

NANDAN EXIM LIMITED

young yet experienced

18th Annual Report **2011-2012**



Company Information

BOARD OF DIRECTORS

Shri Vedprakash D. Chiripal	<i>Chairman</i>
Shri Brijmohan D. Chiripal	<i>Managing Director</i>
Shri Gautam C. Gandhi	<i>Director</i>
Shri Ambalal C. Patel	<i>Director</i>
Shri Deepak J. Chiripal	<i>CEO</i>
Ms. Purvee D. Roy	<i>Company Secretary</i>

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
Central Bank of India
The Saraswat Co-Operative Bank Ltd.

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	<i>Chairman</i>
Shri Vedprakash D. Chiripal	<i>Member</i>
Shri Gautam C. Gandhi	<i>Member</i>

REMUNERATION COMMITTEE

Shri Ambalal C. Patel	<i>Chairman</i>
Shri Vedprakash D. Chiripal	<i>Member</i>

SHAREHOLDERS GRIEVANCE COMMITTEE

Shri Gautam C. Gandhi	<i>Chairman</i>
Shri Vedprakash D. Chiripal	<i>Member</i>
Shri Ambalal C. Patel	<i>Member</i>

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.: 022-66712001-06
Fax No.: 022-66712011
Email : investorqry@dfssl.com

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NOTICE

Notice is hereby given that the **18th Annual General Meeting** of the Members of the Company will be held on **Wednesday, September 26, 2012** at 3.00 P.M. at the Registered Office of the Company situated 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, 2012 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri.Ambalal C. Patel, who retires by rotation and being eligible offers himself for reappointment.
4. 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 authorize the Board to fix their remuneration.

By order of the Board of Directors

Date : 13/08/2012
Place : Ahmedabad

Vedprakash D. Chiripal
Chairman

NOTES:

1. (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
(b) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
2. The Statutory Registers are open for inspection at the registered office of the company on all working days except Sunday(s) and public holidays, between 11.00 a.m. to 1.00 p.m. upto the date of the meeting.
3. (a) The Company has notified closure of Register of Members and Share Transfer Books from Saturday, September 22, 2012 to Wednesday, September 26, 2012 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
(b) The date of payment of dividend shall be October 3, 2012 and the dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between September 27, 2012 and October 3, 2012 to those members whose names shall appear on the Company's Register of Members as on September 21, 2012; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
4. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
5. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company / Registrar and Transfer Agents, M/s. Datamatics Financial Services Limited, Mumbai.
6. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company will transfer the unpaid or unclaimed dividends for the financial years which are due for transfer to the Investor Education and Protection Fund (the IEPF) within the limit and time framed by the Central Government and the amendments announced thereafter from time to time.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agents, Datamatics Financial Services Limited, Mumbai.

8. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.chiripalgroup.com under the section 'Investor Relations'.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Datamatics Financial Services Limited for consolidation into a single folio.
10. Non-Resident Indian Members are requested to inform Datamatics Financial Services Limited immediately of:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
11. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
12. A brief resume of the Director to be re-appointed, nature of his expertise in functional areas, names of companies in which he holds directorship and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
13. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of the Annual Report while attending the Annual General Meeting. And further the copy of the Annual Report to the shareholders whose email id is available through their respective depositories will be sent on their registered email id's as a green initiative in corporate governance.

By order of the Board of Directors

Date : 13/08/2012
Place : Ahmedabad

Vedprakash D. Chiripal
Chairman

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the following information is furnished about the Directors proposed to be appointed / re-appointed vide Item No. 3 of the Notice dated August 13, 2012 convening the 18th Annual General Meeting of Nandan Exim Limited:

Name of Director	Brief Resume and Nature of Expertise in Functional Area	List of Directorship / Committee Memberships in other Public Companies as on March 31, 2012
Shri.Ambalal C. Patel	He is an engineering graduate and has obtained his Bachelor of Engineering (Metallurgy) degree from the Indian Institute of Science, Bangalore. He has vast experience in project evaluation and project finance. He has worked in Gujarat Industrial and Investment Corporation (GIIC) as a Technical Advisor and later as a Deputy General Manager. He has vast experience in advising regarding financial matters and project appraisal.	<p>Other Directorship: Chiripal Industries Limited Jindal Hotels Limited Vishal Malleables Limited Laffans Petrochemicals Limited Sumeru Industries Limited Circuit Systems (India) Limited S A L Steel Limited Shree Precoated Steels Limited CIL Nova Petrochemicals Limited Ajmera Realty & Infra India Limited</p> <p>Committee positions held in Nandan Exim Limited: Chairman – Audit Committee Member – Shareholders Grievance Committee</p> <p>Committee Positions held in other Public Companies: 4 (four)</p>

DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the 18th Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended March 31, 2012.

FINANCIAL HIGHLIGHTS:

The financial performance of the company is summarized below:

(Rs. in Lacs)

FINANCIAL RESULTS	2011-12	2010-11
Sales	57383.87	50739.63
Profit Before Depreciation and Tax	5956.23	5129.87
Less: Depreciation	3325.89	2536.05
Profit Before Taxation	2630.34	2593.82
Less: Provision for Taxation	601.00	574.33
Less: Provision for Deferred Tax	150.00	284.95
Profit for the year	1879.33	1734.54
Appropriations / Adjustments		
Proposed Final Dividend	(455.49)	—
Corporate Dividend Tax (including cess and surcharge)	(73.89)	—
General Reserves	(47.00)	—
Profit carried to Balance Sheet	1302.95	1734.54

PERFORMANCE:

During the year under review 2011-12, your Company has achieved a record turnover of Rs. 573.84 crores as against Rs. 507.40 crores for the previous financial year registering a rise of 13.09 percentage.

The profit before tax (after interest and depreciation charges) during the year under review was Rs. 26.30 crore as compared to previous years figure of Rs. 25.36 crore. The Net Profit during the year 2011-12 was Rs. 18.79 crore as compared to previous year figure of Rs. 17.35 crore which shows the increase of 8.35 percentage. Your Directors would like to inform that the Company is implementing the expansion projects by increasing its production capacity continuously in order to grab the increase in demand for the denim fabrics in the domestic and international market and thereby increasing its volume and activities in its field. Further the Company has targeted to achieve high volume in terms of quantity and value and also adding the capacity to improve its performance and thereby its share in the market. The Company is also in dialogue with the international brand players for the supply of its products. With the cutting down of production by China, there is very bright future in the denim fabrics for all denim manufacturers and with the high qualitative products and cost effectiveness, your Company expects to achieve excellent performance during the current year.

CREDIT RATING:

The Company has received credit rating of 'Fitch BBB-(ind)' for long term loans, 'Fitch BBB-(ind)' / 'Fitch A3 (ind)' for Fund Based Limits and Fitch A3(ind) for Non – Fund Based Limits in June 2012. This is as per Fitch Ratings India Private Limited.

DIVIDEND:

During the year under review, the Company has achieved a Net Profit after Tax of Rs. 18.79 crores even after continuous implementation of expansion projects, which is financed through Term Loans and Internal Cash Approvals. With a profit to be ploughed back in the project and with the record revenue by way of sales during the year under review and also as a part of kind support and trust put in by the shareholders in the Company, your Directors have recommended a dividend of 10% (Re. 1/- per share) on equity shares during the year ended on March 31, 2012. The dividend will be paid to the members whose name appears in the Register of Members as on the record date in respect of the shares held in dematerialised form. It will be paid to the members whose names are furnished by National Securities Depositories Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

CONSOLIDATION OF SHARES:

Your Directors would like to state that your Company has consolidated the face value of Equity Shares from Re. 1/- per share to Rs. 10/- per share during the year under review. The consolidation in the share capital has been effectively done for the purpose of giving a better picture of Earning Per Share (EPS) to the equity shareholders and to enable them to take effective decision in the development of the Company. Your Company, after complying the necessary formalities with the concerned stock exchanges and depositories, has recommended the trading of equity shares at a face value of Rs. 10/- per share. Therefore, your Directors would like to inform the shareholders and the investors at large that the face value of the equity shares of the Company is Rs. 10/- per share.

DEPOSITORY SYSTEM:

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2012, 99.96 % of the Company's total paid-up Capital representing 455,323,74 Shares were in dematerialized form. In view of the numerous advantages offered by the Depository System, members holding shares in physical mode 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.

SAFETY OF ASSETS:

Your Directors state that the business has lots of unforeseen risks attached to its real assets such as plant & machinery, stocks and other assets of the Company and in case any unforeseen event happens, entire business might get stuck and therefore your Directors have taken effective steps to cover these risks adequately by having insurance cover as per the norms to safeguard the business and the interest of the stakeholders 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 prevailing in the market. A separate report on Corporate Governance along with the Auditors' Certificate on compliance with Corporate Governance as stipulated in Clause 49 as set out in this Annual Report and forms part of this report. Further, a certificate from C.E.O. regarding declaration on Code of Conduct also forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY:

The Company has an innate desire and zeal to contribute towards the welfare and social upliftment of the community. During the year 2011-12, 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.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

BOARD OF DIRECTORS:

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956, Shri. Ambalal C. Patel, Director retires by rotation from the Board of Directors of the Company at the ensuing Annual General Meeting during the year under review, and offers himself for reappointment. Your Directors recommend his reappointment.

A brief resume of the Director retiring by rotation at the ensuing Annual General Meeting, nature of expertise in specific functional areas and names of companies in which he holds directorships, chairmanships of Committees of the Board as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India forms part of the Annual Report.

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.

DIRECTORS' RESPONSIBILITY STATEMENT:

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 judgements 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, 2012 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care has been 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 AND AUDITORS' REPORT:

M/s. J.T. Shah & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office upto the conclusion of the ensuing Annual General Meeting and are eligible for appointment.

The Company has received letters from M/s. J.T. Shah & Co., Chartered Accountants, 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 such 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 2012-13.

The observations and comments given by Auditors in this report read together with notes to accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act,

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.

ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the services by the executives, staff and workers of the Company.

For and on behalf of the Board

Place : Ahmedabad
Date : 13/08/2012

VEDPRAKASH D. CHIRIPAL
Chairman

ANNEXURE TO THE 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 CONSERVATION:

- 1) Energy efficient motors are used instead of normal duty motors & saved 600 units/ day
- 2) Replacement of existing 36 watt tube light by T5 lights in all depts. and saved 24 units/ day
- 3) PHE system use in power plant for heating of D.M water through steam condensate water and saved 12 ton steam per day.
- 4) 45 kw powerplant borewell replace by energy efficient pump (Ground Foss make) and saved 75 units / day.
- 5) We have done complete Automation in I.D. fan motor (122kw each) of power plant & saved 600 units/day
- 6) Insulation done on bare steam pipes and saved 1 % steam consumption.
- 7) Reduction in Steam consumption of 45kg/hr by replacement of main steam line 6 inch to 2 inch in old Washing section & Steam – one ton per day
- 8) New Technology PNL D is used for Air Compressor as this system ensure zero –air losses from the condensate & Saving approximate 600 units/day
- 9) Continuously monitoring of condensate drain water of all machines to ensure that all steam condensate water goes to power plant for heating of D.M water to save the extra power for heating of D.M.Water.
- 10) Cooling tower fan blade angle is changed as per climate requirement to save the 75 units/day.
- 11) 20% steam saving & quality improvement by proper temp. control through installation of auto control valve in QA washing & dryer m/c .
- 12) Two no's new cell of cooling tower taken in line to maintain the water temperature below 32 Degree C for Air compressors cooler to help us to maintain the required efficiency of compressor at same power.
- 13) New conveyor system installed for finish cloth roll from ground floor to first floor and stop the uses of lift power & saved the energy.
- 14) Spinning Dept. open end M/c Main suction pressure reduced from 75 mbar to 70 mbar & saved 300 units/Day without affecting quality.

