

# NANDAN EXIM LIMITED

young yet experienced

## **16<sup>th</sup> Annual Report** **2009-2010**



## Company Information

### **BOARD OF DIRECTORS**

Shri Vedprakash D. Chiripal *Chairman*  
Shri Brijmohan D. Chiripal *Managing Director*  
Shri Gautam C. Gandhi *Director*  
Shri Ambalal C. Patel *Director*  
  
**Shri Deepak J. Chiripal** *Chief Executive Officer*

### **BANKERS**

State Bank of India  
State Bank of Hyderabad  
Syndicate Bank  
Oriental Bank of Commerce  
State Bank of Travancore  
United Bank of India  
Karur Vysya Bank  
Bank of Maharashtra  
UCO Bank  
Dena Bank  
Laxmi Vilas Bank

### **REGISTERED OFFICE & PLANT**

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

### **CORPORATE OFFICE**

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

### **COMMITTEES OF BOARD :-**

#### **AUDIT COMMITTEE**

Shri Ambalal C. Patel *Chairman*  
Shri Vedprakash D. Chiripal *Member*  
Shri Gautam C. Gandhi *Member*

#### **REMUNERATION COMMITTEE**

Shri Ambalal C. Patel *Chairman*  
Shri Vedprakash D. Chiripal *Member*

#### **SHAREHOLDERS GRIEVANCE COMMITTEE**

Shri Gautam C. Gandhi *Chairman*  
Shri Vedprakash D. Chiripal *Member*

#### **AUDITORS**

M/s J.T. Shah & Co.,  
Chartered Accountants,  
201/202, Lalita Complex,  
Nr. Mithakhali Cross Roads,  
Navrangpura, Ahmedabad - 380 009

#### **REGISTRAR & TRANSFER AGENT**

**Datamatics Financial Services Ltd.**  
Plot No. B5, Part B Cross Lane,  
MIDC, Andheri (E), Mumbai - 400 093  
Tel. No.: 022-66712150-51, 66712237  
Fax No.: 022-66712230  
Email : investorqry@dfssl.com

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**NOTICE**

Notice is hereby given that the **16th Annual General Meeting** of the Members of the Company will be held on **Friday, 17th September 2010** at 3.30 P.M at Survey No. 198/1 & 203/2, Saijpur- Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405 to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Vedprakash D Chiripal, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors M/s. J T Shah & Co., Chartered Accountants to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modifications, as an **ORDINARY RESOLUTION** the following resolution:

“ **RESOLVED THAT** pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies, which, together with the monies already borrowed by the Company ( apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business ), may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors shall not at any time exceed the limit of Rs.2000 crores (Rupees Two Thousand Crores only).”

5. To consider and if thought fit, to pass with or without modifications, as an **ORDINARY RESOLUTION** the following resolution:

“**RESOLVED THAT** the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors for mortgaging and or charging in such form and manner and on such terms as the Board of Directors may deem fit, the whole or substantially the whole of the undertaking of the Company, all the movable and immovable properties of the Company, present and future wheresoever situate in favour of financial/Investment Institution(s) / Bank(s) / Trustees to secure loans and/or other credit facilities availed or proposed to be availed, the debenture / bonds issued or proposed to be issued or any other debts availed or proposed to be availed from any other Bank(s)/ Institution(s)/ Authority(s)/ Entity(s) together with interest thereon and such other costs, charges, expenses and other moneys payable by the Company/ the loan agreement entered into or proposed/ as per the terms and conditions of the issue of bonds / debentures issued/ proposed to be issued or to be entered into by the Company, upto the maximum ceiling prescribed under Section 293(1)(d) of the Companies Act, 1956 for borrowing by the Company”.

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to finalise the documents and deeds, as may be applicable, for creating the appropriate mortgages and / or charges on such of the movable and immovable and / or movable properties of the Company on such terms and conditions as may be decided by the Board of Directors and to perform all such acts and things as may be necessary in this regard.

6. To consider and if thought fit, to pass with or without modifications, as an **ORDINARY RESOLUTION** the following resolutions:

“**RESOLVED THAT** consent of the Company be and is hereby accorded under the provisions of Section 293(1)(e) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to contribute on behalf of the Company to charitable and other funds not directly relating to the business of the Company or the welfare of the employees of the Company from time to time, as it may deem fit, provided however that the total amount up to which the Board of Directors may contribute to such charitable and other funds as aforesaid from time to time shall not exceed, in the aggregate, the sum of Rs.10 Crores (Rupees Ten Crores) in any one Financial Year.”

By order of the Board of Directors

Date : 27-07-2010  
Place : Ahmedabad

**Vedprakash D Chiripal**  
**Chairman**

**NOTES**

1. **A MEMBER IS ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIS/ HER SELF AND PROXY NEED NOT BE A MEMBER.**

**IN ORDER THAT THE PROXIES TO BE EFFECTIVE, THE PROXY FORMS SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE ON OR BEFORE 48 HOURS FROM THE DATE OF HOLDING OF THE MEETING.**

2. Members are requested to notify changes in address, if any, immediately to the Company at its registered office quoting their Folio Numbers.
3. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays between 11.00 a.m and 1.00 p.m upto the date of the ensuing Annual General Meeting.
4. Members / Proxies should fill the Attendance Slip for attending the Meeting. Members, who hold shares in dematerialized form are requested to bring their Client ID and DP ID Number for easy identification for attendance at the Meeting.
5. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
6. The Register of Members and Share Transfer Register shall remain closed for registering share transfer from Saturday, 4th September, 2010 to Saturday, 11th September, 2010 (both days inclusive).

By order of the Board of Directors

Date : 27-07-2010  
Place : Ahmedabad

**Vedprakash D Chiripal**  
**Chairman**

**EXPLANATORY STATEMENT**

As required by Section 173(2) of the Companies Act, 1956, the following explanatory Statement sets out material facts relating to the business under item no. 4 to 6 of the accompanying notice.

**Item No. 4:**

Pursuant to Section 293(1)(d) of the Companies Act, 1956 the Board of Directors of a Company cannot, except with the consent of the company in general meeting, borrow monies, (apart from temporary loans obtained from the company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose. To meet the capital expenditure for expansion project / new projects and for future Projects/Planning, and also to provide for the issue of any debt/ debt related instruments in the Indian and/or international market, it is necessary to enhance the present borrowing limit. The Members' approval is therefore being sought pursuant to section 293(1)(d) of the Act to increase the borrowing limit to Rs. 2000 crores (Rupees Two Thousand Crores only).

Your Directors recommended the above resolution for your approval.

None of the Directors is in any way concerned or interested in the proposed resolution

**Item No. 5:**

In order to fund the future expansion projects / new projects, the Company may be resorting to secured borrowings from time to time in the form of Loan / Credit Facilities / Issue of bonds / debentures and other forms of financial assistance from various Financial / Investment Institutions / Banks / Entities / Authorities which may necessitate creation of security in favour of the Lenders / Trustees to the Bond / debenture holders. Accordingly, the resolution has been proposed seeking approval of members under section 293(1)(a) of the Companies Act, 1956 authorizing the Board of Directors for mortgaging and / or charging the properties of the Company upto the maximum ceiling prescribed under section 293(1)(d) of the Companies Act, 1956 for borrowing by the Company.

Your Directors recommended the above resolution for your approval.

None of the Directors is in any way concerned or interested in the proposed resolution

**Item No.6:**

The Board of Directors of the Company feels that as a part of its Corporate Social Responsibility initiative, the Company should contribute certain amount to charitable institutions and / or trusts, etc. however, in terms of Section 293(1)(e) of the Companies Act, 1956, a Company cannot contribute to any charitable or other funds not directly relating to the business of the Company or welfare of its employees, any amount the aggregate of which will in any Financial Year exceed Rs.10 (Ten Crores) or 5% of its average net profits determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during the three Financial Years immediately preceding, whichever is greater, except with the consent of the members in the general meeting of the Company.

In light of the above read with the provisions of Section 293(1)(e) of the Companies Act, 1956, you are requested to grant your consent to the Ordinary resolution as set out at agenda Item no. 6 in the above notice.

None of the Directors of the Company is deemed to be concerned or interested in the said resolution, except to the extent that some of the Directors may be associated with Companies, trusts or other entities to which the Board of Directors may consider making contribution.

The Directors recommend passing of the above Resolution for your approval.

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**Brief resume and other information in respect of Shri Vedprakash D Chiripal, Chairman, seeking re-appointment at the Annual General Meeting:**

Shri Vedprakash D. Chiripal, aged 57 years, is the Director of M/s. NANDAN EXIM LIMITED. He is a Commerce graduate and has obtained his Bachelor of Commerce degree from Calcutta University. He has an experience of 34 years in the Textile Industry. Shri Vedprakash D. Chiripal is a Chairman of M/s. Nandan Exim Limited and under his tenure as Chairman the Company has achieved excellent growth. He is also the Director of Chiripal Industries Limited, CIL Nova Petrochemicals Limited, Chiripal Lifestyle Limited, Chiripal Poly Filma limited and Chiripal Energy Limited. He is a trustee of Chiripal Charitable Trust, Udgam Trust (Udgam High School), Agrawal Seva Samiti, Agrawal Seva Sansthan and Agroha Vikas Trust. He is known for his financial acumen and he drives the Chiripal Group with his insights and vision. He is to oversee our strategic expansion initiative, business development and supervises the finance of our Company. Under his leadership as a Chairman of Chiripal group he has diversified the activities of the group from the Textile to Education, Real Estate, BOPP Film. He also targets to enter into new areas to achieve the further growth of the Company and the entire group.

**DIRECTORS' REPORT**

To,  
The Members,  
**NANDAN EXIM LIMITED,**

Your Directors have pleasure in presenting their **16th Annual Report** and Audited Accounts for the year ended 31st March 2010 to the shareholders and stakeholders of the Company.

**FINANCIAL HIGHLIGHTS:**

	(Rs. in Crore)	
<b>FINANCIAL RESULTS</b>	<b>2009-10</b>	<b>2008-09</b>
Sales	<b>375.83</b>	317.91
Profit: Before Depreciation	<b>40.92</b>	21.04
Less: Depreciation	<b>22.60</b>	22.08
<b>Profit After Depreciation</b>	<b>18.32</b>	(1.04)
Less: Provision For Taxation	<b>6.26</b>	0.21
Less: Provision For Deferred Tax	<b>0.44</b>	(0.22)
<b>Profit: After Taxation</b>	<b>11.58</b>	(1.03)
<b>Less: Prior Period Items</b>	—	0.37
<b>Less: Short/(Excess) provision of Income Tax</b>	<b>0.04</b>	—
<b>Profit for the year</b>	<b>11.58</b>	(1.40)
<b>Appropriations / Adjustments</b>		
Balance of profit / (loss) brought forward	<b>31.59</b>	33.00
Interim Dividend	—	—
Proposed Final Dividend	—	—
Corporate Dividend Tax (including cess and surcharge)	—	—
General Reserves	—	—
<b>Profit carried to Balance Sheet</b>	<b>43.17</b>	31.59

**PERFORMANCE:**

The Turnover for the financial year under review 2009-2010 were Rs.375.85 Crore as against Rs.317.91 Crore for the previous financial year registering an increase of 18.22%. The profit before tax (after interest and depreciation charges) during the year 2009-2010 was Rs.18.32 Crore as compared to previous years figure of (Rs.1.42 Crore). The Net Profit during the year 2009-10 was Rs.11.58 Crore as compared to previous year figure of (Rs.1.40 Crore) Your Directors expect to improve the performance during the current year.

**DIVIDEND:**

Your Company is implementing its expansion project and backward integration project (Spinning Unit) to reap the benefits of increased demand. To continue its growth process, the Company is ploughing back its profit into ongoing projects and therefore your Directors have not recommended any dividend for the financial year ended 31.3.2010.

**COMPLETION OF EXPANSION PROJECT:**

Your Directors are pleased to inform you that during the year under review, the Company has fully completed expansion project as per Letter of Offer filed with SEBI and the Company is now having 4 Denim Lines of 40 Lakh mtr p.a, 40 TPD Spinning Plant along with 15 mw power project. Further, the proceeds of the Rights Issue of Rs.4554.90 Lacs, have been fully utilized as per expansion project. The impact of the increase in the capacity and expansion project will be available over a period of time and will improve the performance of the Company.

**DEPOSITORY SYSTEM:**

As the Members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2010, 99.96% of the Company's total paid-up Capital representing 455316275 shares are in dematerialized form. In view of the numerous

advantages offered by the Depository System, Members holding shares in physical form are advised to avail of the facility of dematerialization on either of the Depositories.

**PUBLIC DEPOSIT:**

Your Company has not accepted any deposit during the year under review, u/s 58A of the Companies Act, 1956.

**COVERAGE OF ASSETS:**

The Adequate Insurance Cover for the existing Plant & Machinery, Building, Stock, etc. considering the various risk factors attached to the asset have been taken and insured the assets to take care of the unforeseen circumstances to safeguard the interest of the company.

**CORPORATE GOVERNANCE:**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent.

The Report on Corporate Governance as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from Auditors of the Company, confirming compliance with conditions of corporate governance as stipulated under the aforesaid clause 49 is annexed to this report. Further, a certificate of CEO and declaration on code of conduct also forms part of this Annual Report.

The management discussion and analysis report and compliance report on corporate governance as required by clause 49 of the listing agreement also forms part of this Annual Report

**CORPORATE SOCIAL RESPONSIBILITY:**

During the year 2009-10, Chiripal Group continued its Corporate Social Responsibility (CSR) initiatives in various fields. Activities in this area are set out in detail in the annexed CSR Report.

**SECRETARIAL AUDIT REPORT:**

As a measure of good corporate governance practice, the Board of Directors of the Company appointed M/s. Keyur Shah & Associates, Practicing Company Secretary to conduct Secretarial Audit of the Company for the financial year ended March 31, 2010.

