Interest rate ranging from 9.15% to 10.55% p.a.   |
| (ii) from banks                  | Covid-19 Emergency Credit Line loans are secured by Extension of Charge on following primary & collateral securities for WC limits.<br><br>Primary Security: 1st pari-passu charge on entire current assets of the company<br><br>Collateral Security: 2nd pari-passu charge on the fixed assets of the company<br><br>Extension of Personal Guarantee of following Promoter Director namely: 1.) Mr. Vedprakash Chiripal<br>2.) Mr. Brijmohan Chiripal | Covid-19 Emergency Credit Line facility is to be repayable ranging from 12 to 18 equal monthly instalments after moratorium of 6 months bearing Interest rate ranging from 9.80% to 7.60% p.a. |
| (iii) from banks                 | Guaranteed Emergency Credit Line loans are secured by extension of Second Charge on the present Primary and collateral securities.  | Guaranteed Emergency Credit Line 2.0 facility is to be repayable in 48 equal monthly instalments after moratorium of 12 months bearing Interest rate ranging from 9.60% to 7.95% p.a.          |
| (iv) Vehicle Loan                | Vehicle Loans are secured by Hypothecation of Vehicles.   | Vehicle Loans are repayable in monthly installments bearing Interest rate ranging from 9.00% to 8.20% p.a.   |
| <b>Loans repayable on demand</b> |   |  |
| (i) from banks                   | Working Capital loans under consortium finance are secured by first charge on Book Debts, Stocks and other Current Assets and second charge on all the Fixed Assets, both present and future of the Company and also further guaranteed by Promoter Directors. (Refer Note No. 3,9.2)   | Working Capital loan is repayable on Demand.   |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 15 (Contd.)

Nature of Security and terms of Payment of Borrowings

| Type of Debt Instrument       | Nature of Security  | Terms of Repayment   |
|-------------------------------|---|--|
| (ii) Inter Corporate Deposits | Inter Corporate Deposits are in nature of Unsecured Loan. | Part of the Inter Corporate Deposits are repayable on demand and remaining Loans are repayable after 3 years. The same is in nature of interest free loan. |
| (iii) from others             | Loans from others are in nature of Unsecured Loan.        | Part of the loans from others are repayable on demand and remaining Loans are repayable after 3 years. The same is in nature of interest free loan.        |

## Note 15.2

Borrowings guaranteed by Directors

(₹ in Lakhs)

| Type of Debt Instrument          | Borrowings guaranteed by Directors |                  |                  |                  |
|----------------------------------|------------------------------------|------------------|------------------|------------------|
|                                  | Non-Current                        |                  | Current          |                  |
|                                  | As at 31/03/2023                   | As at 31/03/2022 | As at 31/03/2023 | As at 31/03/2022 |
| <b>Term loans</b>                |                                    |                  |                  |                  |
| (i) from banks                   | 14,380.75                          | 22,784.87        | 6,516.20         | 8,315.99         |
| (ii) Vehicle Loan                | Nil                                | 3.35             | 3.30             | 6.81             |
| <b>Loans repayable on demand</b> |                                    |                  |                  |                  |
| (i) from banks                   | Nil                                | Nil              | 23,686.25        | 21,210.92        |
| <b>Total</b>                     | <b>14,380.75</b>                   | <b>22,788.23</b> | <b>30,205.74</b> | <b>29,533.72</b> |

## Note 16

Lease Liability

(₹ in Lakhs)

| Particulars        | Non-Current      |                  | Current          |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | As at 31/03/2023 | As at 31/03/2022 | As at 31/03/2023 | As at 31/03/2022 |
| Lease Rent Payable | 20.04            | 19.97            | Nil              | Nil              |
| <b>Total</b>       | <b>20.04</b>     | <b>19.97</b>     | <b>Nil</b>       | <b>Nil</b>       |

## Note 17

Other Financial Liabilities

(₹ in Lakhs)

| Particulars                               | Non-Current      |                  | Current          |                  |
|---|------------------|------------------|------------------|------------------|
|   | As at 31/03/2023 | As at 31/03/2022 | As at 31/03/2023 | As at 31/03/2022 |
| Interest accrued but not due              | Nil              | Nil              | 59.52            | 107.79           |
| Creditors for Property, Plant & Equipment | Nil              | Nil              | 3,317.52         | 3,404.42         |
| Creditors for Expenses                    | Nil              | Nil              | 869.44           | 1,293.63         |
| Employee Benefits Payable                 | Nil              | Nil              | 761.06           | 844.72           |
| Unpaid dividends                          | Nil              | Nil              | 21.27            | 30.10            |
| <b>Total</b>                              | <b>Nil</b>       | <b>Nil</b>       | <b>5,028.81</b>  | <b>5,680.66</b>  |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 18

### Provisions

(₹ in Lakhs)

| Particulars  | Non-Current         |                     | Current             |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | As at<br>31/03/2023 | As at<br>31/03/2022 | As at<br>31/03/2023 | As at<br>31/03/2022 |
| Provision for Gratuity (Net) (Refer Note No. 29.2)   | 292.89              | 329.53              | 72.78               | 77.05               |
| Provision for Leave encashment (Refer Note No. 29.2) | 41.41               | 37.63               | 11.26               | 14.21               |
| <b>Total</b>   | <b>334.30</b>       | <b>367.16</b>       | <b>84.04</b>        | <b>91.27</b>        |

### Note 18.1

Movements in each class of provision during the financial year

| Particulars                                    | Provision for<br>Gratuity | Provision<br>for Leave<br>encashment |
|--|---------------------------|--------------------------------------|
| <b>As at 31<sup>st</sup> March, 2021 (Net)</b> | <b>384.50</b>             | <b>25.60</b>                         |
| Charged/(credited) to profit or loss           | 125.11                    | 29.87                                |
| Charged/(credited) to OCI                      | (20.46)                   | Nil                                  |
| Reversed during the period                     | Nil                       | Nil                                  |
| Amounts used during the year                   | (82.57)                   | (3.63)                               |
| <b>As at 31<sup>st</sup> March, 2022 (Net)</b> | <b>406.58</b>             | <b>51.84</b>                         |
| Charged/(credited) to profit or loss           | 110.90                    | 3.65                                 |
| Charged/(credited) to OCI                      | (91.56)                   | Nil                                  |
| Reversed during the period                     | Nil                       | Nil                                  |
| Amounts used during the year                   | (60.24)                   | (2.83)                               |
| <b>As at 31<sup>st</sup> March, 2023 (Net)</b> | <b>365.68</b>             | <b>52.66</b>                         |

## Note 19

### Deferred tax Liabilities (Net)

The balance comprises temporary differences attributable to:

(₹ in Lakhs)

| Particulars   | As at<br>31/03/2023 | As at<br>31/03/2022 |
|---|---------------------|---------------------|
| Unpaid Liabilities Allowable under Income Tax Act, 1961 in succeeding years u/s 43B on Payment basis        | (105.25)            | (115.34)            |
| Allowable Unutilised Tax Credits  | Nil                 | (285.48)            |
| Allowance for Expected Credit Loss  | (886.37)            | (953.99)            |
| Allowance for doubtful Advance  | (185.29)            | (200.07)            |
| Bonus Payable   | (9.09)              | Nil                 |
| Unabsorb Depreciation   | (512.58)            | Nil                 |
| Amount Disallowed U/s 40(a)(ia)   | Nil                 | Nil                 |
| <b>Total deferred tax assets</b>  | <b>(1,698.59)</b>   | <b>(1,554.88)</b>   |
| Difference in respect of depreciation on as per Income Tax Act & Companies Act on PPE and Intangible Assets | 3,192.19            | 2,738.70            |
| <b>Total deferred tax liabilities</b>   | <b>3,192.19</b>     | <b>2,738.70</b>     |
| <b>Net deferred tax liabilities</b>   | <b>1,493.60</b>     | <b>1,183.82</b>     |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 19 (Contd.)

### Note 19.1

#### Movement in deferred tax assets

(₹ in Lakhs)

| Particulars                              | Allowable Unutilised Tax Credits | Unpaid Liabilities Allowable under Income Tax Act, 1961 in succeeding years u/s 43B on Payment basis | Allowance for Expected Credit Loss | Allowance for doubtful Advance | Unabsorb Depreciation | Amount Disallowed U/s 40(a) (ia) | Bonus Payable | Total             |
|--|----------------------------------|--|------------------------------------|--------------------------------|-----------------------|----------------------------------|---------------|-------------------|
| <b>As At 1<sup>st</sup> April, 2021</b>  | (285.48)                         | (143.29)   | (946.58)                           | (278.13)                       | (384.14)              | (9.74)                           | Nil           | (2,047.36)        |
| (Charged)/credited:                      |                                  |  |                                    |                                |                       |                                  |               |                   |
| - to profit or loss                      | Nil                              | 22.80  | (7.41)                             | 78.06                          | 384.14                | 9.74                             |               | 487.33            |
| - to other comprehensive income          | Nil                              | 5.15   | Nil                                | Nil                            | Nil                   | Nil                              |               | 5.15              |
| <b>As At 31<sup>st</sup> March, 2022</b> | (285.48)                         | (115.34)   | (953.99)                           | (200.07)                       | Nil                   | Nil                              | Nil           | (1,554.88)        |
| (Charged)/credited:                      |                                  |  |                                    |                                |                       |                                  |               |                   |
| - to profit or loss                      | 285.48                           | (12.95)  | 67.62                              | 14.78                          | (512.58)              | Nil                              | (9.09)        | (166.75)          |
| - to other comprehensive income          | Nil                              | 23.04  | Nil                                | Nil                            | Nil                   | Nil                              | Nil           | 23.04             |
| <b>As At 31<sup>st</sup> March, 2023</b> | <b>Nil</b>                       | <b>(105.25)</b>  | <b>(886.37)</b>                    | <b>(185.29)</b>                | <b>(512.58)</b>       | <b>Nil</b>                       | <b>(9.09)</b> | <b>(1,698.59)</b> |

#### Movement in deferred tax liabilities

(₹ in Lakhs)

| Particulars                              | Difference in respect of depreciation on as per Income Tax Act & Companies Act on PPE and Intangible Assets |
|--|---|
| <b>As At 1<sup>st</sup> April 2021</b>   | 2,276.99  |
| (Charged)/credited:                      |   |
| - to profit or loss                      | 461.71  |
| - to other comprehensive income          | Nil   |
| <b>As At 31<sup>st</sup> March, 2022</b> | <b>2,738.70</b>   |
| (Charged)/credited:                      |   |
| - to profit or loss                      | 453.49  |
| - to other comprehensive income          | Nil   |
| <b>As At 31<sup>st</sup> March, 2023</b> | <b>3,192.19</b>   |

## Note 20

### Deferred Government Grant

(₹ in Lakhs)

| Particulars                    | Non-Current      |                  | Current          |                  |
|--------------------------------|------------------|------------------|------------------|------------------|
|                                | As at 31/03/2023 | As at 31/03/2022 | As at 31/03/2023 | As at 31/03/2022 |
| Deferred Consideration on loan | 194.59           | 198.06           | 135.85           | 117.20           |
| <b>Total</b>                   | <b>194.59</b>    | <b>198.06</b>    | <b>135.85</b>    | <b>117.20</b>    |

## Note 21

### Other Liabilities

(₹ in Lakhs)

| Particulars                    | Non-Current      |                  | Current          |                  |
|--------------------------------|------------------|------------------|------------------|------------------|
|                                | As at 31/03/2023 | As at 31/03/2022 | As at 31/03/2023 | As at 31/03/2022 |
| Advance received from Customer | Nil              | Nil              | 434.40           | 479.23           |
| Statutory Dues                 | Nil              | Nil              | 170.82           | 119.46           |
| <b>Total</b>                   | <b>Nil</b>       | <b>Nil</b>       | <b>605.22</b>    | <b>598.69</b>    |

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Note 22

#### Trade Payables

(₹ in Lakhs)

| Particulars                           | As at<br>31/03/2023 | As at<br>31/03/2022 |
|---------------------------------------|---------------------|---------------------|
| Payable to Micro and Small Enterprise | 350.47              | 69.96               |
| Payable to others                     |                     |                     |
| - Acceptance                          | Nil                 | Nil                 |
| - Other than Acceptances              | 17,971.35           | 26,145.39           |
| <b>Total</b>                          | <b>18,321.82</b>    | <b>26,215.35</b>    |
| Of the above, payables to             |                     |                     |
| Related Parties                       | 806.81              | 1,554.75            |

| Outstanding as on 31/03/2023           | MSME Trade Payable |            | Other than MSME Trade Payable |            |
|--|--------------------|------------|-------------------------------|------------|
|  | Disputed           | Undisputed | Disputed                      | Undisputed |
| Not Due for Payment                    | Nil                | Nil        | Nil                           | 5,097.18   |
| Outstanding Less Than 1 Year           | Nil                | 350.47     | Nil                           | 11,840.25  |
| Outstanding Between 1 Year to 2 Years  | Nil                | Nil        | Nil                           | 837.16     |
| Outstanding Between 2 Years to 3 Years | Nil                | Nil        | Nil                           | 90.68      |
| Outstanding More Than 3 Years          | Nil                | Nil        | Nil                           | 106.08     |

| Outstanding as on 31/03/2022           | MSME Trade Payable |            | Other than MSME Trade Payable |            |
|--|--------------------|------------|-------------------------------|------------|
|  | Disputed           | Undisputed | Disputed                      | Undisputed |
| Not Due for Payment                    | Nil                | Nil        | Nil                           | 4,092.18   |
| Outstanding Less Than 1 Year           | Nil                | 69.96      | Nil                           | 21,847.15  |
| Outstanding Between 1 Year to 2 Years  | Nil                | Nil        | Nil                           | 59.54      |
| Outstanding Between 2 Years to 3 Years | Nil                | Nil        | Nil                           | 138.86     |
| Outstanding More Than 3 Years          | Nil                | Nil        | Nil                           | 7.66       |

- (a) Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management and the same has been relied by the auditor.
- (b) Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 02.10.2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the MSMED Act, 2006 are disclosed as below:

(₹ in Lakhs)

| Particulars  | As at<br>31/03/2023 | As at<br>31/03/2022 |
|--|---------------------|---------------------|
| a) The Principal amount remaining unpaid to Micro and Small enterprise supplier as at the year end   | 350.47              | 69.96               |
| b) Interest due thereon  | Nil                 | Nil                 |
| c) Amount of interest paid by the Company in terms of section 16 of MSMED Act  | Nil                 | Nil                 |
| d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED 2006 | Nil                 | Nil                 |
| e) Amount of interest accrued and remaining unpaid at the end of accounting year   | Nil                 | Nil                 |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 22 (Contd.)

