

26th August, 2016

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

Scrip Code: 532641

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

Scrip Symbol: NDL

Dear Sir,

Sub.: Submission of Investor Presentation – August 2016

We are pleased to submit herewith a copy of the latest Investor Presentation of Nandan Denim Limited for the month of August 2016.

You are requested to kindly take the same on record.

Thanking You,

Yours sincerely,
For NANDAN DENIM LIMITED


Purvee Roy
Company Secretary
Mem. No. A26925



Nandan Denim Limited
(Formerly known as Nandan Exim Limited)
(CIN:L51909GJ1994PLC022719)

Plant & Regd. Office:

Survey No. 198/1, 203/2, Sajipur-Gopalpur, Pirana Road, Piplej, Ahmedabad - 382 405
Ph.: +91 9879200199 Website: www.nandandenim.com Email: info@nandandenim.com

Corporate House:

Chiripal House, Shivranjani Cross Roads, Satellite, Ahmedabad - 380 015
Ph.: 079-26734660/2/3 Fax: 079-26768656

NANDAN DENIM LIMITED

INVESTOR PRESENTATION
AUGUST 2016



Private and Confidential

□ Industry Overview & Outlook

□ Company Overview

□ Capacity Expansion Plan

□ Gujarat Textile Policy & Strategic Location Benefits

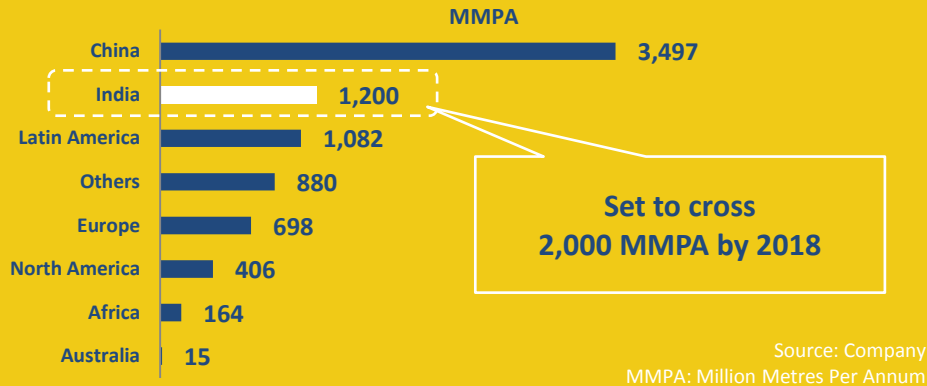
□ Rationale for Capacity Expansion & Integration

□ Summary Outlook, Q1 FY17 Results



INDIA DENIM FABRIC MARKET OVERVIEW

2ND LARGEST DENIM FABRIC CAPACITY IN THE WORLD



**INDIA IS NOW
THE LARGEST COTTON PRODUCER IN THE WORLD
AHEAD OF CHINA**

- The global denim fabric market is around USD 17 bn, Asia accounts for ~70% of global denim fabric production.
- The Indian denim apparel market (CAGR of 13% - 15%) is fast outpacing the global denim apparel market (CAGR of 3% - 5%).

INDIAN DENIM APPAREL MARKET (INR BN)



Source: Technopak Analysis

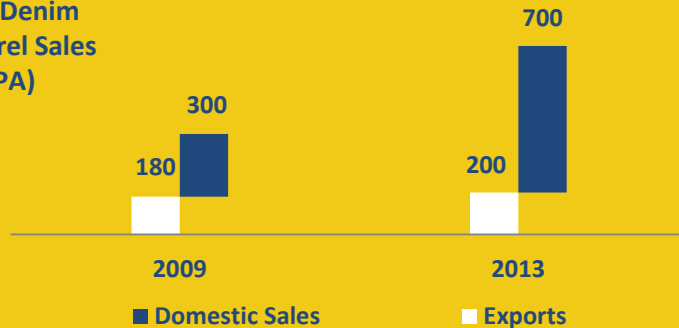
**INDIA IS SET TO ESTABLISH AS THE GLOBAL DENIM
FABRIC AND APPAREL PRODUCTION HUB**

- 4th largest denim fabric exporter in the world.
- Low cost and competitive currency.
- Favourable government textile policies.
- China's decreasing competitive edge.

DOMESTIC DENIM APPAREL MARKET - HUGE UNTAPPED OPPORTUNITY

DOMESTIC DENIM APPAREL MARKET WITNESSING FASTER GROWTH

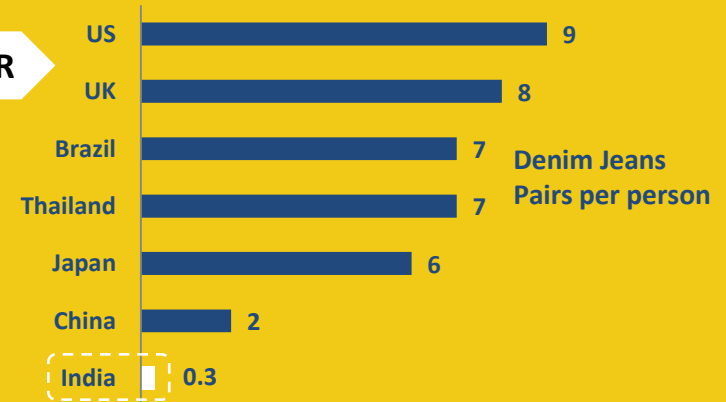
India Denim Apparel Sales (MMPA)