The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreements with the Stock Exchanges, Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of SEBI as applicable to the Company, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

**DIRECTORS:**

Shri Vedprakash D Chiripal, Director who retires by rotation during the year under review, offers himself for reappointment. Your Directors recommend his reappointment.

**PARTICULARS OF EMPLOYEES:**

In terms of the provisions of Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975 as amended the names and other particulars of employees are set out in the Annexure to the Directors Report. However, having regard to the provisions of section 219(1)(b)(iv) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

**GROUP:**

Pursuant to intimation received from the Promoters, and names of the Promoters and entities comprising group as defined under the monopolies and restrictive trade practices (MRTP) Act 1969 are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and takeovers), Regulations, 1997.

**DIRECTORS RESPONSIBILITY:**

Pursuant to Section 217(2AA) of the Companies Act 1956 and based on the information received from the Management and after due enquiry, your Directors state that;

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care has taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts of the Company have been prepared on a going concern basis.

**AUDITORS:-**

M/s. J.T. Shah & Co, Chartered Accountants, the Statutory Auditors of the Company, holds office up to the conclusion of the ensuing Annual General Meeting and have given their consent for re-appointment. The Company has received a written confirmation from Auditors to the effect that their appointment, if made would be in conformity with the limits prescribed in Section 224 (1B) of the Companies Act, 1956 and they are not disqualified for re-appointment within the meaning of section 226 of the said act. The Board recommends the re-appointment of M/s. J.T. Shah & Co, Chartered Accountants, as the Auditors of the Company for the current financial year 2010-11.

**CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The particulars as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure to this report.

**ACKNOWLEDGMENT:-**

Your Directors would like to express their appreciation for assistance and co-operation received from the Financial Institutions, Banks, Government Authorities, Customers, Vendors and Members / Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

**For and on behalf of the board**

Place :- Ahmedabad  
Date :- 27/07/2010

**VEDPRAKASH D CHIRIPAL**  
*Chairman*

**ANNEXURE TO DIRECTORS' REPORT**

**ANNEXURE-1**

Particulars pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Report of the Directors.

**A. CONSERVATION OF ENERGY:**

**[a] Energy conversion measures taken :**

1. Discontinued scru compressors and replaced these with centac compressor of 6200 CFM which gives power saving 0.03 – 0.04 per CFM
2. Installed CFM meters on all 3 compressors for regular checking and monitoring the efficiency of compressors and take measures imdly if there is any variation. This also help in controlling total generation with should be consumption and give guide for corrective action to control leakages or abnormal increase in consumption.
3. Installed variable frequency drive on supply and return fan of Humidification plant for reducing in frequency without effecting department working with saving in energy.
4. started 15 MW capacity power plant which will give low cost unit with steam extract
5. Replacing energy efficient pumps in place of conventional pumps
6. Adding capacitors so as to maintain power factor 96+
7. Adding high lumen type fitting for getting more light and less power consumption

**Water conservation Measures taken:**

1. Extending use of recycled water of finishing in Dyeing sizing M/Cs
2. Installed water flow meters on all dyeing sizing m/cs for efficient monitoring of water consumption. This has resulted in huge saving of water, water discharge reduced about 50-75K liters per day.



**[b] Additional investments and proposals, if any, being implemented for reduction of consumption of energy**

1. Planning to procure FRP Fans in H Plant for replacement of conventional metallic fans, which were taken on trial basis and found to be energy efficient.
2. Further planning to add line of finishing recycled water in newly added dyeing sizing m/c.
3. To keep constant focus on power factor by adding further required capacitors and other measures so as to get it 98

**[c] Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the costly of production of goods:**

With the installation of one more Centac compressors of 6200 CFM and other measures, power consumption has reduced by about 3000 unit per day and water consumption by 75 K per day

**[d] Total Energy Consumption and energy consumption per Unit of Production.**
**I. POWER & FUEL CONSUMPTION:**

<b>Power and Fuel Consumption:</b>	<b>31.03.2010</b>	<b>31.03.2009</b>
<b>1. Electricity</b>		
a) Purchased		
Unit (kwh)	<b>42900120</b>	39692520
Total Amount	<b>226571435</b>	178591482
Rate / Unit (Rs.)	<b>5.28</b>	4.50
<b>b) Own Generation:</b>		
i. <b>Through Diesel Generator</b>		
Unit (kwh)	<b>NIL</b>	NIL
Unit per Ltr of Diesel Oil	<b>NIL</b>	NIL
Cost / Unit (Rs.)	<b>NIL</b>	NIL
ii. <b>Through Steam Turbine /Generator</b>		
Unit (kwh)	<b>NIL</b>	NIL
Units per Ltr of Fuel Oil / Gas	<b>NIL</b>	NIL
Cost / Unit (Rs.)	<b>NIL</b>	NIL
<b>2. LIGNITE</b>		
Quantity (Tones) / Day	<b>62.83</b>	36.27
Total Cost (Rs.)	<b>4923035</b>	28467000
Average Rate (Rs.)	<b>2146.72</b>	2150.32
<b>3. COAL</b>		
Quantity (Tones) / Day	<b>4.31</b>	21.30
Total Cost (Rs.)	<b>6481140</b>	31541716
Average Rate (Rs.)	<b>4121.01</b>	4056.70
<b>4. Furnace Oil (Used in the Generation of Steam)</b>		
Quantity (K. Liters)	<b>NIL</b>	NIL
Total Amount (Rs.Lakhs)	<b>NIL</b>	NIL
Average Rate (Rs.)	<b>NIL</b>	NIL
<b>5. Others LSHS (Low Sulpher High Stock)</b> (Used in the Generation of Steam)		
Quantity (Tones)	<b>NIL</b>	NIL
Total Cost (Rs.Lakhs)	<b>NIL</b>	NIL
Rate / Unit (Rs.)	<b>NIL</b>	NIL

**II CONSUMPTION PER METER OF PRODUCTION:**

	<u>31.03.2010</u>	<u>31.03.2009</u>
Electricity (KWH) Per Meter	<b>0.80</b>	0.78
Coal (Specified Quality)	<b>0.04</b>	0.24
LIGNITE (KG) Per Meter	<b>0.65</b>	0.41

**B. TECHNOLOGY:****RESEARCH AND DEVELOPMENT (R & D)**

1. The company is constantly focusing on development of new product range to increase the customer base with the use of combination of Multi count yarn, multi slub yarn, reverse slub yarn, mix count yarn and stretch yarn in white and colour. To tap growing potential in the ladies segment developed laggings in denim fabric.
2. In view of the demand of weft bright yarn in domestic and export market, the company has been able to developed enhanced bright weft yarn which give better look, luster for better body feel
3. We are continuously focusing on optimization of different process parameters in fabric viz shade grouping, weaving defects, shrinkage control and improvement and control in yarn parameters so as to improve the overall quality of the product.
4. Started market research and market study for identification of potential customers and new market segment by regular visit of Design Development manager accompanied by marketing personnel.
5. The Company has added 2400 spindles and 2 Cards in spinning for inhouse manufacturing of fine count slub and multicount yarn and able to develop new product range in shirting and children garment segment

**1. Specific Area in which R & D is carried out by the Company**

There is no Specific Area in which R & D is carried out by the Company.

**2. Benefits derived as a result of the Above R & D**

1. The company is creating many design without much delay and without major investments. During the year about 600 new products were added in the product range with different yarn combinations and production of lycra qualities increased from 3-4 lac meters per month to 8-9 lac meters per month. We were able to sale 5-6 lac meters per month additional qty of denim fabrics in shirting and children garment segment.
2. The Company is matching customer's sample very fast and increased its market base so as to absorb the enhanced capacity in the market.
3. Optimization in various process parameters has improved the quality level of the product and number of complaints from customers has reduced drastically apart from reduction in waste and improvement in frsh packing %.
4. The Company's customer base increased by about 40% as compare to last year which not only taken care of enhanced capacity but price realization per meter of fabric has also started showing improving trend.

**3. Future Plan of Action**

1. To increase the spinning capacity by another 25 MT per day with multi slub and lycra attachment so as to increasing company's capacity to produce high yield product.
2. The company is planning to install mercerization M/C, coating machine in the company so as to fast deliver the value added quality product to its customers.
3. The company is trying to develop data base of yarn parameters and their correlations with warping, sizing and weaving performances so the same can be used for deciding course of action to optimize the chemical recipe and loom setting parameters so as to improve the overall productivity and quality of fabrics.
4. Continuous focus on domestic and export market study for updation in the product range and increasing in the customer base.

### III. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

#### Efforts made towards Technology, Absorption, Adaptation and Innovation:-

The company is using latest yarn testing and fabric testing equipment viz Afis for cotton, uster and Tensojet for yarn, stretch analyzer for stretch fabric for getting consistency in the quality of yarn and fabrics. We were able to control the variation in width, residual shrinkage and stretch % in stretch fabric.

In consultation with machine supplier regular updation and corrections were made in the Loom setting parameters and RPM and able to constantly run 3/1 product at 1000 RPM and 2/1 product at 950 RPM for which the looms were designed and this is a land mark in the history of company and denim industry.

#### Benefits derived:

Able to keep consistency in the cotton mixing and process parameters of spinning which resulted in consistency in yarn parameters and warping, sizing and weaving productivity

With the consistency in the stretch fabric parameters and quality not only able to deliver more quantity of stretch product in domestic as well as in export market but also able to reduce the complaints in stretch fabric to a large extent.

With the increase in RPM of Looms in fixation of setting able to set the product at faster speed and productivity went up by 7-8%

#### Future Plan of Action.

The company is planning to introduce pigment bottoming and enhanced bright stretch weft yarn in Denim Fabric Regular study of process parameters, continuous improvement in maintenance practice, work habits with an aim to increase in the productivity of machines, continuous updation and upgradation in the skill of employees, multi skill development, on job training so as to enhance the level of knowledge, skill, quality and efficiency of the employees

### IV. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a. The Company has taken various steps to increase exports of products during the year.

b. Foreign exchange earning and outgo during the year:

(Rs. in Crs.)

<u>Particular</u>	<u>31.03.2010</u>	<u>31.03.2009</u>
(a) Foreign Exchange Earnings:	62.11	59.78
(b) Foreign Exchange Outgo:	0.78	4.20

Total Foreign Exchange Used and earned: - As per notes on account.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### INDIAN ECONOMY

#### India at a Glance

Located in South Asia, India is the seventh largest, and the second most populous country in the world. Home to the Indus Valley civilization and known for its historic trade routes and vast empires, India is recognized for its commercial and cultural wealth. It is the centre of amalgamation of many religions and ethnicities which have shaped the country's diverse culture. Colonized by the United Kingdom from early eighteenth century, India became a modern nation state in 1947, after a struggle for independence that was remarkable for its largely non-violent resistance and is the most populous democracy in the world today

Per capita income (average income) of Indians has grown by 10.5 per cent to US\$ 947.21 in 2009-10 as against US\$ 857.43 in 2008-09, at the current price.

According to the estimates by the Ministry of Statistics and Programme Implementation, the Indian economy has registered a growth of 7.4 per cent in 2009-10, with 8.6 per cent year-on-year (y-o-y) growth in its fourth quarter. The growth is driven by robust performance of the manufacturing sector on the back of government and consumer spending. GDP growth rate of 7.4 per cent in 2009-10 has exceeded the government forecast of 7.2 per cent for the full year. According to government data, the manufacturing sector witnessed a growth of 16.3 per cent in January-March 2010, from a year earlier.

According to the Central statistical Organization (CSO), following are the key indicators:

- GDP at factor cost at constant (2004-05) prices in the year 2009-10 is now estimated at US\$ 949.1 billion (as against US\$ 946.8 billion estimated earlier on 8th February, 2010, showing a growth rate of 7.4 per cent over the Quick Estimates of GDP for the year 2008-09 of US\$ 883.4 billion, released on 29th January, 2010. The upward revision in the GDP growth rate is mainly on account of higher performance in 'agriculture, forestry and fishing', 'mining and quarrying' and 'manufacturing', than anticipated.
- GDP at factor cost at current prices in the year 2009-10 is estimated at US\$ 1.25 trillion, showing a growth rate of 12.2 per cent over the Quick Estimates of GDP for the year 2008-09 of US\$ 1.11 trillion, released on 29th January 2010.

#### INDIAN TEXTILE INDUSTRY

The Indian textile industry contributes about 14 per cent to industrial production, 4 per cent to the country's gross domestic product (GDP) and 17 per cent to the country's export earnings, according to the Annual Report 2009-10 of the Ministry of Textiles.

It provides direct employment to over 35 million people and is the second largest provider of employment after agriculture.

According to the Ministry of Textiles, the cumulative production of cloth during April'09-March'10 has increased by 8.3 per cent as compared to the corresponding period of the previous year.

Moreover, total textile exports have increased to US\$ 18.6 billion during April'09-January'10, from US\$ 17.7 billion during the corresponding period of the previous year, registering an increase of 4.95 per cent in rupee terms. Further, the share of textile exports in total exports has increased to 12.36 per cent during April'09-January'10, according to the Ministry of Textiles.

As per the Index of Industrial Production (IIP) data released by the Central Statistical Organisation (CSO), cotton textiles has registered a growth of 5.5 per cent during April-March 2009-10, while wool, silk and man-made fibre textiles have registered a growth of 8.2 per cent while textile products including wearing apparel have registered a growth of 8.5 per cent

#### GOVERNMENT INITIATIVE

According to the Ministry of Textiles, Investment under the Technology Upgradation Fund Schemes (TUFs) has been increasing steadily. During the year 2009-10, 1896 applications have been sanctioned at a project cost of US\$ 5.23 billion. The cumulative progress as on December 31, 2009, includes 27,477 applications sanctioned, which has triggered investment of US\$ 45.5 billion and amount sanctioned under TUFs is US\$ 18.9 billion of which US\$ 16.4 billion has been disbursed so far till the end of April, 2010.