(₹ in Lakhs)

| Particulars  | As at<br>31/03/2023 | As at<br>31/03/2022 |
|--|---------------------|---------------------|
| f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprise Development Act, 2006. | Nil                 | Nil                 |

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company and the same has been relied by the Auditor.

## Note 23

### Current Tax Liabilities (Net)

(₹ in Lakhs)

| Particulars                                     | As at<br>31/03/2023 | As at<br>31/03/2022 |
|---|---------------------|---------------------|
| Provision for Taxation                          | Nil                 | 1,651.37            |
| Advance Tax & Tax deducted at source receivable | Nil                 | (1,539.95)          |
| <b>Total</b>                                    | <b>Nil</b>          | <b>111.41</b>       |

## Note 24

### Revenue from Operations

(₹ in Lakhs)

| Particulars                     | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|---------------------------------|--------------------------|--------------------------|
| Sale Of Products                | 193,765.91               | 209,567.18               |
| Sale Of Services                | 4,988.88                 | 2,762.53                 |
| <b>Other Operating Revenues</b> |                          |                          |
| Sale of Scrap                   | 31.21                    | 52.28                    |
| Export Incentive                | 534.75                   | 1,032.56                 |
| <b>Government Grant :</b>       |                          |                          |
| Goods & Service Tax Incentive*  | 3,355.66                 | 4,142.61                 |
| <b>Total</b>                    | <b>202,676.40</b>        | <b>217,557.16</b>        |

\* State Goods and Service Tax (SGST) Concession: Reimbursement of SGST Collected on end product / intermediate product to the extent of the eligible capital investments in plant and machinery for the specified period as per scheme.

#### a) Reconciliation of Revenue recognised in the statement of profit and loss with the Contracted price :-

| Particulars  | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|--|--------------------------|--------------------------|
| Gross Revenue  | 198,918.15               | 214,659.50               |
| Less: Rebate & Discount etc                            | (132.15)                 | (2,277.51)               |
| <b>Revenue recognised from Contract with Customers</b> | <b>198,786.00</b>        | <b>212,381.99</b>        |

#### (b) Reconciliation of Revenue from operation with Revenue from contracts with Customers :-

| Particulars                                  | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|--|--------------------------|--------------------------|
| Revenue from operation                       | 202,676.40               | 217,557.16               |
| Less: Export Incentive                       | (534.75)                 | (1,032.56)               |
| Less: Goods & Service Tax Incentive          | (3,355.66)               | (4,142.61)               |
| <b>Revenue from contracts with Customers</b> | <b>198,786.00</b>        | <b>212,381.99</b>        |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 25

### Other Income

(₹ in Lakhs)

| Particulars  | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|--|--------------------------|--------------------------|
| Interest Income  | 119.05                   | 112.09                   |
| Dividend Income  | 0.04                     | 0.03                     |
| EPCG Grant Income  | 61.63                    | 1,116.87                 |
| Net gains on fair value changes on Investments classified through FVPL | Nil                      | 17.82                    |
| Fair Value gain on Forward Contract                                    | Nil                      | 0.68                     |
| Net Foreign Exchange (Loss) / Gain                                     | 237.48                   | 352.30                   |
| Insurance Claim income on property Plant & Equipment                   | 169.03                   | Nil                      |
| Gain on Sale of Property, Plant & Equipment                            | 105.00                   | 96.93                    |
| Reversal of Allowance for Expected Credit Loss                         | 258.99                   | Nil                      |
| Reversal of Provision for doubtful Advances                            | 33.75                    | 0.83                     |
| Miscellaneous Income   | 176.53                   | 163.27                   |
| <b>Total</b>   | <b>1,161.50</b>          | <b>1,860.81</b>          |

## Note 26

### Cost of Materials consumed

(₹ in Lakhs)

| Particulars                    | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|--------------------------------|--------------------------|--------------------------|
| Opening Stock of Raw Materials | 14,006.33                | 12,008.30                |
| Purchases during the period    | 155,891.53               | 170,632.39               |
| Closing Stock of Raw Materials | (9,803.12)               | (14,006.33)              |
| <b>Total</b>                   | <b>160,094.74</b>        | <b>168,634.36</b>        |

## Note 27

### Purchase of Stock In Trade

(₹ in Lakhs)

| Particulars                 | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|-----------------------------|--------------------------|--------------------------|
| Purchases of Stock in Trade | 5,785.89                 | 3,212.62                 |
| <b>Total</b>                | <b>5,785.89</b>          | <b>3,212.62</b>          |

## Note 28

### Changes in inventories of finished goods, stock-in-trade and work-in-process

(₹ in Lakhs)

| Particulars                          | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|--------------------------------------|--------------------------|--------------------------|
| <b>A. Stock-in-Trade</b>             |                          |                          |
| Opening Stock of Stock-in-Trade      | Nil                      | Nil                      |
| Closing Stock of Stock-in-Trade      | Nil                      | Nil                      |
| <b>B. Work-in-Process</b>            |                          |                          |
| Opening Work-in-Process              | 4,819.10                 | 3,296.17                 |
| Loss of Work in progress due to Fire | Nil                      | Nil                      |
| Closing Work-in-Process              | (3,302.90)               | (4,819.10)               |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 28 (Contd.)

(₹ in Lakhs)

| Particulars                        | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|------------------------------------|--------------------------|--------------------------|
| <b>C. Finished Goods</b>           |                          |                          |
| Opening Stock of Finished Goods    | 4,973.76                 | 4,448.08                 |
| Loss of Finished Goods due to Fire | Nil                      | Nil                      |
| Closing Stock of Finished Goods    | (6,598.08)               | (4,973.76)               |
| <b>Total</b>                       | <b>(108.12)</b>          | <b>(2,048.60)</b>        |

## Note 29

### Employee Benefit Expense

(₹ in Lakhs)

| Particulars  | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|--|--------------------------|--------------------------|
| Salaries and Wages   | 7,072.91                 | 7,710.12                 |
| Contribution to provident and other funds (Refer Note No. 18, 29.1 and 29.2) | 260.09                   | 264.00                   |
| Staff welfare expenses   | 78.48                    | 83.24                    |
| <b>Total</b>   | <b>7,411.47</b>          | <b>8,057.37</b>          |

### Note 29.1

#### Employee Benefit Defined Benefit Plan Disclosures (Refer Note 18, 29, 29.2)

(₹ in Lakhs)

| Particulars   | 31/03/2023 | 31/03/2022 |
|---|------------|------------|
| <b>A. Change in Present Value of Defined Benefit Obligation</b>                   |            |            |
| Present Value of Benefit Obligation at the Beginning of the Period                | 576.36     | 543.33     |
| Interest Cost   | 40.15      | 34.69      |
| Current Service Cost  | 80.67      | 101.40     |
| Past Service Cost   | Nil        | Nil        |
| (Benefit paid directly to the Employer)   | (60.24)    | (82.57)    |
| Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumption | (6.99)     | (21.85)    |
| Actuarial (Gains) / Losses on Obligations - Due to Experience                     | (82.62)    | 1.36       |
| Present Value of Benefit Obligation at the End of the Period                      | 547.33     | 576.36     |
| <b>B. Change in Fair Value of Plan Assets</b>                                     |            |            |
| Fair Value of Plan Assets at the beginning of the period                          | 169.78     | 158.82     |
| Interest Income   | 12.48      | 10.98      |
| Employer Direct Benefit Payments  | 60.24      | 82.57      |
| (Benefit payment from employer)   | (60.24)    | (82.57)    |
| Return on Plan Assets, excluding interest income                                  | (0.60)     | (0.03)     |
| Fair Value of Plan Assets at the end of the period                                | 181.65     | 169.78     |
| <b>C. Amount recognised in Balance Sheet</b>                                      |            |            |
| (Present value of defined benefit obligation at the end of the period)            | 547.33     | 576.36     |
| Fair Value of Plan Assets at the end of the period                                | 181.65     | 169.78     |
| Funded Status (Surplus / (Deficit))   | (365.68)   | (406.58)   |
| Net (Liability) / Asset Recognised in the Balance Sheet                           | (365.68)   | (406.58)   |



# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 29.1 (Contd.)

(₹ in Lakhs)

| Particulars  | 31/03/2023 | 31/03/2022 |
|--|------------|------------|
| <b>D. Net Interest Cost for the Current Period</b>                                       |            |            |
| Present value of defined benefit obligation at beginning of the period                   | 576.36     | 543.33     |
| (Fair Value of Plan Assets at beginning of the Period)                                   | 169.78     | 158.82     |
| Net Liability / (Asset) at the beginning of the Period                                   | 406.58     | 384.50     |
| Interest Cost  | 40.15      | 34.69      |
| (Interest Income)  | 12.48      | 10.98      |
| Net Interest Cost  | 27.67      | 23.71      |
| <b>E. Expenses Recognised in the Profit or Loss for Current Period</b>                   |            |            |
| Current service cost   | 80.67      | 101.40     |
| Net Interest Cost  | 27.67      | 23.71      |
| Past service cost  | Nil        | Nil        |
| Expenses Recognised  | 108.34     | 125.11     |
| <b>F. Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period</b> |            |            |
| Actuarial (Gains) / losses on Obligation for the period                                  | (89.00)    | (20.46)    |
| Return on Plan Assets, Excluding Interest Income   | Nil        | Nil        |
| Change in asset ceiling  | Nil        | Nil        |
| Net (Income) / Expense for the Period recognised in OCI                                  | (89.00)    | (20.46)    |
| <b>G. Balance Sheet Reconciliation</b>   |            |            |
| Opening net liability  | 406.58     | 384.50     |
| Expenses recognised in Statement in Profit or Loss                                       | 108.34     | 125.11     |
| Expenses recognised in OCI   | (89.00)    | (20.46)    |
| Net Liability / (Asset) Transfer In  | Nil        | Nil        |
| Net (Liability) / Asset Transfer Out   | Nil        | Nil        |
| (Benefit paid directly by the employer)  | (60.24)    | (82.57)    |
| (Employer's contribution)  | Nil        | Nil        |
| Net Liability / (Asset) recognised in the Balance Sheet                                  | 365.68     | 406.58     |
| <b>H. Category of Assets</b>   |            |            |
| Government of India Assets   | Nil        | Nil        |
| State Government Securities  | Nil        | Nil        |
| Special Deposits scheme  | Nil        | Nil        |
| Debt Instruments   | Nil        | Nil        |
| Corporate Bonds  | Nil        | Nil        |
| Cash and Cash Equivalents  | Nil        | Nil        |
| Insurance fund   | 100%       | 100%       |
| Asset-backed securities  | Nil        | Nil        |
| Structured debt  | Nil        | Nil        |
| Other  | Nil        | Nil        |
| <b>I. Other Details</b>  |            |            |
| No. of Active Members  | 2,384      | 3,925      |
| Per month salary for active members  | 0.08       | 0.08       |
| Weighted average duration of defined benefit obligation                                  | 13.30      | 13.30      |
| Average Expected future service  | 25.20      | 25.20      |
| Defined benefit obligation   | 547.33     | 576.36     |
| Prescribed contribution for next year (12 months)  | Nil        | Nil        |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 29.1 (Contd.)