WATER CONSERVATION

1. Maintain zero blow down water of cooling tower in summer and monsoon season by providing Complete RO Water in cooling tower and save to 225KL/Day & reduce softening plant hrs from 22 to 4 hrs and save chemicals cost in Rs.1400/Day 20 KL/day Steam condensate water is saved by installation of higher size pump in condensate Recovery System.
2. Strict monitoring of water use on dyeing, sizing and finishing by flow meter and also fixed up the norms of water flow dyeing style wise for proper control on water being used. This has considerably reduced load on borewell and effluent treatment plant.
3. Started complete reuse of water coming from finishing machine by using filtration devise.
This reduced discharge of finishing water to ETP and use of the same in washing, dyeing and sizing. Apart from above, RO water discharge and cooling tower blow down water in process

(b) ADDITIONAL INVESTMENTS AND PROPOSALS-

1. Given plant m/c audit to SKF CMP Engineer M/s. Orient Enterprises Pvt. Ltd. who will study the complete m/c vibration & electrical panel thermo-graphic at each step & suggest us the necessary action to be taken for major failure.
The audit will also help us to maintain the lubrication & bearing consumption as well as optimization of m/c condition by Thermo Graphic Technology.
2. Given audit work to M/s. Forbes Marshal for the audit of steam and condensate so as to improve the efficiency of boiler, power plant and also to improve the efficiency of steam generation and distribution.
3. Proposal for Replacement of 3 inch Air line by 5 inch air line from NEL to spinning dept. The pressure drop will be improved from 10 psi to 3 psi & it's directly Reduced the power consumption & improve the m/c performance.

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

In view of measures taken, power consumption has reduced by 2274 units/day, Steam consumption 16 ton/day & water consumption by 225kl/day.

(d) Total Energy Consumption and energy consumption per Unit of Production:

I. POWER & FUEL CONSUMPTION

Power and Fuel Consumption:	31.03.2012	31.03.2011
1. Electricity		
(a) Purchased		
Unit (kwh)	2974220	22521900
Total Amount	26083532	125755828
Rate / Unit (Rs.)	8.77	5.58
(b) Own Generator:		
i. Through Diesel Generator		
Unit (kwh)	NIL	NIL
Units per ltr of Fuel Oil / Gas	NIL	NIL
Cost / Unit (Rs.)	NIL	NIL
ii. Through Steam Turbine / Generator		
Unit (kwh)	37176900	12587969
Units per kg. of Coal, Lignite etc.	1.09	1.49
Cost / Unit (Rs.)	3.52	3.60
2. LIGNITE		
Quantity (Tones) / Day	391.43	148.89
Total Cost (Rs.)	384197735	125298450
Average Rate (Rs.)	2681.75	2305.68
3. COAL		
Quantity (Tones) / Day	86.42	53.82
Total Cost (Rs.)	109001564	70602125
Average Rate (Rs.)	3446.01	3596.03
4. FURNACE OIL (Used in Generation of Steam)		
Quantity (K. Litres)	NIL	NIL
Total Amount (Rs. in Lakhs)	NIL	NIL
Average Rate (Rs.)	NIL	NIL
5. OTHERS LSHS (Low Sulpher High Stock) (Used in Generation of Steam)		
Quantity (Tones)	NIL	NIL
Total Cost (Rs. Lakhs)	NIL	NIL
Rate / Unit (Rs.)	NIL	NIL

II. CONSUMPTION PER METER OF PRODUCTION:

	31.03.2012	31.03.2011
Electricity (KWH) Per Meter	0.60	0.57
Coal (Specified Quality)	0.22	0.31
Lignite (KG) Per Meter	3.06	1.07

B. TECHNOLOGY:

RESEARCH AND DEVELOPMENT (R & D)

The Company has separate department for the Research & Development activities for conducting continuous research on various aspects related to manufacturing activities, processes and technical know-how attached to these activities. The department is applying various options for adopting best technology for the reduction in wastage, increase in efficiency during the manufacturing processes, reduction in cost with optimum result and also applying latest sophisticated technology in order to achieve optimum efficiency in manufacturing process on basis of Research & Development and the existing manufacturing system. Further, the department also continuously analyses the various results of the application of new systems and thereby making efforts to match with the demand in the market and qualitative products to customers

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

The Company has achieved good results due to adoption of efficient and latest technology running in the market and on the basis of Research & Development carried on by the Company. The effect of the application has shown the reduction in wastage, optimum output during the process, saving in per unit of electricity, reduction in cost of production and optimum results from the available resources.

3. Future Plan of Action

The Company keeps watch on future demands of customers in near future on basis of changing needs of people and continuously analyzing the same to match with demand of customers. The Company is also planning to increase its Research & Development activities by putting more efforts to get the optimum results.

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Efforts made towards Technology Absorption, Adaptation and Innovation:

The Company is planning to adopt the new and sophisticated technology in the denim fabric manufacturing and various meetings and dialogues are being conducted and various options are being studied for the adoption of advanced and sophisticated technology.

1. Aeration roll path in the oxidation zone has increased from 18 mts to 23 – 24 mts in two machines, increased depth of indigo of fastness property of the fabric.
2. Installation of ‘stonter’ and ‘desire cum mercerise’ machine for product value addition and innovation by coating, tinting, etc.
3. Spectrophotometer installed so as to evaluate percentage of the dye.
4. Installation of padding mangle for the development activity (overdyeing) and also for evaluating colours.
5. Different trial were taken to stabilize stretch product and for the better stretch and recovery.
6. On line measurement of the inspected roll for the better control of the quality.

Benefits derived:

1. In darker shades and particularly in ring yarn warp sheet problem of dyeing bed which comes eliminated by ‘banana’ rolls.
2. Modification of dyeing tank done (in slasher) so as to increase dipping time from 6 mts to gauge which has resulted into increase in the dept of indigo.
3. Trial are on for the remoring (opening) of sticky ends at sizing which will result into cost saving w.r.t. yarn utilization and increase of loom efficiency.
4. Liquid indigo started using commercially as well as successfully which has resulted into dyeing consistency and 10 – 12 % enhanced depth.
5. In spinning, in house production of Core Span Yarn (CSY), Spandex has started and that too successfully.

D. 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 crores)

Particulars	31.03.2012	31.03.2011
(a) Foreign Exchange Earnings:	55.21	56.85
(b) Foreign Exchange Outgo:	1.50	1.36

Total Foreign Exchange Used and Earned: As per Notes on Accounts

MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD-LOOKING STATEMENT

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will', 'projects', or other words of similar expressions as they are related to the Company or its business are intended to identify such forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, development, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company undertakes no obligations to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Therefore as a matter of caution, undue reliance on forward-looking statement should not be made as they speak only of their dates. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

OVERVIEW

India's textiles and clothing industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors of India's exports worldwide. The report of the Working Group constituted by the Planning Commission on boosting India's manufacturing exports during 12th Five Year Plan (2012-17), envisages India's exports of Textiles and Clothing at USD 32.35 billion by the end of XIth Five Year plan, as against of USD 55 billion envisaged in the Report of Working Group on Textiles for the XIth Plan and based on historic growth rate of 10% (CAGR), a business as usual approach, will result in exports of USD 52 billion by the end of XI Plan. An export target of USD 65 billion and creation of 25 million additional jobs has been proposed with a CAGR of 15% during the XII Plan. At current prices the Indian textiles industry is pegged at US\$ 55 billion, 64% of which services domestic demand. The textiles industry accounts for 14% of industrial production, which is 4% of GDP; employs 35 million people and accounts for nearly 12% share of the country's total export basket.

Milestones

- Exports of textiles and clothing products from India have increased steadily over the last few years, particularly after 2004 when textiles exports quota stood discontinued.
- India's Textiles & Clothing (T&C) exports registered a robust growth of 25% in 2005-06, recording a growth of USD 3.5 billion over 2004-05 in value terms thereby reaching a level of USD 17.52 billion and the growth continued in 2006-07 with T&C exports of US\$19.15 billion recording an increase of 9.28% over the previous year and reached USD 22.15 billion in 2007-08 denoting an increase of 15.7% but declined by over 5% in 2008-09. Exports of Textiles & Clothing grew from USD 21.22 billion in 2008-09 to USD 22.41 billion in 2009-10 and has touched USD 26.82 billion in 2010-11. In the financial year 2011-12, exports of textiles and clothing, as per latest available data covering April-December, 2011, has grown by 23.87% over the corresponding period of 2010.
- During the year 2010-11, Readymade Garments account for almost 45% of the total textiles exports. Apparel and cotton textiles products together contribute nearly 70% of the total textiles exports.
- The exports basket comprise a wide range of items including readymade garments, cotton textiles, handloom textiles, man-made fibre textiles, wool and woolen products, silk, jute and handicrafts including carpets.
- India's textiles products, including handlooms and handicrafts, are exported to more than a hundred countries. However, the USA and the EU, account for about two-thirds of India's textiles exports. The other major export destinations are China, U.A.E., Sri Lanka, Saudi Arabia, Republic of Korea, Bangladesh, Turkey, Pakistan, Brazil, Hong-Kong, Canada and Egypt etc.
- As per the latest available export data, the salient features of the overall textile exports for the period April,11 to December'11(P) are as follows:

Overall Exports

The total textile exports during April'11 to Dec'11 (P) were valued at Rs 111934.22 crore as against Rs 87585.03 crore during the corresponding period of financial year 2010-11, registering an increase of 27.80 percent in rupee terms. In US dollar terms, the same was valued at USD 23785.24.97 million as against USD 19201.36 million during the corresponding period of previous financial year registering an increase of 23.87 percent in USD terms. However, the share of textile export as against India's total export of all commodities has declined to 10.82 percent from 11.23 per cent during April-December, 2011 as against April-December, 2010.

Composition of Textiles Export

In rupee / USD terms, exports of readymade garments witnessed the highest export share of 39.29, followed by Cotton Textiles (32.49), and Man-Made Textiles (18.01).

Trend during the period April'11 to December'11.

In rupee terms, during April'11 to Dec'11 (P) there has been a surge in exports of Handloom product (53.83%), Coir & Coir Manufactures (45.86%), Wool & Woolen textile (39.07%), Man-made textiles (35.89%), RMG (32.65%), Cotton Textiles (27.02%) and Jute (2.24%). In USD terms the surge during April'11 to December'11 registered in Handloom product (49.10%), Coir & Coir Manufactures (41.38%), Wool & Woolen textile (34.79%), Man-made textiles (31.71%), RMG (28.57%), Cotton Textiles (23.12%) and Jute (-0.90).

Liberalised trading regime and emerging opportunities

In the liberalized post-quota period, India has emerged as a major sourcing destination for buyers from all over the globe. As a measure of growing interest in the Indian textiles and clothing sector, a number of reputed houses opened their sourcing / liaison office in India. These include Marks and Spencer, Haggar Clothing, Kellwood, Little Label, Boules Trading Company, Castle, Alster International, Quest Apparel Inc., etc. Commercially the buoyant retailers across the world are looking for options of increasing their sourcing from the Indian markets. Indian manufacturers are also pro-actively working towards enhancing their capacities to fulfil this increased demand.

Global exports of Ready Made Garments (RMG)

Global exports of RMG during 2008-09 were of the order of US\$ 10.38 billion, which recorded a marginal decrease to USD 10.06 billion during 2009-10. However, exports of RMG grew by 5.60% to US\$ 10.63 Billion in 2010-11. As per latest available statistics, exports of RMG during April-December, 2011 was of the order of USD 9346.18 million as against USD 7269.29 million during the same period last year, indicating an increase of over 28.57% in USD terms this year. EU was the biggest destination for RMG exports, with over USD 5.3 billion worth of exports during the year ending March, 2011, recording a growth of over 1% compared to exports in 2009-10. US was the second biggest destination for RMG, with exports of USD 2.85 billion for the year ending March'11, recording a growth of 7.29% over the last financial year. UAE was the third biggest destination with over a billion dollar worth of exports to that group.

