

Growth Woven

with Values



2018 - 2019
7TH ANNUAL REPORT
NANDANI CREATION LIMITED

Jaipur kurti[™]
Com

AMAIVA
BY JAIPUR KURTI



WHERE *Tradition* MEET TRENDS

(A Production House for the Women of Today)

Embarking on the transformational Journey seven years back and being agile in our strategy, we are steadfast on our path towards building the tradition for tomorrow.

In FY 2018-19, we opened our first flagship retail store with a new Brand "Amaiva" that gives a sense of style that we can flaunt wherever we go. The three things necessary for a good style choice –fresh vibe, trend and comfort-are all displayed on the shelves of "JaipurKurti" & "Amaiva"



BEYOND THE BETTER

DIFFERENTIATED PRODUCTS & STRATEGY



One great victory is often a lot more important than numerous small wins-no matter how much longer it takes or how much more effort it demands. Because, that victory has the power to create a real difference.

And that is what our philosophy is and has been. Over the years we have collected our share of wins, put in our efforts in separate avenues, and garnered results as well. But it's how all of it has gradually built up to create the bigger, stronger Nandani with a lot more potential than ever before, that truly stands out today.

As Nandani, we are geared to claim a greater share of success in the industry, with our driven efforts, mastery of skill and strategic implementations of ideas.

Because to us, one is greater than three, and the future will always be bigger than the past ever was!

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Forward-looking Statement

This report contains forward-looking statements, which may be identified by the use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that mention expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product 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 realised. The Company's actual results, performance or achievements could differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to amend or revise any forward-looking statements from time to time based on any subsequent developments, information or events.



GLIMPSE OF AMAIVA



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Anuj Mundhra

Chairman & Managing Director

Mrs. Vandna Mundhra

Whole-Time Director

Mrs. Sunita Devi Mundhra

Whole-Time Director

Mr. Neetesh Kabra

Independent Director

Mr. Gagan Saboo

Independent Director

Mr. Gaurav Jain

Independent Director

STATUTORY AUDITORS

M/s Ashok Holani & Co.,

Chartered Accountants, Jaipur

SECRETARIAL AUDITORS

Manisha Godara and Associates

Company Secretary in Practice, New Delhi

REGISTRAR & SHARE TRANSFER

AGENT

Bigshare Services Pvt. Limited

Andheri East, Mumbai-400059

Maharashtra

PRINCIPAL BANKERS:



REGISTERED OFFICE:

G-13, KARTARPURA INDUSTRIAL AREA,
NEAR 22 GODAM, JAIPUR-302006, RAJASTHAN

CIN: L18101RJ2012PLC037976

Website: www.nandancreation.com

E mail: info@jaipurkurti.com, cs@jaipurkurti.com

BOARD COMMITTEES

Audit Committee

Gaurav Jain (Chairman)

Gagan Saboo

Neetesh Kabra

Nomination & Remuneration Committee

Gaurav Jain (Chairman)

Gagan Saboo

Neetesh Kabra

Stakeholder's Relationship Committee

Gaurav Jain (Chairman)

Anuj Mundhra

Vandna Mundhra

Mr. Dwarka Dass Mundhra

Chief Financial Officer

CS Gunjan Jain

Company Secretary & Compliance Officer

SUBSIDIARY COMPANY:

Desi Fusion India Private Limited

10 things you need to know about Nandani Creation Limited



Background

The promoter family commenced the manufacture of Women Apparels. Nandani Creation was converted into Nandani Creation Private Limited in 2012 and got converted into Nandani Creation Limited in 2016. Over the years Company has established itself with two Brands "JaipurKurti.com" and "Amaiva".



Location

The Company's manufacturing facility is located at 22 Godam Industrial Area, Jaipur, Rajasthan



People

Nandani believes that the Company's ability to maintain growth largely depends on its robust people policy and strength in attracting, training, motivating and retaining employees. The Company also comprises a team credited with the development of each and every stage involved in production. As on 31st March, 2019, Nandani permanent employee strength stood at 80-85 individuals.



Customers

The Company has a customer mix of B2B and B2C clients with B2B accounting for majority of revenues.



Portfolio

The Company's diversified portfolio of products comprises of Kurtis, Salwar Dupattas, Pants, Dresses, Palazzos, Leggings, Different Variety of Bottom wears, Dupattas, Tops, Jackets etc.



Distribution Network

Over the years, the company has been able to establish a vast and diverse distribution network, which includes e-commerce giants like Myntra & Amazon, along with the company's own website and store.



Brand Recall

The company's brands – Jaipur Kurtis and Amaiva – both have excellent brand recall by their customers, fuelled by our excellent quality and the customers' amazing reviews



Horizontal Integration

The company does not outsource any of its work and is integrated across its value chain, from procuring materials, dying them, converting them into the finished product, and ultimately selling them.



Global Presence

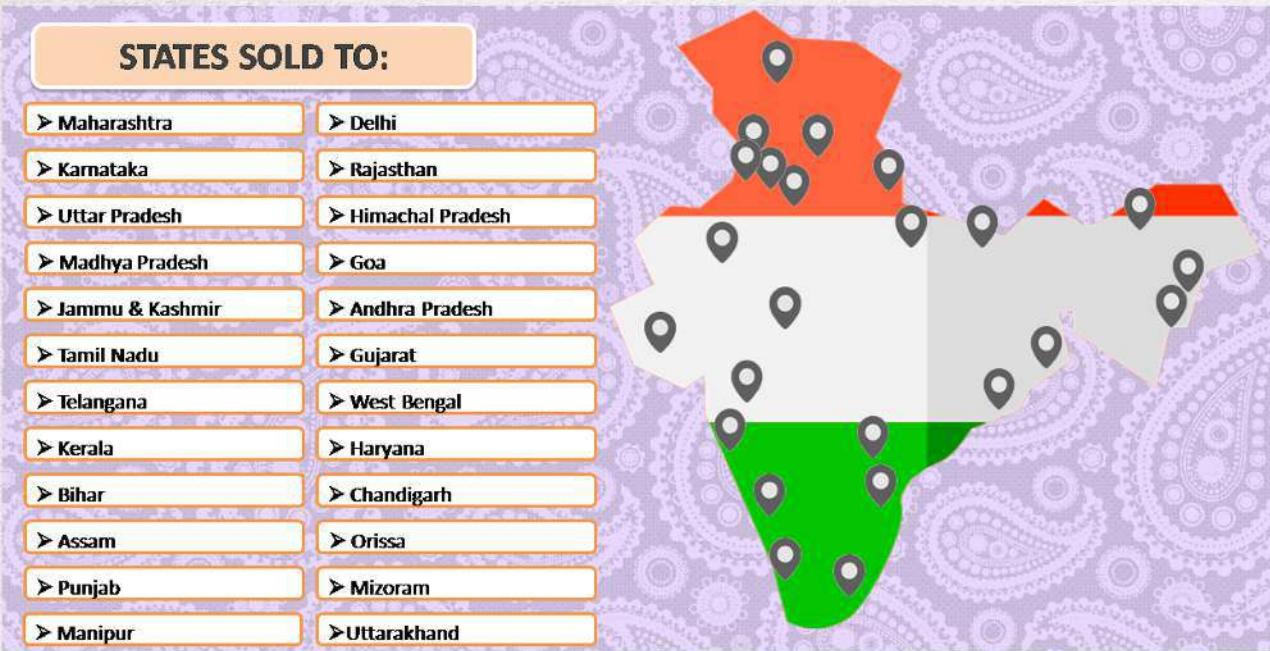
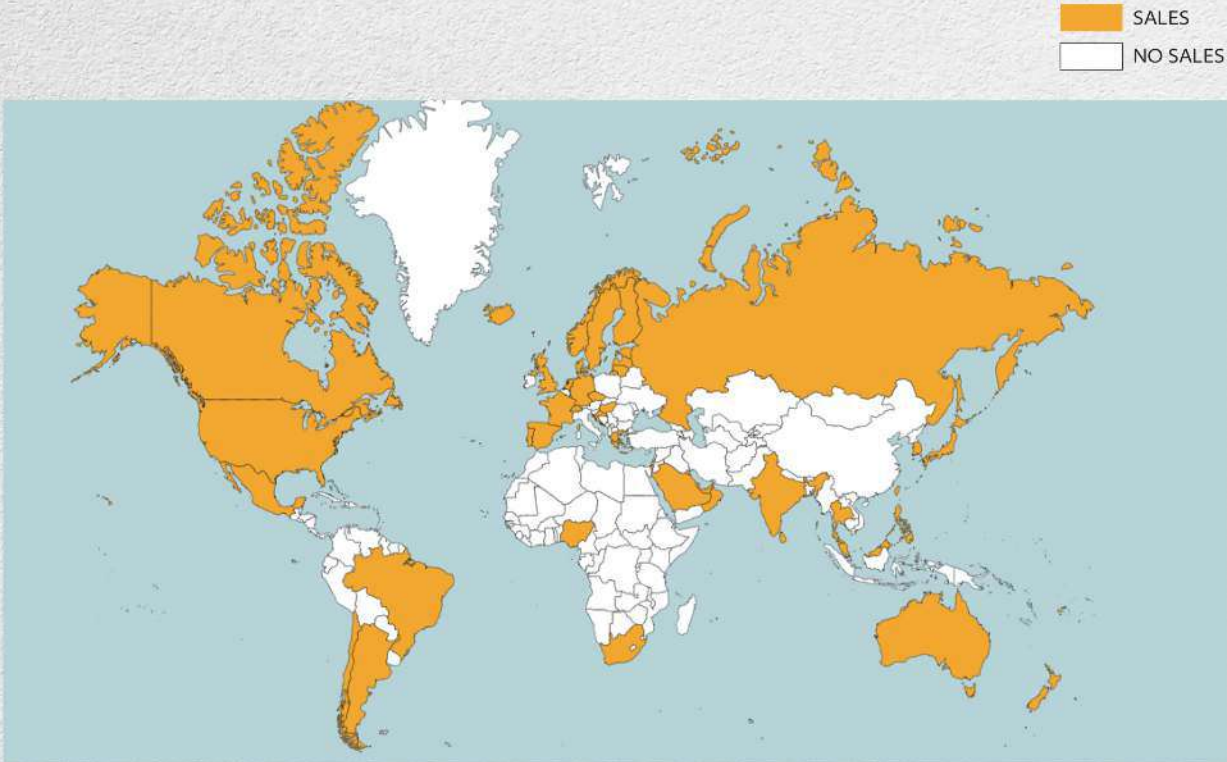
The company's sales are not limited geographically to only India. Over the years, it has been able to establish itself as a global company, with sales in more than 14 countries, including USA, Canada, Switzerland, and many more.