(₹ in Lakhs)

| Particulars  | 31/03/2023 | 31/03/2022 |
|--|------------|------------|
| <b>J. Net Interest Cost for Next Year</b>  |            |            |
| Present value of defined benefit obligation at the end of the period               | 547.33     | 576.36     |
| (Fair value of plan assets at the end of the period)                               | 181.65     | 169.78     |
| Net Liability / (Asset) at the end of the period                                   | 365.68     | 406.58     |
| Interest Cost  | 40.15      | 34.69      |
| (Interest Income)  | (12.48)    | (10.98)    |
| Net Interest Cost for next year  | 27.67      | 23.71      |
| <b>K. Expenses recognised in the Profit or Loss for next year</b>                  |            |            |
| Current service cost   | 80.67      | 101.40     |
| Net Interest Cost  | 27.67      | 23.71      |
| Past Service Cost  | 108.34     | 125.11     |
| <b>L. Maturity Analysis of Defined benefit obligation</b>                          |            |            |
| Projected benefits payable in future years from the date of reporting              |            |            |
| 1 <sup>st</sup> following year   | 74.36      | 77.05      |
| 2 <sup>nd</sup> following year   | 44.37      | 38.89      |
| 3 <sup>rd</sup> following year   | 40.03      | 42.40      |
| 4 <sup>th</sup> following year   | 50.33      | 42.86      |
| 5 <sup>th</sup> following year   | 51.02      | 56.24      |
| Sum of years 6 to 10   | 919.88     | 237.58     |
| <b>Employee Benefit Defined Benefit Plan Disclosures (Refer Note 18, 29, 29.2)</b> |            |            |
| <b>M. Sensitivity Analysis</b>   |            |            |
| Defined benefit obligation on current assumptions                                  |            |            |
| Delta effect of +1% Change in Rate of Discounting                                  | 507.07     | 531.72     |
| Delta effect of -1% Change in Rate of Discounting                                  | 593.81     | 628.24     |
| Delta effect of +1% Change in Rate of Salary Increase                              | 596.23     | 631.26     |
| Delta effect of -1% Change in Rate of Salary Increase                              | 504.03     | 528.40     |
| Delta effect of +1% Change in withdrawal Rate                                      | 554.64     | 583.92     |
| Delta effect of -1% Change in withdrawal Rate                                      | 538.96     | 567.60     |
| <b>N. Summary of Valuation Assumptions</b>   |            |            |
| Mortality table  | 100%       | 100%       |
| Retirement age   | 58         | 58         |
| Attrition rate   | 5.00%      | 5.00%      |
| Salary escalation rate   | 5.00%      | 5.00%      |
| Discount rate  | 7.51%      | 7.35%      |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 29.1 (Contd.)

Details of the Key actuarial assumptions used in the determination of long term compensated absences are as under

(₹ in Lakhs)

| Particulars   | Projected Unit Credit Method |            |
|---|------------------------------|------------|
|   | 2022-23                      | 2021-22    |
| Period Covered  | 31/03/2023                   | 31/03/2022 |
| <b>A. Change in defined benefit obligation</b>                      |                              |            |
| Defined benefit obligation at beginning of period                   | 51.85                        | 25.61      |
| Service cost  |                              |            |
| a. Current service cost   | 29.36                        | 30.52      |
| b. Past service cost  | Nil                          | Nil        |
| c. (Gain) / loss on settlements                                     | Nil                          | Nil        |
| Interest expenses   | 3.71                         | 1.64       |
| <b>Cash flows</b>   |                              |            |
| a. Benefit payments from plan                                       | Nil                          | Nil        |
| b. Benefit payments from employer                                   | (2.83)                       | (3.63)     |
| c. Settlement payments from plan                                    | Nil                          | Nil        |
| d. Settlement payments from employer                                | Nil                          | Nil        |
| <b>Remeasurements</b>   |                              |            |
| a. Effect of changes in demographic assumptions                     | Nil                          | Nil        |
| b. Effect of changes in financial assumptions                       | (0.35)                       | (0.88)     |
| c. Effect of experience adjustments                                 | (29.07)                      | (1.42)     |
| <b>Transfer In /Out</b>   |                              |            |
| a. Transfer In  | Nil                          | Nil        |
| b. Transfer out   | Nil                          | Nil        |
| Defined benefit obligation at end of period                         | 52.66                        | 51.85      |
| <b>B. Change in fair value of plan assets</b>                       |                              |            |
| Fair value of plan assets at beginning of period                    | Nil                          | Nil        |
| Interest income   | Nil                          | Nil        |
| <b>Cash flows</b>   |                              |            |
| a. Total employer contributions                                     |                              |            |
| (i) Employer contributions  | Nil                          | Nil        |
| (ii) Employer direct benefit payments                               | 2.83                         | 3.63       |
| (iii) Employer direct settlement payments                           | Nil                          | Nil        |
| b. Participant contributions  | Nil                          | Nil        |
| c. Benefit payments from plan assets                                | Nil                          | Nil        |
| d. Benefit payments from employer                                   | (2.83)                       | (3.63)     |
| e. Settlement payments from plan assets                             | Nil                          | Nil        |
| f. Settlement payments from employer                                | Nil                          | Nil        |
| <b>Remeasurements</b>   |                              |            |
| a. Return on plan assets (excluding interest income)                | Nil                          | Nil        |
| <b>Transfer In /Out</b>   |                              |            |
| a. Transfer In  | Nil                          | Nil        |
| b. Transfer out   | Nil                          | Nil        |
| Fair value of plan assets at end of period                          | Nil                          | Nil        |
| <b>C. Amounts recognized in the statement of financial position</b> |                              |            |
| Defined benefit obligation  | 52.66                        | 51.85      |
| Fair value of plan assets   | Nil                          | Nil        |
| Funded status   | 52.66                        | 51.85      |
| Effect of asset ceiling   | Nil                          | Nil        |
| Net defined benefit liability (asset)                               | 52.66                        | 51.85      |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 29.1 (Contd.)

(₹ in Lakhs)

| Particulars  | Projected Unit Credit Method |               |
|--|------------------------------|---------------|
|  | 2022-23                      | 2021-22       |
| Period Covered   | 31/03/2023                   | 31/03/2022    |
| <b>D. Components of defined benefit cost</b>                     |                              |               |
| <b>Service cost</b>  |                              |               |
| a. Current service cost  | 29.36                        | 30.52         |
| b. Past service cost   | Nil                          | Nil           |
| c. (Gain) / loss on settlements                                  | Nil                          | Nil           |
| d. Total service cost  | 29.36                        | 30.52         |
| <b>Net interest cost</b>   |                              |               |
| a. Interest expense on DBO                                       | 3.71                         | 1.64          |
| b. Interest (income) on plan assets                              | Nil                          | Nil           |
| c. Interest expense on effect of (asset ceiling)                 | Nil                          | Nil           |
| d. Total net interest cost                                       | 3.71                         | 1.64          |
| <b>Remeasurements (recognized in other comprehensive income)</b> |                              |               |
| a. Effect of changes in demographic assumptions                  | Nil                          | Nil           |
| b. Effect of changes in financial assumptions                    | (0.35)                       | (0.88)        |
| c. Effect of experience adjustments                              | (29.07)                      | (1.42)        |
| d. (Return) on plan assets (excluding interest income)           | Nil                          | Nil           |
| e. Changes in asset ceiling (excluding interest income)          | Nil                          | Nil           |
| f. Total Remeasurements included in OCI                          | Nil                          | Nil           |
| <b>Total defined benefit cost recognized in P&amp;L</b>          | <b>3.65</b>                  | <b>29.87</b>  |
| <b>E. Components of actuarial Loss / (Gain) on obligation</b>    |                              |               |
| a. Effect of changes in demographic assumptions                  | Nil                          | Nil           |
| b. Effect of changes in financial assumptions                    | (0.35)                       | (0.88)        |
| c. Effect of experience adjustments                              | (29.07)                      | (1.42)        |
| d. (Return) on plan assets (excluding interest income)           | Nil                          | Nil           |
| <b>Net actuarial Loss / (Gain) on obligation</b>                 | <b>(29.42)</b>               | <b>(2.30)</b> |
| <b>F. Employer Expense (P&amp;L)</b>                             |                              |               |
| a. Current Service Cost  | 29.36                        | 30.52         |
| b. Interest Cost on net DBO                                      | 3.71                         | 1.64          |
| c. Past Service Cost   | Nil                          | Nil           |
| d. Net value of remeasurements on the obligation and plan assets | (29.42)                      | (2.30)        |
| e. Total P&L Expenses  | 3.65                         | 29.87         |
| <b>G. Net defined benefit liability/(asset) reconciliation</b>   |                              |               |
| Net defined benefit liability (asset)                            | 51.85                        | 25.61         |
| Defined benefit cost included in P&L                             | 3.65                         | 29.87         |
| a. Employer contributions  |                              |               |
| b. Employer direct benefit payments                              | (2.83)                       | (3.63)        |
| c. Employer direct settlement payments                           | Nil                          | Nil           |
| Net transfer   | Nil                          | Nil           |
| Net defined benefit liability (asset) as of end of period        | 52.66                        | 51.85         |
| <b>H. Reconciliation of OCI (Re-measurement)</b>                 |                              |               |
| Recognised in OCI at the beginning of period                     | Nil                          | Nil           |
| Recognised in OCI during the period                              | Nil                          | Nil           |
| Recognised in OCI at the end of the period                       | Nil                          | Nil           |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 29.1 (Contd.)

(₹ in Lakhs)

| Particulars  | Projected Unit Credit Method                      |   |
|--|---|---|
|  | 2022-23   | 2021-22   |
| Period Covered   | 31/03/2023  | 31/03/2022  |
| <b>Employee Benefit Defined Benefit Plan Disclosures (Refer Note 18, 29, 29.2)</b> |   |   |
| <b>J. Significant actuarial assumptions</b>  |   |   |
| Discount rate Current Year   | 7.51%   | 7.35%   |
| Discount rate Previous Year  | 7.35%   | 6.91%   |
| Salary increase rate   | Uniform 5.0%                                      | Uniform 5.0%                                      |
| Retirement Age   | 58 Years  | 58 Years  |
| Salary increase rate   | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |
| Disability   | Nil   | Nil   |
| <b>K. Data</b>   |   |   |
| No.  | 1,845   | 2,767   |
| Avg. Age (yrs.)  | 39  | 34  |
| Total Leave Balance in Lakhs   | 177.65  | 240.04  |
| Total Monthly Encashment Salary (₹ in Lakhs)                                       | 0.10  | 0.09  |
| <b>L. Expected cash flows for following year</b>                                   |   |   |
| Expected employer contributions / Addl. Provision Next Year                        | 52.66   | 51.85   |
| <b>N. Defined benefit obligation at end of year</b>                                |   |   |
| Current Obligation   | 52.66   | 51.85   |
| Non-Current Obligation   | Nil   | Nil   |
| <b>Total</b>   | <b>52.66</b>                                      | <b>51.85</b>                                      |
| <b>SUMMARY</b>   |   |   |
| <b>Assets / Liabilities</b>  |   |   |
| Defined benefit obligation at end of period  | 52.66   | 51.85   |
| Fair value of plan assets at end of period   | Nil   | Nil   |
| Net defined benefit liability/(asset)  | 52.66   | 51.85   |
| Defined benefit cost included in P&L   | 3.65  | 29.87   |
| Total remeasurements included in OCI   | Nil   | Nil   |
| Total defined benefit cost recognized in P&L and OCI                               | 3.65  | 29.87   |

## Note 29.2

### Employee Benefit Disclosures (Refer Note 18, 29, 29.1)

(₹ in Lakhs)

| Particulars                               | As at 31/03/2023 |              |               | As at 31/03/2022 |              |               |
|---|------------------|--------------|---------------|------------------|--------------|---------------|
|   | Non-Current      | Current      | Total         | Non-current      | Current      | Total         |
| Gratuity (Net)                            | 292.89           | 72.78        | 365.68        | 329.53           | 77.05        | 406.58        |
| Leave obligations                         | 41.41            | 11.26        | 52.66         | 37.63            | 14.21        | 51.85         |
| <b>Total employee benefit obligations</b> | <b>334.30</b>    | <b>84.04</b> | <b>418.34</b> | <b>367.16</b>    | <b>91.27</b> | <b>458.43</b> |

#### (i) Leave obligations

The leave obligations cover the group's liability for sick and earned leave.

(₹ in Lakhs)

| Particulars  | As at 31/03/2023 | As at 31/03/2022 |
|--|------------------|------------------|
| Current leave obligations expected to be settled within the next 12 months | 11.26            | 14.21            |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 30

### Finance Costs

(₹ in Lakhs)

| Particulars           | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|-----------------------|--------------------------|--------------------------|
| Interest to Banks     | 4,445.69                 | 3,715.09                 |
| Interest to Others    | 413.29                   | 23.66                    |
| Other Borrowing Costs | 478.58                   | 467.47                   |
| <b>Total</b>          | <b>5,337.56</b>          | <b>4,206.22</b>          |

### Note 30.1

Borrowing costs are net off State government interest subsidy of ₹ Nil Lakhs (31<sup>st</sup> March, 2022 ₹ 710.69 Lakhs) and TUFs interest subsidy ₹ 204.79 Lakhs (31<sup>st</sup> March, 2022 ₹ 615.18 Lakhs).