Moreover, in May 2010, the Ministry of Textiles informed a parliamentary panel that it proposes to allocate US\$ 785.2 million for the modernization of the textile industry.

The Scheme for Integrated Textile Park (SITP) was approved in July 2005 to facilitate setting up of textiles parks with world class infrastructure facilities. 40 textiles park projects have been sanctioned under the SITP.

#### UNION BUDGET 2010-11 PRESENTED BY THE FINANCE MINISTER MADE THE FOLLOWING ANNOUNCEMENTS TO BENEFIT THE TEXTILE INDUSTRY:

- The central plan outlay for the industry has been enhanced to US\$ 1.03 billion. Of this US\$ 521.4 million is for TUFs, US\$ 76 million for SITP, US\$ 80.2 million for handlooms, US\$ 69.3 million for handicrafts and US\$ 98.4 million for sericulture.

- Allocation for textiles and jute industry is US\$ 713.4 million.
- The total allocation for village and small enterprises sector which include handicrafts and handlooms is US\$ 210.3 million.
- US\$ 31.5 million has been provided for development of mega clusters in handlooms, handicrafts and powerloom sectors.
- Customs duty at 4 per cent for import of readymade garments for retail sales has been withdrawn.
- The micro small medium enterprises in textiles sector have been given full CENVAT credit on capital goods in one installment in the year of receipt of such goods and the facility of payment of excise duty in quarterly basis

#### **DENIM INDUSTRY IN INDIA:**

Denim Industry like any other textile and clothing products is largely fragmented. While the westerners were the major producers of denim in yesteryears, now Asian manufacturers are contributing to about 50 percent of the world denim capacity. Most of the production in Asia is generated primarily in China and India. Some of the capacity expansion is taking place in the countries like Bangladesh, Indonesia, Pakistan and Turkey. There are several thousands of companies targeting specific customer segments for increasing their market shares. Since the companies are shaping up their products vis—vis defined consumer segments, they obviously are investing heavily on fit, style and fashion statements. In the demand side, world demand for denims is projected to reach US \$ 65 billion by 2015 from a level of US \$ 49 billion in 2004. Further, it is estimated that the denim demand in the world will increase by 5-6 percent while the supply will increase roughly by 8 percent, thereby indicating a buyers market. The Americans top the list of denim jeans users and an average estimate puts the figure at 450 million pairs a year.

The Indian market for branded products such as jeans, Bermuda, shirts, jackets and other consumer goods is estimated at no less than 40 million consumers. Indian consumers are typically more loyal to their stores than to brands. About three-fourths of the survey respondents reported that they would revisit the stores where they had previously purchased apparel. The survey also revealed that brand is the second most important factor in purchase decisions. In South India, consumers are generally more brand loyal than consumers from the North. Price, however, is the most important factor for the consumers in East India. Home/ TV shopping or mail orders are not yet popular in India, though consumers are aware of these distribution channels. Indian consumers like to touch and feel the product before they buy it. The National Council of Applied Economic Research (NCAER) projects that the consuming classes with an annual income of US\$980 or more has included 80 percent of population by 2009-10. Added to this, the demographics of Indian consumers are changing fast and so also their propensity to consume, the knowledge about the fashion trends and product availability has provided additional impetus for increased consumption levels of the denim jeans. The jeans use no doubt is more popular among the young masses for its choice as a fashion statement and also its sturdiness in use for long time. The faded jeans, sand washed jeans, acid washed or enzyme washed jeans or cut jeans have all of them provide a status to the user. The use of jeans by the film fraternity provides a new dimension to this modern day clothing. The brands of jeans which are ruling the Indian markets are Newport, Addidas, Crocodile, Diesel, Duke, Flying machine, Integrity, Killer, Lee Cooper, Levi Strauss, Pepe, Ruf and Tuff, Spyker, Trigger and many more.

In India, the demand for the denim jeans has increased manifold and has increased by 129 percent in an 11 year period between 1998 to 2008. There has been a significant demand surge for jeans from the rural India than the urban India. While the rural demand for jeans was below 29 percent in 1998, has been leveraged to 56.30 percent in 2008. Conversely the urban Indias demand share has been significantly reduced to 43.70 percent in 2008 from a demand share of over 71 percent in 1998. Though the rural Indias denim consumption is surging ahead, the cities have their share of strength in the consumption story. The 15 most important cities, in terms of their population post a consumption demand of around 12 percent of the total denim jeans consumption in India. However, the demand for jeans of these cities in the last three years reveals a decline by 4.3 million pieces. Age, sex and cultural integration of the Indian population have a strong bearing on the consumption profile as well as the extent of consumption.

#### **INVESTMENTS**

According to the Minister for Textiles, around US\$ 5.35 billion of foreign investment is expected to be made in India in the textile sector over the next five years.

The textiles industry has attracted foreign direct investment (FDI) worth US\$ 817.26 million between April 2000 and March 2010, according to data released by the Department of Industrial Policy and Promotion.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

NEL has a comprehensive system of internal controls to safeguard the Company's assets against loss from unauthorized use and unforeseen circumstances and ensure proper authorization of financial transactions. The Company has an exhaustive control system to monitor all expenditure on an ongoing basis.

The Company's accounting process is based on uniform accounting guidelines that sets out accounting policies and significant processes and deadlines on a company wide basis. There are binding directives for internal reconciliations and other accounting operations. The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls, and compliance with laws and regulations.

The Company has an internal audit function, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process.

The management duly considers and takes appropriate action on the recommendations made by the Statutory Auditors, internal auditors and Independent Audit Committee of the Board of Directors.

#### **HUMAN RESOURCES**

As on March 31, 2010 NEL had 1184 employees. Industrial Relations were cordial across the geographies of its operations.

The Company has a comprehensive Long-term strategic plan for Human Resources that is aligned to its long-term strategy. It has robust talent management and succession planning processes in place and closely tracks the talent pipeline for managing the current and future needs of the organization. At NEL, the focus of learning and development is on building the capabilities of employees so that they are fully geared to meet the expectations of different stakeholders of the Company. This is also combined with its strong belief that employees are central to the Company's transformation and growth. Having built a strong foundation on the culture of excellence, many capability and capacity building interventions were done for employees in the functional, managerial and leadership areas.

#### **FINANCIAL PERFORMANCE**

During the year under review the turnover achieved was Rs.375.83 Crores as compare to previous year turnover of Rs.317.91 Crores registering a growth of 18% over the previous year. The profit before depreciation and taxes stood at Rs.40.92 Crores for the year 2009-10 as compared to Rs.21.04 Crores during the year 2008-09 showing 94.49% over the previous year. The Net Profit for the year 2009-10 rose to 11.58 Crores as compared to the loss of Rs.1.40 Crores over the previous year 2008-09. The Cash Profit during the year under review was achieved at Rs.34.18 Crores evidenced by effective management internal control, optimum utilization of resources and dedicated hard working of Human Resources.

#### **EXPLANATIONS / CLARIFICATIONS RELATING TO OBSERVATIONS OF STATUTORY AUDITOR**

Your Directors would like to state that the company is regular in remitting the statutory dues under the various applicable acts. However, as the company was in the process of implementing SAP software package, it had encountered various practical difficulties during trial runs of the software package. Due to the said fact, the liabilities on account of statutory dues could not be ascertained on the due dates and therefore, there were minor delays in its payment during the year under review. The SAP software package has now stabilized and the above delay would not recur.

Your Directors would like to state that it has been noticed in the past that the denim industry fluctuated seasonally due to variations in supply & demand. Accordingly a good performance during a quarter/ half year converted into average/ below average performance during subsequent quarter/ half year. Due to the fluctuation in performance, your Company was following the practice of paying income tax after the end of the financial year based on the actual profit/ loss. The observation of Auditors that Rs. 163.73 lac was outstanding for more than 6 months towards income tax, was precisely advance tax for the current financial year. Your Directors would like to state that presently the denim industry has stabilized with minimal fluctuation in demand & supply and therefore, the Company has now adopted the practice of payment of advance tax from the current financial year.

#### **RISK MANAGEMENT**

The risk is attached to every thing including business. The factors affecting the risk differs from business to business. Your Company, however, foresees various risk from competitors, unorganized sectors operating in the industry, fluctuation in foreign exchange rate, interest rate, commercial risk, changes in the Government regulations, related to textile policy and decision of the management about the business which may effect over all profitability of the Company. However, your Company has framed such network so as to have minimum effect and to overcome such risk on the business of the Company.

#### **RESEARCH & DEVELOPMENT, TECHNOLOGY DEVELOPEMENT AND INNOVATION.**

Research & development (R&D), technology development and innovation continuous to be an integral part of Company's agenda for achieving growth, business, profitability, sustainability. The Company continuous to support improvements in manufacturing operations through the implementation of advanced process control. In refining R&D, the major technology focus is on maximizing desired product yields, enhancing recovery of higher value products, and on increasing efficiency and reliability by using advanced tools. The Company will continue to create business value and competitive advantage by applying the right technology, at right cost and at the right time, meet the current and future need of the Company.

#### **CAUTIONARY STATEMENT**

Statements in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, expectations or predictions may be "forward - looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price condition in the domestic markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

## REPORT ON CORPORATE GOVERNANCE

### Company's Philosophy on Corporate Governance:

Corporate Governance essentially is the system by which companies are directed and controlled by the Management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the Management. Corporate Governance is a way of life rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company.

The corporate governance philosophy of the Company has been further strengthened with the adoption of the Code of Conduct for prevention of Insider Trading and Code of Corporate Disclosure Practices. The Company through its Board and Committees endeavours to strike and deliver the highest governing standards for the benefit of its stakeholders.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with stock exchanges, the details are set out below:

### Board of Directors - Composition:

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges in which the Company's Shares are listed. The Composition of the Board as on March 31, 2010 was as under:

Category of Directors	No. of Directors
Promoter - Non-Executive	1
Promoter - Executive	1
Independent & Non-Executive	2

None of the Directors of Board is a member of more than 10 Committees and no Director is the Chairman of more than 5 committees across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

Meeting is held:

The Board met 8 times on the following dates during the financial year 2009-10.

April 29th 2009	June 1st 2009	July 31st 2009	October 25th 2009
October 31st 2009	December 29th 2009	January 25th 2010	March 23rd 2010

### Board Meeting Procedure:

The Agenda is circulated well in advance to the Board Members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Clause 49 of the Listing Agreement, the Board is also kept informed of major events / items and approvals taken wherever necessary. The Managing Director at the Board Meetings keeps the board apprised of the overall performance of the Company.

### Code of Conduct:

The Company has adopted the Code of Conduct for all the employees of the Company including the Whole-time Directors. The Board had also approved a Code of Conduct for Non-Executive Directors. The Code of Conduct for the employees as well as Non-Executive Directors are posted on the Company's website.

Further, all the Board Members and Senior Management Personnel (as per Clause 49 of the Listing Agreement) have affirmed the compliance with the respective Code of Conduct. A declaration to this effect signed by the Managing Director (CEO) forms part of this report.

### Category and Attendance of Directors:

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2009-2010 and at the last Annual General Meeting (AGM) as also the number of Directorships and Committee positions held by them in other Public Limited Companies as on March 31, 2010 are as follows:

Name of Directors	Status i.e. Executive, Non-Executive and Independent	Numbers of Board Meetings.		Number of Membership in other Boards or other Committees as a Member or Chairman		
		Held during the year	Attended During the Year	Other Directorship including NEL	Committee*	Whether attended last AGM
Shri Vedprakash D. Chiripal	Promoter, Executive (Chairman)	8	8	6	4	Yes
Shri Brijomhan D. Chiripal	Promoter - Executive Managing Director	8	8	3	—	Yes
Shri Gautam C. Gandhi	Non - Executive & Independent Director	8	8	2	2	Yes
Shri Ambalal C Patel	Non-Executive Director	8	8	13	10	Yes

\* Audit Committee and Shareholders' / Investors' Grievance Committee have been considered for the Committee positions. Details of the Directors seeking Appointment / re-appointment at the Annual General Meeting, pursuant to Clause 49 of the Listing Agreement, have been given along with the Notices of Annual General Meeting.

Shareholding of Non-Executive Directors as on March 31, 2010 are as under:

Name	No. of Shares held	%
Shri Ambalal C Patel	10000	0.002
Shri Gautam C Gandhi	Nil	Nil

## 2) COMMITTEES OF BOARD:

### AUDIT COMMITTEE:

The Audit Committee comprises of 3 members represented by 2 Non Executive Independent Director and 1 Executive Promoter Director. Shri Ambalal C Patel, acts as Chairman of the Committee and Shri Vedprakash D. Chiripal and Shri Gautam C Gandhi are the members of the Committee.

### Broad Terms of Reference:

The Broad terms of reference as laid down by the board include the following requirement contained in the Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the annual financial statements before submission to the board for approval, with particulars reference to:
- Matters required to be included in the Directors Responsibility Statement to be included in the Boards report in terms of Clause (2AA) of section 218 of the Companies Act, 1956.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgement by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the interna, audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.



- Discussion with internal auditors any significant finding and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature, and then reporting such matters to the Board;
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern;
- To look into the reason for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- The Audit Committee met four times during the year under review on 29.04.2009, 31.07.2009, 31.10.2009 and 25.01.2010.
- The composition of Audit Committee and particulars are as under:

Name of Director	Category / Status	No. of Meetings	Meetings attended
Shri Ambalal C. Patel – Chairman	Non Executive Independent Director	4	Yes
Shri Vedprakash D. Chiripal Member	Executive Promoter Director	4	Yes
Shri Gautam C. Gandhi - Member	Non Executive Independent Director	4	Yes

#### REMUNERATION COMMITTEE

The remuneration committee has been constituted to recommend/review the remuneration package of the Managing/ Whole time Directors based on performance and defined criteria.

The remuneration policy is framed towards rewarding performance based on review of achievements from time to time. The remuneration policy is also in consistency with the industrial scenario.