High Referral Rate

Due to its brand loyalty and completely organic word-of-mouth advertising, the brand Jaipur Kurti has been able to convert 20% of its website referral users into customers, while the global average is 3%.

making
a mark
globally



(Calculated using data published from Amazon & eBay)

number that *matters*

It's the key figures that tell a compelling story about Nandani's achievements. Nandani is committed to develop products that address the changing customer preferences, and hence innovates and partners with its customers through its diverse yet integrated business model. Through its products, it touches the lives of customers, enhancing comfort and convenience



Revenue 2018-19
Rs. 3617.89 Lacs



EBITDA 2018-19
Rs. 284.3 Lacs



Profit After Tax 2018-19
Rs. 102.32 Lacs



ABOUT TEXTILE / GARMENT INDUSTRY



10%

CAGR



2nd

Largest
Exporter



2%

Share in
India's GDP



45mm

Employment
generated#1



\$223b

Market by 2021#2



58.1b_{sq.m}

Cloth production#2



38%

Of apparel market is
women's wear #1



68%

Women prefer
trying on clothes#2



73%

Women find store
image important#2

Increased penetration of organized retail, favourable demographics, and rising income levels are likely to drive demand for textiles.

Manmade garments remain the largest contributor to total textile and apparel exports from India.

As of August 2018, the Government of India has increased the basic custom duty to 20 per cent from 10 per cent on 501 textile products, to boost Make in India and indigenous production.

Such favourable conditions, along with our stringent control policies and fully integrated value chain, allow us to excel in the industry and maintain our position. Further, having a vast distribution network and an active e-commerce website act as a moat for our company.

- The consumer behaviour and pattern in India is changing ever so slightly, but ethnic wear still dominates the women's apparel market.
- By providing our customers with affordable, stylish, and comfortable products, we are able to generate brand loyalty and get word-of-mouth advertising.
- By setting up physical stores, we can benefit from the psychographic purchase patterns of female consumers and scale our company to new heights.

#1. <https://www.investindia.gov.in/sector/textiles-garments>

#2. <https://www.ibef.org/industry/indian-textiles-and-apparel-industry-analysis-presentation>

MESSAGE FROM THE CHAIRMAN'S DESK

Dear Shareholders,

It gives me immense pleasure to share with you our performance for the year and perspectives on the way forward.

With our two esteemed Brands **"Jaipur Kurti-A Tryst with India's Traditions"** & **"Amaiva-Where Style Meets Affordability"**, we are re-writing the fundamental rules by which our Company is run today. To meet the aspirations of an ever evolving consumer, rapidly changing demands, we are well on course on the journey of augmenting who we are.

With satisfactory Financial Performance during the F.Y. 2018-19 we are making steady progress towards our vision. The Business continues to build capacities for enhanced performance and delivery across verticals with new designed products across online as well as offline chains.

At **"Jaipurkurti.com"** and **"Amaiva"** we assure our customers an unbeatable and unmatched value in the process of fabrication.

As **Mr. Lauren Hutton** says **"Fashion is what you're offered four times a year by designers. And style is what you choose"**. We have totally implemented this quote in our Business and are trying to launch new Products time to time by redesigning our products and continuously exploring new designs, styles etc.

Today we are committed at ensuring the highest standards of Corporate Governance and excellence at Nandani Creation Limited.



With more than 3 years of listing on NSE Emerge-A SME growth platform, our performance has affirmed our strategic choices. From E-Retailing Company now your company had become both E-Retailing and Retailing Company. Now our focus is on accelerated execution, which will be the key indicator of our overall performance.

Having expanded our capacity and entering into the Retail Store we will be actively pursuing to build on our market leading brand by intensifying innovation and product development.

In FY 2019-20 the Indian economy is expected to continue its journey of growth, the key demand driver being its growing population of young and aspiring professionals. Our digital platforms complement these efforts by offering a seamless customer experience.

The company is exploring newer avenues to continue to enhance the shareholder's value. Taking forward the last years' customer centricity theme ahead, and in the era where differentiated products and services will keep us ahead of the curve, we are focused to keep consumer at the forefront to create a new legacy for our Brands **"JaipurKurti.com"** and **"Amaiva"**.

FINANCIAL UPFRONTS

- Our Total Revenue for the year were Rs. 3608.17 Cr. as compared to Rs. 3420.85 Cr. in the previous year.
- Our EBIIDTA for the year was Rs. 284.30 Cr. as compared to Rs. 209.86 Cr. in the previous year.
- Our Net Profit After Tax for the year was Rs. 102.32 Cr. as compared to Rs. 87.34 Cr. in the previous year.

In conclusion

I have had the good fortune and privilege to serve this Company as a Chairman for the last Seven Years. Overall, I am confident that a combination of all these factors will take your Company to a higher growth trajectory. Before closing, I would like to extend my gratitude to our employees for their persistent hard work and support. I would also like to warmly thank our distributors, suppliers, partners, bankers, customers and all our shareholders for their sustained trust and confidence reposed in us. I look forward to interacting with you all in the coming year as a much stronger organization.

Warm Regards,

Sd/-

ANUJ MUNDHRA

CHAIRMAN & MANAGING DIRECTOR

BOARD'S REPORT

To,
The
Members of Nandani Creation Limited

Your Company has immense pleasure in presenting their 7th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended 31st March, 2019.

1. FINANCIAL HIGHLIGHTS:

The Company's financial performance for the financial year 2018-19 is summarized below:

Particulars	STANDALONE		CONSOLIDATED	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Net Sales/Income from Business operations	36,08,16,568	36,08,16,568	37,37,16,624	33,27,43,825
Other Income	9,72,614	4,03,654	7,38,197	2,21,776
Total Revenue	36,17,89,183	34,24,76,322	37,44,54,821	33,29,65,601
Less: Total Expenses	34,69,64,842	32,96,93,185	35,84,46,636	31,89,56,730
Profit before Exceptional & extra-ordinary items & Tax	1,48,24,341	1,27,83,138	1,60,08,185	1,40,08,871
Less: Exceptional Item	4,60,000	4,60,000	4,99,636	4,99,636
Profit/(Loss) before Tax	1,43,64,341	1,23,23,138	1,55,08,549	1,35,09,235
Less: Current tax expense for current year	43,40,012	39,01,784	46,81,112	42,98,231
Less: Deferred tax	2,08,027	3,13,129	(2,28,099)	(3,46,168)
Net Profit/ (Loss) after Tax for the year	1,02,32,355	87,34,483	1,10,55,536	95,57,172
Earnings per share(Basic)	3.47	2.96	3.75	4.97
Earnings per share(Diluted)	3.47	2.96	3.75	4.97
Restated Earnings per Share (Basic)	3.47	2.96	—	—
Restated Earnings per Share (Dilut-	3.47	2.96	—	—

2. FINANCIAL PERFORMANCE:

For the financial Year 2018-19, your Company recorded Standalone Sales of Rs. 36.71 Cr as against Rs. 34.24 Cr in the previous years and thereby recorded growth of 7.22% in the Net Sales.

The Consolidated Sales of your Company is Rs. 37.44 Crores as compared to Rs. 33.29 Crores the previous year.

The Standalone Profit of the Company after Taxation has increased to Rs. 102.32 Lacs as compared to Rs. 87.34 Lacs in the previous year and the Consolidated Profit of the Company after Taxation has increased to Rs. 110.55 Lacs as compared to Rs. 95.57 Lacs in the previous year.