Source: Technopak Analysis

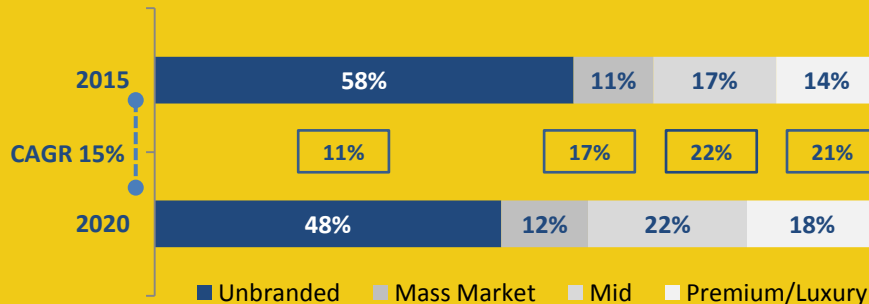
HOWEVER

LOWEST PER CAPITA DENIM JEANS CONSUMPTION IN THE WORLD



Source: Company

STRONG GROWTH ACROSS ALL GRADES OF DENIM



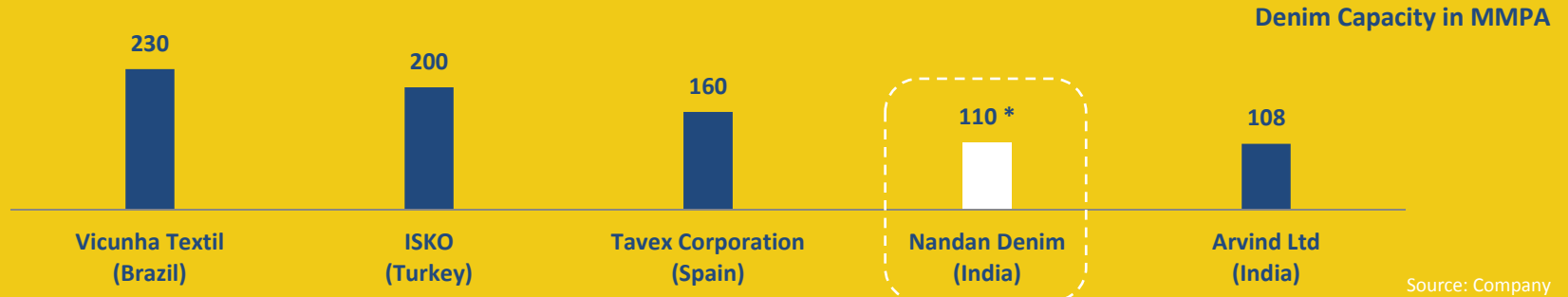
Source: Technopak Analysis

KEY FUTURE DEMAND DRIVERS

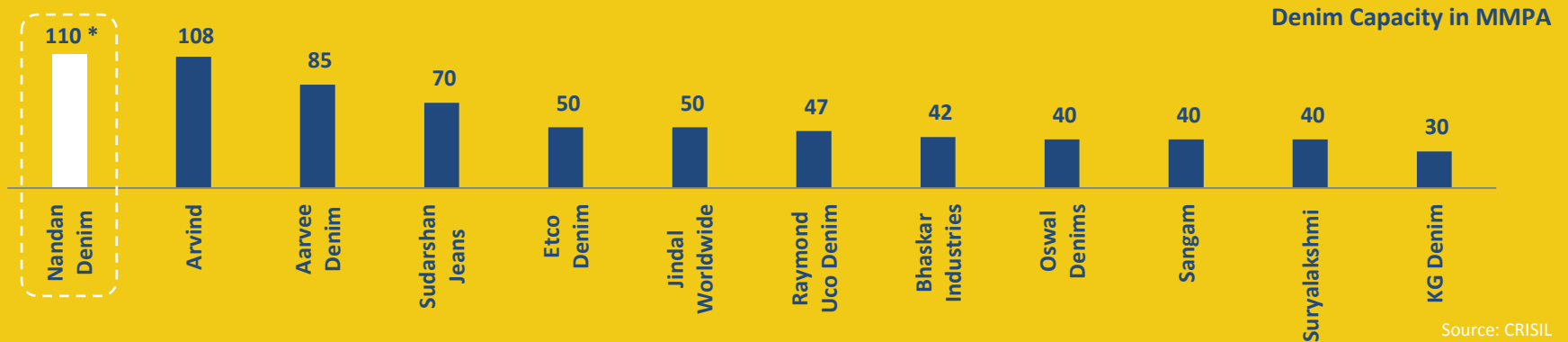
- 78% of Indian population is less than 45 years of age.
- Rising demand from womenswear segment.
- Rising disposable incomes and fashion consciousness.
- Rising acceptance of denim jeans as an offwear.
- Rising demand from Tier II & III cities driven by expanding organised retail industry.

NANDAN DENIM HAS ONE OF THE LARGEST DENIM FABRIC MANUFACTURING CAPACITY IN THE WORLD

4TH LARGEST DENIM MANUFACTURING FACILITY IN THE WORLD



LARGEST DENIM MANUFACTURING FACILITY IN INDIA



* Post complete expansion

CURRENT CAPACITY SCENARIO – DENIM FABRIC MARKET

Current Production Capacity : 1200 Million meter

- Estimated Production : 1000 Million Meter
 - Domestic consumption: 700-800 Million Meter
 - Exports : 200-300 Million Meter

Estimated Growth Rate

- Domestic Market CAGR : 15%
- International Market CAGR : 3-5%

At Current Growth Rate, Required Capacity by 2018:

2000 Million meter

- **Current No of players : 32-33**
- Manufacturing capacities: 10-110 Million Meter
- **Top 3 command 1/3rd Market Share**
- Pricing point: Rs. 80-Rs. 300 per meter
- The lower the pricing point, higher the market size and higher the competition
- Dynamics are changing with higher disposable income.
- Currently 7% of population drives 49% consumption
- 85% male dominance in consumption, Women & Kids witnessing High Growth
- E-commerce has just arrived in India

Any Chance of Over Capacity ?

OUR EXPERIENCE TILL DATE

- **Built capacities over the last one decade (Started from 6 MMPA in FY 05)**
 - Never had machines waiting for the orders;
 - Never ended with higher inventories
- **Never defaulted to any lender**
 - Profits could fluctuate, never disappeared
 - Never faced problems for financing the projects
- **Lower prices have higher competition**
 - Already started distancing through product matrix change
 - Focus on Value Added Segment

- Industry Overview & Outlook

- Company Overview

- Capacity Expansion Plan

- Gujarat Textile Policy & Strategic Location Benefits

- Rationale for Capacity Expansion & Integration

- Summary Outlook, Q1 FY17 Results



ABOUT US: CHIRIPAL GROUP – EMERGING CONGLOMERATE



BUSINESS DIVISION	GROUP COMPANIES	DETAILS
Textiles	Nandan Denim Ltd.	
	Chiripal Industries Ltd. (Processing Division)	<ul style="list-style-type: none"> Fully integrated facilities for manufacturing range of products viz. woven fabrics, circular knitted fabrics, polar fleece fabrics, cotton hosiery, denim, etc.
	Vishal Fabrics Pvt. Ltd.	
Petrochemicals	Chiripal Industries Ltd. (Petrochemicals Division)	<ul style="list-style-type: none"> Offers integrated range of products ranging from POY – 50-250 denier and FDY – 50-150 denier. Employs latest and fully automated machinery operated with Japanese and German technology.
	CIL Nova Petrochemicals Ltd.	
Chemicals	Chiripal Industries Ltd. (Chemicals Division)	<ul style="list-style-type: none"> Operates two major divisions – Adhesives & Speciality Performance Chemicals. Equipped to provide world class solutions to the paints, paper, leather, packaging & textile industries
Packaging	Chiripal Poly Films Ltd.	<ul style="list-style-type: none"> World Class two imported Biaxial orientation of polypropylene (BOPP) lines from Bruckner, Germany for manufacturing films capacity of 77,550 MTPA. In addition, CPFL has two Metalizers for producing metalized films. The company is also implementing BOPET Line to cater to wide demand for BOPET Products.
Infrastructure	Shanti Developers Dholi Integrated Spinning Park Vraj Integrated Textile Park	<ul style="list-style-type: none"> Operates a fully equipped industrial park for SME enterprises in the textile sector Has made a successful foray in the area of residential infrastructure as well.
Education	Shanti Educational Initiatives Ltd.	<ul style="list-style-type: none"> Runs 5 schools under the brand “Shanti Asiatic” across the country with over 3,000 students. Present in the management education space having student strength of 560 students. Successfully running over 185 pre-K franchise – Shanti Juniors with over 10,000 students.



STRONG PEDIGREE

- Nandan Denim Limited is a part of a leading conglomerate, Chiripal Group, which was established in 1972 and is currently diversified across several businesses like Textiles, Petrochemicals, Chemicals, Packaging, Infrastructure and Education.
- Nandan Denim commenced its operations in 1994 with textile trading business and forayed into textile manufacturing in 2004. The company currently engages in manufacturing of denims, cotton fabrics and khakis.
- The company is run by a professional management team with an average experience of more than two decades..

LEADING INTEGRATED DENIM MANUFACTURER

- Nandan Denim has one of the largest denim fabric manufacturing capacities in the world.
- The company expanded its denim fabric capacity from 71 MMPA to 99 MMPA in FY16.
- The company plans to backward integrate by expanding its spinning capacity from 70 TPD (tonnes per day) to 124 TPD in FY17 resulting into higher operating margins and improved return ratios.
- The company also owns a captive power plant of 15 MW.