## Note 31

### Depreciation and Amortization Expense

(₹ in Lakhs)

| Particulars                                   | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|---|--------------------------|--------------------------|
| Depreciation on Property, Plant and Equipment | 3,711.99                 | 4,444.09                 |
| Depreciation on Right of use Assets           | 4.61                     | 1.79                     |
| Depreciation on Intangible Assets             | 1.93                     | 4.73                     |
| <b>Total</b>                                  | <b>3,718.52</b>          | <b>4,450.61</b>          |

## Note 32

### Other Expenses

(₹ in Lakhs)

| Particulars                              | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|--|--------------------------|--------------------------|
| Stores & Spares consumed                 | 1,427.97                 | 1,900.58                 |
| Packing materials consumed               | 824.80                   | 1,053.41                 |
| Electricity & Fuel charges               | 14,531.44                | 14,430.00                |
| Labour Charges                           | 1,348.08                 | 1,541.82                 |
| Carriage Inward                          | 10.55                    | 13.27                    |
| Inspection Charges                       | 92.75                    | 82.95                    |
| Repairs and Maintenance                  | 501.09                   | 569.09                   |
| Insurance                                | 226.11                   | 408.86                   |
| Rent                                     | 49.24                    | 78.21                    |
| Rates and Taxes                          | 112.57                   | 160.57                   |
| Communication Expense                    | 60.48                    | 63.28                    |
| Traveling and Conveyance Expense         | 140.69                   | 86.95                    |
| Legal and Professional Expense           | 228.91                   | 278.18                   |
| Freight, Clearing and Forwarding Charges | 832.59                   | 1,379.98                 |
| Auditor's Remuneration:                  |                          |                          |
| (i) For Audit                            | 11.00                    | 5.00                     |
| (ii) For Tax Audit                       | 2.50                     | Nil                      |
| (iii) For Others                         | 1.50                     | 1.50                     |
| Other Selling Expense                    | 13.04                    | 30.85                    |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 32 (Contd.)

(₹ in Lakhs)

| Particulars  | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|--|--------------------------|--------------------------|
| Corporate Social Responsibility Expenses (Refer Note 39)   | 35.00                    | Nil                      |
| Donation Expense   | 100.20                   | Nil                      |
| Net Loss on fair value changes on Investments classified through FVPL  | 15.54                    | Nil                      |
| Fair Value Loss on Forward Contract  | 11.99                    | Nil                      |
| Commission Expense   | 302.61                   | 321.20                   |
| Allowance for Expected Credit Loss   | Nil                      | 1,072.76                 |
| Miscellaneous Expense<br>(Including Xerox Charges, Security Charges, Membership & Subscription Fees,<br>Directors Sitting Fees, House Keeping Charges, Office Expenses etc.) | 175.55                   | 212.56                   |
| <b>Total</b>   | <b>21,056.19</b>         | <b>23,691.02</b>         |

### Note 32.1

Electricity & Fuel charges are net off State government power subsidy of ₹ Nil Lakhs (31<sup>st</sup> March, 2022 ₹315.17 Lakhs).

### Note 32.2

Following are the expense line items that have adjusted due to retrospective restatement of prior period error:

(₹ in Lakhs)

| Particulars                         | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|-------------------------------------|--------------------------|--------------------------|
| <b>Expense Head</b>                 |                          |                          |
| Legal Professional Charges          | 0.12                     | Nil                      |
| Rent Expense                        | (1.89)                   | Nil                      |
| Depreciation on Right of use Assets | 1.79                     | Nil                      |
| Interest to Others                  | 0.02                     | Nil                      |
| Other Borrowing Costs               | 4.72                     | Nil                      |
| Repairs and Maintenance Expense     | 7.33                     | Nil                      |
| Miscellaneous Expense               | 0.72                     | Nil                      |
| <b>Total Expense</b>                | <b>12.80</b>             | <b>Nil</b>               |

### Note 32.3

#### Leases

#### Lease rentals charged during the period

(₹ in Lakhs)

| Particulars        | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|--------------------|--------------------------|--------------------------|
| Lease Rent Expense | 49.24                    | 78.21                    |

### Note 32.4

#### Future minimum lease payable

(₹ in Lakhs)

| Particulars                                  | As at<br>31/03/2023 | As at<br>31/03/2022 |
|--|---------------------|---------------------|
| Not later than 1 year                        | 42.76               | 78.24               |
| Later than 1 year and Not Later than 5 Years | Nil                 | Nil                 |
| Later than 5 years                           | Nil                 | Nil                 |

The operating lease arrangements, are renewable on a periodic basis subject to price escalation clauses which have been straight lined if such escalation is not in line with the general inflation in that locality.

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 33

### Note 33.1

#### Tax Expense

(₹ in Lakhs)

| Particulars  | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|--|--------------------------|--------------------------|
| Current tax expense                                    | Nil                      | 1,601.47                 |
| Deferred Tax   | 286.75                   | 949.04                   |
| Total Tax Expense of Current Year                      | 286.75                   | 2,550.51                 |
| Short/(Excess) Provision Of Income Tax of earlier year | 174.55                   | (105.19)                 |
| <b>Total</b>   | <b>461.30</b>            | <b>2,445.32</b>          |

### Note 33.2

#### Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Lakhs)

| Particulars  | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|--|--------------------------|--------------------------|
| Profit from continuing operations before income tax expense                                    | 541.65                   | 9,214.38                 |
|  | <b>541.65</b>            | <b>9,214.38</b>          |
| Tax at the Indian tax rate of 25.16% (31 <sup>st</sup> March, 2022 25.16%)                     | 136.28                   | 2,318.34                 |
| <b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b> |                          |                          |
| Expense not deductible for tax purpose   | 44.60                    | 10.25                    |
| Income exempt from income tax act, 1961  | Nil                      | (290.36)                 |
| Effect of reversal of tax exemption on adoption of new tax regime net reduction in of tax rate | Nil                      | 508.57                   |
| Adjustments for the current tax of prior periods   | (68.69)                  | 108.91                   |
| Short/(Excess) Provision Of Income Tax of earlier year   | 174.55                   | (105.19)                 |
| Others   | Nil                      | Nil                      |
| Income tax expense   | 461.30                   | 2,445.32                 |

## Note 34

### Earnings per Share Disclosures

#### Note 34.1

#### Reconciliation on Amount of EPS

(₹ in Lakhs)

| Particulars  | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|--|--------------------------|--------------------------|
| <b>(a) Basic earnings per share in ₹</b>   |                          |                          |
| From continuing operations attributable to the equity holders of the company                   | 0.06                     | 4.70                     |
| <b>Total basic earnings per share attributable to the equity holders of the company in ₹</b>   | <b>0.06</b>              | <b>4.70</b>              |
| <b>(b) Diluted earnings per share in ₹</b>   |                          |                          |
| From continuing operations attributable to the equity holders of the company                   | 0.06                     | 4.70                     |
| <b>Total diluted earnings per share attributable to the equity holders of the company in ₹</b> | <b>0.06</b>              | <b>4.70</b>              |



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Note 34 (Contd.)

#### Note 34.2

Reconciliations of earnings used in calculating earnings per share

(₹ in Lakhs)

| Particulars   | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|---|--------------------------|--------------------------|
| <b>Basic earnings per share</b>   |                          |                          |
| Profit attributable to the equity holders of the company used in calculating basic earnings per share:  |                          |                          |
| From continuing operations  | 80.35                    | 6,769.06                 |
| Profit attributable to the equity holders of the company used in calculating basic earnings per share   | 80.35                    | 6,769.06                 |
| <b>Diluted earnings per share</b>   |                          |                          |
| Profit from continuing operations attributable to the equity holders of the company                     | 80.35                    | 6,769.06                 |
| Profit attributable to the equity holders of the company used in calculating diluted earnings per share | 80.35                    | 6,769.06                 |

#### Note 34.3

Weighted average number of shares used as the denominator

| Particulars  | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|--|--------------------------|--------------------------|
|  | Number of<br>shares      | Number of<br>shares      |
| Nominal Value of Shares  | 10                       | 10                       |
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share                               | 144147168                | 144147168                |
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share | 144147168                | 144147168                |

#### Note 34.4

(₹ in Lakhs)

| Increase / (Decrease) in EPS due to retrospective restatement of Prior period error | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|---|--------------------------|--------------------------|
| Basic EPS in ₹  | Nil                      | (0.01)                   |
| Diluted EPS in ₹  | Nil                      | (0.01)                   |

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Note 35

#### 35.1 Financial Instruments by Category

The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March 2023 are as under:

(₹ in Lakhs)

| Particulars                                | Note Reference | Amortised Cost   | Fair value through Profit and Loss | Fair Value through OCI | Total Carrying Value | Total Fair Value |
|--|----------------|------------------|------------------------------------|------------------------|----------------------|------------------|
| <b>Financial Assets</b>                    |                |                  |                                    |                        |                      |                  |
| Cash and Cash Equivalents                  | 10             | 317.38           | Nil                                | Nil                    | 317.38               | 317.38           |
| Other Bank Balances                        | 11             | 2,439.49         | Nil                                | Nil                    | 2,439.49             | 2,439.49         |
| <b>Investments</b>                         |                |                  |                                    |                        |                      |                  |
| Equity Instruments other than subsidiaries | 5              | Nil              | 18.24                              | Nil                    | 18.24                | 18.24            |
| Preference Shares                          | 5              | 13.46            | Nil                                | Nil                    | 13.46                | 13.46            |
| Bonds                                      | 5              | Nil              | Nil                                | Nil                    | Nil                  | Nil              |
| Trade Receivables                          | 9              | 35,322.00        | Nil                                | Nil                    | 35,322.00            | 35,322.00        |
| <b>Other Financial Assets</b>              |                |                  |                                    |                        |                      |                  |
| Non Current                                | 6              | 422.99           | Nil                                | Nil                    | 422.99               | 422.99           |
| Current                                    | 6              | 11,262.25        | Nil                                | Nil                    | 11,262.25            | 11,262.25        |
| <b>Total Financial Assets</b>              |                | <b>49,777.59</b> | <b>18.24</b>                       | <b>Nil</b>             | <b>49,795.82</b>     | <b>49,795.82</b> |
| <b>Liabilities</b>                         |                |                  |                                    |                        |                      |                  |
| <b>Borrowings</b>                          |                |                  |                                    |                        |                      |                  |
| Non Current                                | 15             | 16,280.75        | Nil                                | Nil                    | 16,280.75            | 16,280.75        |
| Current                                    | 15             | 30,205.74        | Nil                                | Nil                    | 30,205.74            | 30,205.74        |
| Trade Payables                             | 22             | 18,321.82        | Nil                                | Nil                    | 18,321.82            | 18,321.82        |
| <b>Lease Liability</b>                     |                |                  |                                    |                        |                      |                  |
| Non Current                                | 16             | 20.04            | Nil                                | Nil                    | 20.04                | 20.04            |
| Current                                    | 16             | Nil              | Nil                                | Nil                    | Nil                  | Nil              |
| <b>Other Financial Liabilities</b>         |                |                  |                                    |                        |                      |                  |
| Non Current                                | 17             | Nil              | Nil                                | Nil                    | Nil                  | Nil              |
| Current                                    | 17             | 5,028.81         | Nil                                | Nil                    | 5,028.81             | 5,028.81         |
| <b>Total Financial Liabilities</b>         |                | <b>69,857.16</b> | <b>Nil</b>                         | <b>Nil</b>             | <b>69,857.16</b>     | <b>69,857.16</b> |

The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March, 2022 are as under:

(₹ in Lakhs)

| Particulars                                | Note Reference | Amortised Cost | Fair value through Profit and Loss | Fair Value through OCI | Total Carrying Value | Total Fair Value |
|--|----------------|----------------|------------------------------------|------------------------|----------------------|------------------|
| <b>Assets</b>                              |                |                |                                    |                        |                      |                  |
| Cash and Cash Equivalents                  | 10             | 2,864.87       | Nil                                | Nil                    | 2,864.87             | 2,864.87         |
| Other Bank Balances                        | 11             | 1,693.71       | Nil                                | Nil                    | 1,693.71             | 1,693.71         |
| <b>Investments</b>                         |                |                |                                    |                        |                      |                  |
| Equity Instruments other than subsidiaries | 5              | Nil            | 33.77                              | Nil                    | 33.77                | 33.77            |
| Preference Shares                          | 5              | 13.46          | Nil                                | Nil                    | 13.46                | 13.46            |
| Bonds                                      | 5              | Nil            | Nil                                | Nil                    | Nil                  | Nil              |
| Trade Receivables                          | 9              | 44,604.79      | Nil                                | Nil                    | 44,604.79            | 44,604.79        |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March, 2023