The Management of the Company striking hard by Making more sincere efforts for the better growth and prospects of the Company in the future and to yield better returns for the Shareholders of the Company.

The Major contributing factor towards the Success of Nandani is its commitment to serve the customer and shareholders to their satisfaction.

3. DIVIDEND:

With a view to provide cushion for any financial contingencies in the future and to strengthen the financial position of the Company, your Directors have decided not to recommend any dividend for the period under review.

4. TRANSFER TO RESERVE:

The Board of Directors of the Company has transferred amount of Rs. 1,02,32,355/- to its Reserve & Surplus account during the Financial Year 2018-19.

5. SUBSIDIARY COMPANY:

The Company has one Wholly Owned Subsidiary Company:

• Desi Fusion India Private Limited

Desi Fusion India Private Limited was incorporated in Jaipur on 31.05.2016. Our Subsidiary Company is engaged in the business of Buying and Selling of Fabrics.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (the Act) Accounting Standards and Securities and Exchange Board of India (SEBI)(Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) the Company has prepared consolidated financial statements which form part of this Annual Report.

In accordance with Schedule V of Listing Regulations, the Company is required to make the Disclosure for its Holding Company and Subsidiary Company.

A separate statement containing salient features of the financial statements of the Company's subsidiary in prescribed form AOC- 1 and the Disclosure under Schedule V is annexed as Annexure 1 to this report.

The audited financial statement including the consolidated financial statements of the Company and all other documents required to be attached thereto is available on the Company's website i.e. www.nandanicreation.com . The financial statement of the subsidiary company is available on the Company's Website i.e. www.nandanicreation.com .

6. MATERIAL CHANGES & COMMITMENTS AFFECTING THE COMPANY:

In pursuance to Section 134(3)(l) of the Companies Act, 2013, the following Material Changes have occurred between the end of Financial Year and date of this Report affecting the financial position of the Company.

Bonus Issue:

- The Company has allotted Bonus Issue to the Shareholders in the ratio of 3:2 (3(Three) New Bonus Equity Shares for every 2 (Two) existing Equity Shares held).
- The Company has capitalized Rs. 4,42,43,700/- (Rupees Four Crore Forty Two Lacs Forty Three Thousand Seven Hundred Only) out of the retained earnings/Securities Premium, and/or any other permitted reserves/surplus for the purpose of Bonus Issue.
- The Company has increased the authorized Share Capital from Rs. 3,25,00,000/- (Rupees Three Crore Twenty Five Lacs Only) to Rs. 11,00,00,000/- (Rupees Eleven Crores Only).
- The Company has altered the Memorandum of Association due to the increase in Authorized Share Capital.
- For the above stated purposes, the Extra Ordinary General Meeting for the Bonus Issue was held on Friday, 19th Day of April, 2019.

7. JOURNEY OF AMAIVA:

Our Company Nandani Creation Limited has launched its 1st Flagship Retail Store "AMAIVA" by Jaipur Kurti on 13th May, 2018.

Amaiva- Where Style Meets Affordability:

"Amaiva" is the new Brand of Nandani Creation Limited. The Brand owns a diverse range of Dresses & Tunics, Tops, Kurtis, Jackets, Jumpsuits, Suit Sets, different variety of Bottom Wears, Leggings, Scarves, Shirts etc. for women in a variety of colors and combinations. At Amaiva you will find plenty of styles in kurtis, kurta, bottom wear, and dupattas to add to your closet. With a huge collection of Ethnic, Indo-Western & Fusion wears; Amaiva will make it easy for you to choose garments as per the requirement of the event and your mood.

The Whole collection will give you a fresh vibe and will assure that everyone praises you for your trendy choice, when you step out flaunting the style you bought.

Amaiva gives you a sense of style that you can flaunt wherever you go, adding that extra oomph and spice. The three things necessary for a good style choice- fresh vibe, trend and comfort- are all displayed on the shelves of Amaiva. You only have to choose what suits you best! The USP of Amaiva is its immaculate sense of color combinations and choice of patterns, creating an ethnic as well as contemporary designer range that is appealing yet affordable. A good design is not marketable stand alone, it is the affordability and cost-efficiency that creates demand. Amaiva has both the factors- pocket-friendly prices and fashion-friendly designs. Owing to this, it has its vast base of loyal customers.

For Amaiva, our products are distributed using the retail model, helping us sustain a workable business model over a short span.

8. PUBLIC DEPOSITS:

The Company has not accepted any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of Deposits which are not in compliance with Chapter V of the Act is not applicable.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to Financial Statements forming a part of this annual report.

10. RELATED PARTY TRANSACTIONS

All Contracts/transactions/arrangements entered by the Company during the financial year with the Related Parties were in ordinary course of Business and on an Arm's Length Basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules issued there under and the regulations. Further, there were no transactions with related parties which qualify as material transactions under the regulations.

All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approval of the Audit Committee has been obtained for the transactions which are of repetitive nature. The transactions entered into pursuant to the omnibus approval so granted along with a statement giving details of all related party transactions was placed before the Audit Committee on quarterly basis, specifying the nature, value, terms and conditions of the same. The Company has made transactions with related parties pursuant to Section 188 of the Act.

The Company has formulated a policy on materiality of related party transactions and also on dealing with Related Party Transactions which has been uploaded on the Company's website at the web link

<https://www.nandanicreation.com/docs/investors/policies/POLICY-ON-MATERIALITY-OF-RELATED-PARTY-TRANSACTIONS.pdf>

Information on transactions with related parties pursuant to Section 188(1) for entering into such contract or arrangement in Form AOC-2 is annexed to this Report as Annexure-2. All the transactions with the related party were in accordance with the Section 188 of the Companies Act, 2013, read with the Rules issued thereunder and the Listing Regulations.

11. AUDITOR'S AND AUDITOR'S REPORT:

• Statutory Auditors & Auditor's Report

M/s Ashok Holani & Co., Chartered Accountants, Jaipur (FRN: 009840C) the statutory Auditors of the Company were appointed at 3rd Annual General Meeting of the Company held on 30th September, 2015 for a period of 5 years, subject to ratification at every AGM held after 3rd AGM.

As per the provisions of Section 40 of the Companies (Amendment) Act, 2017 there is no requirement for ratification of appointment of statutory auditor at every AGM of the Company and therefore, it is not required to ratify the appointment every year.

The Observations made by the Auditors are self explanatory and have been dealt with an Independent Auditor's report & its Annexures forming part of this Annual Report and hence do not require any further clarifications. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

The Auditors in their report for the Financial Year 2017-18 have not given any qualified opinion on the Financial Statements.

• Secretarial Auditors & Secretarial Audit Report

Pursuant to provision of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Board of Directors had appointed M/s Manisha Godara & Associates, Company Secretaries, New Delhi (FRN: S2014RJ268900) as Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2018-19.

The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as Annexure-3 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, in line with the aforesaid compliance, the Board of Directors has re-appointed **M/s Manisha Godara & Associates, Company Secretaries, New Delhi (FRN: S2014RJ268900)** as a Secretarial Auditor in its meeting held on **26th August, 2019** for conducting the Secretarial Audit for the **Financial Year 2019-20**.

• Internal Auditors & Internal Audit Report

Pursuant to the provisions of Section 138 of the Companies Act, 2013 & the rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Board of Directors had appointed **M/s Mohata Baheti & Associates, Chartered Accountants, Jaipur (M.No.:401695)**, as Internal Auditor to conduct Internal Audit for the financial year

Further, in line with the aforesaid compliance, the Board of Directors has re-appointed **M/s Mohata Baheti & Associates, Chartered Accountants, Jaipur (M.No.:401695)**, in its meeting held on 26th August, 2019 for conducting the Secretarial Audit for the Financial Year 2019-20.

12. DIRECTORS & KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 read with the rules made there under and the Company's Articles of Association, Mr. Anuj Mundhra, Managing Director (DIN: 05202504) who was appointed as the Director on the Board w.e.f. 21st February, 2012 and was re-appointed as the Managing Director w.e.f. 16h August, 2016, retires at the 7th Annual General Meeting and, being eligible offers himself for re-appointment

The Board recommends his re-appointment for consideration by the Members of the Company at the 7th Annual General Meeting.

During the F.Y. 2018-19 there are no changes in KMP.

13. EXTRACT OF ANNUAL RETURN:]

Extract of Annual Return in Form MGT-9 containing details as on the financial year ended 31st March, 2019 as required under Section 92(3) of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 in annexed herewith as Annexure-4 which forms part of this report.

14. MEETING OF THE BOARD OF DIRECTORS:

During the year, Seven (7) Meetings of the Board of Directors were convened and held on the following dates as mentioned in the table given below:

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	05.05.2018	6	6
2.	30.05.2018	6	6
3.	11.07.2018	6	6
4.	25.08.2018	6	6
5.	14.11.2018	6	6
6.	18.02.2019	6	6
7.	18.03.2019	6	6

Frequency and Quorum at these Meetings were in conformity with the provisions of the companies Act, 2013 and the "Listing Regulations" and the listing agreements entered into by the company with the Stock Exchange. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the Listing Regulations.