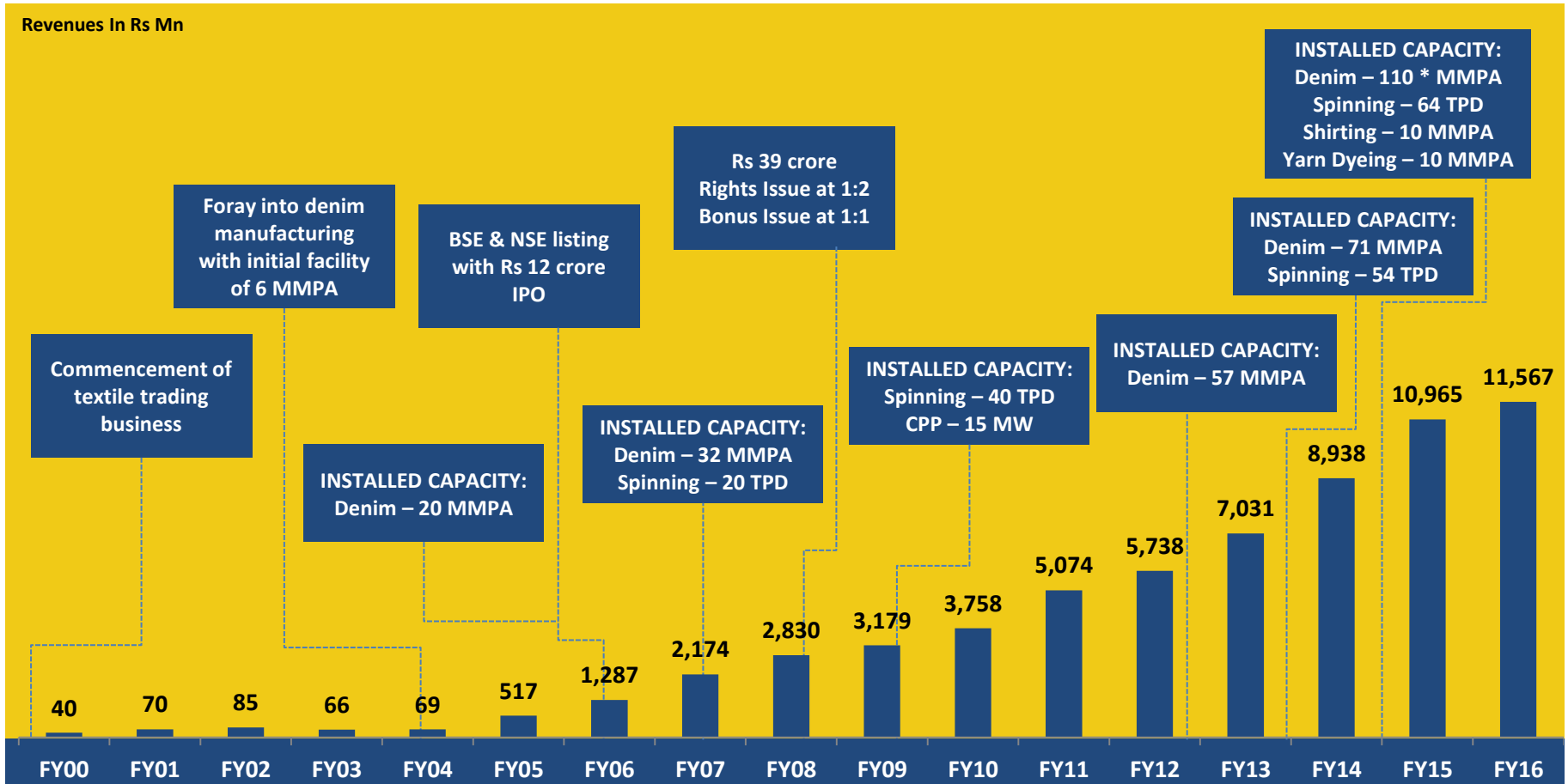
STRONG FINANCIAL PERFORMANCE

- Consolidated revenues, EBITDA and PAT were Rs 11,567 mn, Rs 1,911 mn and Rs 633 mn in FY16 having grown at CAGR of 19%, 23% and 36% over FY12-FY16.
- Stable EBITDA margins of around 14% - 16% over FY12-FY16.
- Return ratios have improved over last five years driven by improving asset turnover.
 - ROCE – 11.7% in FY12 to 15.7% in FY16.
 - ROE – 12.3% in FY12 to 20.9% in FY16.
- FY16 Debt : Equity was 1.5:1.

* Post complete expansion

ABOUT US: KEY MILESTONES

Revenues In Rs Mn



* Post complete expansion

LATEST MANUFACTURING TECHNOLOGY

- State of art manufacturing facility with latest machinery & technology sourced from across the globe.
- The machinery is capable of producing wide range of denim fabrics - 100% cotton, cotton spandex, cotton poly, cotton poly spandex, cotton modal, cotton tencel etc.
- The technology enables the company to meet the latest trends and requirements of denim fabric.

DESIGN & INNOVATION

- In-house creative design studio and product development cell.
- The Design Studio is managed by a team of designers and technocrats from India's premier art and design, textiles and technology learning and research institutions.
- Continual focus on new market trends, fashion and product requirements meeting customers' needs.

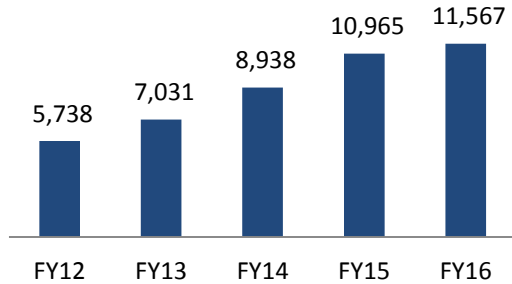
QUALITY SYSTEMS

- ISO 9000 and OEKO-Tex certified manufacturing facilities.
- Fully computerized auto dispensing laboratory with all testing equipments and processes.
- Strict compliance with customers' needs and product designers' specifications.
- Real time monitoring of quality and execution through SAP ERP package.

STRONG DENIM CAPABILITIES

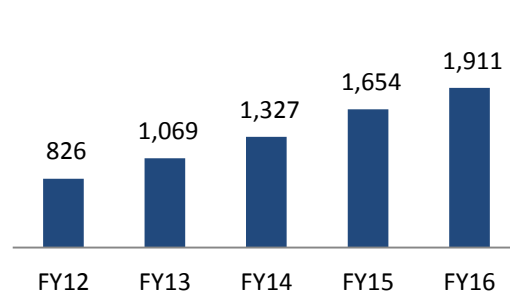
REVENUES (RS MN)

CAGR – 19.2%



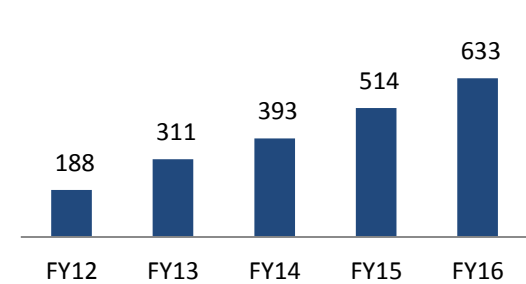
EBITDA (RS MN)

CAGR – 23.3%

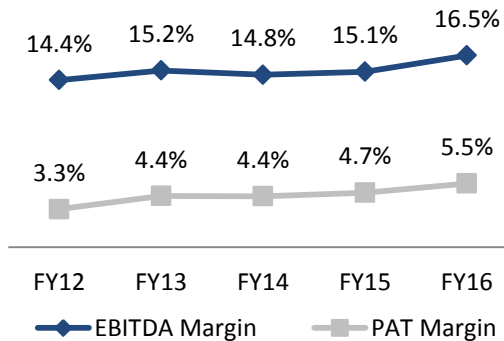


PAT (RS MN)

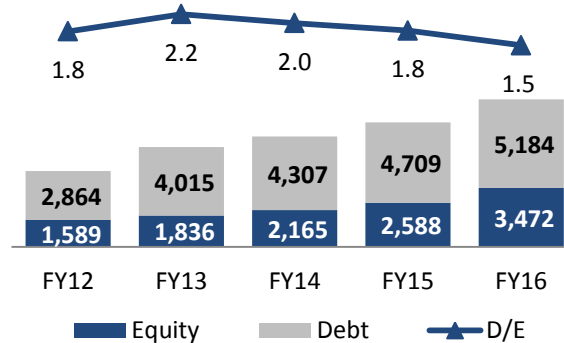
CAGR – 35.5%



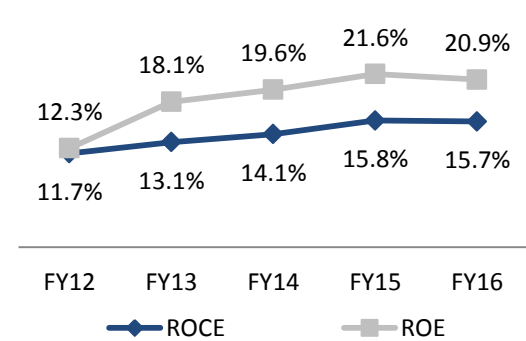
MARGIN ANALYSIS (%)