## Note 35 (Contd.)

(₹ in Lakhs)

| Particulars                        | Note Reference | Amortised Cost   | Fair value through Profit and Loss | Fair Value through OCI | Total Carrying Value | Total Fair Value |
|------------------------------------|----------------|------------------|------------------------------------|------------------------|----------------------|------------------|
| <b>Other Financial Assets</b>      |                |                  |                                    |                        |                      |                  |
| Non Current                        | 6              | 498.51           | Nil                                | Nil                    | 498.51               | 498.51           |
| Current                            | 6              | 10,161.47        | 11.99                              | Nil                    | 10,173.47            | 10,173.47        |
| <b>Total Financial Assets</b>      |                | <b>59,836.82</b> | <b>45.77</b>                       | <b>Nil</b>             | <b>59,882.59</b>     | <b>59,882.59</b> |
| <b>Liabilities</b>                 |                |                  |                                    |                        |                      |                  |
| <b>Borrowings</b>                  |                |                  |                                    |                        |                      |                  |
| Non Current                        | 15             | 25,288.23        | Nil                                | Nil                    | 25,288.23            | 25,288.23        |
| Current                            | 15             | 30,533.72        | Nil                                | Nil                    | 30,533.72            | 30,533.72        |
| Trade Payables                     | 22             | 26,215.35        | Nil                                | Nil                    | 26,215.35            | 26,215.35        |
| <b>Lease Liability</b>             |                |                  |                                    |                        |                      |                  |
| Non Current                        | 16             | 19.97            | Nil                                | Nil                    | 19.97                | 19.97            |
| Current                            | 16             | Nil              | Nil                                | Nil                    | Nil                  | Nil              |
| <b>Other financial liabilities</b> |                |                  |                                    |                        |                      |                  |
| Non Current                        | 17             | Nil              | Nil                                | Nil                    | Nil                  | Nil              |
| Current                            | 17             | 5,680.66         | Nil                                | Nil                    | 5,680.66             | 5,680.66         |
| <b>Total Financial Liabilities</b> |                | <b>87,737.92</b> | <b>Nil</b>                         | <b>Nil</b>             | <b>87,737.92</b>     | <b>87,737.92</b> |

### Note 35.2 Fair Value Hierarchy

Level 1 : Quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 : Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

The fair value hierarchy of assets and liabilities measured at fair value are as under:

(₹ in Lakhs)

| Particulars   | Note Reference | Level 1 | Level 2 | Level 3 |
|---|----------------|---------|---------|---------|
| a. Investment in equity shares other than subsidiaries and joint ventures |                |         |         |         |
| As at 31 <sup>st</sup> March, 2023  | 5              | 17.99   | Nil     | 0.25    |
| As at 31 <sup>st</sup> March, 2022  | 5              | 33.52   | Nil     | 0.25    |

#### Note 35.2.1 Investment in equity shares quoted on recognised stock exchanges

The fair value of investment in equity shares is based on quoted price.

#### Note 35.2.2 Investment in unquoted preference shares

The fair value of unquoted preference shares has been determined using Level 3 inputs based on Discounted Cash Flow method. A one percentage point change in the unobservable inputs used in fair valuation of Level 3 does not have a significant impact on its value. The movement in unquoted investments is on account of sale of shares during the comparative period (Refer Note 5).

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 35 (Contd.)

### Note 35.2.3 Transfers between levels of fair value hierarchy

There have been no transfers between levels of fair value hierarchy during the year ended 31<sup>st</sup> March, 2023 and during the comparative period ended 31<sup>st</sup> March, 2022.

### Note 35.2.4 Valuation Process

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices in the open market and rates available in secondary market respectively. The valuation method applied for various Financial assets and liabilities are as follows-

1. Quoted price in the primary market considered for the fair valuation of the non-current investment. Gain/ (loss) on fair valuation is recognised in profit and loss.
2. The carrying amount of trade receivable, trade payable, cash and bank balances, short term loans and advances, statutory/ receivable, short term borrowing, employee dues are considered to be the same as their fair value due to their short-term nature.

## Note 35.3

### Financial Risk Management

The company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The Board of Directors review and agree policies for managing each of these risks, which are summarised below:

#### Note 35.3.1 Market Risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate instrument because of changes in market factors. Market risk comprises three type of risks:

- a. Currency Risk
- b. Interest Rate Risk
- c. Price Risk

The company is exposed to currency risk and price risk. The same are analysed below:

#### a. Currency Risk

The company is exposed to foreign exchange risk arising from foreign currency borrowing denominated in US dollars (US\$) and foreign currency notes denominated in various foreign currencies. The company also imports certain material which are denominated in US\$ which exposes it to foreign currency risks. If the value of the Indian Rupee depreciates relative to these foreign currencies, the related costs may increase. The exchange rates between the Indian Rupee and US\$ has changed substantially in recent periods and may continue to fluctuate substantially in the future. In order to mitigate the foreign Currency exposure risk, as on 31<sup>st</sup> March, 2023, the company has entered into derivative contract of ₹ Nil (31<sup>st</sup> March, 2022 ₹ 1449.55 Lakhs) to hedge exposure to fluctuation risk. The below sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk:

Foreign currency risks from non derivative financial instruments as at 31<sup>st</sup> March, 2023 are given below:

| Particulars                               | (₹ in Lakhs)    |               |            |            |                 |
|---|-----------------|---------------|------------|------------|-----------------|
|   | USD             | EURO          | CHF        | JPY        | Total           |
| Trade Receivables (Refer Note 9)          | 1,988.12        | Nil           | Nil        | Nil        | 1,988.12        |
| Advance to Supplier (Refer Note 7)        | Nil             | Nil           | Nil        | Nil        | Nil             |
| Trade Payables (Refer Note 22)            | (115.58)        | (0.87)        | Nil        | Nil        | (116.45)        |
| Advance from Customer (Refer Note 21)     | (33.58)         | Nil           | Nil        | Nil        | (33.58)         |
| Loans repayable on demand (Refer Note 15) | Nil             | Nil           | Nil        | Nil        | Nil             |
| <b>Net Foreign Currency Risk Exposure</b> | <b>1,838.96</b> | <b>(0.87)</b> | <b>Nil</b> | <b>Nil</b> | <b>1,838.09</b> |

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Note 35.3 (Contd.)

Foreign currency risks from non derivative financial instruments as at 31<sup>st</sup> March, 2022 are given below:

| Particulars                               | (₹ in Lakhs)    |              |             |             |                 |
|---|-----------------|--------------|-------------|-------------|-----------------|
|   | USD             | EURO         | CHF         | JPY         | Total           |
| Trade Receivables (Refer Note 9)          | 4,596.57        | Nil          | Nil         | Nil         | 4,596.57        |
| Advance to Supplier (Refer Note 7)        | 0.37            | 94.06        | 3.80        | 5.22        | 103.44          |
| Trade Payables (Refer Note 22)            | (1,035.78)      | Nil          | Nil         | Nil         | (1,035.78)      |
| Advance from Customer (Refer Note 21)     | (173.94)        | Nil          | Nil         | Nil         | (173.94)        |
| Loans repayable on demand (Refer Note 15) | (1,691.88)      | Nil          | Nil         | Nil         | (1,691.88)      |
| <b>Net Foreign Currency Risk Exposure</b> | <b>1,695.34</b> | <b>94.06</b> | <b>3.80</b> | <b>5.22</b> | <b>1,798.41</b> |

For each of the years ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U. S. Dollars, has affected company's incremental operating margins by approximately 3.39% & 0.38% respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

#### b. Price Risk

The company's exposure to price risk arises from investments in equity shares of other companies (Refer Note 5 and 34.1). The company has not undertaken any risk mitigation measures to reduce the price risk. The table below summarises the impact of increases / decreases of share price of the investments and profit for the period. The analysis is based on the assumption that the market price of those investments in equity shares of other companies move by 5% point on either side with all other variables held constant.

| Year Ended | No. of Shares | Average Market price per share | Fair Value in ₹ | % Change in Fair Value | Effect on Profit before Tax (₹ in Lakhs) |
|------------|---------------|--------------------------------|-----------------|------------------------|--|
| 31-03-2023 | 67700         | 26.57                          | 17.99           | 5.00%                  | 0.90                                     |
|            |               |                                |                 | -5.00%                 | (0.90)                                   |
| 31-03-2022 | 67700         | 49.52                          | 33.52           | 5.00%                  | 1.68                                     |
|            |               |                                |                 | -5.00%                 | (1.68)                                   |

#### c. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 35.3 (Contd.)

### Exposure to interest rate risk

(₹ in Lakhs)

| Particulars                                       | As at 31 <sup>st</sup> March |                  |
|---|------------------------------|------------------|
|   | 2023                         | 2022             |
| <b>Fixed Rate Instruments (Refer Note. 15)</b>    |                              |                  |
| Financial liabilities                             |                              |                  |
| Non Current                                       | Nil                          | 3.35             |
| Current   | 3.30                         | 6.81             |
| <b>Total</b>                                      | <b>3.30</b>                  | <b>10.16</b>     |
| <b>Variable Rate Instruments (Refer Note. 15)</b> |                              |                  |
| Financial liabilities                             |                              |                  |
| Non Current                                       | 14,380.75                    | 22,784.87        |
| Current   | 30,202.45                    | 30,526.91        |
| <b>Total</b>                                      | <b>44,583.20</b>             | <b>53,311.79</b> |

The outstanding position of borrowings at variable interest rate along with proportion of total loans is given below:

(₹ in Lakhs)

| Particulars  | As at 31 <sup>st</sup> March |           |
|--|------------------------------|-----------|
|  | 2023                         | 2022      |
| Total Borrowings   | 44,586.49                    | 53,321.95 |
| % of Borrowings out of above bearing variable rate of interest | 99.99%                       | 99.98%    |

### Interest Rate Sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

(₹ in Lakhs)

| Particulars  | As at 31 <sup>st</sup> March |          |
|--|------------------------------|----------|
|  | 2023                         | 2022     |
| 50bps increase would decrease the profit before tax by | 222.92                       | 266.56   |
| 50bps decrease would increase the profit before tax by | (222.92)                     | (266.56) |

### Note 35.3.2 Liquidity Risk

Liquidity risk is the risk that the company would not be able to meet its financial obligations when they become due. The company is financed primarily by bank loans, loans from directors, and other operating cash flows. The company has undrawn borrowing facilities to the extent of ₹ 314.89 Lakhs as on 31<sup>st</sup> March, 2023 (as on 31<sup>st</sup> March, 2022 ₹ 1,755.69 Lakhs).

The details of the contractual maturities of significant financial liabilities as at 31<sup>st</sup> March, 2023 are as under:

(₹ in Lakhs)

| Particulars                          | Note Ref. | < 1 year         | 1-2 year        | 2-5 years       | 5-8 years     | 8 years and Above | Total            |
|--------------------------------------|-----------|------------------|-----------------|-----------------|---------------|-------------------|------------------|
| Borrowings (Term Loan - Banks & ICD) | 15        | 6,380.35         | 8,649.19        | 6,459.52        | 378.00        | 29.89             | 21,896.95        |
| Borrowings (Working capital)         | 15        | 23,686.25        | Nil             | Nil             | Nil           | Nil               | 23,686.25        |
| Vehicle Loans                        | 15        | 3.30             | Nil             | Nil             | Nil           | Nil               | 3.30             |
| Lease Liability                      | 16        | Nil              | 0.09            | 0.32            | 0.29          | 19.34             | 20.04            |
| Trade Payable                        | 22        | 18,321.82        | Nil             | Nil             | Nil           | Nil               | 18,321.82        |
| Other Financial Liabilities          | 17        | 4,246.48         | Nil             | Nil             | Nil           | Nil               | 4,246.48         |
| Employee Benefit liabilities         | 17        | 761.06           | Nil             | Nil             | Nil           | Nil               | 761.06           |
| Unpaid dividends                     | 17        | 21.27            | Nil             | Nil             | Nil           | Nil               | 21.27            |
| <b>Total</b>                         |           | <b>53,420.52</b> | <b>8,649.28</b> | <b>6,459.84</b> | <b>378.29</b> | <b>49.23</b>      | <b>68,957.16</b> |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 35.3 (Contd.)

The details of the contractual maturities of significant financial liabilities as at 31<sup>st</sup> March, 2022 are as under:

(₹ in Lakhs)

| Particulars                    | Note Ref. | < 1 year         | 1-2 year         | 2-5 years        | 5-8 years     | 8 years and Above | Total            |
|--------------------------------|-----------|------------------|------------------|------------------|---------------|-------------------|------------------|
| Borrowings (Term Loan - Banks) | 15        | 9,315.99         | 10,298.61        | 14,679.60        | 306.66        | Nil               | 34,600.86        |
| Borrowings (Working capital)   | 15        | 21,210.92        | Nil              | Nil              | Nil           | Nil               | 21,210.92        |
| Vehicle Loans                  | 15        | 6.81             | 3.35             | Nil              | Nil           | Nil               | 10.16            |
| Lease Liability                | 16        | Nil              | 0.08             | 0.29             | 0.40          | 19.20             | 19.97            |
| Trade Payable                  | 22        | 26,215.35        | Nil              | Nil              | Nil           | Nil               | 26,215.35        |
| Other Financial Liabilities    | 17        | 4,805.83         | Nil              | Nil              | Nil           | Nil               | 4,805.83         |
| Employee Benefit liabilities   | 17        | 844.72           | Nil              | Nil              | Nil           | Nil               | 844.72           |
| Unpaid dividends               | 17        | 30.10            | Nil              | Nil              | Nil           | Nil               | 30.10            |
| <b>Total</b>                   |           | <b>62,429.72</b> | <b>10,302.05</b> | <b>14,679.89</b> | <b>307.06</b> | <b>19.20</b>      | <b>87,737.92</b> |

### Note 35.3.3 Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company maintains its cash and cash equivalents and bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

The maximum exposure to credit risk at the reporting date is primarily from trade receivables. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

On account of the adoption of Ind AS 109, the Company uses ECL model to assess the impairment loss or gain. The Company uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors and the Company's experience for customers.