15. COMPOSITION OF BOARD OF DIRECTORS:

The Board of Directors of NANDANI CREATION LIMITED is the balanced and optimum mix of Executive and Non-Executive Directors. They show active participation at the Board, which enhances the transparency and adds value to

their decision making. The Board of the Company is headed by an executive Chairman and a Managing Director.

The Chairman takes the strategic decisions. Frames the policy guidelines and extends wholehearted support to Executive Directors, Business heads and associates.

As at 31st March, 2019, the Key Managerial Personnel of the Company consists of the Following:

Sr. No.	Name of Director	Designation
1.	Mr. Anuj Mundra	Chairman & Managing Director
2.	Mrs. Vandna Mundhra	Whole-Time Director
3..	Mrs. Sunita Devi Mundhra	Whole-Time Director
4.	Mr. Gagan Saboo	Independent Director
5.	Mr. Gaurav Jain	Independent Director
6.	Mr. Neetesh Kabra	Independent Director
7.	Mr. Dwarka Dass Mundhra	Chief Financial Officer
8.	Miss. Gunjan Jain	Company Secretary & Compliance Officer

16. COMMITTEES OF THE BOARD:

The Board of Directors of the Company constituted the following Committees:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholder's Relationship Committee
4. Independent Directors

• AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Act and as per Regulation 18 of the Listing Regulations. The detail of the composition of the Audit committee is as follows:

Name of Member	Status	Designation
Mr. Gaurav Jain	Chairman	Independent Director
Mr. Gagan Saboo	Member	Independent Director
Mr. Neetesh Kabra	Member	Independent Director

During the year, Five (5) Meetings of the Audit Committee were convened and held on 30.05.2018, 25.08.2018, 14.11.2018, 18.02.2019 & 18.03.2019 respectively.

TERMS OF REFERENCE:

The Terms of reference of the Audit Committee are as under:]

1. 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;
2. 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;

3. Approval of payment to statutory auditors for any other services rendered by the Statutory auditors;

4. Reviewing with the management, the annual financial statements before submission to the board for their approval, with particular reference to:

I. Matters required to be included in the Directors responsibility statement and in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

II. Changes, if any, in accounting policies and practices and the reasons for the same;

III. Major Accounting entries involving estimates based on the exercise of judgment by management;

IV. Significant adjustments made in the financial statements arising out of audit findings;

V. Compliances with listing and other practices and reasons for the same;

VI. Disclosure of any related party transactions;

VII. modified opinion(s) in the draft audit report;

5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes, other than those stated in the offer document/Draft prospectus/Prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence, performance and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties;

9. Scrutiny of Inter-Corporate loans and Investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of Internal financial control and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit functions, 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;

14. Discussion with Internal auditors any significant findings and follow up there on;

15. 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 reporting the matter to the board;

16. Discussions with Statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases;

19. Call for comments of the auditors about internal control systems, scope of audit including observations of the auditor and review of the financial statements before submission to the Board;

20. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

22. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

• NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee of the Company is constituted in line with the provisions of Section 178 of the Act and as per Regulation 19 of the Listing Regulations. The Details of the composition of the Nomination & Remuneration Committee is as follows:

Name of Member	Status	Designation
Mr. Gaurav Jain	Chairman	Independent Director
Mr. Gagan Saboo	Member	Independent Director
Mr. Neetesh Kabra	Member	Independent Director

During the year, **One (1) Meeting** of the Nomination & Remuneration Committee were convened and held on 25.08.2018.

• TERMS OF REFERENCE

1. Formulation of the criteria for determining qualifications, positive attributes and Independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of performance of Independent directors and the board of directors;

3. Devising a policy on diversity of board of directors;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent directors.

6. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

7. Recommend to the board, all remuneration, in whatever form, payable to senior management.

The company has duly formulated the Nomination and Remuneration Policy which is also available at the company website <http://www.nandanicreation.com/docs/investors/policies/NOMINATION%20&%20REMUNERATION%20POLICY%20OF%20DIRECTORS.pdf>.

The Policy formulated by Nomination and Remuneration Committee includes director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters as specified under section 178(3) of the Companies Act, 2013 and same was approved by the Board of Directors of the Company.

The nomination and remuneration committee shall meet at least once in a year.

• **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Section 178 of the Act and as per Regulation 20 of the Listing Regulations. The detail of the composition of the Stakeholders Relationship committee is as follows:

Name of Member	Status	Designation
Mr. Gaurav Jain	Chairman	Independent Director
Mr. Gagan Saboo	Member	Independent Director
Mr. Neetesh Kabra	Member	Independent Director

During the year, One (1) Meeting of the Stakeholders Relationship Committee was convened and held on 25.08.2018.

• **MEETING OF INDEPENDENT DIRECTORS:**

Pursuant to Clause VII of the Schedule IV of the Companies Act, 2013 and Regulation 25 of Listing Regulations, the Independent Directors of the Company are required to hold at least one meeting in a year without the attendance of Non-Independent Directors and Members of Management. All the Independent Directors of the Company shall strive to be present at such meeting.

The Details of the three Independent Directors of the Company are as follows:

Name of Member	Status	Designation
Mr. Gaurav Jain	Chairman	Independent Director
Mr. Gagan Saboo	Member	Independent Director
Mr. Neetesh Kabra	Member	Independent Director

During the year, One (1) Meeting of the Independent Directors was convened and held on 25.08.2018.

TERMS OF REFERENCE:

- The performance of Non-Independent directors and the Board as a Whole;
- The performance of the Chairperson of the Company, taking into account the views of executive directors and Non-Executive Directors;
- Assess the quality, quantity and timeliness of flow of Information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties;

17. DECLARATION OF INDEPENDENCY BY INDEPENDENT DIRECTORS:

The Independent Directors have given declaration under Section 149(6) of the Companies Act, 2013 and the rules made there under. The Independent Directors have fulfilled the Conditions relating to their status as an Independent Director as specified in Section 149 of the Act and the Regulation 16(b) of the Listing Regulations.

18. FORMAL ANNUAL EVALUATION:

The evaluation/assessment of the Directors/KMPs and the senior officials of the Company is to be conducted on an Annual basis to satisfy the requirements of the Companies Act, 2013. The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees & other Individual Directors which includes criteria for performance evaluation of the Board as a whole.

The Company's Nomination & Remuneration policy which includes the Director's appointment & Remuneration and criteria for determining qualifications, positive attributes, Independence of the Directors & other specified matters. During the year no amendment was made in the said policy. The Nomination and Remuneration policy is available on the company's website at

<https://www.nandanicreation.com/docs/investors/policies/NOMINATION-AND-REMUNERATION-POLICY-OF-DIRECTORS.pdf>

19. VIGIL MECHANISM:

The Company has formulated a Whistle Blower Policy and has established Vigil Mechanism for employees including Directors of the Company to report genuine Concerns. The provisions of this policy are in line with the provisions of Section 177(9) of the Act.

The Whistle Blower Policy of the Company is also available on the website of the Company at the link <http://www.nandanicreation.com/docs/investors/policies/WHISTLER-BLOWER-POLICY.pdf>.

During the year, no whistle blower event was reported & mechanism is functioning well. Further, no personnel has been denied access to the Audit Committee.

20. RISK MANAGEMENT POLICY:

The Company has framed and implemented a Risk Management Policy to identify the various business risks. This framework seeks to create transparency, minimizes adverse impact on the business objectives and enhances the Company's competitive advantage. The Risk Management Policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

The Risk Management procedure will be reviewed by the Audit Committee and the Board of Directors on time to time basis.

21. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

In order to prevent sexual harassment of women at work place "The Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013" was notified on 9th December, 2013, under the said Act, every Company is required to

set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

In terms of the provisions of the Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company adopted a policy for prevention of Sexual Harassment of Women at workplace and also set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

During the financial year ended 31st March, 2018, the Company did not receive any complaint and no complaint was pending at beginning and at the end of the year.

22. INTERNAL FINANCIAL CONTROLS:

Your Company has in place adequate internal financial control system commensurate with the size of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of your Company's operations, safe keeping of its assets, optimal utilization of resources, reliability of its financial information and compliance.

Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations.

In our view the Internal Financial Controls, affecting the financial statements are adequate and are operating effectively.

23. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is as follows:

1. The Company has no activity involving conservation of energy or technology absorption.

2. There is no foreign exchange earnings and outgo.

24. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report forming part of this Annual Report and has been annexed as Annexure-5 with the Board's Report.

25. LISTING OF SHARES:

Your Company's shares are listed on the Emerge-SME Growth platform of National Stock Exchange of India Limited and the Listing fee for the year 2019-20 has been duly paid.

26. PARTICULARS OF EMPLOYEES:

Pursuant to the amendment in the Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a detailed statement is attached as Annexure-6.

Apart from that, there are no Employees in the Company whose particulars are required to be disclosed in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in the report.

The Company is required to give the Disclosure under Schedule V Part II section 2 of the Act. The same is attached in Annexure-6.

27. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

28. DEPOSITORY SYSTEM

As the Members are aware, your Company's shares are trade-able compulsorily in electronic form and your Company has established connectivity with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, the members are requested to avail the facility of Dematerialization of the Company's shares on NSDL & CDSL. The ISIN allotted to the Company's Equity shares is INE696V01013.

29. BUSINESS RESPONSIBILITY REPORT:

Your Company has always been at the forefront of voluntary disclosures to ensure transparent reporting on all matters related to the Company's governance and business operations. The report comprehensively covers your Company's philosophy on corporate social responsibility, its sustainability activities pertaining to efforts on conservation of environment, conducting green awareness events, its commitment towards society, enhancing primary education, initiatives and activities taken up as part of this philosophy for the year 2018-19. But since, this report is applicable only on Top 500 Listed Entities, we are not attaching the report with the Annual Report.

30. HUMAN RESOURCE DEVELOPMENT:

The Company recognizes the importance of Human Resource as a key asset instrumental in its growth. The Company believes in acquisition, retention and betterment of talented team players. With the philosophy of inclusive growth, the Company has further redefined its performance management system. The new system focuses on progression of individual employees together with organizational goals. Under the new system increased thrust will be on job rotation and

multi-skilling. HRD activities are taken in the Company involving positive approach to develop employees to take care of productivity, quality and customer needs. The Company has to make constant efforts to manage labour shortages. To develop skilled labour, training facilities are provided to the employees in house or by deputing them to the machinery suppliers and to training institutes for specific training. The Company has well developed management information system giving daily, monthly and periodical information to the different levels of management. Such reports are being analyzed and effective steps are taken to control the efficiency, utilization, productivity and quality in the Company.

31. CERTIFICATIONS FROM CHIEF FINANCIAL OFFICER/CHIEF EXECUTIVE OFFICER OF THE COMPANY:

The Company has obtained a Compliance Certificate in accordance with Regulation 17(8) of Listing Regulations from Mr. Dwarka Dass Mundhra, the Chief Financial Officer and Mr. Anuj Mundhra, Chairman and Managing Director of the Company. The Same is forming as Annexure-7 the part of this Annual Report.

The Company has also obtained a Declaration signed by Chief Financial Officer stating that the Members of the Board of Directors and Senior management personnel have affirmed compliance with the code of conduct of Board of Directors and senior management. The Same is forming as Annexure-7 the part of this Annual Report.

32. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, your Directors confirm that:

a) In the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors have prepared the annual accounts on a 'going concern' basis;

e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

33. SECRETARIAL STANDARDS:

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

34. REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the statutory auditors nor the secretarial auditor in their Report respectively has reported to the audit committee, under section 143 (12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

35. OTHER DISCLOSURES:

Other disclosures required as per Companies Act, 2013 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other laws and rules applicable are either NIL or NOT APPLICABLE to the company.

36. ACKNOWLEDGEMENT:

The Directors take this opportunity to thank all Investors, associates and business partners, clients, strategic alliance partners, technology partners, vendors, financial institutions/banks, regulatory and government authorities, media and stock exchanges, for their continued support during the year. The Directors place on record their appreciation of the contribution made by all the employees at all levels for their dedicated service and continued excellent work throughout the year. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on Behalf of the Board of Directors
For NANDANI CREATION LIMITED

Sd/-

ANUJ MUNDHRA
CHAIRMAN & MANAGING DIRECTOR
DIN: 05202504

PLACE: JAIPUR
DATE: 26.08.2019

Sd/-

VANDNA MUNDHRA
WHOLE TIME DIRECTOR
DIN: 05202403

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Sl. No.	1
2.	Name of the subsidiary	DESI FUSION INDIA PRIVATE LIMITED
3.	The date since when subsidiary was acquired	31.05.2016
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 ST MARCH, 2019
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INDIAN RUPEES
6.	Share capital	Rs. 50,00,000/-
7.	Reserves & surplus	Rs. 19,35,256.98/-
8.	Total assets	Rs 8,56,82,343.33/-
9.	Total Liabilities	Rs. 6,39,09,591.79/-
10.	Investments	0
11.	Turnover	Rs. 12,63,39,408.39/-
12.	Profit before taxation	Rs. 11,44,208.50/-
13.	Provision for taxation	(Rs. 3,41,100/-)

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	--	--	--
2. Date on which the Associate or Joint Venture was associated or Acquired	--	--	--
3. Shares of Associate/Joint Ventures held by the company on the year end	--	--	--
No.	--	--	--
Amount of Investment in Associates/Joint Venture	--	--	--
Extend of Holding (In percentage)	--	--	--
4. Description of how there is significant influence	--	--	--
5. Reason why the associate/joint venture is not consolidated	--	--	--
6. Net worth attributable to shareholding as per latest audited Balance Sheet	--	--	--
7. Profit/Loss for the year	--	--	--
i. Considered in Consolidation	--	--	--
ii. Not Considered in Consolidation	--	--	--

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

tails of contracts or arrangements or transactions not at arm's length basis

SN	Name(s) of the related party and nature of relationship	Nature of contracts /arrangements/transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances , if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
-	-	-	-	-	-	-	-	-

tails of material contracts or arrangement or transactions at arm's length basis

SN	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	M/s Desi Fusion India Pvt. Limited (Earlier It was known as Nandini Creation) (Entity in which KMP/Relative of KMP have significant Influence)	Purchase of Goods	12Months	Transaction entered between the parties are at Arm's Length Basis at Rs.10,20,69,162/-	30.05.2018	-
2	M/s Desi Fusion India Pvt. Limited (Earlier It was known as Nandini Creation) (Entity in which KMP/Relative of KMP have significant Influence)	Receiving of Services	12Months	Transaction entered between the parties are at Arm's Length Basis at Rs.1,74,97,223/-	30.05.2018	-
3	Anuj Mundhra, Vandna Mundhra, Sunita Devi Mundhra, Dwarka Dass Mundhra and Gunjan Jain	Rent paid	12Months	Transaction entered between the parties are at Arm's Length Basis at Rs.10,80,000/-	30.05.2018	-

4	M/s Desi Fusion India Pvt. Limited (Earlier It was known as Nandini Creation) (Entity in which KMP/Relative of KMP have significant Influence)	Sale of Goods	12 Months	Transaction entered between the parties are at Arm's Length Basis.	30.05.2018
5	Vandna Mundhra (Leasing of Brand name "Amaiva")	Rent paid	12 Months	Transaction entered between the parties are at Arm's Length Basis at Rs. 10/-	30.05.2018

DATE: JAIPUR
PLACE: 26.08.2019

FOR AND ON BEHALF OF NANDANI CREATION LIMITED

Sd/-
ANUJ MUNDHRA
MANAGING DIRECTOR
DIN: 05202504

Sd/-
VANDNA MUNDHRA
WHOLE-TIME DIRECTOR
DIN: 05202403

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204, 9(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
Nandani Creation Limited
G-13, Kartarpura Industrial Area,
Near 22 Godown,
Jaipur-302006 (Raj)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “**Nandani Creation Limited**” (hereinafter called the “company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 (“the Act”) and Companies Act, 1956 (to the extent applicable) the rules made there under including any re-enactment thereof;

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) to the extent applicable during the Audit Period;

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

- I. The Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;
- II. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited.

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

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

The following Regulations and Guidelines prescribed under The Securities and Exchange Board of India Act, 1992 were, in our opinion, not attracted during the financial year under report:

- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

We further report that:

The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under in relation to External Commercial Borrowings were not attracted during the financial year under report.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the Audit Period.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or consent of all directors were received in writing for shorter board meeting notice consents, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the Audit Period, the Company has not incurred any specific event/ action that can have a major bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.,

Management Responsibility:

i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;

ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified compliances of laws other than those mentioned above;

iv. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

v. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;

vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Manisha Godara and Associates
Company Secretaries
FRN: S20145RJ268900

Place: Jaipur
Date: 26.08.2019

Sd/-
MANISHA GODARA
M.NO. A36531
CP No.: 13570

EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L18101RJ2012PLC037976
ii.	Registration Date	21.02.2012
iii.	Name of the Company	Nandani Creation Limited
iv.	Category/Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
v.	Address of the Registered office and contact details	G-13, Kartarpura Industrial Area, Near 22 Godam, Jaipur-302006, RJ 302006 IN
vi.	Whether listed company	Listed (SME Emerge platform of National Stock Exchange of India Limited)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited E-3 Ansa Industrial Estate Saki Vihar Road Saki Naka Mumbai MH 400072 IN