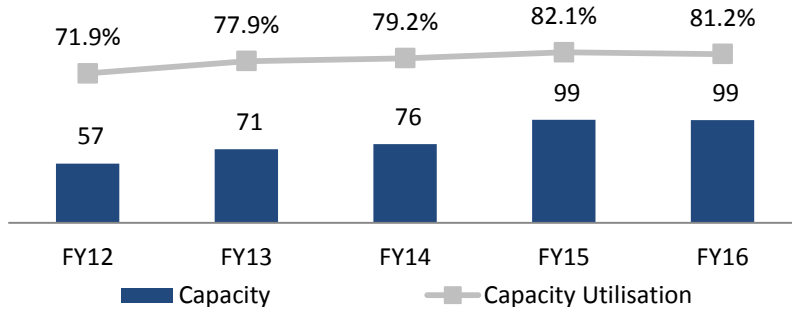
LEVERAGE ANALYSIS (RS MN)



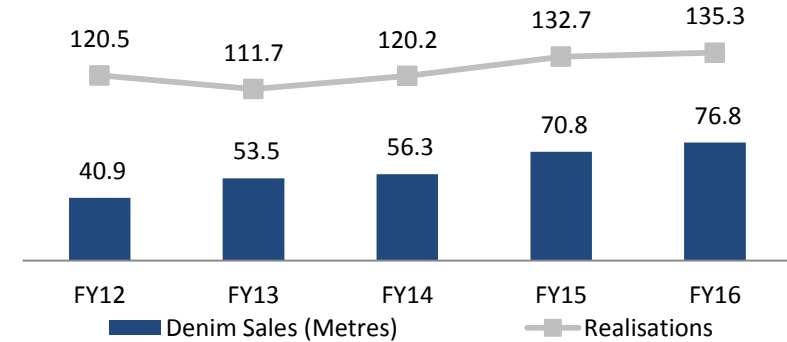
RETURN METRICS (%)



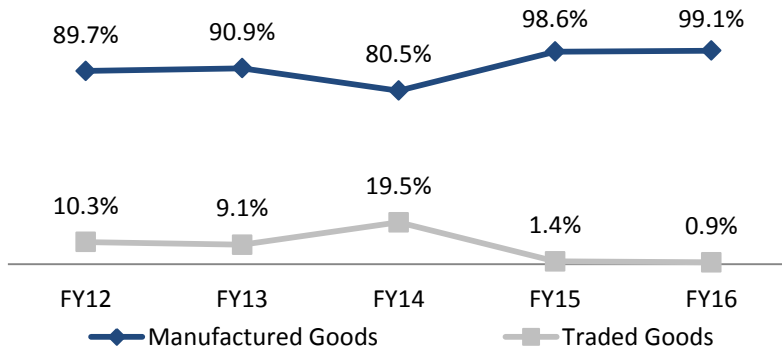
DENIM FABRIC CAPACITY (MMPA)



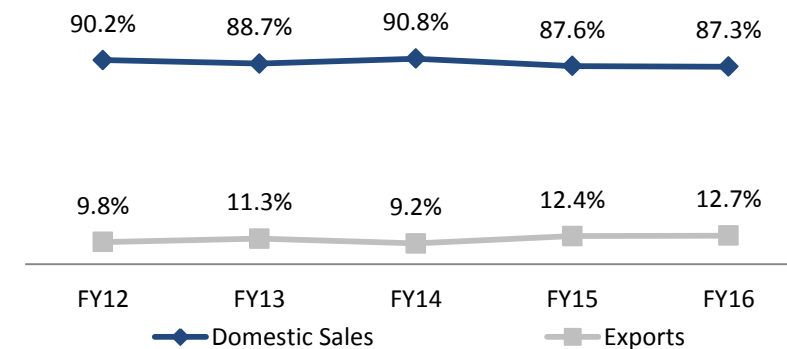
DENIM REALISATIONS (RS/METRE)



SALES BREAKUP



SALES BREAKUP



ABOUT US: BOARD OF DIRECTORS & KEY MANAGEMENT



Ved Prakash D. Chiripal NON-EXECUTIVE CHAIRMAN	<ul style="list-style-type: none">• A Commerce Graduate and has almost three decades of experience in the field of manufacturing, trading and export of various textiles products.• Started his textile business with 72 power looms in 1974. Subsequently, he set up various processing units and other manufacturing units of textile
Brijmohan D. Chiripal MANAGING DIRECTOR	<ul style="list-style-type: none">• The Managing Director of the Company and younger brother of Mr. Vedprakash Chiripal.• He is a Chemical Engineer and has more than 20 years of business experience in Textile Processing as well as export and domestic trading.
T. S. Bhattacharya INDEPENDENT DIRECTOR	<ul style="list-style-type: none">• A MBA and Master of Science in Nuclear Physics.• A retired MD of SBI with over 35 years of experience in the Banking industry.• He is also the Director in other major companies such as Jindal Stainless Limited, IDFC Securities Limited, IDFC AMC Trustee Company Limited, etc.
Ambalal C. Patel INDEPENDENT DIRECTOR	<ul style="list-style-type: none">• A Bachelor of Engineering in Metallurgy and Bachelor of Science in Chemistry. Retired from Gujarat Industrial & Investment Corporation Limited (GIIC) with an industry experience of around 40 years.• He is also the Director in other major companies such as Jindal Hotels Limited, Sumeru Industries Limited.
Giraj Mohan INDEPENDENT DIRECTOR	<ul style="list-style-type: none">• A Mathematics graduate from the University of Delhi. He followed his passion for marketing and branding, has strong experience of nearly 3 decades in the field.• He is the Founder-Director of BehindTheMoon Consultants – a Brand & Strategic Consulting boutique, which boasts of an esteemed clientele having worked with companies such as L&T (IDPL), Star TV, Mother Dairy, LG Electronics, Miele of Germany, Vodafone and Panasonic among others.• Prior to founding BehindTheMoon, he worked with Onida and the Indian Express in the marketing division at senior positions.

High Corporate Governance Standards - 60% of the Board consists of Independent Directors



Pratima Ram
INDEPENDENT DIRECTOR

- She has graduated from University of Virginia, USA and has three decades of experience in Corporate, International and Investment Banking. She has experience of working across diverse geographies of India, USA and South Africa.
- She was the country head of US operations of SBI, prior to that she was the CEO of the South African operations of the Bank. In addition to this, while at SBI, she also headed the Diamond Financing business of the Bank.
- Post SBI, she has worked as Group President (Finance) with Punj Lloyd Group having diversified operations in more than 15 countries. After Punj Lloyd, she served as the CEO of India Infoline Finance Ltd.

Dr. Yasho. V. Verma
INDEPENDENT DIRECTOR

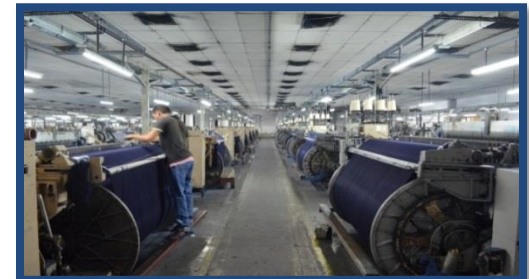
- Dr. Verma is an Engineering graduate, with Post Graduation in Business Administration and Ph.D. in area of Organizational Behavior from Indian Institute of Technology, Kharagpur. He is a well acclaimed Thought Leader, Mentor, Business Advisor, Speaker and Author.
- He currently serves as Director on boards of Dena Bank, Nandan Denim Limited and Rinac India Limited. He is also an advisor to Videocon Group of Industries. He takes keen interest in the education sphere and is a member of Executive Board of FORE School of Management, Delhi and also is a visiting faculty to premium management schools in the area of HR & OB and Strategy.
- Prior to this he served as the Chief Executive Officer of MIRC Electronics and Director(Home Appliances) of LG Electronics India. In 2008 he was the first non-Korean to be elevated as Executive in LG Global hierarchy.