Country-wise analysis

In the global exports of Textiles, India ranked as the third largest exporter, trailing EU-27 and China, as per WTO data – 2010 (latest). In the global market exports of clothing, India ranked as the sixth largest exporter as per WTO data – 2010 (latest), trailing Turkey, Bangladesh, Hong Kong, EU-27 and China. Since August, 2008, the major markets for India's exports of T&C products viz. USA, EU and Japan have witnessed recessionary conditions and financial crisis, and textiles sector was amongst the worst hit. However these adverse economic conditions appeared to have abated somewhat since 2010 with the USA, the single largest importer of textiles and clothing items, observing a positive growth of 14.22% and 17.03% in its import of T&C from the world and India respectively during the calendar year 2010. This trend has continued during 2011 when USA observed a positive growth of 8.90% and 10.32% in its imports of T&C from the world and India respectively. Almost all major T&C exporting countries showed positive trend in the US market during the first nine month of calendar year 2011. (Source: GTIS)

The EU's overall T&C import registered a growth of 7.30% in 2008, decline of 11.87% in 2009 and growth of 7.67% in calendar year 2010. In calendar year 2011, EU's overall imports of T&C have grown by 15.38% while India recorded a growth of 17.53% over the corresponding period in 2010. China & Turkey, the two largest exporters of T&C to EU have recorded growth of 11.36% and 13.08% respectively during same period. (Source: GTIS)

Imports

The total imports of T&C products by India reached USD 4.09 billion in 2010-11. Man-made Filaments was the biggest import amongst T&C items, with a share of USD 0.66 billion followed by impregnated textile fabric (USD 0.62 billion) and man-made staple fibre with a share of USD 0.42 billion. The imports have increased by 21.69% during 2000-11 in dollar terms over the corresponding period last year. However, the share of import of T&C products by India as percentage of total imports of all commodities has decreased during 2010-11, and stood at 1.10% as against 1.17% during 2009-10.

Export Promotion Measures

The Government has been continually supporting the textiles exports sector through various provisions of the Foreign Trade Policy and the other policy initiatives to enable the sector to increase market share in the global textiles markets. (Data Source: International Trade Section, Updated on 27-03-2012)

DENIM INDUSTRY IN INDIA

India's Denim Industry gains as China Cuts Production

The Indian denim industry is on a high, thanks to China. With China and the US significantly cutting their denim capacity over last year, Indian denim makers' business has seen a surge lately. While the domestic market has been growing by 10 per cent, the foreign order books have risen between 10 per cent and 15 per cent as per experts. Meanwhile India has added about 100 million metres of capacity over a year. This has led to India being able to absorb the increased orders from within and outside the country. Competing neighbor, China has cut down production owing to rising labour and energy costs.

On opportunity from the space vacated by China that exports USD 70 billion of apparel annually even if a small percentage of this opens up, it would be opportunity to Indian denim players. India's present denim capacity is around 800 million metres, with an annual production of 650 million metres. As China which produces close to 2.5 to 3 billion metres of denim annually slows production. Indeed, while Pakistan, Bangladesh and Indonesia would try to cash in on China's loss, however experts say if cotton prices remain realistic and the local business environment conducive, India will get some of this business. The denim market in India expects to grow by 15 - 20 percent growth in current financial year too.

Meanwhile demand in the domestic market has been growing. In fact, with good growth prospects manufacturers are passing on the increased input costs to consumers and expecting more than 10 per cent year-on-year growth this fiscal.

The cotton prices along with energy and labour costs remain realistic in India too so that they can get good exports business. Export demand for Indian players largely remains US-driven as Europe is reeling under the debt and slowdown crisis.

Indian denim market big enough for all players

The Indian market is currently fragmented, consolidation is not the answer to its growth. This is because in the more developed markets such as Europe and USA, consolidation happens in case of market stagnation or negative growth. In contrast, the Indian market is seeing a robust growth of 15 to 20 percent in recent years, and there is ample space for all players to grow.

Though the Indian denim market is flourishing, the country still has a lower consumption of the fabric compared to the production. This has led to a considerable surplus available for export.

With import duties coming down and stiff competition from countries such as Bangladesh, innovation has become a necessary condition to ensure further growth and profitability for the Indian denim companies. The need of the hour is an effective collaboration between countries such as India and Bangladesh, where the respective strengths of the two countries in abundant raw material and cheap production facilities can be combined to create a winning proposition.

The "Textile Retailers Profitability Conclave" shared the success stories of small and medium sized retailers while advising them to adopt better measures to improve their profitability. The established and bigger retailers were not the only ones making good profits. Small and medium retailers from villages and towns all over India have also been on a steady and profitable growth path in their businesses.

As proof a modest Marwari retailer in Ahmedabad with two stores and over 100 workers that was doing a business of an impressive Rs 18 crore every year. Another retailer Pakeeza in Indore, which is a family-run store, did a record sale of Rs 90 crore last fiscal. These small retailers as hidden "diamonds" of the industry. There is a view that to make a business grow, the entrepreneur needs to keep a strong personal touch with the employees as well as with the customers. Keeping a track of the inventory and product consumption patterns came across as the key to growing one's business and profits.

FINANCIAL PERFORMANCE

During the year under review, the turnover achieved was Rs.573.84 crores as compared to previous years turnover of Rs. 507.40 crores registering a growth of 13.09 % over the previous year. The profit before depreciation and taxes stood at Rs. 59.56 crores for the year 2011-12 as compared to Rs. 51.30 crores during the year 2010-11 showing 7.78 % over the previous year. The net profit for the year 2011-12 rose to Rs. 18.79 crores as compared to profit of Rs.17.35 crores over the previous year. The cash profit during the year under review was achieved at Rs. 52.04 crores evidenced by effective management internal control, optimum utilization of resources and dedicated hard work of human resources. This is yet another successful period for Nandan Exim Limited which resulted in several key achievements.

INTERNAL CONTROL SYSTEMS

The Company has its adequate internal control measures in place. The management reviews actual performance of various businesses of the Company on a regular basis. The internal control environment of the Company is well established and maintained. Its effectiveness is assessed regularly through procedures / processes set up by management, covering all critical and important areas. These controls are periodically updated and are subject to review by internal auditors.

The Company has a well-defined organizational structure, authority levels, internal rules and guidelines for conducting business transactions. The management reviews actual performance of various businesses of the Company on a regular basis.

As part of internal control self-assessment, all businesses of the Company have updated various controls, in line with changes in the internal control environment. Implementation of action plans for any identified weaknesses are followed through and tracked for closure. In addition, independent tests were applied to selected key controls. As a part of the internal controls monitoring and on-going improvement, process reviews were conducted during the year. In line with the internal Audit Program, Internal Audits were carried out at the Plant and Head Office of the Company.

The Audit Committee met four times during the year. It reviewed the status of implementation of recommendations given by internal auditors and the results of self assessment of internal controls.

ENVIRONMENT, HEALTH & SAFETY (EHS)

Your Company conducts its business operations in a safe and environmentally responsible manner that protects the employees, contractors, customers and stakeholders. Your Company's sharp focus on EHS ensures maintaining high standards of safety, health and environment care at all our operating locations. Compliance with relevant regulations and effective management of these issues is an integral part of the Company's operating philosophy. EHS is managed and controlled in your Company through an integrated EHS Management System providing continuous improvement in the EHS performance. EHS Management System is based on "EHS Roadmap", which has been developed with the objective that it will become a tool for self-assessment as well as formal assessments and a management tool to evaluate the performance of EHS, Security and Loss prevention management for all its sites and identify action points for improvement.

Established systems and procedures are constantly updated for improvement to achieve higher standards of safety, occupational health and environment protection.

The location of your Company has well equipped health care facilities / arrangements. The Company enables awareness programs on EHS for creating and maintaining awareness among employees about safety and health related issues. In India, various initiatives such as training programs on safety issues and mock drills are conducted in all the locations to increase EHS awareness amongst the employees. The extensive EHS specific training modules covering various target participants help in upgrading EHS skills and knowledge throughout the Company.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company always values its human resources and believes in unlimited potential of each employee and regularly reviews its policies and procedures, necessitated by the fast changing macro economic factors to make the organization high performing and successful. Industrial relations have continued to remain cordial in the plant of the Company without any disruptions of manufacturing activities. The employees of the Company stood at 950 at the end of March 31, 2012.

RISK MANAGEMENT

The risk is attached to every thing including business. The factors affecting the risk differ from business to business. The Company, however, foresees various risks from competitors, unorganized sectors operating in the industry, fluctuation in foreign exchange rate, interest rate, commercial risk, changes in government regulations related to textile policy and decision of the management about the business which may effect over all profitability of the Company. However, the 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 DEVELOPMENT AND INNOVATION

Research & development (R & D), technology development and innovation continues to be an integral part of Company's agenda for achieving growth, business, profitability and sustainability. The Company continues 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 to meet the current and future needs of the Company.

REPORT ON CORPORATE GOVERNANCE

Corporate governance refers broadly to the rules, processes, or laws by which businesses are operated, regulated, and controlled. A well-defined and enforced corporate governance provides a structure that works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws. Governance practices may vary but the principles are generic and universal, viz- commitment of the Board in managing business ethically and in a transparent manner with the profit objective balanced by long term value equitably for all stakeholders. Stakeholders would include everyone ranging from the board of directors, management, shareholders to customers, employees and society at large.

With the increasing complexities in business of organizations, sound governance practices are indispensable to build and sustain trust in all its stakeholders.

Nandan Exim Limited is committed to run its business in a legal, ethical and transparent manner with dedication that originates from the very top and permeate throughout the organization. Besides adhering to the prescribed corporate practices as per clause 49 of the Listing Agreement, it voluntarily governs itself as per highest ethical and responsible standard of business.

Company's Philosophy on Corporate Governance:

Nandan Exim Limited's philosophy is to constantly achieve business excellence and optimize long term value through ethical business conduct. Being a value driven organization, the Company envisages attainment of the highest level of transparency, accountability and equity in all facets of its operations including everyone it works with, the community it is in touch with and the environment it has an impact.

The corporate governance structure in the Company ensures that its Board of Directors is well informed and well equipped to fulfil its overall responsibility by way of providing strategic direction to the senior management, employees, etc. which is needed to meet the aspirations of all stakeholders, including societal expectations. Its initiatives towards adhering to highest standards of governance include: professionalization of the Board; fair and transparent processes and reporting systems. At the highest level, the Company continuously endeavours to improve upon these aspects on an ongoing basis and adopt innovative approaches for leveraging resources, converting opportunities into achievements through proper coordination, empowerment and motivation, fostering a healthy all round growth and development to take the Company forward.

Board of Directors –

Composition of the Board:

- (i) As on March 31, 2012, Nandan Exim Limited's Board consists of 4 members. Besides the Chairman, who is an Executive Promoter Director, the Board comprises of one Executive Managing Director and two Non-Executive Independent Directors. The composition of the Board as on March 31, 2012 is in conformity with Clause 49 of the Listing Agreement laying down an optimum combination of Executive and Non-Executive Directors with not less than 50 percent of the Board comprising of Non-Executive Directors and at least one-half comprising of Independent Directors for a Board chaired by Executive Promoter Director. The Board periodically evaluates the need for change in its composition and size.
- (ii) None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2012 have been made by the Directors.
- (iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies are given herein below. Other directorships do not include alternate directorships. Chairmanships / Memberships of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Number of Board Meetings held:

Minimum four prescheduled Board meetings are held every year. Additional meetings are held to address specific needs of the Company. In case of any exigency/ emergency, resolutions are passed by circulation. The Board of Directors met five times during the year on May 4, 2011; August 5, 2011; November 10, 2011; February 10, 2012 and March 12, 2012. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

Board Procedure:

- The Company holds minimum of four Board Meetings every year which are mainly pre-scheduled after the end of each financial quarter. Apart from the four pre-scheduled Board Meetings, additional Board Meetings will be convened by giving appropriate notice at any time to address the specific needs of the Company. The Board may also approve permitted urgent matters by passing resolutions by circular.
- The meetings are usually held at the Company's Registered Office / Corporate Office located at Ahmedabad.
- All divisions / departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussions / approval / decision in the Board / Committee Meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board Meetings.
- The Board is given presentation covering Finance, Sales and Marketing and the major business segments and operation of the Company before taking on record the results of the Company for the preceding financial quarter at each of the pre-scheduled Board Meeting. The Board's annual agenda includes recommending dividend keeping in view the dividend policy,

determining directors who shall retire by rotation and recommending appointment of Directors / Auditors, authentication of annual accounts and approving Directors Report, long term strategic plan for the Company and the principle issues that the Company expects to face in the future. Board Meetings also note and review functions of its Committees.

- The Chairman of the Board and the Company Secretary in consultation with other concerned persons in the senior management finalize the agenda papers for the Board Meetings.

Code of Conduct:

Commitment to ethical professional conduct is a must for every employee, including Board members and senior management of Nandan Exim Limited. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work. The Code of Conduct enjoins that each individual in the organization must know and respect existing laws, accept and provide appropriate professional view, and be upright in his conduct and observe corporate discipline.