During the year under review, the remuneration committee has not met and no meeting were held.

- **Composition of Remuneration Committee.**

Sr. No	Name of the Director	No. of meeting		Nature of Directorship
		held	attended	
1.	Shri Vedprakash D. Chiripal	0	0	Executive, Promoter group
2.	Shri Ambalal C. Patel –Chairman	0	0	Non-Executive, Independent

- **Details of remuneration paid to directors for the year ended on March 31, 2010 are as follows:**

Name of Director	Sitting Fees	Salaries & Perquisites	Commission (Rs)	Total (Rs)
Shri Brijmohan D. Chiripal	—	53,76,000	—	53,76,000
Shri Vedprakash D. Chiripal	—	—	—	—
Shri Gautam C. Gandhi	60,000	—	—	60,000
Shri Ambalal C. Patel	40,000	—	—	40,000

- **Details of Shareholding of Directors as at 31st March, 2010:**

Name of Directors	No. of shares held as on 31/03/2010	% holding
Shri Brijmohan D. Chiripal	48250000	10.59
Shri Vedprakash D. Chiripal	46250000	10.15
Shri Gautam Gandhi	Nil	Nil
Shri Ambalal C. Patel	10000	00.002

#### SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE.

1. The Company has constituted an investors relations committee comprising of 2 directors with chairman being a non-executive, non-promoter director.
2. The Committee looks into redressal of shareholders' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividend etc. The committee reviews the performance and recommends measures for overall improvement in quality of investor services.

- **Composition of Shareholders/ Investors Relations Committee**

Sr. No	Name of the Director	Designation in committee	Nature of Directorship
1.	Shri Gautam C. Gandhi,	Chairman	Non-Executive, Independent Director
2.	Shri Vedprakash D Chiripal	Member	Executive, Promoter Director

During the year, the Company under review 4 Meeting were held on 29.04.2009, 31.07.2009, 31.10.2009 and 25.01.2010. During the year, the Company has received 1 complaint which was resolved in time and no complaints are pending. The status of complaints is periodically reported to the Committee.

The Equity Shares of the Company are compulsorily traded in electronic form on the stock exchanges and hence the handling of physical transfer of shares is minimal. The Board has delegated powers for approving transfer and transmission of shares and issue of duplicate shares to Shares Transfer Committee. The Share Transfer Committee met one Time during the year. There was no pending transfer of equity shares as at 31st March, 2010.

**SHARE TRANSFER SYSTEM:**

The Company's Registrar and Share Transfer Agent is M/s Datamatics Financial Services Limited, Mumbai. The shares lodged for physical transfer/transmission/transposition / rematerialisation are registered within the prescribed time period if the documents are complete in all respects. The shares in dematerialised form are admitted for trading with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited.

**SUBSIDIARY COMPANY:**

The Company has no Subsidiary Company.

**DISCLOSURES:**

**a. Basis of Related Party Transaction**

During the financial year 2009-2010 there were no materially significant transactions entered into between the Company and its promoters, directors or the management, subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. For significant related party transactions refer to Point no. 17 of the Notes on Account contained in financial statements in this Annual Report.

**b. Disclosure of accounting treatment in preparation of Financial Statement**

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountant of India (ICAI) in preparation of its financial statements.

**c. Details of non-compliance by the Company**

The Company has complied with all the requirement of regulatory authorities. No penalty / structures were imposed on the Company by Stock Exchange or SEBI or any statutory on any matter related to capital market during the last three years.

**d. Remuneration of Directors**

The disclosure on remuneration of Directors, pecuniary relationship or transactions with non-executive Directors, details of notice period, severance fees, no. of shares held by Directors etc. have been provided earlier under the head "Remuneration Committee" in this Corporate Governance Report.

**e. Shareholders**

The information of Directors who are proposed to be appointed / re-appointed have been provided in Annexure to the Notice of Annual General Meeting.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report have been separately given in this Annual Report as required under Clause 49 of the Listing Agreement.

**Information about last 3 Annual General Meetings:-**

AGM / EGM	Date	Venue	Time	No. of special resolutions passed
15th AGM	25th September, 2009	Survey No. 198/1 , 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405	3.30 P. M.	Nil
14th AGM	19th December 19, 2008	Survey No. 198/1 , 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405	3.30 P. M.	1
13th AGM	28th September 28, 2007	Survey No. 198/1 , 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405	3.30 P. M.	Nil

During year ended 31st March, 2010 there have been no resolutions passed by the Company through postal ballot.

**COMPLIANCE:**

There has been no non-compliance of the provisions, requirements of Stock Exchanges, SEBI. No penalties/Strictures have been imposed on the Company by the Stock Exchanges or SEBI or an other statutory authority on any matter relating to capital market.

**POSTAL BALLOT**

The Company has not passed any resolution through postal ballot during the years under reference, none of the resolutions proposed for the ensuing Annual General Meeting need to be passed through Postal Ballot.

**CEO / CFO CERTIFICATION**

As per provision of Clause 49 of the Listing Agreement, the Managing Director have certified to the Board in compliance with the Clause 49(V) regarding CEO / CFO certification.

**CODE OF CONDUCT**

The Board of Directors of the Company has laid down Code of Conduct for Directors and Senior Management. The Code of Conduct are posted on the Company's Website [www.chiripalgroup.com](http://www.chiripalgroup.com). All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year under review.

**MEANS OF COMMUNICATION**

Half Yearly report sent to each of shareholders	No.
Quarterly Results	
Which newspapers normally published in	The Economics Times, Financial Express and Indian Express
Any web site, where displayed.	<a href="http://www.chiripalgroup.com">www.chiripalgroup.com</a> / <a href="http://www.sebiedifar.nic.in">www.sebiedifar.nic.in</a>
Presentation made to Institutional Investors or to Analyst:	No.
Whether Management Discussion and Analysis Report Is a part of annual report or not	Yes.

**GENERAL INFORMATION FOR SHAREHOLDERS:-**

- **ANNUAL GENERAL MEETING**

DATE & TIME	<b>17.09.2010 at 3.30p.m</b>
VENUE	Survey No. 198/1, 203/2, Saijpur Gopalpur, Pirana Road, Ahmedabad – 382 405
- **Calendar Year**

(a) First Quarter Results	Last week of July'09
(b) Second Quarter Results	Last week of October'09
(c) Third Quarter Results	Last week of January'10
(d) Fourth Quarter Results	Last week of April'10
- **Date of Book Closure**

Saturday the 4th day of September, 2010 To Saturday the 11th day of September 2010, (Both days Incl.)
- **Dividend Payment Date**

N.A.
- **Listing on Stock Exchange**

The Bombay Stock Exchange Limited,(BSE) Mumbai  
The National Stock Exchange of India Limited (NSE), Mumbai
- **Stock Code**

1. Bombay Stock Exchange Limited	532641
2. The National Stock Exchange of India	NANDAN
- **ISIN No. for NSDL and CDSL**

INE 875G01022

• **MARKET PRICE DATA.**

Monthly Highs and Lows for the period 1st April 2009 to 31st March 2010.

	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April, 2009	1.30	0.91	1.35	0.90
May, 2009	1.93	1.05	1.95	1.05
June, 2009	2.56	1.60	2.65	1.60
July, 2009	2.00	1.45	2.00	1.55
August, 2009	2.48	1.75	2.60	1.75
September, 2009	2.78	2.35	2.80	2.35
October, 2009	2.59	1.98	2.55	2.00
November, 2009	2.30	1.93	2.30	1.85
December, 2009	2.47	2.10	2.50	2.10
January, 2010	3.23	2.30	3.20	2.25
February, 2010	2.69	2.11	2.70	2.10
March, 2010	2.37	2.00	2.40	2.00

The Equity Shares of the Company has been listed at Bombay Stock Exchange Limited w.e.f. 13.6.2005 and National Stock Exchange Limited w.e.f. 29.12.2005.

• **Distribution of Shareholding as of 31st March, 2010:**

Sr. No.	Shares Range		Shares	% To Capital	No Of Holders	% To Total Holders
	From	To				
1	1	500	5796232	1.27	19868	34.71
2	501	1000	12435550	2.73	13473	23.54
3	1001	2000	15952251	3.50	9341	16.32
4	2001	3000	10589417	2.32	3908	6.83
5	3001	4000	8045966	1.77	2162	3.78
6	4001	5000	11628614	2.55	2391	4.18
7	5001	10000	26191255	5.75	3372	5.89
8	10001	50000	47207930	10.36	2266	3.96
9	50001	9999999999	317643349	69.74	453	0.79
	<b>TOTAL</b>		<b>455490564</b>	<b>99.99</b>	<b>57234</b>	<b>100.00</b>

• **Shareholding Pattern (As of 31st March, 2010)**

Sr No.	Category	No. of Shares	% to Share Capital
<b>A</b>	<b>Promoters Holding</b>		
	Individuals/HUF	194352500	42.67
	Bodies Corporate	31870731	6.99
<b>B</b>	<b>Non Promoter holding</b>		
	Financial Institution/Banks	0	0
	Bodies Corporate	50907044	11.18
	Indian Public	175268499	38.48
	Any Other ( Non-Resident)	3091790	0.68
	<b>Total</b>	<b>455490564</b>	<b>100.00</b>

- **DEMATERIALIZATION OF SHARES**

As on 31st March, 2010 99.96% Shares were held in dematerialized form and balance 0.014 % shares were held in physical form. The trading in the Company's Equity shares in compulsory in dematerialized mode. In order to afford full liquidity and efficient transfer mechanism to the investor community, the Company has tied up with National Securities Depository Limited (NSDL) and the central Depository Services (India) Limited (CDSL). Thus the investors can exercise dematerialization and transfer actions through a recognised Depository Participant (DP) who is connected to NSDL or CDSL. Requests for Dematerialization of Physical shares are processed and completed within an average period of 15 days from the date of receipt of documents provided that the same are in order.

- Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and likely impact on equity
- Plant Locations
- Registrar and Share Transfer Agent
- Address for correspondence should be addressed to

Not issued

Survey No. 198/1, 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405.

**Datamatics Financial Services Limited**

A/ 16 & 17, Part B, Cross Lane, Marol, Andheri (East), Mumbai – 400 009.

The Company Secretary

**NANDAN EXIM LIMITED**

Chiripal House, Shivranjani Cross Road, Satellite, Ahmedabad 380 015

Phone : 079- 26734660 Fax : 079-26768656

Email : cs.nel@chiripalgroup.com

**Datamatics Financial Services Limited**

**Unit : Nandan Exim Limited**

A/16 & 17, MIDC, Part B, Cross Lane, Andheri (East), Mumbai – 400 093.

Phone : 022-66712001-06 Fax : 022-66712011

Email : corpequity@dfssl.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

**POLICY FOR PREVENTION OF INSIDER TRADING**

In compliance with SEBI regulation on Insider Trading the Company has framed comprehensive Code of Conduct for prevention of Insider Trading for its designated employees. The Policy laid down guidelines, which advise them on procedures to be followed and disclosure to be made while dealing with Shares of the Company and cautioning them on consequences of violations.

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**MANAGING DIRECTOR / CEO'S DECLARATION ON CODE OF CONDUCT**

As required under Clause 49 of the Listing Agreement CEO's Declaration for Code of Conduct is given below:

To,

The Members

**Nandan Exim Limited**

Ahmedabad

I, Brijmohan D. Chiripal, Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct.

For Nandan Exim Limited

**Brijmohan D. Chiripal**

*Managing Director*

Place : Ahmedabad

Date : 27-07-2010

### REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR activities of Chiripal Group are guided by the vision and philosophy of the Chairman of the group Shri Vedprakash D Chiripal, who got the inspiration from his parents, late Shri Devkinandan Chiripal and mother late Smt. Shanti Devi Chiripal. He enunciated the value of trusteeship in business and laid strong foundation for its ethical and value-based functioning.

The major CSR activities include ethical functioning, respect for all stake holders, care of the human beings and care for the environments. Chiripal group generally implements the above initiatives through its employees, welfare funds, charitable trust and bodies corporate. It also helps the poor and needy, local authorities and others, wherever deem necessary.

Some of the major initiatives taken up during the year under review are summarised below:

#### Through Charitable Trust and Group Companies.

In addition to the activities carried out by the group companies, the numerous charitable and other activities carried out through its Trust and Companies are;

1. In the Education field by starting a School, in the name of Shanti Asiatic School.
2. In the field of Management, in the name of Shanti Business School relating to Business Management.
3. In the form of donation and helping poor people for their medical and education requirements.
4. Sponsoring Scholarship scheme for the poor children.
5. Running Employees Welfare scheme to help their families.
6. Organizing Blood Donation Camp for its group employees and collecting thousands units of blood for the society.
7. Setting up Shanti Educational Initiatives Limited for small kids.

Chiripal group is also continuously striving and making its humble contribution to the society for its betterment.

### AUDITORS' CERTIFICATE ON REPORT OF CORPORATE GOVERNANCE

To  
The Members,  
**Nandan Exim Limited,**

We have examined the compliance of conditions of Corporate Governance by Nandan Exim Limited for the year ended March 31, 2010, as stipulated in Clause 49 of the listing agreement entered into the Stock Exchanges in India.