Deepak Chiripal
CHIEF EXECUTIVE OFFICER

- A MBA and Bachelor of Commerce with an industry experience of nearly a decade.
- He heads the executive team of the company and has regular vigil upon the operations and growth plan. The team operates within the defined roles to achieve and exceed the business goals defined by the board
- He has been instrumental in developing the export market and expanding the domestic market for the Company.
- He has significantly contributed to the progress of the Company by assisting the promoters in handling the production, marketing and administrative departments.

High Corporate Governance Standards - 60% of the Board consists of Independent Directors

- ❑ Industry Overview & Outlook
- ❑ Company Overview
- ❑ Capacity Expansion Plan**
- ❑ Gujarat Textile Policy & Strategic Location Benefits
- ❑ Rationale for Capacity Expansion & Integration
- ❑ Summary Outlook, Q1 FY17 Results



ONE OF THE LARGEST INTEGRATED DENIM FABRIC FACILITY



FIBRE

Ginned Cotton

70% of cotton requirement is met from Gujarat



YARN

Spinning

Ring Spinning – 20 TPD
Open End Spinning – 44 TPD



FABRIC

Weaving & Processing

Denim – 71 MMPA

POST CAPACITY EXPANSION

Ginned Cotton

70% of cotton requirement is met from Gujarat

Spinning

Ring Spinning – 40 TPD
Open End Spinning – 84 TPD

Weaving & Processing

Denim – 110 MMPA
Shirting – 10 MMPA

KEY HIGHLIGHTS

- One of the largest denim fabric facility in the world and second largest in India.
- Machinery with latest technology from Germany and Japan, capable of producing wide range of denim fabrics. Sufficient power through 15 MW captive power plant.

Capacity	CAPACITY EXPANSION				
	FY13	FY14	FY15	FY16	Post Completion
Spinning (TPD)	54	64	64	70	124
Fabric (MMPA)					
Denim	71	76	99	99	110
Shirting	-	10	10	10	10

CAPACITY EXPANSION:

- Capacity expansion plan to increase the denim fabric manufacturing capacity, spinning capacity and shirting capacity.
- Total capital requirement of Rs 6,120 mn to be funded with a D:E ratio of 2.4 : 1.

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GUJARAT TEXTILE POLICY – KEY BENEFITS IN ADDITION TO CENTRAL BENEFITS



Textile Policy	Gujarat	Karnataka	Maharashtra	Rajasthan	Madhya Pradesh
Interest Subsidy	7% for Spinning unit, 6% for technical textiles, 5% for others without any ceiling	-	12.5% without any ceiling.	5% with an additional 1% on investment > Rs 250 mn. 7% for technical textiles	5% for standalone units and 7% for integrated units.
Capital Subsidy	-	Lower of 20% of assets value or Rs 2 mn. Additional subsidy of lower of 5% of assets value or Rs 0.5 mn for units in designated textile parks.	10% for new projects.	-	25% for new machinery.
Power Subsidy	@ Rs 1/unit for 5 years	@ Rs 1/unit	-	-	-
Stamp Duty Reimbursement	100% reimbursement	100% reimbursement	-	50% exemption.	-
VAT/Entry Tax Reimbursement	For 8 years	Yes	-	60% reimbursement.	VAT and CST reimbursement for 8 years
Common Infra/ Textile Park/ Cluster Devp	50% with max limit of Rs 100 mn (Rs 300 mn for spinning park) of total project cost.	10% - 40% of the project cost depending upon the zone and project size (Rs 100-200 mn)	Interest subsidy for textile park	-	-



THE GUJARAT ADVANTAGE

GUJARAT TEXTILE HUB OF INDIA

- Largest producer of denim fabric (65-70%) in India and third largest in the world.
- Largest producer of cotton in India with 31% share.
- Textile hub of India housing the entire textile value chain.

GUJARAT TEXTILE POLICY – BENEFITS

- Interest Subsidy (in addition to Central subsidies) for 5 years:
 - 7% - Spinning & garment facilities
 - 6% - Technical textiles
 - 5% - All other facilities
- Power tariff subsidy @ Rs 1/unit for 5 years.
- VAT/Entry Tax reimbursement for 8 years.
- 100% stamp duty reimbursement.



SUPERIOR CONNECTIVITY

- Located in Ahmedabad, the financial capital of Gujarat.
- Superior infrastructure connectivity through roads, rail, airport and ports.

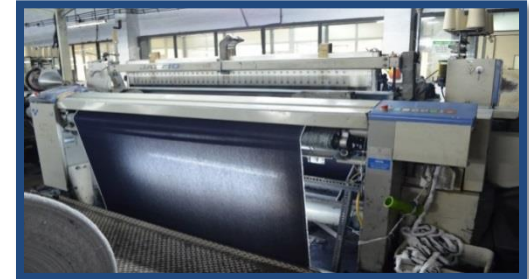
PROXIMITY TO MARKET

- Close proximity to machinery vendors, fabric dealers and leading garment manufacturers resulting in faster delivery and service.
- Lower marketing and transportation overheads.

LOW COST OF PRODUCTION

- Easy availability of key raw material - Cotton.
- Uninterrupted power supply in state of Gujarat.
- Gujarat meets around 70% of the cotton requirement.
- Easy availability of skilled and unskilled labour.

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STRONG DOMESTIC AND GLOBAL DEMAND

- Strong domestic demand backed by majority young population (78% < 45 years), rising disposable incomes and fashion consciousness and increasing organised retail industry penetration in Tier II and III cities.
- Strong global demand and potential for being a global production hub driven by easy availability of cotton, competitive currency and low cost labour.
- Set to benefit from China's decreasing competitiveness . As per CITI estimates, if China loses 10% market share in global textiles, India's market share will increase by 80%.

LOCATION ADVANTAGE

- Located in Gujarat – Textile hub of India, largest exporter of denim fabric, largest producer of cotton etc.
- Easy availability of cotton (Gujarat meets 70% requirement) and skilled & unskilled labour.
- Close proximity to machinery vendors, fabric dealers and leading garment manufacturers resulting in faster delivery and service and lower overheads.

BENEFITS UNDER CENTRAL AND STATE GOVERNMENT POLICY

- **Gujarat textile policy:** 5% (7% - spinning facility) interest subsidy and power subsidy @ Rs1/unit for 5 years, VAT/Entry Tax reimbursement for 8 years, 100% stamp duty reimbursement.
- **TUFS (Central textile policy):** 5% interest subsidy and capital subsidy of 10% for processing capacity and 15% for looms for period of 7 years.

CITI – Confederation of Indian Textiles Industry

IMPROVED OPERATIONAL FLEXIBILITY

- Integrated facility will improve the overall operational flexibility, helping the company to absorb the increasing market demand.
- Faster delivery and timely execution due to limited dependency on external factors along the value chain.
- Achieve optimum capacity utilisation.
- Maintain consistency and high quality standards.

IMPROVED MARGINS THROUGH BACKWARD INTEGRATION

- In-house production of cotton yarn would result in ~10% - 15% savings compared to purchase of yarn from the market.
- Integrated facility to help in better management of the working capital and improve the operational efficiencies.
- Better market response, efficient capacity utilisation and cost savings on captive yarn would result in EBITDA margin improvement from current 14% - 15% to around 19% - 20%.

FUTURE IMPROVEMENT IN ASSET TURNOVER AND RETURN RATIOS

- Upfront expansion capex of Rs 6,120 mn at financing cost of only 1% - 3% (post state and central interest subsidies).
- Higher asset turnover along with improved operating margins will result in positive operating leverage and better return ratios.