The Company reviews trade receivables on periodic basis and makes provision for doubtful debts if collection is doubtful. The Company also calculates the expected credit loss (ECL) for non-collection of receivables. The Company makes additional provision if the ECL amount is higher than the provision made for doubtful debts. In case the ECL amount is lower than the provision made for doubtful debts, the Company retains the provision made for doubtful debts without any adjustment.

The allowance for lifetime ECL on customer balances for the year ended 31<sup>st</sup> March, 2023 was ₹ 3522.94 Lakhs and for the year ended 31<sup>st</sup> March, 2022 was ₹ 3,781.92 Lakhs.

(₹ in Lakhs)

| Particulars                | Year ended 31 March |          |
|----------------------------|---------------------|----------|
|                            | 2023                | 2022     |
| Balance at the beginning   | 3,781.92            | 2,709.16 |
| Impairment loss recognised | 243.78              | 1,223.32 |
| Impairment loss reversed   | (502.77)            | (150.55) |
| Balance at the end         | 3,522.94            | 3,781.92 |

The company has assessed that credit risk on other Financial assets is insignificant based on the empirical data. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's assessment of credit risk about particular financial institution. None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at each balance sheet date.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Note 36

#### Contingent Liabilities

(₹ in Lakhs)

| Particulars   | As at<br>31/03/2023     | As at<br>31/03/2022     |
|---|-------------------------|-------------------------|
| Value Added demands disputed in tribunal by Company/vat Authorities (Against which Company has paid ₹ 10.24 Lakhs, as at 31/03/2022 ₹10.24 Lakhs)       | 77.43                   | 77.43                   |
| Income Tax Demands disputed in appeal by Company/Income Tax Authorities (Against which Company has paid ₹ 217.25 Lakhs, as at 31/03/2022 ₹217.25 Lakhs) | 3,606.65                | 6,101.88                |
| Excise & Customs demands disputed in appeal by Company/Authorities (Against which Company has paid ₹41.43 Lakhs, as at 31/03/2022 41.43 Lakhs)          | 41.43                   | 45.54                   |
| Amount not Acknowledged as Debt by the Company  | 726.36                  | 874.66                  |
| Show cause notice received from Various Authorities in respect of Excise & Customs  | 41.11                   | 41.11                   |
| Disputed Tax demand In appeal by Company in respect of ESIC (Against which Company has paid ₹ 8.68 Lakhs, as at 31/03/2022 ₹8.68 Lakhs)                 | 34.72                   | 34.72                   |
| Corporate guarantee in favour of Aditya Birla Finance Ltd. to Secure term loan sanctioned to M/s Vraj Integrated Textile Park Ltd                       | 1,462.00                | 1,462.00                |
| Letter of Credit and Bank Guarantee   | 1,624.89                | 3,701.33                |
| Civil Suits filed against the Company by various Individuals  | Amount not Quantifiable | Amount not Quantifiable |
| A Letter received by the Company from Service Tax Department seeking Clarification on Selling Commission  | Amount not Quantifiable | Amount not Quantifiable |
| Civil/Labour Suits filed against Company  | Amount not Quantifiable | Amount not Quantifiable |
| <b>Total</b>  | <b>7,614.59</b>         | <b>12,338.67</b>        |

### Note 36.1

#### Commitments

(₹ in Lakhs)

| Particulars   | As at<br>31/03/2023 | As at<br>31/03/2022 |
|---|---------------------|---------------------|
| Estimated Amount of Contract to be executed on Capital Account (Against Which the Company has paid ₹62.54 Lakhs (as at 31/03/2022 ₹ 1,644.09 Lakhs) | 542.19              | 3,126.34            |
| <b>Total</b>  | <b>542.19</b>       | <b>3,126.34</b>     |

### Note 37

#### Capital Management Disclosures

Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide return to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Company manages the capital structure and makes the adjustment to it in the light of changes in economic conditions and risk characteristics of the underlying assets. The company monitors capital on the gearing ratio basis. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (Non-Current borrowing and current borrowings) less cash and cash equivalents. Total capital is calculated as total shareholder's equity.



# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 37 (Contd.)

(₹ in Lakhs)

| Particulars   | As at<br>31/03/2023 | As at<br>31/03/2022 |
|---|---------------------|---------------------|
| Non-Current borrowings (Refer Note 15)  | 16,280.75           | 25,288.23           |
| Current borrowings (Refer Note 15)  | 23,686.25           | 22,210.92           |
| Current maturities of long-term borrowings (Refer Note 15)                            | 6,519.50            | 8,322.80            |
| <b>Total Borrowings</b>   | <b>46,486.49</b>    | <b>55,821.95</b>    |
| Less: Cash & Cash Equivalents (Refer Note 10)   | 317.38              | 2,864.87            |
| <b>Net Debt</b>   | <b>46,169.11</b>    | <b>52,957.08</b>    |
| Total Equity attributable to equity share holders of the company (Refer Note 13 & 14) | 54,035.82           | 53,886.95           |
| <b>Gearing ratio</b>  | <b>0.85</b>         | <b>0.98</b>         |

## Note 38

### Related Party Disclosures

#### a. List of Key Management Personnel with whom transactions have occurred during the year

(₹ in Lakhs)

| Name of Key Management Personnel | Designation   | Total Transaction during 2022-23 | Total Transaction during 2021-22 |
|----------------------------------|---|----------------------------------|----------------------------------|
| Deepak Chiripal                  | CEO   | 84.00                            | 84.00                            |
| Shaktidan Gadhvi                 | Whole Time Director   | 6.47                             | 6.27                             |
| Giraj Mohan Sharma               | Independent Director  | 2.00                             | 3.00                             |
| Falguni Vasavda                  | Independent Director  | 1.00                             | 2.50                             |
| Tara Shankar Bhattacharya        | Independent Director (Resigned w.e.f 13/08/2022)                            | 1.00                             | 2.50                             |
| Kirit Vaikunthraya Joshi         | Independent Director (Appointed on 13/08/2022)                              | 1.00                             | Nil                              |
| Rahul Mehta                      | Independent Director (Appointed on 13/08/2022)                              | 0.50                             | Nil                              |
| Ashok Bothra                     | CFO (Resigned w.e.f 18/11/2021)   | Nil                              | 15.65                            |
| Mehul Shah                       | CFO (Resigned w.e.f.19/05/2022)   | 2.90                             | 1.00                             |
| Mahesh Jain                      | CFO (Appointed w.e.f 13/08/2022) & Resigned w.e.f. 09/02/2023               | 18.40                            | Nil                              |
| Ashok Jain                       | CFO (Appointed w.e.f 10/02/2023)  | 14.68                            | Nil                              |
| Purvee Roy                       | Company Secretary (Resigned w.e.f. 15/06/2022)                              | 2.48                             | 12.85                            |
| Akshit Soni                      | Company Secretary (Appointed w.e.f 13/08/2022 & Resigned w.e.f. 30/09/2022) | 1.83                             | Nil                              |
| Renuka Upadhyay                  | Company Secretary (Appointed w.e.f 10/02/2023)                              | 3.16                             | Nil                              |

#### b. List of close members of family of Key Management Personnel with whom transactions have occurred during the year

(₹ in Lakhs)

| Name of close members of family of Key Management Personnel | Relationship                                 | Total Transaction during 2022-23 | Total Transaction during 2021-22 |
|---|--|----------------------------------|----------------------------------|
| Bhagyeshri Gadhvi   | Relative of WTD                              | 3.16                             | 2.71                             |
| Mrudula Bothra  | Relative of CFO (Resigned w.e.f 18/11/2021)  | Nil                              | 9.00                             |
| Divya Shah  | Relative of CFO (Resigned w.e.f. 19/05/2022) | 1.94                             | 0.66                             |

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Note 38 (Contd.)

- c. List of entities in which Key Management Personnel have control or significant influence with whom transactions have occurred during the year

(₹ in Lakhs)

| Name of Entity                                   | Total Transaction during 2022-23 | Total Transaction during 2021-22 |
|--|----------------------------------|----------------------------------|
| Chiripal Industries Ltd.                         | 15,852.35                        | 12,580.05                        |
| Nova Textiles Pvt. Ltd                           | 15,625.00                        | 26,831.40                        |
| Vishal Fabrics Ltd.                              | 738.02                           | (24.77)                          |
| Shanti Exports Pvt. Ltd.                         | 31.87                            | 15.75                            |
| Vraj Integrated Textile Park Ltd.                | 247.95                           | 25.90                            |
| CIL Nova Petrochemicals Ltd                      | 626.47                           | 1,143.90                         |
| Nandan Terry Ltd.                                | 1,152.74                         | 3,217.73                         |
| Shanti Educational Intiatives Ltd.               | 7.00                             | 3.50                             |
| Chiripal Textile Mills Pvt Ltd                   | Nil                              | 0.18                             |
| Tripoli Management Private Ltd.                  | Nil                              | 0.11                             |
| Shanti Shirting Pvt Ltd.                         | 278.45                           | Nil                              |
| Dholi Spintex Pvt Ltd.                           | 159.24                           | Nil                              |
| Narol Textile Infrastructure & Enviro Management | 36.47                            | Nil                              |
| Hunky Dory Travel Pvt Ltd.                       | 11.49                            | Nil                              |
| Shanti Business School                           | 6.00                             | Nil                              |
| Manjudevi Jaiprakash Chiripal                    | 110.00                           | Nil                              |

- d. Outstanding balances due from related parties (Refer Note 9.1 & 9.2)

(₹ in Lakhs)

| Name of Related Party             | Nature of Asset  | As at 31/03/2023 | As at 31/03/2022 |
|-----------------------------------|------------------|------------------|------------------|
| Nova Textiles Pvt. Ltd            | Trade Receivable | Nil              | 1,316.07         |
| Nandan Terry Ltd.                 | Trade Receivable | 106.09           | 237.12           |
| Chiripal Industries Ltd.          | Trade Receivable | 5,735.42         | 764.68           |
| Vishal Fabrics Ltd.               | Trade Receivable | 85.46            | 193.18           |
| Vraj Integrated Textile Park Ltd. | Trade Receivable | 1.54             | 1.54             |
| CIL Nova Petrochemicals Ltd.      | Trade Receivable | Nil              | 6.76             |
| Chiripal Textile Mills Pvt Ltd.   | Trade Receivable | (2.32)           | (2.32)           |
| Shanti Shirting Pvt Ltd.          | Trade Receivable | 17.02            | Nil              |
| Dholi Spintex Pvt Ltd.            | Trade Receivable | (3.25)           | Nil              |

- e. Outstanding balance due to related parties (Refer Note 21)

(₹ in Lakhs)

| Name of Related Party               | Nature of Liability | As at 31/03/2023 | As at 31/03/2022 |
|-------------------------------------|---------------------|------------------|------------------|
| Nova Textiles Pvt. Ltd.             | Trade Payable       | 600.63           | Nil              |
| Chiripal Industries Ltd.            | Trade Payable       | Nil              | 934.00           |
| Vraj Integrated Textile Park Ltd.   | Trade Payable       | 4.13             | 108.99           |
| Shanti Exports Pvt. Ltd.            | Trade Payable       | 23.71            | (36.23)          |
| Shanti Educational Initiatives Ltd. | Trade Payable       | 11.34            | (3.78)           |
| Chiripal Poly Films Ltd.            | Trade Payable       | 0.24             | Nil              |
| CIL Nova Petrochemicals Ltd.        | Trade Payable       | 27.92            | 0.02             |

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Note 38 (Contd.)