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 the 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 explanation given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records of the Company and certificate issued by registrar, no investor grievances are pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR J. T. SHAH & COMPANY**  
*Chartered Accountants*  
(FRN No. 109616W)

Place : Ahmedabad  
Date : 27/07/2010

**(J. T. SHAH)**  
*Partner*  
[M. No. 3983]

**AUDITORS' REPORT**

To,  
The Members of  
**NANDAN EXIM LIMITED**  
Ahmedabad

1. We have audited the attached Balance Sheet of **NANDAN EXIM LIMITED** as at **31st March, 2010** the Profit and Loss account and also the Cash Flow Statement for the year ended on that date annexed thereto (herein after referred to as financial statements). These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Company Law Board in terms of section 227 (4 A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) We have obtained all the information and explanations, which are to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
  - (v) In our opinion and based on information and explanation given to us, none of the directors are disqualified as on 31st March, 2010 from being appointed as director of the company in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
    - (ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
    - (iii) In the case of the Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

**FOR J. T. SHAH & COMPANY**  
*Chartered Accountants*  
(FRN No. 109616W)

Place : Ahmedabad  
Date : 27/07/2010

**(J. T. SHAH)**  
*Partner*  
[M. No. 3983]

**ANNEXURE TO THE AUDITORS REPORT**

**Referred to in paragraph 3 of our Report of even date to the Members of NANDAN EXIM LIMITED for the year ended 31st March, 2010**

**1. In respect of Fixed Assets:**

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b. As per the information and explanations given to us, the management at reasonable intervals during the year in accordance with a programme of physical verification has physically verified the fixed assets and no material discrepancies were noticed on such verification as compared to the records.
- c. As per information and explanation given to us, the disposal of assets during the year would not affect the going concern status of the Company.

**2. In respect of its Inventories :**

- a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. On the basis of our examination of the records of inventory, we are of opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and books recorded were not material.

**3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.**

- a. During the year under audit, there was One party covered in the register maintained under section 301 of the Companies Act, 1956 from whom the company has taken loan. The year end balance is amounting to Rs. Nil Lacs and the maximum amount involved during the year was Rs.200.00 Lacs.
- b. In our opinion and according to the information and explanations given to us, in case of loans taken during the year, the rates of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
- c. The company has taken interest free loans hence the question of repayment of interest does not arise and in case of principal, the terms of repayment have not been stipulated.
- d. As the terms of repayment of loans have not been stipulated, the question of overdue installments in respect of the same does not arise.
- e. During the year under audit, the company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 hence clause 4 (iii)(e), (iii)(f) and (iii)(g) of the Companies (Auditor's Report) Order, 2003 are not applicable.

**4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.****5. In respect of contracts or arrangements covered under Section 301 of the Companies Act, 1956:**

- a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act, that need to be entered into the register maintained under section 301 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Act, in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

**6. The company has not accepted any deposits from public.****7. In our Opinion, the Company has internal audit system commensurate with size and nature of its business.****8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.**



**9. In respect of Statutory Dues:**

- a. According to the records of the company, by and large the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Investor education and protection fund, Employee's state Insurance, excise duty, custom duty, how ever there is a delay in respect of sales tax, Professional tax, wealth tax, service tax, cess and Income tax (Advance tax).
- b. According to the information and explanation given to us, no undisputed amount payable in respect of wealth tax, sales tax custom duty, Service tax and excise duty were outstanding as at 31st March, 2010 for a period of more than six months from the date they became due, however in respect of Income Tax (Advance Tax) there is an amount of Rs. 163.76 Lacs pertaining to current financial year which is outstanding for more than six months from the date they become due.
- c. On the basis of our examination of the records, following disputed statutory dues have not been deposited with the appropriate authorities;

Name of the Statute	Nature of the Dues	Amount (Rs. In Lacs)	Year	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax & Interest	12.38 13.14	2005-06 2007-08	Commissioner of Income Tax, Appeals
The Central Excise and Custom Act	Education Cess	4.22	2007-08	Commissioner of Central Excise, Appeals
The ESI Act	ESI & Interest	10.51	February, 2008 to May, 2009	Additional Commissioner & Regional Director

10. The company has no accumulated losses and has not incurred any cash losses during the financial year under review or in the immediately preceding financial year.
11. Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to Banks.
12. Based on our examination of documents and records and information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual benefit Fund/Societies are not applicable to the Company. Therefore, clause (xiii) of para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. The Company is not dealing or trading in shares, securities, debentures or other investments and hence, the requirements of clause (xiv) of para 4 are not applicable to the Company.
15. As per the information provided to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, and according to the information and explanations given to us, on overall basis, the term loans have been applied for the purpose for which they were obtained.
17. On the basis of an overall examination of the Balance Sheet and Cash Flow Statement of the Company, in our opinion and according to the information and explanations given to us, no funds raised on a short term basis have been used for long-term purposes.
18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. During the year, the company has not issued any debentures.
20. We have verified the end use of money raised by right issue as disclosed in note no.19 of Notes forming part of financial statements.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**FOR J. T. SHAH & COMPANY**  
Chartered Accountants  
(FRN No. 109616W)

**(J. T. SHAH)**  
Partner

Place : Ahmedabad  
Date : 27/07/2010

[M. No. 3983]

## BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
a. Share Capital	1	455490564	455490564
b. Reserve and Surplus	2	825387796	709628780
		<b>1280878360</b>	1165119344
<b>Loan Funds</b>			
a. Secured Loans	3	2482991680	2369614076
b. Unsecured Loans	4	193376750	311189932
		<b>2676368430</b>	2680804008
<b>Deferred Tax Liability (Net)</b>		<b>159217967</b>	154421486
		<b>4116464757</b>	4000344837
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
a. Gross Block	5	2717852794	2549996602
b. Less:- Depreciation		750257466	536626599
c. Net Block		1967595328	2013370003
d. Capital Work in Progress		659571356	458001255
		<b>2627166684</b>	2471371258
<b>Investments</b>	6	<b>34063640</b>	33613640
<b>Current Assets, Loans and Advances</b>			
a. Inventories	7	680273404	467114729
b. Sundry Debtors	8	1283456549	1043038949
c. Cash and Bank Balance	9	48337188	25935468
d. Loans and Advances	10	229984338	356020354
		<b>2242051479</b>	1892109500
<b>Less : Current Liabilities and Provisions</b>			
a. Current Liabilities	11	728945279	391937089
b. Provisions	12	57871767	4812472
		<b>786817046</b>	396749561
Net Current Assets		<b>1455234433</b>	1495359939
<b>Miscellaneous Expenditure</b> (To the extent not written off or adjusted)		<b>NIL</b>	NIL
		<b>4116464757</b>	4000344837

Notes forming part of Financial Statements

20

As per our report of even date

For and on behalf of the Board

For, **J. T. SHAH & COMPANY**  
CHARTERED ACCOUNTANTS**Vedprakash D. Chiripal** Chairman**J.T. SHAH**  
Partner**Brijmohan D. Chiripal** Managing DirectorPlace : Ahmedabad  
Date : 27/07/2010Place : Ahmedabad  
Date : 27/07/2010

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31ST MARCH, 2010**

	Schedule	2009-10 (Rs.)	2008-09 (Rs.)
<b>INCOME</b>			
Sales and Operating Income	13	<b>3758258314</b>	3179096142
Other Income	14	<b>2462002</b>	5643391
		<b>3760720316</b>	3184739533
<b>EXPENDITURE</b>			
Materials	15	<b>2589587411</b>	2064694086
Employment Cost	16	<b>130237739</b>	118348603
Manufacturing and Operating Expenses	17	<b>376781806</b>	324773342
Administrative and Selling Expenses	18	<b>84248458</b>	98111044
Interest and Finance Charges	19	<b>169098155</b>	256797675
Loss due to Fire		<b>1539778</b>	111615876
		<b>3351493347</b>	2974340626
<b>Profit before Depreciation and Tax</b>		<b>409226969</b>	210398907
Less : Depreciation	5	<b>226041472</b>	220785860
<b>Profit/(Loss) before Taxation &amp; Prior Period Items</b>		<b>183185497</b>	(10386953)
Less : Prior Period Items		<b>NIL</b>	3761387
<b>Profit/(Loss) before Taxation</b>		<b>183185497</b>	(14148340)
<b>Provision for Income Tax</b>			
- Current Tax (Including Wealth Tax and FBT)		<b>62630000</b>	2050000
- Deferred Tax Liability/(Asset)		<b>4358832</b>	(2176498)
- Short/(Excess) Provision Defferred Tax of earlier Years		<b>437649</b>	NIL
<b>Profit/(Loss) After Tax</b>		<b>115759016</b>	(14021842)
Add : Balance brought forward from previous year		<b>315982653</b>	330004495
<b>Balance Carried to Balance Sheet</b>		<b>431741669</b>	315982653
<b>Basic and Diluted Earning per Share</b>		<b>0.25</b>	(0.03)
Notes forming part of Financial Statements	20		
As per our report of even date			For and on behalf of the Board
For, <b>J. T. SHAH &amp; COMPANY</b> CHARTERED ACCOUNTANTS			<b>Vedprakash D. Chiripal</b> <i>Chairman</i>
<b>J.T. SHAH</b> <i>Partner</i>			<b>Brijmohan D. Chiripal</b> <i>Managing Director</i>
Place : Ahmedabad			Place : Ahmedabad
Date : 27/07/2010			Date : 27/07/2010

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH' 10.**

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
Authorised		
500000000 (Previous year 500000000) Equity Shares of Rs.1/- each (Previous Year Rs.1/- each)	500000000	500000000
Issued, Subscribed and Paid-up		
455490564 (Previous Year 455490564) Equity Shares of Rs.1/- each (Including 202830188 Shares issued as bonus by way of capitalisation of Reserves)	455490564	455490564
	<b>455490564</b>	455490564

**SCHEDULE - 2 : RESERVE AND SURPLUS**

General Reserve		
As per last Balance Sheet	30812971	26300000
Add: Effect of Exchange Rate Flucuation in respect of ealier years	NIL	4512971
	<b>30812971</b>	30812971
Share Premium Account		
As per last Balance Sheet	362833156	362833156
	<b>362833156</b>	362833156
Profit and Loss Account		
	431741669	315982653
	<b>825387796</b>	709628780

**SCHEDULE - 3 : SECURED LOANS**

Term Loans from Banks	1884809763	1702964877
Working Capital Loans from Banks	598181917	666649199
	<b>2482991680</b>	2369614076

**Note :**

- 1) Term Loans 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 some of the Directors
- 2) Working Capital loans 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 personal guarantee of some of the Directors
- 3) Amount repayable within one year as per reschedulement Rs. 2114.24 Lacs (Previous Year Rs.483.43 Lacs)

**SCHEDULE - 4 : UNSECURED LOANS**

From Banks	75789400	149998224
Buyers Credit Arrangement	97587350	161191708
From Corporate Bodies	20000000	NIL
	<b>193376750</b>	311189932

- 1) Amount repayable within one year Rs.757.89 Lacs (Previous Year Rs.750.00 Lacs)

**SCHEDULE - 5 : FIXED ASSETS**

Sr. No.	FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.09	Addition during the year	Deduction/Adj. during the year*	As at 31.03.10	As at 01.04.09	Addition during the year	Deduction during the year	As at 31.03.10	As at 31.03.10	As at 31.03.09
1	Land and Land Development	15555363	—	—	15555363	—	—	—	—	15555363	15555363
2	Building	561474591	46446930	—	607921521	39987992	19073513	—	59061505	548860016	521486599
3	Plant and Machinery	1927552205	167904281	47381271	2048075216	485191447	200869941	12335906	673725482	1374349734	1442360758
4	Furniture and Fixtures	10878612	103221	—	10981833	2997676	629570	—	3627246	7354587	7880936
5	Computers	22078451	852348	—	22930799	6574754	3614069	—	10188823	12741976	15503697
6	Office Equipments	4399343	280683	—	4680026	967950	244095	—	1212045	3467981	3431393
7	Vehicle	8058036	—	350000	7708036	906780	1610283	74699	2442364	5265672	7151256
	<b>Total (a)</b>	<b>2549996602</b>	<b>215587463</b>	<b>47731271</b>	<b>2717852794</b>	<b>536626599</b>	<b>226041472</b>	<b>12410605</b>	<b>750257466</b>	<b>1967595328</b>	<b>2013370003</b>
	Previous Year	2421251721	146783138	18038257	2549996602	316870325	220785860	1029586	536626599	2013370003	2104381396
	Capital Work in Progress (b)									659571356	458001255
	<b>Total (a) + (b)</b>									<b>2627166684</b>	<b>2471371258</b>

\*Note : Deduction/Adjustment includes a sum of Rs. 27013231/- received towards TUFF subsidy related to loss due to Exchange rate fluctuation, which was previously capitalised by the company.