EXPANSION OF SPINNING CAPACITY FROM 70 TPD TO 124 TPD

SPINNING ECONOMICS

COST PER KG OF CAPTIVE YARN - Coarse Count

Cotton (kg/per kg of Yarn)	1.14
Cotton Blended Price (Rs/kg of cotton)	112.0
Transport Cost (Rs/kg of cotton)	1.0
Commission (Rs/kg of cotton) @0.5%	0.6
VAT on Cotton @ 5% (Rs/kg of cotton)	5.6
Electricity Cost (Rs/Kg)	11.0
Electricity required (Kwh/kg)	1.7
Electricity Cost (Rs/Kwh)	6.4
Labour and other Costs (Rs/kg)	2.7
Total Cost of Captive Yarn (Rs/kg)	150.2

COST PER KG OF MARKET YARN – Coarse Count

Cost of Market Yarn (Rs/kg)	165.0
Transport Cost - Market Yarn (Rs/kg)	1.0
VAT on Market Yarn @ 5% (Rs/kg)	8.3
Commission (Rs/kg of Yarn) @0.5%	0.8
Total Cost of Market Yarn (Rs/kg)	175.1

RATIONALE: HIGHER OPERATING MARGINS

- In-house production of coarse count yarn can result in 10% - 15% cost savings.
- Overall cost savings increase as more and more captive yarn is produced.
- Integrated Spinning facility get an interest subsidy of 5% compared to 2% for standalone spinning facility under the Central TUFS scheme.

RATIONALE: HIGHER OPERATING FLEXIBILITY

- Increased flexibility to meet the market demand.
- Faster delivery and timely execution due to limited dependency on external factors along the value chain.
- Achieve optimum capacity utilisation.
- Maintain consistency and high quality standards.

Denim fabric primarily requires the coarse count yarn with certain proportion of fine count yarn for specific quality and style requirements. The company majorly produces the coarse count yarn in-house and procures the fine count yarn from market.

MARGIN IMPROVEMENT THROUGH SPINNING CAPACITY EXPANSION

	PRE EXPANSION	SCENARIO 1 POST EXPANSION	SCENARIO 2 POST EXPANSION
Denim Capacity (MMPA)	71	110 *	110 *
Capacity Utilisation %	78%	70%	80%
Denim Production (MMPA)	55.3	77.0	88.0
Realisation (Rs/Metre)	120	120	120
Total Yarn Required for Denim/Fabric Production (MTPA)	27,637	38,500	44,000
Spinning capacity (TPD)	64	124	124
Capacity Utilisation %	94%	75%	95%
Captive Yarn Available (MTPA)	21,000	32,550	41,230
Market Yarn Required (MTPA)	6,637	5,950	2,770
DENIM PRODUCTION ECONOMICS (1 METRE OF DENIM FABRIC)			
Denim Fabric Production (Metre)	1.0	1.0	1.0
Yarn Required (kg/Metre)	0.5	0.5	0.5
Captive Yarn (kg)	76%	85%	94%
Market Yarn (kg)	24%	15%	6%
Total Cost of Yarn (Rs/Metre)	82.5	80.1	77.3
Labour Cost (Rs/Metre)	4.1	4.1	4.1
Power Cost (Rs/Metre)	6.9	6.9	6.9
Other Costs (Rs/Metre)	5.4	5.4	5.4
Total Cost per Metre of Denim (Rs/Metre)	98.9	96.5	93.7
Operating Margin (Rs/Metre)	21.1	23.5	26.3
Operating Margin (%)	17.6%	19.6%	21.9%

BACKWARD INTEGRATION RESULTING IN HIGHER OPERATING MARGINS:

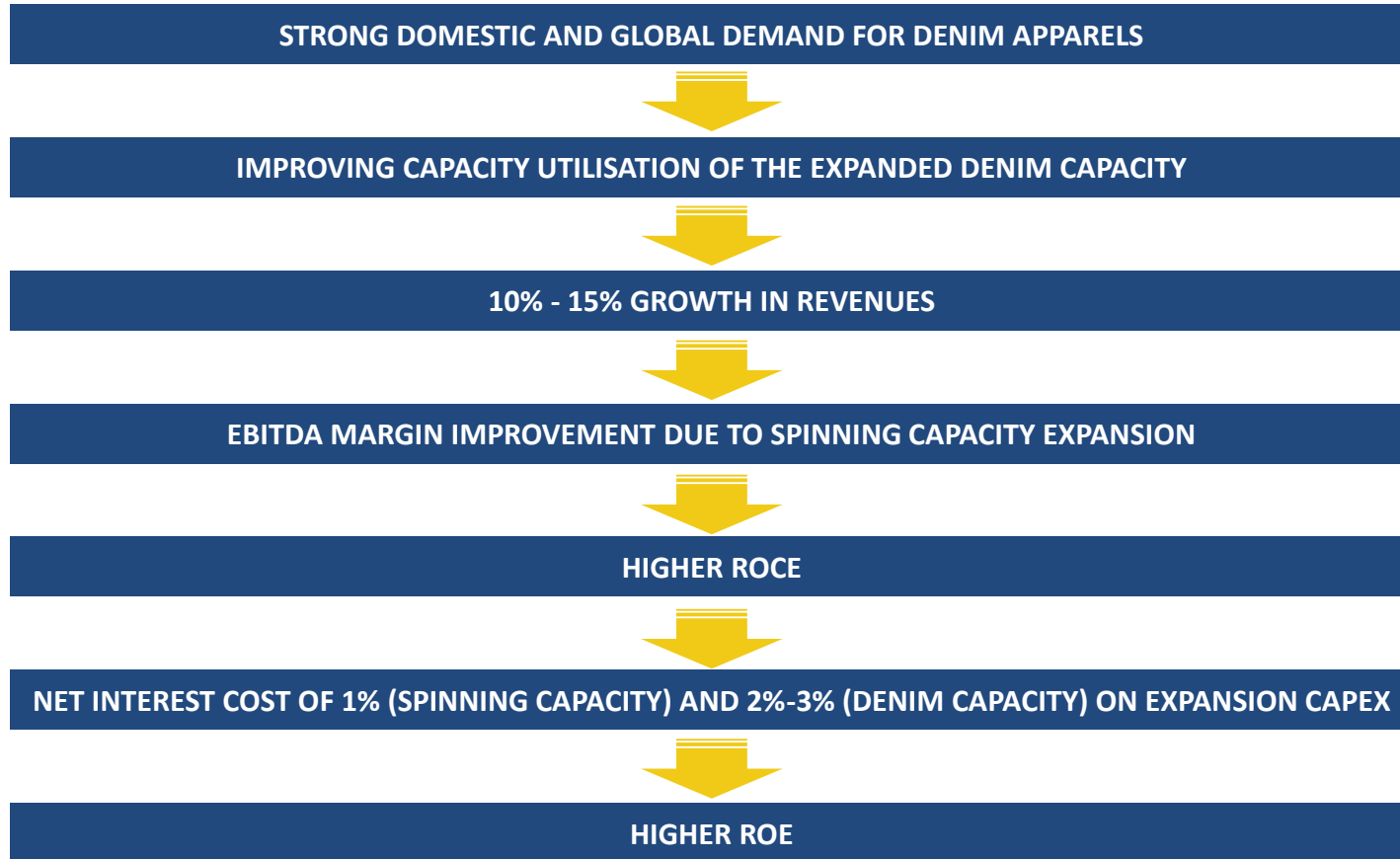
- The capacity utilisation at the expanded denim facility is expected to gradually increase from around 65% to 80%.
- Higher denim capacity utilisation will increase the captive yarn requirement.
- Expanded spinning capacity will meet the captive yarn requirement resulting in higher operating margins.

Note: The operating margin figure excludes the corporate expenses.