The Code of Conduct is available on the website of the Company www.chiripalgroup.com. All Board members and senior management personnel affirm compliance with the Code of Conduct annually. A Declaration signed by the Chief Executive Officer (C.E.O.) to this effect is enclosed at the end of the 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 2011-12 and at the last Annual General Meeting (A.G.M.) as also the number of Directorships and Committee positions held by them in other Public Limited Companies as on March 31, 2012 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)	5	4	6	4	No
Shri Brijmohan D. Chiripal	Promoter - Executive Managing Director	5	5	3	—	Yes
Shri Gautam C. Gandhi	Non - Executive Independent Director	5	5	2	2	Yes
Shri Ambalal C. Patel	Non-Executive Independent Director	5	5	12	8	Yes

- * Audit Committee and Shareholders' / Investors' Grievance Committee have been considered for the Committee positions.
- The other Directorships of Shri. Vedprakash D. Chiripal includes two companies wherein he has resigned as a Director between April 1, 2012 and August 13, 2012.

Shri. Ambalal C. Patel is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for reappointment. Relevant brief details pertaining to him has been provided along with the Notice of Annual General Meeting.

Shareholding of Non-Executive Independent Directors as on March 31, 2012 are as under:

Name	No. of Shares held	%
Shri Ambalal C. Patel	1000	0.002
Shri Gautam C. Gandhi	Nil	Nil

2) **BOARD COMMITTEES:**

Audit Committee:

Meetings Held:

During the financial year 2011-12, 4 (four) Audit Committee meetings were held on the following dates:

May 4, 2011 August 5, 2011 November 10, 2011 February 10, 2012

Composition and Attendance:

Name of Director and Designation	Category / Status of Directorship	Meetings Attended
Shri. Ambalal C. Patel – Chairman	Non – Executive Independent Director	4
Shri. Vedprakash D. Chiripal – Member	Executive Promoter Director	3
Shri. Gautam C. Gandhi - Member	Non – Executive Independent Director	4

The composition of the Committee complied with the requirements of Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956.

Broad Terms of Reference:

The broad terms of reference as laid down by the board include the following requirements contained in 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 particular 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 217 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 internal 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 thereon.
- 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 deposition, debenture holders, share holders (in case of non-payment of declared dividends) and creditors.
- In addition to the above, all items listed in Clause 49(II)(D) of the Listing Agreement.

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 Ambalal C. Patel –Chairman	0	0	Non-Executive, Independent
2.	Shri Vedprakash D. Chiripal - Member	0	0	Executive, Promoter group

- Details of remuneration paid to directors for the year ended on March 31, 2012 are as follows:

Name of Director	Sitting Fees	Salaries & Perquisites	Commission (Rs)	Total (Rs)
Shri Brijmohan D. Chiripal	—	67,20,000	—	67,20,000
Shri Vedprakash D. Chiripal	—	—	—	—
Shri Gautam C. Gandhi	65,000	—	—	65,000
Shri Ambalal C. Patel	60,000	—	—	60,000

- Details of Shareholding of Directors as at March 31, 2012

Name of Directors	No. of shares held as on 31.03.2012	% of holding
Shri. Brijmohan D. Chiripal	27,80,000	6.10 %
Shri. Vedprakash D. Chiripal	8,20,000	1.80 %
Shri. Gautam C. Gandhi	Nil	Nil
Shri. Ambalal C. Patel	1,000	0.002%

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

1. The Company has constituted an investors relations committee comprising of 3 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 Director	Nature of Directorship	No. of Meetings Attended
1.	Shri. Gautam C. Gandhi - Chairman	Non-Executive, Independent Director	4
2.	Shri. Vedprakash D. Chiripal - Member	Executive, Promoter Director	3
3.	Shri. Ambalal C. Patel - Member	Non-Executive, Independent Director	4

During the year, the Company under review 4 meetings were held on 04.05.2011, 05.08.2011, 10.11.2011 and 10.02.2012.

During the year, the company had received NIL complaints 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 Share Transfer Committee. There was no pending transfer of equity shares as at March 31, 2012.

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 dematerialized form were admitted for trading with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

SUBSIDIARY COMPANY:

The Company has no subsidiary company.

DISCLOSURES:

- a. Basis of Related Party Transaction
During the financial year 2011-2012, 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 interest of the Company at large. For significant related party transactions refer to point no. 39 of the Notes on Accounts contained in financial statements in this Annual Report.
- b. Disclosure on accounting treatment in preparation of financial statement
The company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.
- c. Details of non-compliance by the Company
The Company has complied with all the requirements 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, number 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.

DETAILS ON GENERAL BODY MEETINGS:

Location, date and time of General Meetings held during the last 3 years:

Annual General Meeting (AGM):

AGM / EGM	Date	Venue	Time	No. of special resolutions passed
17th AGM	23rd September, 2012	Survey No. 198/1, 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405.	3.30 p.m.	3
16th AGM	17th September, 2010	Survey No. 198/1, 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405.	3.30 p.m.	3
15th AGM	25th September, 2009	Survey No. 198/1, 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405	3.30 P. M.	Nil

During the year ended March 31, 2012 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 any other statutory authority on any matter relating to capital market.

POSTAL BALLOT:

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

C.E.O. / C.F.O. CERTIFICATION:

The Chief Executive Officer (CEO) has certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended March 31, 2012.

CODE OF CONDUCT:

The Board of Directors of the Company has laid down Code of Conduct for Directors 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

Business Standard, Financial Express, Indian Express and Economic Times

Any website, where displayed

www.chiripalgroup.com

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

26.09.2012 at 3.00 p.m.

Venue

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

- Calender Year**

(tentative & subject to change)

(a) First Quarter Results

First week of August 2012

(b) Second Quarter Results

First week of November 2012

(c) Third Quarter Results

First week of February 2013

(d) Fourth Quarter Results

First week of May 2013

- Date of Book Closure**

Saturday, the 22nd day of September, 2012 To Wednesday, the 26th day of September, 2012 (Both days Incl.)

- Dividend Payment Date**

October 3, 2012.

- Listing on Stock Exchange**

The Bombay Stock Exchange Ltd. (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	NANDANEXIM
• ISIN for NSDL and CDSL	INE 875G01030

- **MARKET PRICE DATA:**

	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April, 2011	2.75	1.85	2.70	1.85
May, 2011	2.74	2.37	2.70	2.40
June, 2011	2.66	2.50	2.65	2.40
July, 2011	2.92	2.35	2.95	2.00
August, 2011	2.69	2.05	2.75	2.20
September, 2011	2.80	2.32	2.80	2.30
October, 2011	2.45	2.08	2.45	2.10
November, 2011	2.40	1.76	2.45	1.75
December, 2011	2.00	1.60	2.00	1.60
January, 2012	2.28	1.63	2.25	1.65
February, 2012	2.30	2.00	2.70	2.00
March, 2012	27.36	2.15	27.50	2.15

The Equity Shares of the Company has been listed at Bombay Stock Exchange Limited w.e.f. 13.06.2005 and National Stock Exchange Of India Limited w.e.f. 29.12.2005.

- **CONSOLIDATION OF EQUITY SHARE CAPITAL FROM RE. 1/- PER SHARE TO RS. 10/- PER SHARE:**

During the year under review, the Company has consolidated the equity share capital of the Company from Re. 1/- per share to Rs. 10/- per share after complying the necessary formalities as per the Listing Agreement and regulations of NSDL and CDSL as framed and the trading of equity shares of the Company had recommenced on 23.03.2012.

The stock market data and other information related to price of the share of the Company is of the face value of Re. 1/- per share being almost full financial year 2011-12 i.e. before the date of recommencement of trading of equity shares on 23.03.2012. Therefore, your Company requests the shareholders and investors to take note of the same while reading and analyzing the Annual Report and market price data of the Company.

- **Distribution of Shareholding as on March 31, 2012:**

Sr. No.	Shares Range		Shares	% To Capital	No Of Holders	% To Total Holders
	From	To				
1	1	500	5259842	11.55	42637	90.13
2	501	1000	2043329	4.49	2619	5.54
3	1001	2000	1605305	3.52	1083	2.29
4	2001	3000	923493	2.03	365	0.77
5	3001	4000	447990	0.98	126	0.27
6	4001	5000	595959	1.31	126	0.27
7	5001	10000	1490930	3.27	196	0.41
8	10001	50000	2479099	5.44	128	0.27
9	50001	9999999999	30703109	67.41	26	0.05
			45549056	100.00	47306	100.00

- **Shareholding Pattern (As on March 31, 2012)**

Sr No.	Category	No. of Shares	% to Share Capital
A	Promoters Holding		
	Individuals / HUF	6354302	13.95
	Bodies Corporate	19102506	41.94
B	Non Promoter Holding		
	Financial Institution/Banks	1700000	3.73
	Bodies Corporate	4297907	9.44
	Indian Public	13956798	30.64
	Any Other (Non-Resident)	137543	0.30
	Total	45549056	100.00

- **DEMATERIALISATION OF SHARES**

As on March 31, 2012, 99.96% shares were held in dematerialized form and balance 0.04% shares were held in physical form. The trading in the Company's Equity Shares is 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 Central Depository Services (India) Limited (CDSL). Thus, the investors can exercise dematerialization and transfer actions through a recognized 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
Plot No. B-5, Part B, Cross Lane, MIDC, Andheri (East), Mumbai – 400 093.

The Company Secretary
NANDAN EXIM LIMITED
Chiripal House, Shivranjani Crossroads, Satellite, Ahmedabad – 380 015.
Phone: 079-26734660, Fax: 079-26768656
Email: cs.nel@chiripalgroup.com

Datamatics Financial Services Limited
Unit: Nandan Exim Limited
Plot No. B-5, Part B, Cross Lane, MIDC, 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 Participants.

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 advice 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.

C.E.O.'s DECLARATION ON CODE OF CONDUCT

To,
The Members
Nandan Exim Limited
Ahmedabad.

I, Deepak J. Chiripal, Chief Executive Officer (C.E.O.) of the Company declare that all the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct.

For NANDAN EXIM LIMITED

Place : Ahmedabad
Date : 13/08/2012

Deepak J. Chiripal
C.E.O.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. CSR is about capacity building for sustainable livelihoods. With the same objective, the Chiripal Group gave birth to the Chiripal Charitable Trust. The CSR activities of the group are guided by the vision and philosophy of the Chairman, Shri. Vedprakash D. Chiripal, who got the inspiration from his parents. He enunciated the value of trusteeship in business and laid strong foundation for its ethical and value based functioning.

As a responsible **“corporate citizen”**, the group is engaged in various social welfare activities. Through its social commitment, it intends to promote initiatives, for the educational and health awareness amongst the weaker sections of the society. Every year on **Managing Director’s Birthday**, the Annual Blood donation camp is organized with the support of Prathama Blood Centre, at the corporate office and all over the group units, where thousands of units of blood is collected, through voluntary donation and active participation of our staff members and workers. With addition to this, as a regular practice, the trust and the companies run Employee Welfare Schemes to help the employees and their families.

Every year, as the pilgrims of Dakor Temple pass through Dakor, the trust organizes a Rest Camp for them. Hot water bath, massages and meals are served to over 10-12 lakh pilgrims.

“Education is the most powerful weapon which you can use to change the world.” -Nelson Mandela. The group agrees with Nelson Mandela and is doing its bit by setting up the Shanti Educational Initiatives Limited(SEIL), to bring in the much required change in the educational scenario.

With the conception of SEIL, the group has made the necessary developments in the educational field, starting from pre-school education, going right upto post graduation. In 2009, it launched Shanti Asiatic School followed by Shanti Juniors, a chain of pre-schools. It went on to establish Shanti Business School in the field of management studies and further established Shanti Communication School, in the field of communication, media and business studies.

Co-operating and aligning its belief of corporate citizenship, Shanti Asiatic School (SAS), continuously engages in doing their bit for the society under their campaign called **“PRAYAS”**. Recently, SAS, Bopal celebrated **‘Save the Sparrow’**. To create awareness and make the student fraternity realize the extinction of the little bird. Cleanliness drives have been organized and conducted by the students who have swept the streets of Bopal and around, to create awareness for a cleaner environment. With an objective to preserve the environment, SAS, Kheda had organized a **‘Save the Earth’** campaign, where students have marched ahead with conviction and serious purpose to help improve their environment. They even conducted a street play and carried banners with slogans to save water and the environment. SAS, Surat carried out a campaign called **‘Each One Teach One’**, where the children conducted workshops for underprivileged children and taught them. SAS, Kasturinagar, conducted a campaign for **‘Child labor’** where the students protested against it and went around industries near the school, spreading the awareness.