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Textiles	1410	99.54%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	DESI FUSION INDIA PRIVATE LIMITED Address: FLAT NO. 302, C-6, KAMAL APARTMENT, SAWAI JAI SINGH HIGHWAY, BANIPARK, JAIPUR JAIPUR RJ 302016 IN	U17299RJ2016PTC055107	Subsidiary	99.99	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	1619280	0	1619280	54.89%	1739280	0	1739280	58.97%	4.08%
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	NA								
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0					
Sub-total(A)(1):-	1619280	0	1619280	54.89%	1739280	0	1739280	58.97%	4.08%
2) Foreign									

g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1619280	0	1619280	54.89%	1739280	0	1739280	58.97%	4.08%
B. Shareholding – Public / Other than Promoters									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0
2. Non Institutions									
a) Bodies Corp.	92000	0	92000	3.12%	68000	0	68000	2.30%	0.82%
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	266100	200	266300	9.02%	304300	200	304300	10.31%	1.29%
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	530000	0	530000	17.96%	560000	0	560000	18.98%	1.02%
C) Others	442000	0	442000	14.98%	278000	0	278000	9.42%	5.56%
HUF/NRI (OTHERS)	2000		2000	0.06%	48000		48000	1.62%	1.56%
CLEARING MEMBER	440000		440000	14.91%	230000		230000	7.79%	7.12%
Sub-total(B)(2)	1330100	200	1330300	45.10%	1210300	200	1210300	41.03%	4.07%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1330100	200	1330300	45.10%	1210300	200	1210300	41.03%	4.07%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2949380	200	2949580	100%	2949380	200	2949580	100%	0

ii. **Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	ANUJ MUNDRA	986890	33.46	0	1018890	34.54		1.09
2.	VANDNA MUNDRA	486790	16.50	0	512790	17.38		0.89
3.	SUNITA DEVI MUNDHRA	108900	3.69	0	150900	5.11		1.42
4.	DWARIKA MUNDHRA	36700	1.24	0	56700	1.92		0.68
	Total	1619280	54.89	NIL	1739280	58.96	0	4.08%

iii. **Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	At the beginning of the year	1619280	54.89%	1739280	58.96%
	• Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease e.g. allotment /transfer/ bonus/ sweat equity etc.):				
	At the End of the year	1739280	58.96%		

Sr.	Name	Shareholding at the beginning of the Year		Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the Year (01/04/2017 to 31/03/2018)	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
1.	VANDNA MUNDHRA	486790 (01.04.2018)	16.50	26000	Purchase from Open Market	512790 (31.03.2019)	17.38
2.	ANUJ MUNDHRA	986890 (01.04.2018)	33.45	32000	Purchase from Open Market	1018890 (31.03.2019)	34.54
3.	SUNITA DEVI MUNDHRA	108900 (01.04.2018)	3.69	42000	Purchase from Open Market	150900 (31.03.2019)	5.11
4.	DWARKA DASS MUNDHRA	36700 (01.04.2018)	1.25	20000	Purchase from Open Market	56700 (31.03.2019)	1.92

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year			
	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	Cumulative Share Holding at the End of the year		
1.	MAVERICK SHARE BROKERS LIMITED - CLIENT BENEFICIARY A/C				
	At the beginning of the year	362000	12.27%		
	Purchased as on 06.04.2018	20000	0.68%	382000	12.95%
	Sold as on 20.04.2018	(22000)	(0.74%)	360000	12.21%
	Purchased as on 27.04.2018	8000	0.27%	368000	12.48%
	Purchased As on 11.05.2018	6000	(0.20%)	374000	12.68%
	Sold As on 18.05.2018	(2000)	(0.07%)	372000	12.61%
	Sold As on 25.05.2018	(4000)	(0.13%)	368000	12.48%
	Sold As on 01.06.2018	(2000)	(0.07%)	366000	12.41%
	Sold As on 15.06.2018	(2000)	(0.07%)	364000	12.34%
	Sold As on 22.06.2018	(4000)	(0.13%)	360000	12.21%
	Sold As on 07.07.2018	(2000)	(0.07%)	358000	12.13%
	Purchased as on 07.09.2018	2000	0.08%	360000	12.21%
	Sold As on 14.09.2018	(2000)	(0.07%)	358000	12.14%
	Purchased as on 12.10.2018	28000	0.95%	386000	13.09%
	Sold As on 19.10.2018	(28000)	(0.95%)	358000	12.14%
	Purchased as on 09.11.2018	6000	(0.20%)	364000	12.34%
	Purchased as on 16.11.2018	2000	0.06%	366000	12.40%
	Purchased as on 23.11.2018	2000	0.07%	368000	12.47%
	Sold As on 07.12.2018	(112000)	(3.80%)	256000	8.67%
	Sold As on 25.01.2019	(68000)	(2.30%)	188000	6.37%
	Sold As on 15.02.2019	(2000)	(0.07%)	186000	6.30%
	Sold As on 15.03.2019	(2000)	(0.07%)	184000	6.23%
	Sold As on 22.03.2019	(10000)	(0.33%)	174000	5.89%
	Sold As on 29.03.2019	(12000)	(0.40%)	162000	5.49%
	At the End of the year			162000	5.49%
2.	SUNIL KUMAR G MISHRA				
	At the beginning of the year	146000	4.95%		
	Sold as on 08.06.2018	(2000)	(0.07%)	144000	4.88%
	Sold as on 13.07.2018	(4000)	(0.13%)	140000	4.75%
	Sold as on 28.09.2018	(2000)	(0.07%)	138000	4.68%
	At the End of the year			138000	4.68%
3.	RAMESH KUMAR MANTRI (HUF)				
	At the beginning of the year	0	0		
	Purchased As on 07.12.2018	114000	3.86%	114000	3.86%
	At the End of the year			114000	3.86%
4.	ATUL BABUBHAI CHAUHAN (HUF)				
	At the beginning of the year	112000	3.80%		
	Sold as on 28.09.2018	(2000)	(0.07%)	110000	3.73%
	Sold as on 05.10.2018	(2000)	(0.07%)	108000	3.65%
	Sold as on 19.10.2018	(4000)	(0.13%)	104000	3.53%
	At the End of the year			104000	3.53%
5.	HEMA MAHESHWARI				
	At the beginning of the year	82000	2.78%		
	Purchased As on 25.05.2018	4000	0.13%	86000	2.92%
	At the End of the year			86000	2.92%
6.	MAVERICK SHARE BROKERS LIMITED - COLLETRAL A/C. (NSE)				
	At the beginning of the year	0	0		

7.	Purchased As on 25.01.2019	68000	2.30%	68000	2.30%
	At the End of the year			68000	2.30%
	RAJNIKANT MOHANLAL SHAH				
	At the beginning of the year	0	0		
8.	Purchased As On 13.07.2019	56000	1.90%	56000	1.90%
	Sold as on 24.08.2018	(3000)	0.10%	53000	1.80%
	Sold as on 12.10.2018	(2000)	0.07%	51000	1.73%
	Purchased As On 11.01.2019	1000	0.03%	52000	1.76%
	At the End of the year			52000	1.76%
	EDELCAP SECURITIES LIMITED				
	At the beginning of the year	78000	2.64%		
	Sold as on 17.08.2018	(4000)	(0.13%)	74000	2.51%
9.	Sold as on 12.10.2018	(4000)	(0.13%)	70000	2.37%
	Sold as on 09.11.2018	(6000)	(0.20%)	64000	2.16%
	Sold as on 23.11.2018	(10000)	(0.33%)	54000	1.83%
	Sold as on 21.12.2018	(4000)	(0.13%)	50000	1.69%
	At the End of the year			50000	1.69%
	MANOJ TULSIAN				
	At the beginning of the year	40000	1.36%		
	Purchased As On 09.11.2018	2000	0.07%	42000	1.42%
10.	At the End of the year			42000	1.42%
	ANAND DEVENDRAKUMAR GUPTA				
	At the beginning of the year	24000	0.81%		
	At the End of the year			24000	0.81%

(v) Shareholding of Directors and Key Managerial personnel:

Sr. no			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of the Directors and KMP	Particulars				
1.	Vandna Mundhra	At the beginning of the year	486790	16.50	512790	17.38
		At the end of the year				
2.	Anuj Mundhra	At the beginning of the year	986890	33.46	1018890	34.54
		At the end of the year				
3.	Sunita Devi Mundhra	At the beginning of the year	108900	3.69	150900	5.11
		At the end of the year				
4.	Dwarka Dass Mundhra	At the beginning of the year	36700	1.24	56700	1.92
		At the end of the year				
5.	Gaurav Jain	NIL	NIL	NIL	NIL	NIL
6.	Gagan Saboo	NIL	NIL	NIL	NIL	NIL
7.	Neetesh Kabra	NIL	NIL	NIL	NIL	NIL
8.	Gunjan Jain	NIL	NIL	NIL	NIL	NIL
	Total		1619280	54.89%	1739280	58.96%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	21546141	36637573	-	58183714
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total (i+ii+iii)	21546141	36637573		58183714
Change in Indebtedness during the financial year				
- Addition	-	21059868	-	21059868
- Reduction	(543994)	-	-	(543994)
Net Change	(543994)	21059868	-	20515874
Indebtedness at the end of the financial year				
i) Principal Amount	21002147	57697441	-	78699588
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	21002147	57697441		78699588

VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Anuj Mundhra (Chairman & Whole-time Director)	Vandna Mundhra (Whole-time Director)	Sunita Devi Mundhra (Managing Director)	Total Amount
1(a)	Gross salary Salary as per provisions contained in Section 17 (1) of the Income-tax Act,1961	10,80,000	10,80,000	7,20,000	28,80,000
b	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
c	Profits in lieu of salary under Section 17 (3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
5	Others, please specify				
	Total(A)				