* Post complete expansion

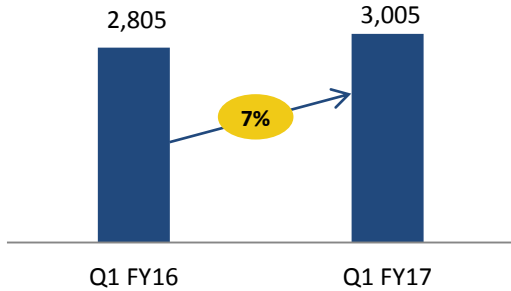
- ❑ Industry Overview & Outlook
- ❑ Company Overview
- ❑ Capacity Expansion Plan
- ❑ Gujarat Textile Policy & Strategic Location Benefits
- ❑ Rationale for Capacity Expansion & Integration
- ❑ Summary Outlook, Q1 FY17 Results



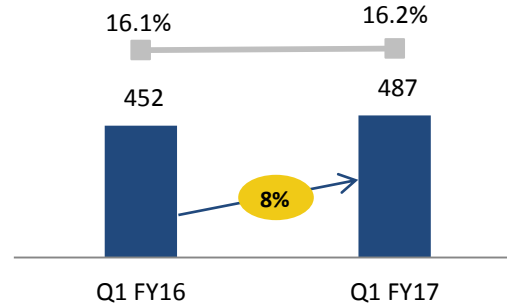


Q1 FY17 RESULTS – YoY Analysis

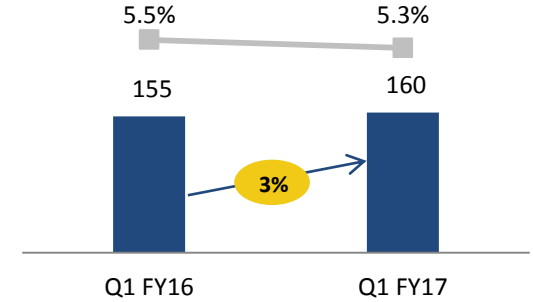
REVENUES



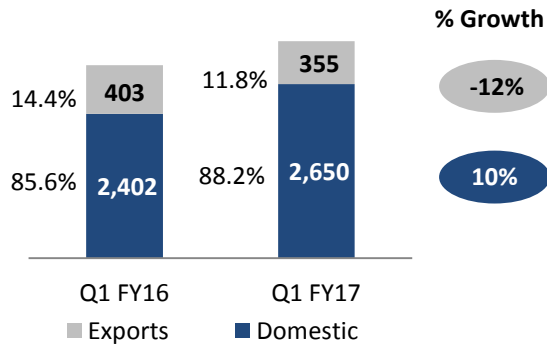
EBITDA & EBITDA MARGIN



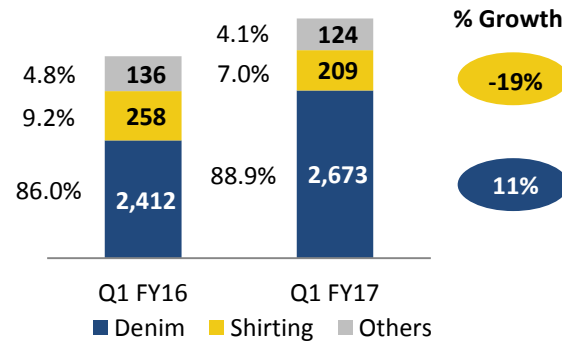
PAT & PAT MARGIN



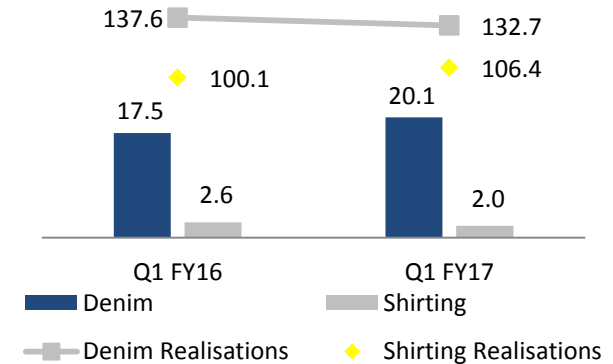
REVENUES MIX



REVENUE MIX



VOLUMES & REALISATIONS



In Rs Mn, Volumes in Mn Metres, Realisations in Rs/Metre

Q1 FY17 P&L STATEMENT

	Q1 FY17	Q1 FY16	YOY%	Q4 FY16	QOQ%	FY16	FY15	YOY %
Sales from Operations	3,005	2,805	7.1%	2,943	2.1%	11,567	10,965	5.5%
Other Operating Income	-	-	-	-	-	-	-	-
Total Sales	3,005	2,805	7.1%	2,943	2.1%	11,567	10,965	5.5%
Cost of Goods Sold	2,010	1,873	7.3%	1,959	2.6%	7,666	7,578	1.2%
Gross Profit	995	932	6.8%	984	1.1%	3,901	3,388	15.2%
<i>Gross Margin %</i>	<i>33.1%</i>	<i>33.2%</i>	<i>-11 bps</i>	<i>33.4%</i>	<i>-34 bps</i>	<i>33.7%</i>	<i>30.9%</i>	<i>283 bps</i>
Employee Expenses	149	111	33.8%	167	-10.9%	545	438	24.4%
Other Expenses	359	368	-2.6%	346	3.6%	1,445	1,295	11.6%
EBITDA	487	452	7.8%	471	3.4%	1,911	1,654	15.5%
<i>EBITDA Margin %</i>	<i>16.2%</i>	<i>16.1%</i>	<i>10 bps</i>	<i>16.0%</i>	<i>20 bps</i>	<i>16.5%</i>	<i>15.1%</i>	<i>144 bps</i>
Depreciation	170	166	2.0%	160	6.1%	660	596	10.8%
Other Income	6	10	-40.3%	15	-60.8%	42	30	36.6%
Profits Before Interest and Taxes	324	296	9.4%	327	-0.9%	1,293	1,089	18.7%
Interest Expense	89	97	-8.6%	113	-21.1%	412	377	9.2%
Profits Before Taxes	235	198	18.2%	214	9.7%	881	712	23.7%
Taxes	75	43	72.3%	48	55.3%	248	198	25.3%
<i>Tax rate</i>	<i>31.9%</i>	<i>21.9%</i>	<i>1002 bps</i>	<i>22.5%</i>	<i>937 bps</i>	<i>28.1%</i>	<i>27.8%</i>	<i>36 bps</i>
Profits After Tax	160	155	3.0%	166	-3.6%	633	514	23.1%
<i>PAT Margin %</i>	<i>5.3%</i>	<i>5.5%</i>	<i>-21 bps</i>	<i>5.6%</i>	<i>-31 bps</i>	<i>5.5%</i>	<i>4.7%</i>	<i>78 bps</i>
EPS (Rs.)	3.41	3.40	0.3%	3.64	-6.3%	13.90	11.28	23.1%

This presentation and the following discussion may contain “forward looking statements” by Nandan Denim Limited (Nandan Denim) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of Nandan Denim about the business, industry and markets in which it operates.

These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond Nandan Denim’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of Nandan Denim. In particular, such statements should not be regarded as a projection of future performance of Nandan Denim. It should be noted that the actual performance or achievements of the company may vary significantly from such statements.