Further, the group engages itself in sponsoring scholarship schemes for under-privileged children. Also, it donates and helps them for their medical and other educational requirements. With the same intention, the group has also provided employment to a lot of villagers of Shela, who live around its educational institutions. Continuously striving and making its humble contributions to the society and its betterment, the Chiripal Group stands as a proud corporate citizen.

AUDITORS' CERTIFICATE ON REPORT OF CORPORATE GOVERNANCE

To,
The Members,
Nandan Exim Limited,
Ahmedabad.

We have examined the compliance of conditions of Corporate Governance by Nandan Exim Limited for the year ended March 31, 2012 as stipulated in Clause 49 of the Listing Agreement entered into with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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)

(J. T. SHAH)
Partner

[M. No. 3983]

Place : Ahmedabad
Date : 13/08/2012

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, 2012**, the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss 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, 2012 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, 2012;
 - (ii) In the case of the Statement of Profit and Loss, 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 : 13/08/2012

(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, 2012

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, the company has not taken any loan, secured or unsecured from Companies, Firm or Other Parties covered in the register maintained under section 301 of the Companies Act, 1956 hence clause 4 (iii) (a), (iii) (b), (iii) (c) and (iii) (d) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- b. 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 maintained by the company pursuant to the companies (Cost Accounting Records) Rule, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prime facie the prescribed accounts and records have been maintained. However, we have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.****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, Tax deducted at Source, Tax Collected at Source, Professional tax, service tax, cess, Income tax and other Statutory dues applicable to it.

- b. According to the information and explanation given to us, no undisputed amount payable in respect of Income tax, sales tax, custom duty, Service tax, excise duty and other material statutory due in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.
- 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	33.22	2008-09	Income Tax Tribunal

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 & 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. According to the information and explanation given to us, the company has given the guarantee for loans taken by others from a bank, the terms & condition there of in our opinion are not prima facie prejudicial to the interest of the company.
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. During the year, the company has not raised any money by way of public issue.
21. To the best of our knowledge and according to the 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)

Place : Ahmedabad
Date : 13/08/2012

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

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
EQUITY AND LIABILITIES			
[1] Shareholders' Funds :			
[a] Share Capital	3	455,490,560	455,490,564
[b] Reserves & Surplus	4	1,133,837,009	998,841,808
		1,589,327,569	1,454,332,372
[2] Non-Current Liabilities :			
[a] Long Term Borrowings	5	1,578,442,454	1,522,962,209
[b] Deferred Tax Liabilities (Net)	6	202,713,209	187,712,790
[c] Long-term Provisions	7	Nil	992,696
		1,781,155,663	1,711,667,695
[3] Current Liabilities			
[a] Short-term borrowings	8	963,311,430	784,028,328
[b] Trade Payables	9	344,734,800	457,366,130
[c] Other Current liabilities	10	518,340,800	525,771,224
[d] Short term Provisions	7	62,828,133	4,490,553
		1,889,215,162	1,771,656,235
Total		5,259,698,393	4,937,656,303
ASSETS :			
[1] Non-Current Assets			
(a) Fixed Assets :			
(i) Tangible Assets	11	3,007,205,423	2,657,018,129
(ii) Intangible Assets	11	6,560,881	7,240,268
(iii) Capital Work in Progress		46,677,893	145,512,282
		3,060,444,197	2,809,770,679
(b) Non-Current Investments	12	2,778,240	34,063,640
(c) Long-term loans and Advances	13	149,073,203	38,540,876
(d) Other non-current assets	14	46,285,461	8,832,671
		3,258,581,101	2,891,207,866
[2] Current Assets			
(a) Inventories	15	984,155,221	1,213,164,107
(b) Trade receivables	16	694,740,027	550,111,897
(c) Cash & Bank Balances	17	155,015,067	69,152,402
(d) Short term Loans and advances	13	167,206,977	214,020,032
		2,001,117,292	2,046,448,437
Total		5,259,698,393	4,937,656,303

Significant Accounting Policies 2
Notes forming part of Financial Statements 3 to 46

As per our report of even date
For, **J. T. SHAH & COMPANY**
CHARTERED ACCOUNTANTS
(Registration No.109616W)

For and on behalf of the Board

J.T. SHAH
Partner

[M.No.3983]

Place : Ahmedabad
Date : 13/08/2012

Vedprakash D. Chiripal
Chairman

Brijmohan D. Chiripal
Managing Director

Purvee D. Roy
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED AS ON 31ST MARCH, 2012

Particulars	Note No.	Year ended 31/03/2012 (Rs.)	Year ended 31/03/2011 (Rs.)
INCOME			
Revenue from Operations	18	5,738,386,725	5,073,963,151
Other Income	19	5,423,957	2,561,312
Total Revenue		5,743,810,683	5,076,524,464
EXPENDITURE			
Cost of materials consumed	20	3,440,978,226	3,203,551,216
Purchase of Stock in Trade	21	578,739,502	733,727,886
Change in Inventories of Finished Goods, Work in Progress and Stock in Trade	22	70,565,509	(162,055,217)
Employee Benefits Expense	23	192,261,286	147,035,188
Finance Costs	24	278,418,920	168,489,068
Depreciation and Amortisation expense	11	332,589,138	253,605,123
Other Expenses	25	629,975,689	472,789,124
Total Expenses		5,523,528,270	4,817,142,387
Profit before exceptional and extraordinary item and Tax		220,282,413	259,382,076
Exceptional Items	26	42,751,459	Nil
Profit before Tax		263,033,871	259,382,076
Less : Tax expense:			
- Current Tax		60,100,000	57,433,241
- Deferred Tax		15,000,419	28,494,823
Profit for the period		187,933,452	173,454,012
Basic & diluted earnings per share of face value of Rs.10 each		4.13	3.81

Significant Accounting Policies

2

Notes on Financial Statements

3 to 46

As per our report of even date
 For, **J. T. SHAH & COMPANY**
 CHARTERED ACCOUNTANTS
 (Registration No.109616W)

For and on behalf of the Board

J.T. SHAH
Partner

[M.No.3983]

Place : Ahmedabad

Date : 13/08/2012

Vedprakash D. Chiripal
Chairman

Brijmohan D. Chiripal
Managing Director

Purvee D. Roy
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2012

	31-03-2012	31-03-2011
A Cash from Operating Activity		
Net Profit Before Tax from Continuing Operation	263,033,871	259,382,076
	263,033,871	259,382,076
Non Cash Adjustment to reconcile profit before tax to net cash flows		
Depreciation	332,589,138	253,605,123
Bad Debts Written Off	1,327,300	2,074,870
Loss on sale of fixed assets	104,354	288,151
Profit/(Loss) From Sale of Investment	(14,061,859)	-
Interest Received	(4,592,667)	(2,431,312)
Reversal of Dimunation in Value of Investment	(28,689,600)	-
Loss due to Fire	869,675	-
Provision for doubtful Advances	113,761	-
Provision for Doubtful debt	(1,231,007)	1,421,075
	286,429,095	254,957,906
Dividend Income	(60,000)	(30,000)
Interest and Finance Charges	278,418,920	168,489,068
	278,358,920	168,459,068
Adjustment for Movements in Working Capital:		
Increase/(decrease) in trade Payable	(112,631,330)	(112,156,771)
Increase/(decrease) in long-term Provision	(992,696)	(5,893,946)
Increase/(decrease) in short-term Provision	(2,609)	-
Increase/(decrease) in other current liability	19,965,742	15,829,949
Decrease/(increase) in trade receivable	(144,724,423)	729,848,707
Decrease/(increase) in inventories	229,008,886	(532,890,703)
Decrease/(increase) in long-term loans and advances	3,110,871	503,770
Decrease/(increase) in short-term loans and advances	46,699,294	(49,194,409)
Decrease/(increase) in other non-current assets	(320,273)	-
	40,113,462	46,046,597
CASH GENERATED FROM OPERATIONS	867,935,348	728,845,648
Direct Taxex paid	(54,698,063)	(103,927,813)
	(54,698,063)	(103,927,813)
NET CASH FLOW FROM OPERATIONS	813,237,284	624,917,835
B Cash flow from investing activities		
Purchase of Fixed Assets (Incl. WIP)	(761,242,169)	(336,587,309)
Sale of Fixed Assets	21,416,600	475,000
Purchase of non-current Investments	(25,000)	-
Margin Money Deposit made	(258,528,542)	(133,292,817)
Margin Money Deposit withdrawal	237,396,426	112,403,950
Sale of of non-current Investments	74,061,859	-
Interest Received	3,921,390	2,614,744
Dividend Income	60,000	30,000
	(682,939,437)	(354,356,432)
NET CASH USED IN INVESTING ACTIVITY	(682,939,437)	(354,356,432)
C Cash flow from financing activities		
Long Term Borrowing Taken during the year	367,105,491	165,052,324
Long Term Borrowing Paid during the year	(297,308,410)	(211,566,500)
Short Term Borrowing Taken During the year	419,433,000	26,711,663
Short Term Borrowing Paid During the year	(240,149,897)	(75,789,400)
Share Capital	(4)	-
Interest paid	(278,186,237)	(166,026,770)
Dividend paid on Equity Shares	-	(271)
	(29,106,059)	(261,618,954)
NET CASH USED IN FINANCING ACTIVITY	(29,106,059)	(261,618,954)
Net Increase/(Decrease) in cash and cash equivalents	101,191,789	8,942,450
Cash and cash equivalent Opening Balance	25,109,576	16,167,126
Cash and cash equivalent Closing Balance	126,301,364	25,109,576
Net Increase/(Decrease) in cash and cash equivalents	101,191,789	8,942,450

Notes:

- => The above Cash Flow Statement has been prepared under the Indirect Method set out in Accounting Standard 3.
=> The Current Account balance includes Rs.18201/- (P.Y. Rs.18201/-) towards Unclaimed dividend and Rs.195965/- (P.Y. Rs.195965/-) towards Unclaimed IPO Refund which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such account.

As per our report of even date

For and on behalf of the Board

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

CHARTERED ACCOUNTANTS

(Registration No.109616W)

Vedprakash D. Chiripal

Chairman

Brijmohan D. Chiripal

Managing Director

J.T. SHAH

Partner

[M.No.3983]

Place : Ahmedabad

Date : 13/08/2012

Purvee D. Roy

Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**1. CORPORATE POLICY**

Nandan Exim Ltd. is incorporated under the provisions of the Companies Act 1956. Company is one of the Leading Manufacturer of Denim.

2. 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. 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 recognized 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 recognized when the right to receive the payment is established.

(c) Exports entitlement under the Duty Entitlement Pass Book (DEPB) scheme are recognized 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

- (a) 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.
- (b) 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) Provision for Current Tax & Deferred Tax:

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax resulting from timing differences between book and tax profit is accounted for under the liability method, using the tax rates and laws that have been enacted or substantially enacted on the balance sheet date, to the extent that the timing differences are expected to crystallise.

xi) 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.

xii) 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 recognizes an impairment loss as the excess of the carrying amount of the asset over the recoverable amount.

xiii) 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.

xiv) 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.

3 Share Capital

	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
[a] Authorised : 50000000 (Previous Year 500000000) Equity Shares of Rs. 10/- (P.Y. Rs. 1) each	500,000,000	500,000,000
[b] Issued, Subscribed & Paid-up Capital : 45549056 (Pr. Year 455490564) Equity Shares of Rs. 10/- (P. Y. Rs. 1) each fully paid up	455,490,560	455,490,564
Total	455,490,560	455,490,564

Refer Note No. 41 for details of basic and diluted shares

The company has only One class of shares referred to as Equity shares having face value of Rs.10/-. Each Holder of One share is entitled to One vote per share.

During the year ended on 31st March 2012, the amount per share dividend recognised as distributions to Equity Share holders was Rs.1/- (31st March 2011: Rs.Nil)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

The details of shareholders holding more than 5% shares as at 31/03/2012 and 31/03/2011 is set out below.