<b>As at</b>	<b>As at</b>
<b>31.03.2010</b>	<b>31.03.2009</b>
<b>(Rs.)</b>	<b>(Rs.)</b>

**SCHEDULE - 6 : INVESTMENTS (AT COST)**
**LONG TERM - NON TRADE**
**Investment in Shares (Quoted)**
**In companies under the same Management**

NIL (Previous year 2064000) Equity Shares of Nova Petrochemicals Ltd.of Rs. 10/- each. [Includes NIL (Previous year 1032000) Equity Shares Pledged with State Bank of India in respect of loan taken by Nova Petrochemical Ltd] NIL 61920000

**In other companies**

(1) 1764000(Previous year NIL) Equity Shares of GSL Nova Petrochemicals Ltd. of Rs. 5/- each received upon Demerger of Nova Petrochemicals Ltd. 26460000 NIL

(2) 20000 (Previous year 20000) Equity Shares of UCO Bank Ltd.of Rs. 10/- each 293240 293240

<b>26753240</b>	<b>62213240</b>
<b>12259800</b>	<b>28689600</b>
<b>14493440</b>	<b>33523640</b>

Less : Provision for Diminution in Value of Investment

**Investment in Shares (Unquoted)**
**In companies under the same Management**

(1) 2364000 (Previous year NIL) Equity Shares of CIL Nova Petrochemicals Ltd.of Rs. 5/- each received upon Demerger of Nova Petrochemicals Ltd. 35460000 NIL

(2) 20250(Previous year 20250) Equity Shares of Chiripal Industries Ltd.of Rs. 10/- each. 90000 90000

<b>35550000</b>	<b>90000</b>
<b>16429800</b>	<b>NIL</b>
<b>19120200</b>	<b>90000</b>

Less : Provision for Diminution in Value of Investment

**Investment in Limited Liability Partnership (LLP)**

Fixed Capital In Nandan Chiripal Energy Corporation LLP 450000 NIL

**Total** **34063640 33613640**

Aggregate value of Quoted Investments **14493440 33523640**

Market value of Quoted Investments **14342360 27312000**

<b>Movement in Shares during the year</b>	<b>No.of Shares received upon Demerger</b>	<b>Value Rs.</b>	<b>No. of Shares sold during the year</b>	<b>Value Rs.</b>
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Equity Shares of GSL Nova Petrochemicals Ltd of Rs.5/- each fully paid.	300000	1500000	300000	1500000
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	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
<b>SCHEDULE - 7 : INVENTORIES</b>		
Finished Goods	50476482	119590884
Stock in Process	143303877	142374808
Raw Materials	466006836	188253509
Stores, Spares and Packing Materials	20486209	16895528
	<b>680273404</b>	<b>467114729</b>
<b>SCHEDULE - 8 : SUNDRY DEBTORS</b> (Unsecured, Considered good unless otherwise stated)		
<b>Considered Good</b>		
- Outstanding for period exceeding 6 months	37036428	54420088
- Others	1246420121	988618861
	<b>1283456549</b>	<b>1043038949</b>
<b>Considered Doubtful</b>		
Outstanding for period exceeding 6 months	9034792	1231007
Others	NIL	NIL
	<b>9034792</b>	<b>1231007</b>
	<b>1292491342</b>	<b>1044269956</b>
Less : Provision for Doubtful Debtors	9034792	1231007
	<b>1283456549</b>	<b>1043038949</b>
<b>SCHEDULE - 9 : CASH AND BANK BALANCES</b>		
Cash on Hand	1993260	2768186
Balance with Scheduled Banks		
In current accounts	14173866	4668182
In Fixed Deposit/Margin Money	32170062	18499100
	<b>48337188</b>	<b>25935468</b>
<b>SCHEDULE - 10 : LOANS AND ADVANCES</b> (Unsecured, Considered good unless otherwise stated)		
Deposits	6998222	6221826
Advance Recoverable in cash or in kind	222986116	349798528
	<b>229984338</b>	<b>356020354</b>
<b>SCHEDULE - 11 : CURRENT LIABILITIES</b>		
Sundry Creditors		
- MSME Units	8150621	9755526
- Others	520667915	377896720
Current Account with Limited Liability Partnership (LLP) in which company is a partner	184372658	NIL
Advance Received from Customers	12191232	NIL
Unclaimed Refund of IPO/Right Issue*	196952	196952
Unclaimed Dividend*	18470	18470
Statutory Liabilities	3347430	4069421
	<b>728945279</b>	<b>391937089</b>
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund.		
<b>SCHEDULE - 12 : PROVISIONS</b>		
Provision for Taxation	123316663	60686663
Less : Advance Income Tax and T.D.S.	(72331538)	(60942651)
	<b>50985125</b>	<b>(255988)</b>
Provision for Gratuity	6886642	5068460
	<b>57871767</b>	<b>4812472</b>

	2009-2010 (Rs.)	2008-2009 (Rs.)
<b>SCHEDULE - 13 : SALES AND OPERATING INCOME</b>		
Turnover	3699419871	3114849242
Job Work	11213714	6606454
Export Incentive	47624729	57640446
	<b>3758258314</b>	<b>3179096142</b>
<b>SCHEDULE - 14 : OTHER INCOME</b>		
Dividend	20000	20000
Interest Received (TDS Rs. 220373/- Previous Year Rs. 816175/-)	2420802	5500307
Miscellaneous Income	21200	123084
	<b>2462002</b>	<b>5643391</b>
<b>SCHEDULE - 15 : MATERIALS</b>		
Raw Material Consumed	1776575001	1404238122
Finished Goods Purchase	744827077	579039677
Variation in finished goods and stock in progress		
<b>Opening Stock</b>		
Stock in Progress	142374808	175724662
Finished Goods	119590884	167657317
	<b>261965692</b>	<b>343381979</b>
<b>Closing Stock</b>		
Stock in Progress	143303877	142374808
Finished Goods	50476482	119590884
	<b>193780359</b>	<b>261965692</b>
	<b>68185333</b>	<b>81416287</b>
	<b>2589587411</b>	<b>2064694086</b>
<b>SCHEDULE - 16 : EMPLOYMENT COST</b>		
Salary, Wages and Bonus	119648877	109110050
Contribution to PF & Other Funds	7875435	7136901
Gratuity	1978195	1589195
Staff & Labour Welfare	735232	512457
	<b>130237739</b>	<b>118348603</b>
<b>SCHEDULE - 17 : MANUFACTURING AND OPERATING EXPENSES</b>		
Labour /Jobwork and Process Charges	16855622	15525031
Carrige Inward	5877031	5681923
Stores and Spares	40578914	22123450
Power and Fuel	282981722	239191045
Packing Material	14202862	10995907
Inspection Charges	3056915	3365009
Net Foreign Exchange Rate Difference	13228740	27890977
	<b>376781806</b>	<b>324773342</b>

	2009-2010 (Rs.)	2008-2009 (Rs.)
<b>SCHEDULE - 18 : ADMINISTRATIVE AND SELLING EXPENSES</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
Rent, Rates and Taxes	2583470	1376210
Insurance Charges	4466413	4995180
Repairs and Maintenance		
- Plant and Machinery	2171195	801646
- Others	112800	908172
	<b>2283995</b>	1709818
Travelling, Conveyance and Vehicle Expenses	9915558	9696331
Professional Fees and Legal Charges	5377548	7745172
Remuneration to Auditors		
- for Audit fee	496350	330900
- for Tax Audit fee	55150	55150
- for Others	NIL	NIL
Communication Expenses	3676914	4467114
Miscellaneous Expenses	6231821	11766995
Preliminary Expenses written off	NIL	NIL
	<b>35087219</b>	42142870
<b>SELLING EXPENSES</b>		
Commission & Discount	13180486	17418934
Other Selling Expenses	3151914	5456347
Freight, Clearing and Forwarding	25025054	31861886
Provision for Doubtful Debt	7803785	1231007
	<b>49161239</b>	55968174
	<b>84248458</b>	98111044
<b>SCHEDULE - 19 : INTEREST AND FINANCE CHARGES</b>		
Interest and Other Charges paid to Bank	166341497	246922582
Interest paid to Others	2756658	9875093
	<b>169098155</b>	256797675



**SCHEDULE 20 : NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010****1. SIGNIFICANT ACCOUNTING POLICIES****i) Basis of Preparation of financial Statements**

The financial statements are prepared on accrual basis in accordance with the generally accepted accounting principles as adopted consistently by the company and according to the provisions of the Companies Act, 1956.

**ii) Fixed Assets**

Fixed Assets are stated at cost of acquisition less accumulated depreciation. All costs including financial costs till commencement of commercial production are capitalized. Net charges arising from exchange rate variation relating to liability incurred for the purpose of acquiring fixed assets are capitalized as part of cost of Fixed assets which were hereto charged to revenue. Cenvat credit and EPCG claims on capital goods are accounted for by reducing the cost of capital goods.

**iii) Depreciation**

Depreciation on fixed assets (excluding intangible assets) of the company is provided on straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except depreciation on incremental cost arising on account of translation of foreign currency liabilities incurred for the purpose of acquiring fixed assets, which is amortized over the residual life of the assets.

**iv) Investments**

Long Term Investments are stated at cost. Provision is only made to recognize a decline other than temporary, in the value of investments.

**v) Inventories**

(a) Inventories are valued at the Lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make sale. Cost in respect of raw material and trading goods are determined on FIFO basis. For better presentation, the company has changed the cost formula used for valuing cotton bales from specific costing to FIFO basis, having no impact on the profit for the year. Cost in respect of process and finished goods are computed on weighted average basis method. Finished goods and process stock includes cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.

(b) Waste is valued at estimated net realizable value.

**vi) Revenue Recognition**

(a) Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of the products are transferred to the customers net of rate difference and discount given.

(b) Dividend on Investment is recognised when the right to receive the payment is established.

(c) Exports entitlement under the Duty Entitlement Pass Book (DEPB) scheme are recognised in the Profit and Loss Account 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.

(d) Subsidy under Textiles Upgradation Fund Scheme (TUFS) is recognized when there is reasonable certainty regarding the realization of the same.

**vii) Borrowing costs**

Borrowing costs, which are attributable to acquisition or construction of qualifying assets, are capitalized as part of cost of such assets till such assets are ready for its intended use. A qualifying asset is one, which necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**viii) Employee benefits**

(i) The employee and Company make monthly fixed Contribution to Government of India Employee's Provident fund equal to a specified percentage of the covered employee's salary, Provision for the same is made in the year in which service are rendered by the employees.

(ii) The Liability for Gratuity to employee, which is a defined benefit plan, is determined on the basis of actuarial Valuation based on Projected Unit Credit method. Actuarial gain/Loss in respect of the same is charged to the profit and loss account.

**ix) Foreign Currency Transactions / Exchange Fluctuation**

(a) Monetary Transactions related to foreign currency are accounted for at the equivalent rupee converted at the rates prevailing at the time of respective transactions and outstanding in respect thereof are translated at period end rates. Exchange difference is charged to the revenue account except arising on account of conversion related to the purchase of fixed asset is adjusted therewith.

(b) Non-monetary foreign currency items are carried at cost.

**x) Provisions and Contingencies**

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources.

**xi) Impairment**

The management periodically assesses, using external and internal sources whether there is an indication that an asset may be impaired. If an asset is impaired, the company recognises an impairment loss as the excess of the carrying amount of the asset over the recoverable amount.

**xii) Government Grants & Other Claims**

Revenue grant including subsidy / rebates, claims etc., are deducted from the related expenses. Grants relating to fixed assets are adjusted in the cost of such assets as and when the ultimate realizability of such grant etc., are established / realized.

**xiii) Earning Per Share**

Basic earning per share is calculated by dividing net profit after tax for the year attributable to Equity Shareholders of the company by the weighted average number of Equity Shares issued during the year. Diluted earning per share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

**2. CONTINGENT LIABILITIES NOT PROVIDED FOR :**

	<b>2009-2010 Rs. (in Lacs)</b>	2008-2009 Rs. (in Lacs)
a) Income Tax demands disputed in appeal by the Company/ Income Tax Authorities [Against which the Company has paid amount of Rs. Nil (Previous Year Nil)]	<b>25.52</b>	12.37
b) Excise Demand disputed in appeal by the company /Excise Department	<b>26.00</b>	0.24
c) ESI demands disputed in appeal by the Company [Against which the Company has paid amount of Rs.7.82 Lacs (Previous Year Nil)] which is shown under the head advances.	<b>18.33</b>	Nil
d) Estimated Amount of Contracts remain to be Executed on Capital Account. Advance paid against such Contract is Rs.236.60 Lacs (Previous year Rs.815.18 Lacs) which is shown under the head advances.	<b>490.69</b>	1947.25
e) Show cause notice for Excise Duty received against which reply has been made	<b>Nil</b>	252.97
f) Nil Shares(Previous Year 1032000 Shares) of Nova Pertochemicals Ltd. Pledged with State Bank of India in respect of Loan taken by Nova Pertochemicals Ltd. (at Market Value).	<b>Nil</b>	134.16
g) A letter has been received by the company from service tax Department seeking Clarification on selling Commission.	<b>Amount not Quantifiable</b>	Amount not Quantifiable

3. The company has imported certain capital equipments at concessional rate of custom duty under "Export Promotion of Capital Goods Scheme". The company has pending export obligation to the extent of Rs.3826.71 Lacs (Previous year Rs. 9769.88 Lacs) to be fulfilled during the specified period. The liability towards custom duty payable thereon in respect of unfulfilled export obligation as on 31st March, 2010 is Rs.481.14 Lacs (Previous Year Rs.1,221.24 Lacs)

4. In accordance with Companies (Accounting Standards) Amendment Rules, 2009 the company has exercised the option of adjusting exchange difference arising on reporting of long term foreign currency monetary item related to acquisition of depreciable capital assets in the cost of the assets to be depreciated over the balance life of the assets.

Exchange difference relating to long-term monetary item, in so far related to acquisition of depreciable capital asset, adjusted to the Fixed Assets and amount of Rs.425.38 Lacs (P.Y.Rs.1239.67 Lacs) arising during the current year are adjusted to the cost of the fixed assets and depreciated over the balance life of the fixed assets.

5. Net Foreign Exchange Loss of Rs.17,215,185/- (Previous Year Loss of Rs. 25,146,926/-) in respect of Exports included in Manufacturing and Operating Expense.Net Foreign exchange Gain amounting to Rs.3,986,445/- (Previous Year loss of Rs. 2,744,051/-) in respect of various other items is included in Manufacturing and Operating Expense.

6. In the opinion of the Board of Directors, Current Assets, Loans and Advances have a value on realization at least equal to the amount at which they are stated in Balance sheet. Adequate provisions have been made for all known liabilities except stated otherwise.

7. Balances of some of the Debtors, Creditors, Loans and Advances etc. are subject to confirmation and reconciliation.

8. **Interest expense includes :-** (Rs. in lacs)

	2009-10	2008-09
Term Loan Interest (Net of TUFF subsidy)	<b>863.65</b>	1109.32
Other Interest	<b>827.33</b>	1458.66

9. Borrowing costs attributable to the acquisition or construction of Qualifying Assets amounting to Rs.31,630,142/- (Previous Year Rs.-Nil) is capitalized by the company net of TUFFS interest subsidy Rs.10,697,477/- (Previous Year Rs.-Nil).

10. During the year, the company has impaired the assets to the tune of Rs.-Nil (Previous year Rs.-Nil).

11. Maximum amount of debit balance at any time during the period in current account with Naroda Nagrik Sahakari bank Ltd, a non scheduled bank is Rs.-Nil. (Previous Year Rs.3,650/-).