Ceiling as per the Act

-

-

-

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Other Director			
		Mr. Gagan Saboo	Mr. Neetesh Kabra	Mr. Gaurav Jain	Total Amount
•	<u>Independent Directors</u>	-	-	-	-
	-Fee for attending board committee meetings				
	-Commission				
	-Others, please specify				
	Total(1)				
•	<u>Other Non-Executive Directors</u>	NIL	NIL	NIL	NIL
	-Fee for attending board committee meetings	-	-	-	-
	-Commission				
	-Others, please specify				
	Total(2)	NIL	NIL	NIL	NIL
	Total(B)=(1+2)	NIL	NIL	NIL	NIL
•	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3)Income-tax Act,1961	Gunjan Jain 2,56,545	Dwarka Dass Mundhra 3,60,000	6,16,545
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit -others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
6.	Total		3,60,000	6,16,545

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

NONE

DATE: JAIPUR
PLACE: 26.08.2019

FOR AND ON BEHALF OF NANDANI CREATION LIMITED

Sd/-
ANUJ MUNDHRA
MANAGING DIRECTOR
DIN: 05202504

Sd/-
VANDNA MUNDHRA
WHOLE-TIME DIRECTOR
DIN: 05202403

MANAGEMENT DISCUSSION AND ANALYSIS **REPORT**

GLOBAL ECONOMY:

In 2018, the global economy began its journey on a firm footing with estimated global economic growth of 3.6% (Source: World Economic Outlook by International Monetary Fund (IMF)). During the second half of 2018, this rate of development gradually declined, owing to impending US-China trade dispute and some slowdown across developed markets.

Emerging and developing markets of Asia maintained their steady progress at 6.4% during 2018. However, it's important to note that India's economy expanded at 7.1% in 2018 vis-à-vis 6.7% in 2017, whereas China's growth deteriorated from 6.9% in 2017 to 6.6% in 2018 (Source: IMF). Sub-Saharan Africa's economy also sustained a steady rise of 3% during the year.

INDIAN ECONOMY:

India continues to be one of the fastest growing major economies in the world and is expected to be among the world's top three economic powers in the next 10-15 years. The Indian economy is expected to improve and close the year 2019 with a GDP growth of 7.3% (Source: IMF).

Sustained real GDP growth of over 6% since FY19 has led to a fundamental transformation of India's economy. Today, India is the world's seventh largest economy in real terms, backed by strong demand, positive consumption pattern and rising disposable income. In terms, the economy is expected to be among the top five global economies by 2020.

GLOBAL TEXTILE AND APPAREL INDUSTRY

The global textile and apparel industry is continuously evolving. Over the years, it has witnessed multiple shifts in consumption and production patterns, including shifts in geographical manufacturing hubs, as the industry is driven by the availability of cheap labour.

The textile and apparel trade is predicted to grow at a CAGR of 3.7% during the period 2018-19. During this period, the increase in apparel trade is expected to be at a CAGR of 4.5% and textiles at a CAGR of 2.5%.

Even though apparel industry is dominated by developed markets of EU and the US, the emerging markets led by countries such as India, China, Russia and Brazil are becoming consumption markets. Simultaneously, India and China have strong textile manufacturing base, and thus are emerging as both sourcing and consuming nations.

Currently, China holds the largest share in textile and apparel global trade. It has vertically integrated supply chain from production of fibre to weaving of fabric and garmenting. The sector also has the capability to manufacture all categories of products and a conducive ecosystem to provide complete service offering to brands and retailers. However, the increasing

labour and energy costs have mitigated the international competitive advantage of China to some extent. The global apparel manufacturers are finding Bangladesh, Vietnam and India as competitive markets over China.

INDIAN TEXTILE INDUSTRY

India's textiles industry is among the oldest industries in the country dating back several centuries. It is one of the largest contributors to the economy accounting for ~4% of the GDP. It is the second largest contributor towards employment generation, after agriculture, contributing 10% to the country's manufacturing, owing to its labour-intensive nature. The industry is characterized by its robust vertical integration in almost all the sub-sectors.

The textiles and apparel industry constitutes ~14% of the total exports of the country. India is the second largest producer and exporter of textiles after China and fourth largest producer and exporter of apparel after China, Bangladesh and Vietnam.

The mitigation of the repercussions of currency fluctuation remains a challenge for the industry. Exports have been a core feature of India's textile sector. Indian textiles and apparel exports were estimated at \$39 billion and is expected to grow at a CAGR of 7.5% over the next decade to reach \$76 billion by 2028. The fundamental strength of India's textile industry is its strong production base with a wide range of fibres and yarns that include natural fibres like cotton, jute, silk and wool; and synthetic and manmade fibres such as polyester, viscose, nylon and acrylic.

INDIAN E COMMERCE INDUSTRY:

The E-Commerce has transformed the way business is done in India. The Indian E-Commerce market is expected to grow to US \$ 200 billion by 2026 from US\$ 38.5 billion as of 2017. Much growth of the industry has been triggered by increasing internet and Smartphone penetration. The ongoing digital transformation

in the country is expected to increase India's total internet user base to 829 million by 2021 from 604.21 million in December 2018. India's internet economy is expected to double from US\$125 billion as of April 2017 to US\$ 250 billion by 2020, majorly backed by ecommerce. India's E-commerce revenue is expected to jump from US\$ 39 billion in 2017 to US\$ 120 billion in 2020 growing at an annual rate of 51 per cent, the highest in the world.

SOME OF THE KEY INITIATIVES TAKEN BY THE GOVERNMENT OF INDIA ARE:

Since 2014, the Government of India has announced various initiatives namely, Digital India, Make in India, Start up India, Skill India and Innovation Fund. The timely and effective implementation of such programmes will likely support the e-commerce growth in the country.

The e-commerce industry has been directly impacting the micro, small & medium enterprises (MSME) in India by providing means of financing, technology and training and has a favorable cascading effect on other industries as well. The Indian e-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest e-commerce market in the world by 2030. Technology enabled innovations like digital payments, hyper-local logistics, analytics driven customer engagement and digital Advertisements will likely support the growth of the sector.

With the increase in the number of electronic payment gateways and mobile wallets, it is expected that by the year 2020, cashless transaction will constitute 55 per cent of the

online sales. The growth in e-commerce sector will also boost employment, increase revenues from export, increase tax collection by exchequers, and provide better products and services to customers in the long-term.

A young demographic profile, rising internet penetration and relative better economic performance are the key drivers of this sector. The Government of India's policies and regulatory frameworks such as 100 per cent foreign direct investment (FDI) in B2B e-commerce and 100 per cent FDI under automatic route under the market place model of B2C e-commerce are expected to further propel growth in the sectors.

COMPANY AND PERFORMANCE OVERVIEW:

The Indian apparel industry, which is the second-largest contributor in retail after food and grocery, is also witnessing major shifts. In addition to fashion apparel, the growing demand for fashion accessories makes the Indian fashion market both interesting and lucrative.

A forerunner in the ethnic fashion scene of the country, we are **Nandani Creation**, curated with dedication, commitment, modern inspirations and heritage musings. We are a leading fashion house specializing in traditional designs, culturally rich styles and ethnic wear for women. Established in 2004, we have slowly climbed up the ladder in the apparel industry, coming out among the top players. With our unique prints and patterns being fused into every-day fashion by our manufacturing facilities, we have created a diverse range of ethnic wear loved by women.

Our Company, **NANDANI CREATION LIMITED** has recently launched its first retail Flagship store **"Amaiva-By Jaipur Kurti"** on **13th May, 2018**. The Amaiva has translated into a one-stop solution with the stores emerging as a fashion destination. The Stores of Future, a one-stop destination for customers seeking full wardrobe solutions, is designed keeping in mind the brand's aligned positioning, and innovative visual merchandising.

Your Company **"NANDANI CREATION LIMITED"** is engaged in the manufacturing and online trading of Women Apparels like kurtis, ethnic tops, palazzo, Patiala salwar suits, dupattas, quilted jackets, leggings, different variety of Bottom Wears, Shirts, etc. We are popularly known and Identified in apparel market by our brand name **"Jaipurkurti.com"** and **"Amaiva-By Jaipur Kurti"**. Our brand is best known for its ethnic wear, kurtis and traditional designs having wide range of colours, patterns and sizes. We distribute our products by following e-retail model and have developed a sustainable business model over the period.

Recently we have opened our 1st Retail Flagship Store with a new Brand name **"AMAIVA" – By Jaipur Kurti** which is expanding our affordable Business Segment.

Founded by **Anuj Mundhra** and **Vandna Mundhra**, our promoters have adequate experience in the line of business and looks after strategic as well as day to day business operations. Our Company started its commercial production in the **F.Y. 2012-13** with an Annual Turnover of **Rs. 59.20 Lakhs**; thereby growing manifold in past five years and recently recorded an Annual Turnover of **Rs. 36.71 Cr for the F.Y. 2018-19**. Brand Development and customer loyalty are one of the key factors of

success in our industry. Our Brand has been well received upto now and we shall, continue to endeavour to build brand equity by supplying qualitative products at competitive prices.