(₹ in Lakhs)

| Name of Related Party                            | Nature of Liability | As at<br>31/03/2023 | As at<br>31/03/2022 |
|--|---------------------|---------------------|---------------------|
| Chiripal Textile Mills Pvt Ltd.                  | Trade Payable       | 0.19                | (0.19)              |
| Nandan Terry Ltd.                                | Trade Payable       | 21.79               | 551.95              |
| Narol Textile Infrastructure & Enviro Management | Trade Payable       | (0.76)              | Nil                 |
| Dholi Spintex Pvt Ltd.                           | Trade Payable       | 117.61              | Nil                 |

#### f. Compensation to Key Management Personnel

(₹ in Lakhs)

| Particulars                       | As at<br>31/03/2023 | As at<br>31/03/2022 |
|-----------------------------------|---------------------|---------------------|
| Short-term employee benefits      | 222.84              | 127.77              |
| Post Employment Benefits          | 4.19                | 4.19                |
| Other Long-term employee benefits | Nil                 | Nil                 |
| <b>Total</b>                      | <b>227.03</b>       | <b>131.97</b>       |

#### g. Transactions with Related Parties

(₹ in Lakhs)

| Particulars   | 2022-23          | 2021-22          |
|---|------------------|------------------|
| <b>Purchase of Material</b>                                 |                  |                  |
| Entities in which KMP have control or significant influence | 4,741.61         | 10,540.20        |
| <b>Total</b>  | <b>4,741.61</b>  | <b>10,540.20</b> |
| <b>Purchase of Stock In Trade</b>                           |                  |                  |
| Entities in which KMP have control or significant influence | Nil              | 235.50           |
| <b>Total</b>  | <b>Nil</b>       | <b>235.50</b>    |
| <b>Rent</b>   |                  |                  |
| Entities in which KMP have control or significant influence | 23.06            | 19.39            |
| <b>Total</b>  | <b>23.06</b>     | <b>19.39</b>     |
| <b>Rates and Taxes</b>                                      |                  |                  |
| Entities in which KMP have control or significant influence | 8.61             | 2.36             |
| <b>Total</b>  | <b>8.61</b>      | <b>2.36</b>      |
| <b>Electricity</b>  |                  |                  |
| Entities in which KMP have control or significant influence | 48.69            | 13.28            |
| <b>Total</b>  | <b>48.69</b>     | <b>13.28</b>     |
| <b>Repairs and Maintainance</b>                             |                  |                  |
| Entities in which KMP have control or significant influence | 57.52            | 23.40            |
| <b>Total</b>  | <b>57.52</b>     | <b>23.40</b>     |
| <b>Purchase of Investment</b>                               |                  |                  |
| Entities in which KMP have control or significant influence | 110.00           | Nil              |
| <b>Total</b>  | <b>110.00</b>    | <b>Nil</b>       |
| <b>Sale of Goods</b>  |                  |                  |
| Entities in which KMP have control or significant influence | 29,644.19        | 32,959.50        |
| <b>Total</b>  | <b>29,644.19</b> | <b>32,959.50</b> |

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Note 38 (Contd.)

| Particulars   | (₹ in Lakhs)  |               |
|---|---------------|---------------|
|   | 2022-23       | 2021-22       |
| <b>Rent Income</b>  |               |               |
| Entities in which KMP have control or significant influence | 7.50          | Nil           |
| <b>Total</b>  | <b>7.50</b>   | <b>Nil</b>    |
| <b>Travelling Expenses</b>                                  |               |               |
| Entities in which KMP have control or significant influence | 11.49         | Nil           |
| <b>Total</b>  | <b>11.49</b>  | <b>Nil</b>    |
| <b>Remuneration Paid</b>                                    |               |               |
| Key Management Personnel                                    | 217.34        | 119.77        |
| Close members of family of Key Management Personnel         | 5.10          | 12.38         |
| <b>Total</b>  | <b>222.44</b> | <b>132.15</b> |
| <b>Director Sitting Fees</b>                                |               |               |
| Key Management Personnel                                    | 5.50          | 8.00          |
| <b>Total</b>  | <b>5.50</b>   | <b>8.00</b>   |
| <b>Legal and Professional Fees</b>                          |               |               |
| Entities in which KMP have control or significant influence | 6.00          | 0.11          |
| <b>Total</b>  | <b>6.00</b>   | <b>0.11</b>   |
| <b>Security Deposit</b>                                     |               |               |
| Entities in which KMP have control or significant influence | 110.00        | Nil           |
| <b>Total</b>  | <b>110.00</b> | <b>Nil</b>    |
| <b>Commission Charges</b>                                   |               |               |
| Entities in which KMP have control or significant influence | 0.97          | Nil           |
| <b>Total</b>  | <b>0.97</b>   | <b>Nil</b>    |
| <b>Purchase of Capital Assets</b>                           |               |               |
| Entities in which KMP have control or significant influence | 113.41        | Nil           |
| <b>Total</b>  | <b>113.41</b> | <b>Nil</b>    |

Note: List of transaction, out of the transactions reported in the above table, where the transactions entered in to with single party exceeds 10% of the total related party transactions of similar nature are as under:

| Particulars                        | (₹ in Lakhs) |          |
|------------------------------------|--------------|----------|
|                                    | 2022-23      | 2021-22  |
| <b>Expenditure:</b>                |              |          |
| <b>Purchase of Material:</b>       |              |          |
| - Chiripal Industries Ltd          | 1,484.07     | 4,308.16 |
| - Nova Textiles Pvt. Ltd.          | 2,505.75     | 4,490.98 |
| - CIL Nova Petrochemical Ltd.      | 482.11       | 919.10   |
| <b>Rent</b>                        |              |          |
| - Shanti Exports Pvt Ltd           | 15.75        | 15.75    |
| - Shanti Education Initiative Ltd  | 7.00         | 3.50     |
| <b>Rates and Taxes:</b>            |              |          |
| - Shanti Exports Pvt Ltd           | 5.43         | Nil      |
| - Vraj Integrated Textile Park Ltd | 3.18         | 2.36     |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 38 (Contd.)

| Particulars   | (₹ in Lakhs) |           |
|---|--------------|-----------|
|   | 2022-23      | 2021-22   |
| <b>Electricity Expense</b>  |              |           |
| - Chiripal Industries Ltd.  | 31.64        | Nil       |
| - Nova Textiles Pvt. Ltd.   | 6.35         | 13.28     |
| - Shanti Exports Pvt. Ltd.  | 10.70        | Nil       |
| <b>Capital Asset purchased</b>  |              |           |
| - Vraj Integrated Textile Park Ltd.   | 113.41       | Nil       |
| <b>Travelling Expenses</b>  |              |           |
| - Hunky Dory Travel Pvt. Ltd.   | 11.49        | Nil       |
| <b>Equity Shares of Vraj Integrated Textile Park Ltd. As Security Deposit</b> |              |           |
| - Manjudevi Jaiprakash Chiripal   | 110.00       | Nil       |
| <b>Repairs and Maintenance and Other Expenses</b>                             |              |           |
| - Vraj Integrated Textile Park Ltd  | 21.05        | 23.40     |
| - Narol textile infrastructure & Enviro Management                            | 36.47        | Nil       |
| <b>Legal and Professional Fees</b>  |              |           |
| - Shanti Business School  | 6.00         | Nil       |
| - Tripoli Management Private Ltd.   | Nil          | 0.11      |
| <b>Commission Charges</b>   |              |           |
| - Dholi Spintex Pvt. Ltd.   | 0.97         | Nil       |
| <b>Remuneration Paid:</b>   |              |           |
| - Deepak Chiripal   | 84.00        | 84.00     |
| <b>Income Received:</b>   |              |           |
| <b>Sale of Goods</b>  |              |           |
| - Nova Textiles Pvt. Ltd.   | 13,112.89    | 22,327.14 |
| - Chiripal Industries Ltd.  | 14,046.80    | 8,036.39  |
| <b>Rent Income</b>  |              |           |
| - Nandan Terry Ltd.   | 7.50         | Nil       |

## Note 39

Details Of Hedged And Unhedged Exposure in Foreign Currency Denominated Monetary Items

### a Exposure in foreign currency - Hedged

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

| Currency  | Number of Contracts | Sell Amount in Foreign Currency in Lakhs | Indian Equivalent (₹ in Lakhs) |
|---|---------------------|--|--------------------------------|
| Forward contract to Sell USD - As at 31/03/2023 | Nil                 | Nil                                      | Nil                            |
| Forward contract to Sell USD - As at 31/03/2022 | 8                   | 19.00                                    | 1,449.55                       |

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 39 (Contd.)

### b Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31<sup>st</sup> March, 2023 are as under:

(₹ in Lakhs)

| Currency | Payable (FC in Lakhs) |                     | Receivable (FC in Lakhs) |                     |
|----------|-----------------------|---------------------|--------------------------|---------------------|
|          | As at<br>31/03/2023   | As at<br>31/03/2022 | As at<br>31/03/2023      | As at<br>31/03/2022 |
| USD      | 1.81                  | 38.27               | 24.18                    | 60.64               |
| EURO     | 0.01                  | Nil                 | Nil                      | 1.11                |
| CHF      | Nil                   | Nil                 | Nil                      | 0.04                |
| JPY      | Nil                   | Nil                 | Nil                      | 8.42                |

(₹ in Lakhs)

| Currency | Payable (INR in Lakhs) |                     | Receivable (INR in Lakhs) |                     |
|----------|------------------------|---------------------|---------------------------|---------------------|
|          | As at<br>31/03/2023    | As at<br>31/03/2022 | As at<br>31/03/2023       | As at<br>31/03/2022 |
| USD      | 149.16                 | 2,901.60            | 1,988.12                  | 4,596.93            |
| EURO     | 0.87                   | Nil                 | Nil                       | 94.06               |
| CHF      | Nil                    | Nil                 | Nil                       | 3.80                |
| JPY      | Nil                    | Nil                 | Nil                       | 5.22                |

## Note 40

### Corporate Social Responsibility

(₹ in Lakhs)

| Sr. No | Particulars  | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|--------|--|--------------------------|--------------------------|
| 1      | Gross amount required to be spent by the company during the year | 35.00                    | Nil                      |
| 2      | Amount Spent during the year on                                  |                          |                          |
|        | (i) Construction/ Acquisition of any assets                      |                          |                          |
|        | In Cash  | Nil                      | Nil                      |
|        | Yet to be paid   | Nil                      | Nil                      |
| 3      | (ii) On purpose other than (i) above                             |                          |                          |
|        | In Cash  | 35.00                    | Nil                      |
|        | Yet to be paid   | Nil                      | Nil                      |

## Note 41

### Segment Reporting

The Company is considered to be engaged in Textile Industry with all activity revolving around this business and accordingly the company has only one reportable business segment in accordance with the requirement of Ind AS 108- Operating Segment.

The Geographical details of Revenue and Non Current Asset are as Under:

(₹ in Lakhs)

| Sr. No. | Particulars      | India      | Rest of World | Total      | Year             |
|---------|------------------|------------|---------------|------------|------------------|
| 1       | Segment Revenues | 192,435.62 | 10,240.79     | 202,676.40 | For 2022-23      |
|         |                  | 200,315.32 | 17,241.85     | 217,557.16 | For 2021-22      |
| 2       | Segment Assets   | 54,776.71  | Nil           | 54,776.71  | As at 31/03/2023 |
|         |                  | 56,885.50  | Nil           | 56,885.50  | As at 31/03/2022 |

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Note 41 (Contd.)

Details of customer contributing 10% or more of total revenue :

(₹ in Lakhs)

| Particulars   | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|---|--------------------------|--------------------------|
| No. of customers contributing 10% or more of total revenue (individually) | 2                        | 3                        |
| Amount of revenue   | 60,761.78                | 105,191.35               |
| % of total revenue  | 29.98%                   | 48.35%                   |

### Note 42

#### Reconciliation of Financing Liabilities

(₹ in Lakhs)

| Particulars                                       | Year Ended<br>31/03/2023 | Year Ended<br>31/03/2022 |
|---|--------------------------|--------------------------|
| Opening Balance                                   | 87,737.91                | 69,818.99                |
| Cash inflow of non-current borrowings             | 260.64                   | 6,075.90                 |
| Cash outflow of Non current borrowings            | (11,056.24)              | (7,295.82)               |
| Changes in current borrowings cash flows          | 1,475.32                 | 1,850.42                 |
| Changes in trade payable cash flow                | (7,893.53)               | 14,246.70                |
| Changes in other current financial liability      | (526.50)                 | 296.81                   |
| Changes in other non- current financial liability | 3.47                     | (23.79)                  |
| Other   | (143.93)                 | 2,768.71                 |
| <b>Closing Balance</b>                            | <b>69,857.15</b>         | <b>87,737.91</b>         |

### Note 43

The financial statement are approved by the Board of Directors & Audit Committee at their meeting on 29<sup>th</sup> May, 2023.