12. Interest and Finance Charges are net of interest subsidy received/receivable under TUFFS scheme amounting to Rs.82,022,596/- (Previous year Rs.77,369,161/-) and Subvention received/receivable on Export Packing Credit amounting to Rs.3,835,084/- (Previous Year Rs.658,385/-).

13. Profit for the year has been arrived at after adjusting following prior period items:- (in Rs.)

EXPENSE HEAD	2009-2010	2008-2009
Raw Material Consumed	<b>Nil</b>	948,577
Employment Cost	<b>Nil</b>	3,421,926
Manufacturing & Operating Expense	<b>Nil</b>	1,221,966
Administrative & Selling Expense	<b>Nil</b>	(5,976,398)
Interest & Financial Charges	<b>Nil</b>	4,145,316
<b>Total Amount (Rs.)</b>	<b>Nil</b>	3,761,387

14. (a) To the extent of available information, at the year end the list of MSME Units to whom the amount outstanding due for more than 30 days is as follows:

Aakar Trading Co., Active Engineering Co., Ahmedabad Textile Industries Research, Allwin Industries, Apparel & Leather Technics Pvt. Ltd., Archana Engineering Works, Asian Electronics Ltd., Atlas Copco(India) Ltd., Bhaskar Industries Ltd., Blue Star Engineering, Chamunda Fabrication, China National Automotive Industries, Chirag Electricals, Daga Finmark India Limited, Devikrupa Welding Works, Dharmashil Agencies, Dynamic Innovations Pvt Ltd., G.G.Electricals, Gemini Ploy Plast Industries, Ginni Filaments Limited, HCL Info Systems Ltd., Ingersoll Rand India Limited, Jai Speciality Starch, Jaytex Corporation, K.B.Corporation, Kailas Industries, Kusters Calico Machinery Ltd., M.N. Industries, Mahavir Reed Repairing Works, Maloo Building Materials Pvt.Ltd, Monshed Tarpaulins, Nahar Industrial Enterprises Ltd., Nahar International ltd., Neelam Fibers, New Aarkay Industries, Nilkamal Crates & Bins Pvt. Ltd., Patel Engineers, Shanghai Cando M/C & Equipment Co., Shree Sai Engineers, Swati Sweach Gears (I) Pvt.Ltd., Umiya Enterprise, Welltronix

(b) No interest was paid/payable to micro or small enterprise during the year.

(c) The above information has been determined to the extent such parties could be identified on the basis of the information available regarding the status of supplier under the MSME.

15. Capital work in Progress includes expenditure during construction period as under: (Rs. In Lacs)

Particulars	31.03.2010	31.03.2009
Pre Operative Expenses	<b>69.67</b>	27.75
Finance Charge	<b>106.45</b>	Nil
Professional Fees	<b>Nil</b>	16.88

16. The company has paid remuneration to its directors during the period as follows: (in Rs.)

Sr. No.	Name	Nature of Payment	31.03.2010	31.03.2009
1	Shri Brijmohan D. Chiripal	Salary	<b>4,800,000</b>	3,900,000
		Contribution to Provident Fund	<b>576,000</b>	468,000
	<b>Total</b>		<b>5,376,000</b>	4,368,000

17. Related Party Disclosures:

A) Key Management Personnel:

Sr. No.	Name	Designation
1	Shri Vedprakash D. Chiripal	Chairman
2	Shri Brijmohan D. Chiripal	Managing Director
3	Shri Deepak J. Chiripal	CEO

B) List of Relatives with whom transactions have taken place during the period:

Sr. No.	Name
1	Ms. Vanita V. Agrawal

C) List of Other Related Parties with whom transactions have taken place during the period:

Sr. No.	Name	Sr. No.	Name
1	Nova Petrochemicals Limited	6	Quality Exim Pvt. Ltd.
2	Shanti Exports Pvt. Ltd.	7	Chiripal Charitable Trust
3	Chiripal Industries Ltd.	8	Chiripal Life Style Ltd.
4	Chiripal Enterprise Pvt. Ltd	9	Vishal Fabrics Pvt Ltd.
5	Hexa International Ltd	10	Nandan Chiripal Energy Corporation LLP

D) Details of Transactions with Key Management Personnel and Related Parties of the Key Management Personnel are as follows: (Rs. in Lacs)

Sr. No.	Nature of Transaction	Key Management Personnel		Relatives		Other Related Parties		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
1	<b>Unsecured Loans – Taken</b>								
	Taken during the period	Nil	Nil	Nil	Nil	200.00	Nil	200.00	Nil
	Repaid during the period	Nil	Nil	Nil	Nil	200.00	169.50	200.00	169.50
	Balance as at Balance Sheet Date	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	<b>Advances Recoverable in Cash or Kind</b>								
	Given during the period	Nil	Nil	Nil	Nil	3259.45	1308.57	3259.45	1308.57
	Settled during the period	Nil	Nil	Nil	Nil	3961.52	2086.71	3961.52	2086.71
3	<b>Expenditure</b>								
	Purchase of Goods	Nil	Nil	Nil	Nil	2474.19	3855.38	2474.19	3855.38
	Rent	Nil	Nil	Nil	Nil	5.05	5.05	5.05	5.05
	Donation	Nil	Nil	Nil	Nil	Nil	73.00	Nil	73.00
	Job Work Charges	Nil	Nil	Nil	Nil	1300.30	611.39	1300.30	611.39
4	<b>Income Received</b>								
	Sales	Nil	Nil	Nil	Nil	308.71	292.28	308.71	292.28
	Sale of DEPB	Nil	Nil	Nil	Nil	67.63	13.49	67.63	13.49
	Job work	Nil	Nil	Nil	Nil	0.56	Nil	0.56	Nil
5	<b>Amount Paid on Our Behalf</b>	Nil	Nil	Nil	Nil	Nil	5.09	Nil	5.09
6	<b>Contribution made to Partnership Firm</b>								
	Fixed Capital	Nil	Nil	Nil	Nil	4.50	Nil	4.50	Nil
	Current Account(Credit balance)	Nil	Nil	Nil	Nil	1843.73	Nil	1843.73	Nil
7	Remuneration paid	87.36	68.88	6.05	5.26	Nil	Nil	93.41	74.14

Note: List of transaction, out of the transactions reported in the above table, where the transactions entered in to with single party exceed the 10% of the total related Party transactions of similar nature are as under:

	(Rs. in Lacs)	
	2009-10	2008-09
<b>1. Unsecured Loan:</b>		
<b>Taken:</b>		
- Chiripal Industries Ltd.	200.00	—
<b>Repaid:</b>		
- Chiripal Industries Ltd.	200.00	—
- Shanti Export Pvt. Ltd.	—	169.50
<b>2. Advance Recoverable in cash or Kind:</b>		
<b>Advance Given:</b>		
- Chiripal Industries Ltd.	3121.51	939.08
- Quality Exim Pvt. Ltd.	—	369.49
<b>Advance Settled:</b>		
- Chiripal Industries Ltd.	3795.26	1678.03
- Quality Exim Pvt. Ltd.	—	369.49
<b>3. Expenditure:</b>		
<b>Purchase of Goods:</b>		
- Chiripal Industries Ltd	1382.69	1413.13
- Vishal Fabrics Pvt. Ltd.	1090.78	2197.85
<b>Rent:</b>		
- Shanti Export Pvt. Ltd.	2.65	2.65
- Chiripal Enterprise Pvt. Ltd	2.40	2.40
<b>Donation:</b>		
- Chiripal Charitable Trust	—	73.00
<b>Job Work Charges:</b>		
- Chiripal Industries Ltd	1300.30	611.39
<b>4. Income Received:</b>		
<b>Sales:</b>		
- Chiripal Industries Ltd	270.44	198.82
- Vishal Fabrics Pvt Ltd	—	33.98
- Shanti Export Pvt. Ltd	—	37.89
- Chiripal life Style Ltd.	38.27	—
<b>DEPB Sale:</b>		
- Chiripal Industries Ltd	67.63	13.49
<b>Job Work Income:</b>		
- Chiripal life Style Ltd.	0.56	—
<b>Contibution made to Partnership Firm</b>		
- Nandan Chiripal Energy Corporation LLP		
Fixed Capital	4.50	—
Current Account (Credit Balance)	1843.73	—
<b>Remuneration Paid:</b>		
- Shri Brijmohan D. Chiripal	53.76	43.68
- Shri Deepak J. Chiripal	33.60	25.20

18. The Company is considered to be engaged in Textile Industry with all activity revolving around this business and accordingly has only one reportable business segment. The company has identified geographical segment as its secondary business segment, the details are as follows:

**Secondary Segment Information for the period ended 31st March, 2010** (Rs. in Lacs)

	India		Rest of World		Total	
	31.03.10	31.03.09	31.03.10	31.03.09	31.03.10	31.03.09
1 Segment Revenues	31300.58	25344.97	6282.00	6445.99	37582.58	31790.96
2 Segment Assets	47631.13	42925.46	1401.69	1045.48	49032.82	43970.94
3 Capital Expenditure during the period	2155.87	1467.83	—	—	2155.87	1467.83

19. Application of funds raised through Right issue (Rs.in Lacs)

Particulars	31.03.2010	31.03.2009
Opening Balance	273.78	273.78
Funds raised during the year	Nil	Nil
<b>Funds utilized</b>		
For on going capital expenditure (Including amount paid as Margin Money)	273.78	Nil
Public Issue Expenses (Including expenses incurred during previous year)	Nil	Nil
For General Corporate Purpose	Nil	Nil
Closing Balance	Nil	273.78

20. Information required in respect of Employee Benefits as required by Revised AS – 15 “Accounting for Employee Benefit” as issued by the Institute of Chartered Accountants of India.

**a) Amount of Defined Benefit Obligation in respect of Gratuity liability is recognized in the Balance Sheet as follows:** (In Rs.)

Particulars	31.03.2010	31.03.2009
Present value of funded obligations	Nil	Nil
Fair value of plan assets	Nil	Nil
Present value of unfunded obligations	6,886,642	5,068,460
Unrecognized past service cost	Nil	Nil
Net liability	6,886,642	5,068,460
Amounts in the balance sheet:		
Liabilities	6,886,642	5,068,460
Assets	Nil	Nil
Net liability	6,886,642	5,068,460

**b) Amount of defined benefit obligation in respect of Gratuity liability is recognized in the profit and Loss account as follows:** (In Rs.)

Particulars	31.03.2010	31.03.2009
Current service cost	2,176,786	1,446,288
Interest on obligation 5068460*8.25%	418,148	280,540
Expected return on plan assets	—	—
Net actuarial losses / (gains) recognized in year 2009-2010	(616,739)	(137,633)
Past service cost	—	Nil
Losses / (Gains) on curtailments and settlement	—	Nil
Total included in ‘Employee Benefit Expense’	1,978,195	1,589,195

c) **Details of changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof in respect of Gratuity are as follows:** (In Rs.)

Particulars	31.03.2010	31.03.2009
Opening Defined Benefit Obligation on 1-4-2009	5,068,460	3,506,755
Service cost	2,176,786	1,446,288
Interest cost 5068460*8.25%	418,148	280,540
Actuarial losses (gains)	(616,739)	(137,633)
Losses (gains) on curtailments	—	Nil
Liabilities extinguished on settlements	—	Nil
Liabilities assumed in an amalgamation in the nature of Purchase	—	Nil
Exchange differences on foreign plans	—	Nil
Benefits paid	(160,013)	(27,490)
Closing defined benefit obligation 31-3-2010	6,886,642	5,068,460

d) **Details of changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof in respect of gratuity are as follows:**

Particulars	31.03.2010	31.03.2009
Opening fair value of plan assets as on 1st April, 2009	—	—
Expected return 0*0%	—	—
Actuarial gains and (losses)	—	—
Assets distributed on settlements	—	—
Contributions by employer	—	—
Assets acquired in an amalgamation in the nature of purchase	—	—
Exchange differences on foreign plans	—	—
Benefits paid	—	—
Closing fair value of plan assets as on 31-March-2010	—	—

e) **Details of the major categories of plan assets as a percentage of total plan assets in respect of Gratuity are as follows:**

Particulars	31.03.2010	31.03.2009
Government of India Securities	0%	—
High quality corporate bonds	0%	—
Equity shares of listed companies	0%	—
Property	0%	—
Policy of insurance	0%	—
Bank Balance	0%	—

f) **Details of Principal actuarial assumptions at the balance sheet date in respect of Gratuity (expressed as weighted averages):**

Particulars	31.03.2010	31.03.2009
Discount rate as on 31-03-2010	8.25%	8.00%
Expected return on plan assets at 31-03-2010	0.00%	0.00%
Proportion of employees opting for early retirement	—	—
Annual increase in Salary costs	6.00%	6.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

g) Details of Defined benefit pension plans for the current and previous periods are as follows: (in Rs.)

Particulars	31.03.2010	31.03.2009
Defined Benefit Obligation	6,886,642	5,068,460
Plan assets	—	—
Surplus / (deficit)	(6,886,642)	(5,068,460)
Experience adjustments on plan liabilities	(429,493)	Nil
Experience adjustments on plan assets	—	Nil

21. Earning per Share

Particular	Unit	31.03.2010	31.03.2009
Numerator used for calculating Basic and Diluted Earning per Share (Profit after Tax)	Rs.	115759016	(14021842)
Weighted average No. of shares used as denominator for calculating Basic and Diluted	No. of Shares	455490564	455490564
Nominal Value of Share	Rs.	1	1
<b>Basic and Diluted Earning per Share</b>	Rs.	<b>0.25</b>	<b>(0.03)</b>

22. Information relating to Deferred Tax (Rs. In Lacs)

Particulars	31.03.2010	31.03.2009
<b>Deferred Tax Assets arising out of timing difference relating to:</b>		
- Disallowance under Income Tax Act, 1961 [Amount allowable under provisions of the Income Tax Act, 1961 in subsequent years]	54.20	41.70
<b>Total Deferred Tax Assets</b>	<b>54.20</b>	<b>41.70</b>
<b>Deferred Tax Liability arising out of timing difference relating to:</b>		
- Difference of Depreciation as per Tax provisions and Company Law	1646.38	1585.91
<b>Total Deferred Tax Liability</b>	<b>1646.38</b>	<b>1585.91</b>
<b>Net Deferred Tax Liability</b>	<b>1592.18</b>	<b>1544.21</b>

23. Particulars of Limited Liability Partnership Firm namely Nandan Chiripal Energy Corporation LLP in which Company is a Partner.