Name of Shareholder	As at 31/03/2012		As at 31/03/2011	
	No. of Shares	% held	No. of Shares	% held
Chiripal Industries Ltd.	11844270	26.00%	35100000	7.71%
Chiripal Exim LLP	7008979	15.39%	70089791	15.39%
Brijmohan D. Chiripal	2780000	6.10%	48250000	10.59%

The Reconciliation of the number of shares outstanding and the amount of share capital as at 31/03/2012 & 31/03/2011 is set out below

Particulars	As at 31/03/2012		As at 31/03/2011	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Shares at the beginning of Face Value of Rs. 1	455490564	455,490,564	455490564	455,490,564
Cancellation of Share of Face Value of Rs. 1 on Consolidation of Shares	(4)	(4)	Nil	Nil
Reduction in Number of Shares upon Consolidation of Equity Shares of Rs.1 in to Equity Shares of Rs.10 each	(409941504)	Nil	Nil	Nil
Shares at the end of Face Value of Rs. 10	45549056	455,490,560	455490564	455,490,564

Aggregate No.of 151830188 Shares of Face Value of Rs.1 were (Now reduced to 15183019 Shares of Rs.10) issued in the year 2006-07 as Bonus.

4 Reserves & Surplus

	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
Security Premium Reserve		
Balance as per last financial Statement	362,833,156	362,833,156
Closing Balance	362,833,156	362,833,156
General Reserve		
Balance as per last financial Statement	30,812,971	30,812,971
Add. : Transfer from Statement of Profit and Loss	4,700,000	Nil
Closing Balance	35,512,971	30,812,971
Surplus in the Statement of Profit and Loss		
Balance as per last financial Statement	605,195,681	431,741,669
Add : Profit for the year	187,933,452	173,454,012
Less: Appropriations		
Transferred to General Reserve	4,700,000	Nil
Proposed Dividend	45,549,056	Nil
Tax on Proposed Dividend	7389,196	Nil
	57,638,252	57638252
Net Surplus in the statement of profit and loss	735,490,882	605,195,681
Total	1,133,837,009	998,841,808

5 Long Term Borrowings

	Non-Current		Current	
	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
Term Loan - From Bank@ [Indian rupee loan from Bank (Secured)]	1,573,769,519	1,521,910,233	310,134,000	296,682,000
Vehicle Loans@@	4,672,934	1,051,976	1,491,246	626,410
	1,578,442,454	1,522,962,209	311,625,246	297,308,410
The above amount Includes				
Secured Borrowings	1,578,442,454	1,522,962,209	311,625,246	297,308,410
Unsecured Borrowings	Nil	Nil	Nil	Nil
Amount disclosed under the head 'Other Current Liabilities' (Note No. 10)	Nil	Nil	(311,625,246)	(297,308,410)
Total	1578442454	1,522,962,209	Nil	Nil

Security :

@ Term Loans under Consortium finance are secured by first charge on the entire Fixed Assets of the company both present and future, second charge on Book Debts, Stock and other Current Assets of the Company and also further guaranteed by personal guarantee of some of the Directors.

@@ Vehicle Loans are secured by Hypothication of Vehicle.

Interest:

Term Loan carries an interest rate which shall be State Bank of India rate or the base rate of the respective rupee lender plus the spread, which ever is higher, payable on monthly basis.

Vehicle Loan carries an interest rate ranging between 10.38% to 12.96% p.a.

Repayment:

Term Loan Facilities (including Buyer's Credit arrangements) are repayable in following schedule in Quarterly installments as follows:-

(Amount in Rs.)

Particulars	Upto 1 year	2 to 4 Years	5 to 7 years	More than 8 years
Term Loan Repayment	310,134,000	1,128,181,000	675,248,000	60,965,156

Vehicle Loans are repayable in following schedule in monthly installments as follows:-

(Amount in Rs.)

Particulars	Upto 1 year	2 to 4 Years	5 to 7 years
Term Loan Repayment	1,491,246	3,889,343	783,591

6 Deferred Tax

	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
Deferred Tax Assets arising out of timing difference relating to :		
Disallowance under Income Tax Act, 1961 (Amount Allowable under Provisions of the Income Tax Act, 1961 in subsequent years)	36,910	2,172,463
Total Deferred Tax Assets	36,910	2,172,463
Deferred Tax Liability arising out of timing difference relating to :		
Difference of Depreciation as per Tax Provision and Company Law	202,750,119	189,885,253
Total Deferred Tax Liability	202,750,119	189,885,253
Net Deferred Tax Liability	202,713,209	187,712,790

7 Provisions

	Non-Current		Current	
	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
Provisions for employee benefits				
For Gratuity	6,191,388	8,230,840	1,339,116	Nil
Less : Plan Assets	(6,511,661)	(7,238,144)	(1,341,725)	Nil
	(320,273)	992,696	(2,609)	Nil
Less:Trasfer to other Non Current Asset (Note No.14)	320,273	Nil	Nil	Nil
	Nil	992,696	(2,609)	Nil
Proposed Dividend	Nil	Nil	45,549,056	Nil
Provision for Tax on Proposed Dividend	Nil	Nil	7,389,196	Nil
Provision for Taxation	Nil	Nil	183,391,280	120,830,000
Less : AdvanceTax and TDS	Nil	Nil	(173,498,790)	(116,339,447)
	Nil	Nil	9,892,490	4,490,553
Total	Nil	992696	62828133	4490553

8 Short-term borrowing

	As at 31/03/2012 Rs.	Current As at 31/03/2011 Rs.
Working Capital Loan from Banks@	672,686,793	720,628,166
Buyers Credit Arrangement @@	290,624,637	43,400,162
Loan From Corporate Bodies	Nil	20,000,000
	963,311,430	784,028,328
The above amount Includes		
Secured Borrowings	963,311,430	764,028,328
Unsecured Borrowings	Nil	20000000
Total	963311430	784028328

Security :

@ Working Capital loans under consortium finance are secured by first charge on Book Debts, Stocks and other Current Assets and second charge on all the Fixed Assets both present and future of the Company and also further guaranteed by personal guarantee of some of the Directors.

@@ Buyers Credit arrangement 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.

Terms of Repayment :

Buyers Credit arrangement are available for 180 days.

9 Trade payables

	As at 31/03/2012 Rs.	Current As at 31/03/2011 Rs.
Micro, Small and Medium Enterprises @	Nil	Nil
Others	344,734,800	457366130
Total	344,734,800	457,366,130

@ The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been made.

10 Other Current Liabilities

	Current	
	As at 31/03/2012	As at 31/03/2011
Current Liabilities of long term borrowings (Note No. 5)	311,625,246	297,308,410
Creditors for Capital Goods	102,431,175	144,376,861
Creditors for Expenses	25,818,222	22,251,563
Advance received from customers	35,470,981	29,833,613
Interest accrued and due on borrowings	20,018,840	18,024,967
Salary & Wages Payable	16,308,659	9,015,150
TDS Payable	4,824,796	2,986,317
Unclaimed dividend @	18,201	18,201
Unclaimed Share Application Money @	195,965	195,965
Other payables	315,608	748,211
Other Statutory dues	1,313,106	1,011,965
Total	518,340,800	525,771,224

@ There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

11 FIXED ASSETS

Cost Of Valuation	TANGIBLE ASSETS						INTANGIBLE ASSETS		Total
	Land- Lease Hold/ Free Hold	Buildings	Plant & Machinery	Furniture & Fixtures	Computers	Vehicles	Office Equipment	Licence & Software	
01.04.2010	15,555,363	607,921,521	2,048,075,216	10,981,833	8,018,283	7,708,036	4680026	14912516	2,717,852,794
Addition	7,729,629	158,717,721	781,288,570	1,249,528	1,111,465	1,744,010	966792	614256	953,421,971
Disposal						(1,000,000)			(1,000,000)
Other Adjustment			(2,390,629)						(2,390,629)
At 31.03.2011	23,284,992	766,639,242	2,826,973,157	12,231,361	9,129,748	8,452,046	5,646,818	15,526,772	3,667,884,136
Addition		122,522,171	569,640,518	1,018,043	644,602	7,033,195	1132335	2289991	704,280,855
Disposal		(607,960)	(7,319,656)			(364,720)			(8,292,336)
Other Adjustment			(17,946,334)						(17,946,334)
At 31.03.2012	23,284,992	888,553,453	3,371,347,684	13,249,404	9,774,350	15,120,521	6,779,153	17,816,763	4,345,926,321
Depreciation									
01.04.2010		59,061,505	673,725,482	3,627,246	4,419,210	2,442,364	1212045	5769613	750,257,465
Change for the year		21,670,817	226,458,601	644,312	1,360,076	668,722	285704	2516891	253,605,123
Disposal						(236,849)			(236,849)
Other Adjustment	—								
At 31.03.2011	—	80,732,322	900,184,083	4,271,558	5,779,286	2,874,237	1,497,749	8,286,504	1,003,625,739
Change for the year		26,193,214	299,662,471	721,807	1,523,398	1,019,429	292621	3176197	332,589,138
Disposal		(36,105)	(817,301)			(120,366)		-206,819	(1,180,591)
Other Adjustment			(2,874,269)						(2,874,269)
At 31.03.2012	—	106,889,431	1,196,154,984	4,993,365	7,302,684	3,773,300	1,790,370	11,255,882	1,332,160,017
NET BLOCK									
AS AT 31.3.2011	23,284,992	685,906,920	1,926,789,074	7,959,803	3,350,462	5,577,809	4,149,069	7,240,268	2,664,258,397
AS AT 31.3.2012	23,284,992	781,664,022	2,175,192,700	8,256,039	2,471,665	11,347,221	4,988,783	6,560,881	3,013,766,304

Note: Other Adjustment includes a sum of Rs.17946334/- (P.Y.2390629/-) received towards TUFF subsidy related to Loss due to Exchange rate fluctuation, which was previously capitalised by the Company.

12 Non current investments

	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
Investment in Equity Share (Quoted) [Non-Trade]		
(1) NIL (Previous year 1764000) Equity Shares of GSL Nova Petrochemicals Ltd. of Rs. 5/- each received upon Demerger of Nova Petrochemicals Ltd.	Nil	26,460,000
Less : Provision for Diminution in Value of Investment	Nil	12,259,800
	Nil	14,200,200
(2) 128000 (Previous year 2364000) Equity Shares of CIL Nova Petrochemicals Ltd. of Rs. 5/- each received upon Demerger of Nova Petrochemicals Ltd.	1,920,000	Nil
(3) 20000 (Previous year 20000) Equity Shares of UCO Bank Ltd.of Rs. 10/- each	293,240	293,240
	2,213,240	14,493,440
Investment in Equity Share (Unquoted) [Non-Trade]		
(1) 128000 (Previous year 2364000) Equity Shares of CIL Nova Petrochemicals Ltd. of Rs. 5/- each received upon Demerger of Nova Petrochemicals Ltd.		
Balance as per Last Balance Sheet	1,920,000	35,460,000
Less : Provision for Diminution in Value of Investment	Nil	16,429,800
	1,920,000	19,030,200
Less : Transfer to Investment in Equity Shares (Quoted)	(1,920,000)	Nil
	Nil	19,030,200
(2) 20250(Previous year 20250) Equity Shares of Chiripal Industries Ltd.. of Rs. 10/- each	90,000	90,000
(3) 2500 (Previous year Nil) Equity Shares of The Saraswat Co. Op. Bank Ltd. of Rs. 10/- each.	25,000	Nil
	115,000	19,120,200
Aggregate amount of quoted investments	2,213,240	14,493,440
Market Value of quoted investments	4,147,800	8,545,320
Aggregate amount of Unquoted investments	115,000	19,120,200
Investment in Limited Liability Partnership (LLP)		
Fixed Capital In Nandan Chiripal Energy Corporation LLP	450,000	450,000
Total	2,778,240	34,063,640

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/Loss		Closing Balance of Fixed Capital in Rs.	
		2011-12	2010-11	As at 31/03/2012	As at 31/03/2011
1	Nandan Exim Limited	45%	45%	450,000	450,000
2	Chiripal Industries Limited	55%	55%	550,000	550,000
	Total.....			1,000,000	1,000,000