### Note 44

#### Dividend

(₹ in Lakhs)

| Particulars  | As at<br>31/03/2023 | As at<br>31/03/2022 |
|--|---------------------|---------------------|
| <b>Equity shares</b>   |                     |                     |
| Final dividend for the year ended 31 <sup>st</sup> March, 2022 of ₹Nil Lakhs (31 March 2021 ₹ Nil Lakhs) per fully paid share has been distributed   | Nil                 | Nil                 |
| <b>Dividends not recognised at the end of the reporting period</b>   |                     |                     |
| In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹Nil Lakhs per fully paid equity share (31 <sup>st</sup> March, 2022 – ₹ Nil Lakhs). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | Nil                 | Nil                 |

### Note 45

On periodical basis and as and when required, the Company reviews the carrying amounts of its assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss have been provided in the Financial Year 2022-23 (PY ₹ Nil Lakhs)

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### 46 Details in respect of Analytical Ratios of the Company

| Sr. No. | Particulars                      | Numerator/<br>Denominator                  | For the Year 2022-23 |                | For the Year 2021-22 |                 | % of Variance | Explanation for any change in the ratio by more than 25% as compared to the preceding year |
|---------|----------------------------------|--|----------------------|----------------|----------------------|-----------------|---------------|--|
|         |                                  |  | ₹ in Lakhs           | Current Period | ₹ in Lakhs           | Previous Period |               |  |
| 1       | Current Ratio                    | Current Assets                             | 71,963.86            | 1.32           | 87,406.97            | 1.38            | -4.09%        | -  |
|         |                                  | Current Liabilities                        | 54,381.47            |                | 63,348.29            |                 |               |  |
| 2       | Debt - Equity Ratio              | Total Debts                                | 46,486.49            | 0.86           | 55,821.95            | 1.04            | -16.95%       | -  |
|         |                                  | Shareholders Equity                        | 54,035.82            |                | 53,886.95            |                 |               |  |
| 3       | Debt Service Coverage Ratio      | Earning available for Debt services        | 9,041.68             | 0.19           | 18,379.57            | 0.33            | -40.93%       | Due to decrease in Profitability the ratio has decreased.                                  |
|         |                                  | Debt Service                               | 46,486.49            |                | 55,821.95            |                 |               |  |
| 4       | Return on Equity Ratio           | Net profit After tax - Preference Dividend | 80.35                | 0.00           | 6,769.06             | 0.13            | 98.89%        | Due to decrease in Profitability the ratio has decreased.                                  |
|         |                                  | Average of Shareholder Funds               | 53,961.38            |                | 50,494.76            |                 |               |  |
| 5       | Inventory turnover Ratio         | Cost of Goods Sold                         | 165,772.51           | 7.35           | 169,798.38           | 7.56            | -2.77%        | -  |
|         |                                  | Average Inventory                          | 22,543.67            |                | 22,451.86            |                 |               |  |
| 6       | Trade Receivables turnover Ratio | Turnover                                   | 198,754.79           | 4.97           | 212,329.71           | 5.86            | -15.15%       | -  |
|         |                                  | Average Trade Receivables                  | 39,963.40            |                | 36,222.94            |                 |               |  |
| 7       | Trade payables turnover Ratio    | Purchase                                   | 163,930.19           | 7.36           | 176,799.00           | 9.26            | -20.51%       | -  |
|         |                                  | Average Trade Creditors                    | 22,268.58            |                | 19,092.00            |                 |               |  |
| 8       | Net Capital turnover Ratio       | Net Sales                                  | 198,754.79           | 11.30          | 212,329.71           | 8.83            | 28.09%        | Due to recovery of Trade receivable the ratio has improved.                                |
|         |                                  | Working Capital                            | 17,582.39            |                | 24,058.68            |                 |               |  |
| 9       | Net Profit Ratio                 | Net Profit                                 | 80.35                | 0.00           | 6,769.06             | 0.03            | -98.73%       | Due to decrease in Profitability the ratio has decreased.                                  |
|         |                                  | Net Sales                                  | 198,754.79           |                | 212,329.71           |                 |               |  |
| 10      | Return on Capital employed       | Earning Before Interest and Taxes          | 5,400.63             | 0.10           | 12,953.13            | 0.24            | -58.42%       | Due to decrease in Profitability the ratio has decreased.                                  |
|         |                                  | Capital Employed                           | 54,035.82            |                | 53,886.93            |                 |               |  |
| 11      | Return on investment             | Income generated from investment           | (15.54)              | (0.39)         | 17.82                | 0.21            | -285.49%      | Due to reduction in Investment price the ratio has decreased.                              |
|         |                                  | Average Investment                         | 39.47                |                | 83.98                |                 |               |  |



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Note 47

#### Assets Pledged as Security

The Carrying amount of assets Pledged as Security for Current and non Current borrowing are:

(₹ in Lakhs)

| Particulars   | Note No. | As at<br>31/03/2023 | As at<br>31/03/2022 |
|---|----------|---------------------|---------------------|
| <b>Non-Current Assets</b>                           |          |                     |                     |
| Property Plant & Equipment                          | 3        | 53,405.19           | 53,662.41           |
| Capital Work in progress                            | 3.3      | 513.54              | 688.34              |
| intangible Asset                                    | 4        | 1.91                | 3.84                |
| <b>Total Non Current Assets pledged as Security</b> |          | <b>53,920.64</b>    | <b>54,354.59</b>    |
| <b>Current Assets</b>                               |          |                     |                     |
| Inventories   | 8        | 20,731.67           | 24,355.67           |
| Financial Assets                                    |          |                     |                     |
| Investments   |          |                     |                     |
| Trade Receivable                                    | 9        | 35,322.00           | 44,604.79           |
| Cash and cash equivalents                           | 10       | 317.38              | 2,864.87            |
| Other Bank Balance                                  | 11       | 2,439.49            | 1,693.71            |
| Other Financial Assets                              | 6        | 11,262.25           | 10,173.47           |
| Other Current Assets                                | 7        | 1,575.67            | 3,714.45            |
| <b>Total Current Assets pledged as Security</b>     |          | <b>71,648.47</b>    | <b>87,406.97</b>    |
| <b>Total Assets Pledged as Security</b>             |          | <b>125,569.11</b>   | <b>141,761.56</b>   |

Note: Asset pledge as security includes the Securities hypothecated with the bank for current and non-current borrowing by the company.

### Note 48 - Additional Regulatory Information (Non Ind AS)

The disclosures required by amendment to Division II of Schedule III of the Companies Act, 2013, are given only to the extent applicable:

- (i) During the year no proceedings has been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- (ii) Company has not carried our any revaluation in respect of Property, Plant & Equipments and intangible Asset, hence during the year there has been no change of 10% or more in the aggregate of the Net Carrying value of Assets on account of revaluation of Assets in respect of Property, Plant & Equipments and intangible assets.
- (iii) There are no intangible assets under development in the Company during the current reporting period.
- (iv) The borrowing taken by the company from the banks has been used for the specific purpose for which it was taken.
- (v) The company has not been declared as willful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

# Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

## Note 48 (Contd.)

(vi) Details in respect of difference in respect of Current Assets as per Books and details as provided in quarterly returns filed by the company, the details of the same are as under:

### For the Financial Year 2022-2023

(₹ in Lakhs)

| Quarter | Name of the Bank   | Particulars of Security Provided | Amount as per Books | Amount Reported in Quarterly Return / Statement | Amount of Difference | Reason or Material Discrepancies  |
|---------|--------------------|----------------------------------|---------------------|---|----------------------|---|
| Jun-22  | Consortium Finance | Inventories                      | 26,765.94           | 24,693.99                                       | 2,071.95             | Due to Change in Stock Valuation rate   |
|         |                    | Trade Receivable                 | 57,949.53           | 60,491.73                                       | (2,542.20)           | Due to Change in bifurcation of accounts in to Customer, Vendor and Advance received from Customer  |
|         |                    | Trade Payable                    | 37,296.89           | 33,013.49                                       | 4,283.40             | Due to Change in bifurcation of accounts in to Customer, Vendor and Advance received from Customer  |
| Sep-22  | Consortium Finance | Inventories                      | 18,082.95           | 17,173.45                                       | 909.50               | Due to Exclusion of Export Sale in transit and Due to Change in Valuation Rate  |
|         |                    | Trade Receivable                 | 50,483.03           | 52,934.69                                       | (2,451.66)           | Net Trade receivable has changed due to Exclusion of Export Sale in transit and Due to Change in Customer Grouping and Due to creation of ECL Provision |
|         |                    | Trade Payable                    | 25,417.36           | 23,310.37                                       | 2,106.99             | Due to Change in bifurcation of accounts in to Customer, Vendor, Advance Paid to Supplier and Due to provision for Expense                              |
| Dec-22  | Consortium Finance | Inventories                      | 18,362.00           | 18,376.49                                       | (14.49)              | Inventory has changed due to Reversal of Export Sale in transit and Due to Change in valuation Rate   |
|         |                    | Trade Receivable                 | 27,351.46           | 24,706.02                                       | 2,645.44             | Net Trade receivable has changed due to Exclusion of Export Sale in transit and Due to Change in Customer Grouping                                      |
|         |                    | Trade Payable                    | 5,930.81            | 10,506.58                                       | (4,575.77)           | Due to Change in bifurcation of accounts in to Customer, Vendor, Advance Paid to Supplier and Due to provision for Expense                              |
| Mar-23  | Consortium Finance | Inventories                      | 20,731.67           | 19,768.20                                       | 963.47               | -   |
|         |                    | Trade Receivable                 | 35,322.00           | 29,662.71                                       | 5,659.29             | -   |
|         |                    | Trade Payable                    | 18,321.82           | 16,093.67                                       | 2,228.15             | Due to Change in bifurcation of accounts in to Vendor and Advance Paid to Supplier  |

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Note 48 (Contd.)

#### For the Financial Year 2021-2022

(₹ in Lakhs)

| Quarter | Name of the Bank   | Particulars of Security Provided | Amount as per Books | Amount Reported in Quarterly Return / Statement | Amount of Difference | Reason or Material Discrepancies  |
|---------|--------------------|----------------------------------|---------------------|---|----------------------|---|
| Jun-21  | Consortium Finance | Inventories                      | 24,465.22           | 22,585.65                                       | 1,879.57             | Due to Change in Stock Valuation rate   |
|         |                    | Trade Receivable                 | 34,991.87           | 32,115.30                                       | 2,876.57             | Due to Change in bifurcation of accounts in to Customer, Vendor and Advance received from Customer  |
|         |                    | Trade Payable                    | 14,432.43           | 6,004.48  | 8,427.94             | Due to Change in bifurcation of accounts in to Customer, Vendor and Advance received from Customer  |
| Sep-21  | Consortium Finance | Inventories                      | 20,412.59           | 18,458.74                                       | 1,953.86             | Due to Exclusion of Export Sale in transit and Due to Change in Valuation Rate  |
|         |                    | Trade Receivable                 | 41,818.00           | 35,379.27                                       | 6,438.73             | Net Trade receivable has changed due to Exclusion of Export Sale in transit and Due to Change in Customer Grouping and Due to creation of ECL Provision |
|         |                    | Trade Payable                    | 20,882.68           | 7,835.12  | 13,047.56            | Due to Change in bifurcation of accounts in to Customer, Vendor, Advance Paid to Supplier and Due to provision for Expense                              |
| Dec-21  | Consortium Finance | Inventories                      | 19,651.81           | 18,899.60                                       | 752.21               | Inventory has changed due to Reversal of Export Sale in transit and Due to Change in valuation Rate.  |
|         |                    | Trade Receivable                 | 51,728.43           | 49,133.79                                       | 2,594.64             | Net Trade receivable has changed due to Exclusion of Export Sale in transit and Due to Change in Customer Grouping.                                     |
|         |                    | Trade Payable                    | 23,274.55           | 17,213.93                                       | 6,060.62             | Due to Change in bifurcation of accounts in to Customer, Vendor, Advance Paid to Supplier and Due to provision for Expense.                             |
| Mar-22  | Consortium Finance | Inventories                      | 24,355.67           | 24,355.66                                       | 0.01                 | -   |
|         |                    | Trade Receivable                 | 44,595.02           | 44,593.26                                       | 1.76                 | -   |
|         |                    | Trade Payable                    | 26,215.35           | 25,145.03                                       | 1,070.32             | Due to Change in bifurcation of accounts in to Vendor and Advance Paid to Supplier.   |

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Note 48 (Contd.)

(vii) Details in respect of pending satisfaction of charges with registrar of companies beyond the statutory period

| Breif Description                               | Location of Registrar | Charge ID | Name of Charge Holder  | Delay in Peroid by which charge to be closed in months | Amount of Charge ₹ in Lakhs |
|---|-----------------------|-----------|--|--|-----------------------------|
| Book debts; Movable property (not being pledge) | ROC- Ahmedabad        | 10022083  | Consortium Finance - Charge created by Lead bank State Bank of India | 18.77  | 49,326.00                   |

(viii) During the year under consideration the company has not traded or invested in crypto currency or virtual currency.

(ix) There are no transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in the books of account.

(x) The Company does not have any transctons or relationships with any companies struck off under section 248 of the Companies Act, 2013.

### Note 49

The Income Tax Department had carried out the search at the company's business premises from July 20, 2022 to July 26, 2022. The assessments for the period covered by search are pending. The management of the Company does not expect any material additional liability as a result of the search and hence no provision for the additional income tax liability has been made by the Company.

As per our report of even date attached herewith.

For, **J. T. Shah & Co.**

Chartered Accountants

(Firm Regd. No. 109616W)

**For and on Behalf of the Board**

**(J. J. Shah)**

Partner

(M.No. 045669)

Date :29/05/2023

Place: Ahmedabad

**Jyotiprasad Chiripal**

(Managing Diector)

(DIN: 00155695)

**Shaktidan Gadhavi**

(Whole Time Director)

(DIN: 09004587)

**Deepak Chiripal**

(Chief Executive Officer)

**Ashok Jain**

(Chief Financial Officer)

Date :29/05/2023

Place: Ahmedabad

**Renuka Upadhyay**

(Company Secretary)



## **Nandan Denim Limited**

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