FOR ANY FURTHER QUERIES CONTACT -



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ANNEXURE

CONSOLIDATED PROFIT & LOSS STATEMENT

Particulars in Rs Mn	FY12	FY13	FY14	FY15	FY16
Sales from Operations	5,622	6,819	8,703	10,600	11,337
Export Incentive	40	59	63	117	91
Other Operating Income	76	153	171	248	139
Total Sales	5,738	7,031	8,938	10,965	11,567
<i>Growth (%)</i>	<i>13.1%</i>	<i>22.5%</i>	<i>27.1%</i>	<i>22.7%</i>	<i>5.5%</i>
Cost of Goods Sold	4,090	4,879	6,249	7,578	7,666
Gross Profit	1,648	2,152	2,689	3,388	3,901
<i>Gross Margin %</i>	<i>28.7%</i>	<i>30.6%</i>	<i>30.1%</i>	<i>30.9%</i>	<i>33.7%</i>
Employee Expenses	192	254	310	438	545
Other Expenses	630	829	1,052	1,295	1,445
EBITDA	826	1,069	1,327	1,654	1,911
<i>EBITDA Margin %</i>	<i>14.4%</i>	<i>15.2%</i>	<i>14.8%</i>	<i>15.1%</i>	<i>16.5%</i>
Depreciation	333	409	497	596	660
Other Income	5	15	40	30	42
Interest Expense	278	318	320	377	412
Prior Period/Exceptional Items	43	-	-	-	-
PBT	263	358	549	712	881
Taxes	75	47	156	198	248
<i>Tax rate</i>	<i>28.6%</i>	<i>13.2%</i>	<i>28.4%</i>	<i>27.9%</i>	<i>28.1%</i>
PAT	188	311	393	514	633
<i>PAT Margin %</i>	<i>3.3%</i>	<i>4.4%</i>	<i>4.4%</i>	<i>4.7%</i>	<i>5.5%</i>
Number of Shares (mn)	45.55	45.55	45.55	45.55	45.55
Basic EPS (Rs)	4.13	6.82	8.63	11.28	13.90

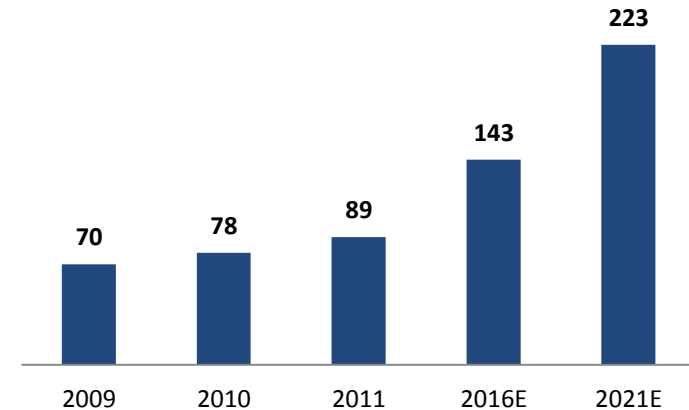
CONSOLIDATED BALANCE SHEET

Particulars in Rs Mn	FY12	FY13	FY14	FY15	FY16
Shareholders Funds	1,589	1,836	2,165	2,588	3,472
Long Term Debt (incl. CPLTD)	2,192	3,012	3,229	3,257	3,722
Short Term Debt	673	1,004	1,078	1,451	1,462
Total Debt	2,864	4,015	4,307	4,709	5,184
Other Long Term Liabilities	203	175	216	249	229
Sources of Funds	4,656	6,027	6,688	7,546	8,885
Gross Block	4,393	5,693	6,760	7,254	9,142
Less: Accumulated Depreciation	1,332	1,740	2,237	2,780	3,440
Net Block	3,060	3,953	4,523	4,474	5,702
Other Non-Current Assets	198	178	165	249	189
Inventory	984	1,198	1,385	1,409	1,951
Trade Receivables	695	912	1,214	1,472	1,222
Cash & Bank Balances	126	19	261	601	649
Other Current Assets	196	516	369	393	464
Trade Payables	345	458	576	683	757
Other Current Liabilities	259	290	653	370	535
Net Current Assets	1,398	1,896	2,000	2,823	2,994
Application of Funds	4,656	6,027	6,688	7,546	8,885

KEY FACTS

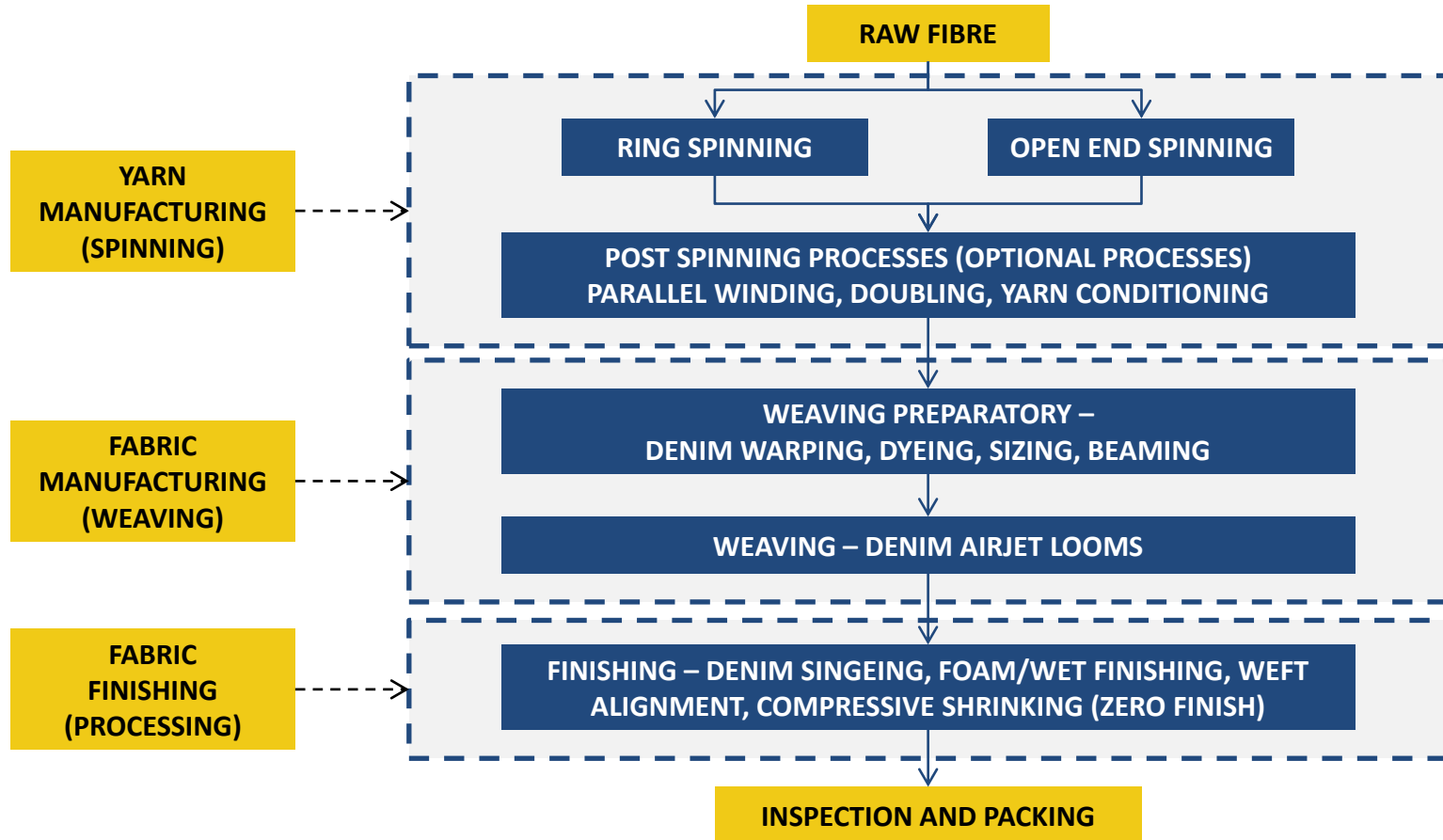
- India is the world's second largest producer of textiles and garments.
- Indian textile industry accounts for about 24% of the world's spindle capacity and 8% of global rotor capacity.
- India has the highest loom capacity (including hand looms) with 63% of the world's market share.
- India accounts for about 14% of the world's production of textile fibres and yarns and is the second largest producer of cotton in the world.

INDIAN TEXTILE MARKET SIZE (USD BN)



INDIAN TEXTILE INDUSTRY PLAYS A MAJOR ROLE IN THE INDIAN ECONOMY

- Contributes 14% to industrial production and 4% to GDP.
- Second largest employment generator in India after agriculture, employing over 45 mn people.
- Accounts for nearly 11% of total exports and 27% of foreign exchange inflows.



ABOUT US: GLOBAL ACCEPTANCE FROM LEADING BRANDS



DOMESTIC BRANDS



CHEMISTRY



GLOBAL BRANDS



ANN TAYLOR