13 Loans and Advances

	Non-Current		Current	
	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
Capital Advances	145,689,622	32,046,424	Nil	Nil
Security Deposits	3,383,581	6,494,452	Nil	Nil
Advance recoverable in cash or kind	Nil	Nil	52,244,773	71,557,578
Balance With Govt Authorities	Nil	Nil	100,262,784	131,021,487
Interest Receivable	Nil	Nil	1,653,067	992,643
Insurance Claim Receivable	Nil	Nil	Nil	3,520,386
Prepaid Expense	Nil	Nil	11,625,212	6,045,971
Loans to Employees	Nil	Nil	1,534,901	881,966
Less : Provision for Doubtful Loan	Nil	Nil	(113,761)	Nil
	Nil	Nil	1,421,140	881,966
Total	149,073,203	38,540,876	167,206,977	214,020,032

14 Other assets

	Non-Current	
	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
Margin Money deposit (Transfer from other Bank Balances Note No. 17)	45,965,188	8,832,671
Net Plan Assets against Gratuity Fund (Transfer from Provisions Note No.7)	320,273	Nil
Total	46,285,461	8,832,671

15 Inventories

	Non-Current	
	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
Raw materials	581,457,452	772,737,707
Work-in-Process	160,495,240	127,677,405
Finished Goods	110,990,210	220,181,056
Stock in Trade	13,784,617	7,977,115
Stores & Spare parts	73,145,333	42,417,478
Fuel	42,266,983	39,641,151
Packing Material	2,015,387	2,532,195
Total	984,155,221	1,213,164,107

16 Trade Receivables

	As at 31/03/2012 Rs.	Current As at 31/03/2011 Rs.
Trade Receivables (Unsecured)		
Outstanding for a period exceeding Six Months from the date they are due for Payment		
Considered Good	8,050,235	9,102,368
Considered Doubtful	9,224,859	10,455,866
	17,275,094	19,558,234
Less: Provision for doubtful receivables	9,224,859	10,455,866
	8,050,235	9,102,368
Other Receivables		
Others - Considered Good	686,689,792	541,009,529
Others - Considered Doubtful	Nil	Nil
	686,689,792	541,009,529
Less : Provision for doubtful receivables	Nil	Nil
	686,689,792	541,009,529
Total	694,740,027	550,111,897

17 Cash and Bank Balances

	Non-Current		Current	
	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
A Cash and cash equivalents				
Cash on hand	Nil	Nil	1,806,034	2,227,847
Balance With Banks	Nil	Nil	124,495,330	22,881,728
	Nil	Nil	126,301,364	25,109,576
The Current Account balance includes Rs.18201/- (P.Y. Rs.18201/-) towards unclaimed dividend and Rs.195965/- (P.Y. Rs.195965/-) towards unclaimed IPO Refund which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such account.				
B Other Bank Balance				
Margin Money deposit	45,965,188	8,832,671	28,713,702	44,042,826
	45,965,188	8,832,671	28,713,702	44,042,826
Less Amount disclosed Under Non Current Assets (Note No. 14)	(45965188)	(8832671)	Nil	Nil
Total	Nil	Nil	155,015,067	69,152,402

18 Revenue from operations

	Year ended 31/03/2012 Rs.	Year ended 31/03/2011 Rs.
Sale of Product	5,622,471,171	4,941,265,917
Other Operating Revenue		
Waste Sales	74,312,457	64,768,901
Export Incentive	39,943,497	42,723,213
Job Work Income	1,659,600	25,205,120
TOTAL	5,738,386,725	5,073,963,151
Details of Products Sold		
Finished goods sold		
Denim	4,921,646,911	4,036,680,941
Bottom Weight	13,843,026	3,554,216
Others	105,993,658	166,282,368
	5,041,483,594	4,206,517,525
Traded goods sold		
Fabrics	250,009,268	402,846,826
Knitted Fabrics	Nil	58,723,672
Printed Fabrics	270,553,093	273,177,894
Others	60,425,216	Nil
	580,987,577	734,748,392
	5,622,471,171	4,941,265,917

19 Other Income

	Year ended 31/03/2012 Rs.	Year ended 31/03/2011 Rs.
Interest Income On		
Bank Deposits	4,276,960	2,103,858
Others	315,707	327,454
Dividend Income on Non Current Investments	60,000	30,000
Miscellaneous Income	771,290	100,000
TOTAL	5,423,957	2,561,312

20 Cost of materials consumed

	Year ended 31/03/2012 Rs.	Year ended 31/03/2011 Rs.
Opening Stock of Raw Material	772,737,707	466,006,836
Purchase	3,249,697,971	3,510,282,087
Closing Stock of Raw Material	581,457,452	772,737,707
	3,440,978,226	3,203,551,216

Details of Raw Material Consumption

Yarn	1,446,636,383	1,405,691,117
Cotton	1,590,722,987	1,405,963,783
Other raw materials	403,618,855	391,896,316
	3,440,978,226	3,203,551,216

Details of Inventory

Yarn	129,480,991	117,955,301
Cotton	369,127,005	537,459,494
Other raw materials	82,849,456	117,322,912
	581,457,452	772,737,707

Details of Value of Imported & Indigenous Raw Material consumed

Particulars	Raw Materials			
	%		Value (Rs.)	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
i. Imported	2.44	1.64	83,821,339	52,637,128
ii. Indigenous	97.56	98.36	3,357,156,887	3,150,914,088
	100.00	100.00	3,440,978,226	3,203,551,216

21 Purchase of Stock in Trade

	Year ended 31/03/2012 Rs.	Year ended 31/03/2011 Rs.
Trading Purchase	578,739,502	733,727,886
	578,739,502	733,727,886

Details of Purchase of traded goods

Fabrics	250,004,268	402,583,923
Knitted Fabrics	Nil	58,699,954
Printed Fabrics	289,053,214	263,226,465
Others	39,682,020	9,217,544
	578,739,502	733,727,886

22 Change in Inventories of Finished Goods, Work in Progress and Stock in Trade

	Year ended 31/03/2012 Rs.	Year ended 31/03/2011 Rs.
Commencing Stock		
Work-in-process	127,677,405	143,303,877
Finished Goods	220,181,056	44,990,152
Stock in Trade	7,977,115	5,486,330
	355,835,576	193,780,359
Closing Stock		
Work-in-process	160,495,240	127,677,405
Finished Goods	110,990,210	220,181,056
Stock in Trade	13,784,617	7,977,115
	285,270,067	355,835,576
Decretion / (Accretion) to Stock	70,565,509	(162,055,217)
Details of Finished Goods		
Denim	109,264,096	219,064,507
Bottom Weight	771,034	161,469
Others	955,080	955,080
	110,990,210	220,181,056
Details of Stock in Trade		
Printed Fabrics	13,784,617	7,977,115
	13,784,617	7,977,115

23 EMPLOYEE BENEFIT EXPENSE

	Year ended 31/03/2012 Rs.	Year ended 31/03/2011 Rs.
Salary, Wages & Bonus	186,673,719	136,849,236
Contribution to Provident Fund & Other Funds	4,629,257	9,346,537
Staff Welfare Expense	958,310	839,415
TOTAL	192,261,286	147,035,188

Retirement Benefits

As per revised Accounting Standard 15 "Employees Benefits", the Company has recognized in the financial statements in respects of Employee Benefits Schemes as per Actuarial Valuation as on 31st March, 2012.

1. Amount of Defined Benefit Obligation in respect of Gratuity liability is recognized in the Balance Sheet as follows:

Particulars	2011-12 Rs.	2010-11 Rs.
Present Value of Funded Obligations	7,530,504	8,230,840
Fair value of plan assets	7,853,386	7,238,144
Present value of unfunded obligations	-	992,696
Unrecognized past service cost	-	-
Net liability/(Asset)	(322,882)	992,696
Amounts in the balance sheet:		
Liabilities	7,530,504	8,230,840
Assets	7,853,386	7,238,144
Net liability/(Asset)	(322,882)	992,696

2. Amount of defined benefit obligation in respect of Gratuity liability is recognized in the profit and Loss account as follows:

Particulars	2011-12 Rs.	2010-11 Rs.
Current service cost	2,427,955	2,675,422
Interest on obligation	658,467	550,931
Expected return on plan assets	615,242	(273,202)
Net actuarial losses / (gains) recognized in year 2011-2012	(3,786,757)	(1,960,457)
Past service cost	-	-
Losses / (Gains) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	(1,315,578)	992,696

3. 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:

Particulars	2011-12 Rs.	2010-11 Rs.
Opening Defined Benefit Obligation on 1-4-2011	8,230,840	6,886,642
Service cost	2,427,955	2,675,422
Interest cost	658,467	550,931
Actuarial losses (gains)	(3,786,758)	(1,882,156)
Losses (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of Purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Closing defined benefit obligation 31-3-2012	7,530,504	8,230,840

4. 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	2011-12 Rs.	2010-11 Rs.
Opening fair value of plan assets as on 01-April -11	7,238,144	-
Expected return	615,242	273,202
Actuarial gains and (losses)	-	78,300
Assets distributed on settlements	-	-
Contributions by employer	-	6,886,642
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-2012	7,853,386	7,238,144

5. Details of the major categories of plan assets as a percentage of total plan assets in respect of Gratuity are as follows:

Particulars	2011-12 Rs.	2010-11 Rs.
Government of India Securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Policy of insurance	100%	100%
Bank Balance	-	-

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

Particulars	2011-12 Rs.	2010-11 Rs.
Discount rate as on 31-03-2012	8.00%	8.00%
Expected return on plan assets at 31-03-2012	8.50%	8.00%
Proportion of employees opting for early retirement	-	-
Annual increase in Salary costs	5.00%	6.00%

7. Details of Defined benefit pension plans for the current and previous periods are as follows:

Particulars	31/03/2012	31/03/2011	31/03/2010	31/03/2009	31/03/2008
Defined Benefit Obligation	7,530,504	8,230,840	6,886,642	5,068,460	3,506,755
Plan assets	7,853,386	7,238,144	-	-	-
Surplus / (deficit)	322,882	(992,696)	(6,886,642)	(5,068,460)	(3,506,755)
Experience adjustments on plan liabilities	(3,786,758)	(1,882,156)	(429,493)	-	-
Experience adjustments on plan assets		7,800	-	-	-

The expected benefits are based on the same assumptions used to measure Group's gratuity obligations as at 31st March, 2012. The Company is expected to contribute Rs.1,310,000 to gratuity funds for the year ended 31st March, 2013.

24 FINANCE COST

	Year ended 31/03/2012 Rs.	Year ended 31/03/2011 Rs.
Interest to Banks	231,791,992	149,505,521
Other Interest	12,742,255	4,530,636
Interest on income tax	2,464,182	691,154
Bank Charges	31,420,492	13,761,756
TOTAL	278,418,920	168,489,068

25 OTHER EXPENSES

	Year ended 31/03/2012 Rs.	Year ended 31/03/2011 Rs.
Stores & Spares consumed	51,515,890	22,167,498
Packing material consumed	15,284,532	13,796,935
Electricity & Fuel charges	383,231,619	326,097,896
Labour/ Jobwork and Process Charges	52,720,178	43,671,844
Carriage Inward	14,541,204	6,954,372
Foreign Exchange Loss / (Gain)	16,664,964	(7,740,794)
Inspection Charges	5,000,917	3,692,210
REPAIRS TO:		
Building	36,855	50,093
Machinery	517,196	708,288
Others	197,524	213,018
TOTAL	751,575	971,399

25 OTHER EXPENSES [Contd...]

	Year ended 31/03/2012 Rs.	Year ended 31/03/2011 Rs.
Insurance	6,975,879	3,275,896
Rent	3,898,817	1,808,520
Rates & Taxes	2,338,306	2,587,227
Communication	3,319,241	2,695,067
Traveling, Conveyance and Vehicle Expense	15,124,509	9,347,503
Professional Fees	4,894,976	6,573,741
AUDITOR'S REMUNERATION:		
Audit Fees	505,620	496,350
For Tax Audit	56,180	55,150
TOTAL	561,800	551,500
Freight, Clearing and Forwarding Expense	17,960,026	17,863,464
Other Selling Expense	2,792,858	2,825,615
Commission paid	8,082,138	7,921,527
Donation	15,010,000	Nil
Loss on Sales of Fixed Assets	104,354	288,151
Loss due to Fire	2,432,829	Nil
Bad debts written off	1,327,300	2,074,870
Provision for doubtful debts	(1,231,007)	1,421,075
Miscellaneous Expense	6,672,784	3,943,608
(It includes Canteen Expense, Director Sitting Fees, General Expense, House Keeping Expense & Stationary and Printing Expense etc)		
TOTAL	629,975,689	472,789,124