Sr. No.	Name of the Partner	Share in Profit/LossRs.		Closing BalanceRs.	
		2009-10	2008-09	2009-10	2008-09
1.	Nandan Exim Limited	45%	Nil	450,000	Nil
2.	Chiripal Industries Limited	55%	Nil	550,000	Nil
	Total.....	100.00%	Nil	1,000,000	Nil

24. The figures of the previous year have been regrouped and rearranged wherever considered necessary.

25. Additional information pursuant to the provisions of paragraph 3 and 4 of part-II and part-IV of Schedule VI of the Companies Act, 1956 for the period ended on 31st March, 2010.

(a) Licensed & Installed capacity

Particulars	Unit of Measurement	Licensed capacity	Installed capacity In mtr. (Annualized)	
			31.03.2010	31.03.2009
Denim and Grey Fabrics	Mtr.	N.A.	42000000	42000000
Spinning	Kg.	N.A.	14400000	14400000
Garment	Pcs.	N.A.	540000	540000



**(b) Opening Stock & Closing Stock of Finished Goods:**

Particulars	Unit	Opening Stock				Closing Stock			
		Quantity		Value Rs.		Quantity		Value Rs.	
		31.03.10	31.03.09	31.03.10	31.03.09	31.03.10	31.03.09	31.03.10	31.03.09
Grey & Dyed Fabrics	Mtrs.	170018	328423	7800715	13891996	54343	170018	2737083	7800715
Denim	Mtrs.	703738	996958	45957056	65060212	519864	703738	37362206	45957056
Fabrics	Mtrs.	1517702	3166635	48862061	83017170	Nil	1517702	Nil	48862061
Garment	Nos	43631	15557	5841810	1899905	34618	43631	4846520	5841810
Knitted Fabrics	Kgs.	Nil	659	Nil	115885	Nil	Nil	Nil	Nil
Printed Fabrics	Mtrs.	326854	125033	8981689	3253188	212652	326854	5486330	8981689
Others		—	—	2147553	418961	—	—	44343	2147553
		—	—	119590884	167657317	—	—	50476482	119590884

**(c) Production meant for Sale:**

Particulars	Units	Actual production	
		31.03.2010	31.03.2009
Grey & Dyed Fabrics	Mtrs.	2385032	4703704
Denim	Mtrs.	32823902*	27487381*
Garment	Nos.	226350	224699

\*- Production includes 236688 Mtrs (Previous Year 232452 Mtrs) of goods issued in producing the Garments and 472395 Mtrs (Previous Year Nil Mtrs) produced on job basis for others.

Note : Production of Yarn in spinning units is done only for captive consumption.

**(d) Purchase of Finished Goods:**

Particulars	Unit	Quantity		Amount Rs.	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
Fabrics	Mtr.	14004558	6937368	459375896	219585810
Knitted Fabrics	Kg.	187285	92470	25634117	9574190
Printed Fabrics	Mtr	9083484	12235559	236012999	328856460
Others		—	—	23804065	21023217
<b>Total . . .</b>		—	—	<b>744827077</b>	579039677

**(e) Turnover**

Particulars	Unit	Quantity		Amount Rs.	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
Grey & Dyed Fabrics	Mtrs.	2500707	4862109	145114995	263485053
Denim	Mtrs.	32298693	27548149	2658538495	2160752755
Fabrics	Mtrs.	15522260	8586301	508594352	254050461
Knitted Fabrics	Kgs.	187285	93129	25641088	9694176
Garment	Nos.	235363	196625	45582328	37739822
Printed Fabrics	Mtrs.	9197686	12033738	247994912	348636569
Others		—	—	67953702	40490406
<b>Total . . .</b>		—	—	<b>3699419871</b>	3114849242

**(f) Raw material consumed**

Particulars	Unit	Quantity		Amount Rs.	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
Yarn	Kgs.	7245766	5014410	717054740	419198518
Cotton	Kgs.	14525387	14604279	781135890	828464824
Other raw materials		—	—	278384371*	156574780
<b>Total . . .</b>		—	—	<b>1776575001</b>	1404238122

\* Individual Items does not exceed 10 % each.

**(g) Value of Imported & Indigenous Raw Materials, Stores, Components & Spares parts consumed**

	Raw Materials				Components & Spare Parts			
	%		Value (Rs.)		%		Value (Rs.)	
	31.03.10	31.03.09	31.03.10	31.03.09	31.03.10	31.03.09	31.03.10	31.03.09
i. Imported	3.34	3.90	59262256	54825318	5.07	Nil	2059195	Nil
ii. Indigenous	96.66	96.10	1717312745	1349412804	94.93	100	38519719	22123450
<b>Total . . .</b>	<b>100</b>	<b>100</b>	<b>1776575001</b>	<b>1404238122</b>	<b>100</b>	<b>100</b>	<b>40578914</b>	<b>22123450</b>

**(h) C.I.F. Value of Imports:**

Particulars	Amount Rs.	
	31.03.2010	31.03.2009
Raw Materials	59262256	54825318
Trading Goods	22712395	Nil
Stores & Spares	2059195	Nil
Capital Goods	12648439	135679285

**(i) Expenditure In Foreign Currency**

Particulars	Amount Rs.	
	31.03.2010	31.03.2009
i. Traveling Expenses	2398584	2125858
ii. Foreign Bank Charges	2923310	2613036
iii. Commission paid	2476288	15601907
iv. Interest on Buyer's Credit	Nil	21642268

**(j) Earning In Foreign Currencies**

Particulars	Amount Rs.	
	31.03.2010	31.03.2009
FOB Value of Export Goods	621109615	597767545

Signature to Schedules "1" to "20"

As per our report of even date

For, **J. T. SHAH & COMPANY**  
CHARTERED ACCOUNTANTS

**J.T. SHAH**  
Partner

Place : Ahmedabad  
Date : 27/07/2010

For and on behalf of the Board

**Vedprakash D. Chiripal** Chairman

**Brijmohan D. Chiripal** Managing Director

Place : Ahmedabad  
Date : 27/07/2010

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
**I. Registration Details**

State Code	04	Registration No.	22719
Balance Sheet Date	31st March, 2010	CIN	L51909GJ1994PLC022719

**II. Capital raised during the year (Amount in Rs.)**

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement (Including Premium)	NIL

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs.)**

Total Liabilities	Rs.4,11,64,64,757/-	Total Assets	Rs.4,11,64,64,757/-
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**SOURCES OF FUNDS**

Paid up Capital	Rs.45,54,90,564/-	Reserves & Surplus	Rs.82,53,87,796/-
Secured Loans	Rs.2,48,29,91,680/-	Unsecured Loans	Rs.19,33,76,750/-
Deferred Tax Liability	Rs.15,92,17,967/-		

**APPLICATION OF FUNDS**

Net Fixed Assets	Rs.2,62,71,66,684/-	Investments	Rs.3,40,63,640/-
Net Current Assets	Rs.1,45,52,34,433/-	Miscellaneous Expenditures	Rs.Nil
Accumulated Losses	Rs. NIL		

**IV. Performance of the Company (Amount in Rs.)**

Turnover	Rs.3,75,82,58,314/-	Total Expenditure	Rs.3,57,75,34,819/-
Profit(+) / Loss(-) before Tax	Rs. 18,31,85,497/-	Profit(+)/Loss(-) after Tax	Rs. 11,57,59,016/-
Earning per Share (in Rs.)	Rs. 0.25		

**V. Generic Names of Three Principal Products / Services of the Company (as per Monetary Terms)**

Item Code No.	521142.00
Product Description	Denim
Item Code No.	520942.00
Product Description	Cotton Grey Fabric / Blended Fabrics
Item Code No.	2351
Product Description	Cotton Yarn
Item Code No.	2352
Product Description	Denim Fabrics
Item Code No.	2650
	Ready Made Garments

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 For and on behalf of the Board

**Vedprakash D. Chiripal** *Chairman*
**Brijmohan D. Chiripal** *Managing Director*

 Place : Ahmedabad  
 Date : 27/07/2010

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	2009-2010 (Rs.)	2008-2009 (Rs.)
<b>A. Cash flow from Operating Activities</b>		
Net Profit After Tax	115,759,016	(14,021,842)
Adjustment for :		
Depreciation	226,041,472	220,785,860
Interest and Finance Charges	169,098,155	256,797,675
Loss on Sale of Asset	1,837,357	70,817
Provision for taxation	67,426,481	(126,498)
Provision for Doubtful Debt	7,803,785	1,231,007
Loss due to Fire	Nil	6,625,485
Interest Received	(2,420,802)	(5,500,307)
Dividend Received	(20,000)	(20,000)
	469,766,448	479,864,038
Operating Profit Before Working Capital Changes	585,525,464	465,842,196
Adjustment for :		
Sundry Debtors	(248,221,385)	(299,567,376)
Inventories	(213,158,675)	163,080,614
Loans and Advances	102,678,312	44,314,593
Current Liabilities	105,882,301	134,183,309
	(252,819,446)	42,011,140
<b>Cash Generation from Operations</b>	332,706,018	507,853,336
Income Tax Paid	(11,388,887)	(14,053,539)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	321,317,130	493,799,797
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets (Incl. WIP) (Net of Subsidy)	(314,293,247)	(409,904,023)
Capital Contribution to LLP	(450,000)	Nil
Current account with LLP	184,372,658	
Sale of Fixed Assets	6,470,078	10,312,369
Sale of Investments	Nil	Nil
Proceeds from/ (Investment in) Long Term Fixed Deposits(Net)	(31,315,228)	Nil
Interest Received	2,420,802	5,500,307
Dividend received	20,000	20,000
<b>NET CASH USED IN INVESTMENT ACTIVITIES</b>	(152,774,937)	(394,071,347)
<b>C. Cash flow from Financing Activities</b>		
Increase in Secured Loan Borrowing	104,768,240	376,754,368
Repayment of Secured Loan Borrowing	(48,343,000)	(230,574,689)
Increase in Unsecured Loan Borrowing	20,661,113	231,214,707
Repayment of Unsecured Loan Borrowing	(81,521,931)	(401,984,145)
Interest paid	(173,020,123)	(259,836,127)
Dividend and tax on dividend paid	Nil	(27,435)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	(177,455,700)	(284,453,320)
Net Increase / (Decrease) in Cash and Cash Equivalents	(8,913,508)	(184,724,870)
Opening Balance of Cash and Bank	25,935,468	210,660,338
Closing Balance of Cash and Bank	17,021,960	25,935,468
Supplementary Information		
Cash and Bank Balance as per Balance sheet	48,337,188	25,935,468
Less: Investment in Long term Deposits with scheduled Banks	31,315,228	Nil
Balance considered for Cash Flow statement	17,021,960	25,935,468

**Notes:**

- => The above Cash Flow Statement has been prepared under the Indirect Method set out in Accounting Standard 3 issued by the Institute of Chartered Accountants of India.
- => Cash and Cash equivalents at the end includes Rs.854834/- (Previous Year Rs.18499100/-) in respect of Fixed Deposit pledged with the Banks which are not available for use by the company.
- => Cash and Cash equivalents at the end includes Rs.215423/- (Previous Year Rs.215423/-) in respect of Unclaimed Dividend and Share Application Money which are not available for use by the company.

As per our report of even date

For and on behalf of the Board

For, **J. T. SHAH & COMPANY**  
CHARTERED ACCOUNTANTS**Vedprakash D. Chiripal** Chairman**J.T. SHAH**  
Partner**Brijmohan D. Chiripal** Managing DirectorPlace : Ahmedabad  
Date : 27/07/2010Place : Ahmedabad  
Date : 27/07/2010

**NANDAN EXIM LIMITED**

Regd Office:Survey No.198/1, 203/2, Saijpur-Gopalpur, Pirana Road, Piplej, Ahmedabad - 382 405

**ATTENDANCE SLIP**

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id\* : \_\_\_\_\_ Master Folio No. : \_\_\_\_\_

ClientId\* : \_\_\_\_\_

Name and Address of the Shareholder : \_\_\_\_\_

No. of Shares (s) held : \_\_\_\_\_

I/We hereby record my/our presence at the **16th ANNUAL GENERAL MEETING** of the Company to be held on Friday, 17th September, 2010 at 3.30 P.M. at Survey No. 198/1, 203/2, Saijpur-Gopalpur, Pirana Road, Piplej, Ahmedabad - 382 405

\_\_\_\_\_  
Signature of the shareholder or proxy

Applicable for investors holding shares in electronic form.

**NANDAN EXIM LIMITED**

Regd Office:Survey No.198/1, 203/2, Saijpur-Gopalpur, Pirana Road, Piplej, Ahmedabad - 382 405

**PROXY FORM**

I/We, \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ being a member/members of Nandan Exim Limited hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_ or  
falling him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to  
vote for me/us and on my/our behalf at the **16th ANNUAL GENERAL MEETING** of the Company to be held on Friday, 17th September, 2010 at 3.30 P.M. or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

- Applicable for investors holding shares in electronic form.

Affix Revenue Stamp
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**NOTE :**

- (1) The proxy in or to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
- (2) Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.

**BOOK-POST**

To,

*If undelivered, please return to :*



**NANDAN EXIM LIMITED**

**CORPORATE OFFICE :** "Chiripal House",  
Shivranjani Cross Roads, Satellite Road, Ahmedabad - 380015.  
Tel : 91-079-26734660-2-3 Fax : 91-079-26768656

Ganapati, (079) 26568111