Details of Value of Imported & Indigenous Stores, Components & Spare parts consumed

	Stores, Components & Spare parts			
	%	Value (Rs.)		
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
i. Imported	35.42	Nil	18,247,926	Nil
ii. Indigenous	64.58	100.00	33,267,964	22,167,498
	100.00	100.00	51,515,890	22,167,498

26 EXCEPTIONAL ITEMS

	Year ended 31/03/2012 Rs.	Year ended 31/03/2011 Rs.
Profit on Sale of Investment	14,061,859	Nil
Reversal of Dimunation in Value of Investment	28,689,600	Nil
TOTAL	42,751,459	Nil

27. CONTINGENT LIABILITIES NOT PROVIDED FOR :

Sr.No.	Particulars	2011-12 Rs.	2010-11 Rs.
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)]	6,619,706	7,300,937
b)	Excise Demand disputed in appeal by the company /Excise Department	514,545	2,599,778
c)	Professional Tax	192,912	Nil
d)	Estimated Amount of Contracts remain to be Executed on Capital Account. Advance paid against such Contract is Rs.145,689,622 (Previous year Rs. 32,046,424) which is shown under the head advances.	195,348,153	175,575,569
e)	Corporate guarantee in Favour of IDBI Bank Ltd. to secure Term Loan Sanctioned to M/s Vraj Integrated Textile Parks Ltd.	197,000,000	241,800,000
f)	Corporate guarantee in Favour of State Bank of Bikaner and Jaipur. to secure Term Loan Sanctioned to M/s Vraj Integrated Textile Parks Ltd.	163,000,000	Nil
g)	Bank Guarantee	18,030,684	Nil
h)	A letter has been received by the company from service tax Department seeking Clarification on selling Commission.	Amount not Quantifiable	Amount not Quantifiable

28. 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.122,474,103/- (Previous year Rs. 296,693,970/-) to be fulfilled during the specified period. The liability towards custom duty payable thereon in respect of unfulfilled export obligation as on 31st March, 2012 is Rs.15,309,263/- (Previous Year Rs. 37,086,746/-).

29. 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. Nil (P.Y.Rs. 1,331,247/-) arising during the current year are adjusted to the cost of the fixed assets and depreciated over the balance life of the fixed assets.

30. Net Foreign Exchange gain of Rs.405,867/- (Previous Year gain of Rs. 12,127,559/-) in respect of Exports included in Other Expenses.Net Foreign exchange Loss amounting to Rs.8,749,821/- (Previous Year Loss of Rs. 560,370/-) in respect of various other items is included in Other Expenses. Net Foreign exchange Loss amounting to Rs.83,21,010/- (Previous Year Loss of Rs. 3,826,395/-) in respect of Fixed Asset is included in Other Expenses.

31. Fuel Cost is net of Fuel Income of Rs.21,596,636/- (P.Y. Rs. 6,617,370/-).

32. Employee Cost is net of Labour reimbursement of Rs.13,452,006/- (P.Y. Rs. 5,255,278/-).

33. 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.

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

35. Borrowing costs attributable to the acquisition or construction of Qualifying Assets amounting to Rs. Nil (Previous Year Rs. 33,396,772) is capitalized by the company net of TUFs interest subsidy Rs. Nil (Previous Year Rs. 21,165,499).

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

37. Interest and Finance Charges are net of interest subsidy received/receivable under TUFs scheme amounting to Rs.91,538,988/- (Previous year Rs. 98,939,261/-) and Subvention received/receivable on Export Packing Credit amounting to Rs.Nil (Previous Year Rs. 3,298,464/-).

38. Profit for the year has been arrived at after adjusting following prior period items:-

EXPENSE HEAD	2011-12	2010-11
Employment Cost	Nil	180,598
Other Expense	106,240	39,235
Finance Cost	(432,504)	Nil
Depreciation and Amortisation Expense	(206,819)	Nil
Total Amount (Rs.)	(533,083)	219,833

39. Related Party Disclosures:

A) Key Management Personnel:

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

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

Sr. No.	Name	Nature of Relationship
1	Savitridevi Chiripal	Relative of Chairman
2	Pritidevi Chiripal	Relative of Managing Director
3	Vinita Agrawal	Relative of Chairman

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

Sr. No.	Name	Sr. No.	Name
1	Shanti Exports Pvt. Ltd.	5	Chiripal Poly Films Ltd..
2	Chiripal Industries Ltd.	6	Chiripal Charitable Trust
3	Shanti Education Initiatives Ltd	7	Chiripal Lifestyle Ltd.
4	Nandan Chiripal Energy Corporation LLP	8	Vishal Fabrics Pvt Ltd.

D) Details of Transactions with Related Parties are as follows:

(Amount in Rs.)

Sr. No.	Nature of Transaction	Key Management Personnel		Relatives		Other Related Parties		Total	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1	Unsecured Loans – Taken								
	Taken during the period	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Repaid during the period	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Balance as at Balance Sheet Date	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Advances Recoverable in Cash or Kind								
	Given during the period	Nil	Nil	Nil	Nil	843,879,779	64,461,066	843,879,779	64,461,066
	Settled during the period	Nil	Nil	Nil	Nil	876,382,779	445,609,604	876,382,779	445,609,604
3	Expenditure								
	Purchase of Goods	Nil	Nil	Nil	Nil	296,273,815	351,594,671	296,273,815	351,594,671
	Rent	Nil	Nil	Nil	Nil	2,029,440	504,720	2,029,440	504,720
	Donation	Nil	Nil	Nil	Nil	15,000,000	Nil	15,000,000	Nil
	Job Work Charges	Nil	Nil	Nil	Nil	106,263,820	277,337,889	106,263,820	277,337,889
4	Income Received								
	Sales	Nil	Nil	Nil	Nil	150,690	2,993,503	150,690	2,993,503
	Sale of DEPB	Nil	Nil	Nil	Nil	6,815,169	6,856,177	6,815,169	6,856,177
	Job work	Nil	Nil	Nil	Nil	Nil	7,695	Nil	7,695
5	Amount Paid on their Behalf	Nil	Nil	Nil	Nil	Nil	136,435	Nil	136,435
6	Remuneration paid	12,096,000	9,576,000	604,800	604,800	Nil	Nil	12,700,800	10,180,800

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:

Particulars	2011-12	2010-11
1. Advance Recoverable in cash or Kind:		
Advance Given:		
- Chiripal Industries Ltd.	822,979,779	35,826,526
- Shanti Exports Pvt. Ltd.	Nil	17,140,040
- Chiripal Charitable Trust	Nil	11,494,500
Advance Settled:		
- Chiripal Industries Ltd.	855,482,779	418,615,104
3. Expenditure:		
Purchase of Goods:		
- Chiripal Industries Ltd	152,546,990	242,723,277
- Vishal Fabrics Pvt. Ltd.	143,494,735	107,064,116
Rent:		
- Shanti Export Pvt. Ltd.	264,720	264,720
- Shanti Education Initiatives Ltd	264,720	240,000
- Savitridevi Chiripal	750,000	Nil
- Pritidevi Chiripal	750,000	Nil
Job Work Charges:		
- Chiripal Industries Ltd	106,263,820	277,337,889
4. Income Received:		
Sales:		
- Chiripal Industries Ltd	Nil	1,240,464
- Vishal Fabrics Pvt Ltd	126,600	545,920
- Chiripal Lifestyle Ltd.	Nil	1,207,119
DEPB Sale:		
- Chiripal Industries Ltd	6,815,169	6,856,177
Job Work Income:		
- Chiripal Lifestyle Ltd.	Nil	7,695
Remuneration Paid:		
- Shri Brijmohan Chiripal	6,720,000	5,712,000
- Shri Deepak Chiripal	5,376,000	3,864,000

40. 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, 2012

(Amount in Rs.)

Sr.No.	Particulars	India		Rest of World		Total	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
1	Segment Revenues	5,171,407,539	4,497,363,390	566,979,186	576,599,761	5,738,386,725	5,073,963,151
2	Segment Assets	5,199,661,886	4,828,272,328	60,036,507	109,383,975	5,259,698,393	4,937,656,303
3	Capital Expenditure during the period	704,280,855	953,421,971	-	-	704,280,855	953,421,971

41. Earning per Share

Particular	Unit	31/3/2012	31/03/2011
Numerator used for calculating Basic and Diluted Earning per Share (Profit after Tax)	Rs.	187,933,452	173,454,012
Weighted average No. of shares used as denominator for calculating Basic and Diluted	No. of Shares	45549056	45549056*
Nominal Value of Share	Rs.	10	10
Basic and Diluted Earning per Share	Rs.	4.13	3.81

*Note: Total number of shares has been adjusted upon the consolidation of Shares from face value of Rs.1 to face value of Rs.10 each.

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

43. C.I.F. Value of Imports:

Particulars	2011-12	2010-11
Raw Materials	98,587,942	52,637,128
Trading Goods	39,001,123	Nil
Stores & Spares	18,247,926	Nil
Capital Goods	244,045,674	67,018,669

44. Expenditure In Foreign Currency

Particulars	2011-12	2010-11
i. Traveling Expenses	2,829,781	1,387,391
ii. Foreign Bank Charges	1,483,111	2,820,762
iii. Commission paid	5,332,539	5,710,768
iv. Exhibition Expense	698,774	Nil
v. Interest on Buyer's Credit & CC Account	4,607,963	3,730,477

45. Earning In Foreign Currencies

Particulars	2011-12	2010-11
FOB Value of Export Goods	552,108,417	568,546,552

46. Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year. Till the year ended 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31st March, 2012, the revised schedule VI notified under the Companies Act, 1956, has become applicable to the company. The Company has reclassified previous year figures to conform to this classification. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statement. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of Balance Sheet.

Note: Previous year's figures have been shown in brackets.

Signature to Notes "1" to "46"

As per our report of even date
For, **J. T. SHAH & COMPANY**
CHARTERED ACCOUNTANTS
(Registration No.109616W)

J.T. SHAH
Partner
[M.No.3983]

Place : Ahmedabad
Date : 13/08/2012

For and on behalf of the Board

Vedprakash D. Chiripal
Chairman

Brijmohan D. Chiripal
Managing Director

Purvee D. Roy
Company Secretary

NANDAN EXIM LIMITED

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

ATTENDANCE SLIP

18th ANNUAL GENERAL MEETING – WEDNESDAY, SEPTEMBER 26, 2012 AT 03.00 P.M.

DP – Client Id* / Folio No. _____ No. of Shares held _____

I / We certify that I / We am / are a registered shareholder of the Company.

I / We hereby record my / our presence at **18th Annual General Meeting** of the Company on **Wednesday, September 26, 2012** at **Survey No. 198/1, 203/2, Saijpur-Gopalpur, Pirana Road, Piplej, Ahmedabad – 382405 (Gujarat)**

Name of the Shareholder

Address of the Shareholder

Signature of the Shareholder

NOTE: Shareholders are requested to bring Attendance Slip duly filled in and hand over the slip at the entrance of the meeting venue.

* Applicable for shares held in electronic form.

Note: No Gift/Gift Coupons/Refreshment Coupons will be distributed at the Meeting

NANDAN EXIM LIMITED

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

PROXY FORM

18th ANNUAL GENERAL MEETING – WEDNESDAY, SEPTEMBER 26, 2012 AT 03.00 P.M.

DP – Client Id* / Folio No. _____ No. of Shares held _____

I / Weof.....

in the district of being a member / members of **NANDAN EXIM LIMITED** hereby appoint

..... of In the district of

..... or falling him / her,

..... of In the district of

..... as my / our proxy to attend & vote for me / us on my / our behalf at the **18th Annual General Meeting** of the Company to be held on **Wednesday, September 26, 2012 at 03.00 p.m.** at **Survey No. 198/1, 203/2, Saijpur-Gopalpur, Pirana Road, Piplej, Ahmedabad – 382405 (Gujarat)** or at any adjournment thereof.

Signed this day of, 2012

.....
Affix
Revenue
Stamp

This form is to be used @ in favour of / against the resolution. Unless otherwise instructed, the proxy will act as he/she thinks.

* Applicable for shares held in electronic form.

@ Strike out whichever is not desired.

NOTES

1. The proxy in order 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 commencement of the meeting. The proxy need not be a member of the Company.
2. The form should be signed across the stamp as per specimen signature registered with the Company.

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