For the F.Y. 2018-19, your Company recorded sales of Rs. 36.71 Cr as against Rs. 34.24 Cr. in the previous year and thereby recorded growth of 7.22% in the net sales.

For the F.Y. 2018-19, your Company achieved Profit After Tax of Rs. 102.32 Lacs as against Rs. 87.34 Lacs for the previous financial year.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS:

Our Business is subjected to various risks and uncertainties, our result of operations and financial conditions are affected by numerous factors including the following:

- Supply and availability of raw material;
- Competition and price cutting from existing and new entrants;
- Development of brand image;
- E-commerce growth;
- Technological changes;
- Increase in our production capacities by infusion of more machineries
- Changes in governmental policies;
- Economic and Demographic conditions;
- Macro-economic factors;

OVERVIEW OF REVENUES & EXPENDITURE:

Revenues from Operations:

Our principal component of revenue from operations is from sale of women apparels such Women Apparels like kurtis, ethnic tops,

palazzo, Patiala salwar suits, dupattas, quilted jackets, leggings, different variety of Bottom Wears, Shirts, etc.

OTHER INCOMES:

Our Other Income consists mainly of discount received on purchases.

Income	Till March 31, (In Lacs)			
	2019	2018	2017	2016
Revenue from Operations	3608.16	3420.72	1,885.09	1,418.64
As a % of Total Revenue	99.73%	99.88%	99.54%	99.97%
Other Income	9.72	4.03	8.63	0.44
As a % of Total Revenue	0.27%	0.12%	0.46%	0.03%
Total Revenue	3617.89	3424.76	1893.72	1,419.08

STRENGTHS WEAKNESSES OPPORTUNITIES AND THREATS:

STRENGTHS

Your Company has experienced management team with our promoters having more than a decade experience in textile Industry and our Company believes that quality of apparel decides its future and attempts to supply qualitative products at competitive prices and have an integrated business process for manufacturing some of our product range and volume of kurtis, dresses, etc. as our wholly owned subsidiary supplies around 30% of our raw material. We have comprehensive portfolio of product offerings covering kurtis, sarees, ethnic tops, palazzo, Patiala salwar suits, dupattas, quilted jackets, dress materials, etc.

WEAKNESSES:

We depend on certain third party service providers including online distribution portals

and payment gateways and an inability to ensure availability of such services at competitive cost may have an adverse effect on our business and our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demand by our employees or those of our suppliers;

OPPORTUNITIES AND THREATS:

External environmental factors like interest rates, inflation, quick changes in fashion, growth in economic activity, job creation, emerging compliances, consumer sentiments and consumption, changing government policies, information/cyber security, environment and sustainability and competition have been identified as key threats as well as opportunities for the Company. At present, various macroeconomic factors such as interest rates, inflation and GDP growth rate are impacting the Company favorably. Overall, the Goods and Services Tax (GST) and demonetization initiatives implemented by the Government of India had positive impact on the organized retail sector. Deep discounting across online and offline channels continues to disrupt the market. With a number of new entrants and global retailers arriving, the quality of retail space may be an impediment to growth.

EXPENDITURE

Our total expenditure primarily consists of Cost of Materials Consumed, purchase of stock in trade, Employee Benefit Expenses, Finance Costs, Depreciation and Other Expenses, For Doing capex Investments for purchasing Plant & Machinery, Electrical Equipments, Bins and Racks for keeping and storing Fabrics, for Infrastructure Development etc.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the internal audit function reports to the Chairperson of the Audit Committee of the Board. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of the internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal financial controls as laid down are adequate and were operating effectively during the year.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:

Our people are at the heart of how we do business. It is their talent and skills that will take us to our dream of becoming a \$1 billion brand. We continue to invest in building best-in-class fashion teams. Recognizing that the workforce will provide critical competitive edge in its growth endeavor, the Company has laid emphasis on recruiting, maintaining and developing its human asset base.

ENVIRONMENT, CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY:

Being a responsible corporate citizen, your Company strongly follows to giving back to the society. CSR initiatives help elevate the quality of life of the people by promoting healthcare, education and employment opportunities. Your

Company will take numerous initiatives to develop local community around its manufacturing facilities and aims to continue its efforts to build on its tradition of social responsibility to empower communities.

FORWARD LOOKING STATEMENT:

The success of our business depends substantially on our ability to implement our business strategies effectively. Our Company's brand viz. **"Jaipurkurti.com"** is well known in their respective product categories. All our brands are well received by our customers. Further we have also launched our new and ravishing retail Brand **"Amaiva"-By Jaipur Kurti** in the month of May, 2018 which shall expand our affordable clothing segment. Our qualitative and customer demand satisfying products helps us to achieve brand recall among our consumers which strengthens our brand equity.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward looking statements and progressive within the meaning of applicable laws and regulations. The Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

DISCLOSURE ON THE REMUNERATION OF THE MANAGERIAL PERSONNEL

Details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended 31st March, 2019.

- i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:-

Directors:-

1. Mr. Anuj Mundhra	: 5.96
2. Mrs. Vandna Mundhra	: 5.96
3. Mrs. Sunita Devi Mundhra	: 3.97

*Other Directors receives Sitting fees only.

- ii. The Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:-

1. Mr. Anuj Mundhra	: --
2. Mrs. Vandna Mundhra	: --
3. Mrs. Sunita Devi Mundhra	: --
4. Mr. Dwarka Dass Mundhra (CFO)	: ---
5. Miss Gunjan Jain (CS)	: 13.54%

*Other Directors receives Sitting fees only.

NOTE:

The Non-Executive Directors and Independent Directors of the Company are entitled for sitting fee as per statutory provisions of the Companies Act 2013.

The Median was calculated on CTC Basis.

The Median Remuneration of employees of the company during the Financial Year (2018-19) was Rs. 181200/-

- iii. The Percentage increase in the median remuneration of the employees in the Financial Year: 88.75%
- iv. The No. of permanent employees on the rolls of Company: 53

- v. Key Parameters for the variable component of Remuneration availed by the Directors: There is no variable component of remuneration availed by the Directors.
- vi. Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration;
- Average increase in the remuneration of all employees excluding KMP's: 34.80%
- Average increase in the Remuneration of KMP's: --
- The total managerial remuneration for the Financial Year 2017-18: Rs. 0.35 Crores
- The total managerial remuneration for the Financial Year 2018-19: Rs.0.35 Crores
- vii. Affirmation that the remuneration is as per the remuneration policy of the Company: **YES**

DISCLOSURE UNDER SCHEDULE V PART II SECTION 2 OF THE COMPANIES ACT, 2013:

The Details of the Remuneration paid/to the Directors for the year 2018-19 are given below:

DIRECTORS	SALARY	BONUS	PERQUISITES	COMMISSION	SITTING FEES	AMOUNT IN TOTAL
Mr. Anuj Mundhra	10,80,000	--	--	--	--	10,80,000
Mrs. Vandna Mundhra	10,80,000	--	--	--	--	10,80,000
Mrs. Sunita Devi Mundhra	7,20,000	--	--	--	--	7,20,000
Mr. Gagan Saboo	--	--	--	--	--	--
Mr. Gaurav Jain	--	--	--	--	--	--
Mr. Neetesh Kabra	--	--	--	--	--	--

The Company shall reimburse actual entertainment and travelling expenses incurred by the Managing Director of the Company.

As per the Agreement entered between the Company & Managing Director, he shall not be entitled for any sitting fees.

Beside this, the Managing Director and Whole-Time Directors are also entitled to encashment of leave and Gratuity at the end of the Tenure, as per the rules of the Company.

NOTES:

- The Agreement with Mr. Anuj Mundhra, Managing Director, Mrs. Vandna Mundhra, Whole-Time Director, Mrs. Sunita Devi Mundhra, Whole-Time Director are for a period of 5 years. Either party to the Agreement is entitled to terminate the Agreement by giving to the other party 3 months advance notice in writing.
- The Company presently does not have the scheme for grant of stock options either to the Executive Directors or employees.
- There is no separate provision for payment of severance fees to the Directors.
- The Non-Executive Directors does not hold equity shares in the Company.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Board Members and Senior Management Personnel of the Company of **NANDANI CREATION LIMITED** have affirmed compliance with the Code of Conduct for Board of Directors and senior management Personnel for the Financial Year 2018-19.

FOR NANDANI CREATION LIMITED

Place: JAIPUR

Date: 26.08.2019

Sd/-

Dwarka Dass Mundhra
Chief Financial Officer

CEO/CFO CERTIFICATION

To,
The Board of Directors,
Nandani Creation Limited

We, **Mr. Anuj Mundhra**, Chairman and Managing Director and **Mr. Dwarka Dass Mundhra**, Chief Financial Officer ("CFO") of the **Nandani Creation Limited**, to the best of our knowledge and belief, certify that:

- a. We have reviewed Financial Statements and the Cash flow Statement for the year ended 31st March, 2019 and that to the best of our knowledge, belief and Information:
 - i. These financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. These financial statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. These are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we have are aware and the steps that we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee, wherever applicable,
 - i. That there is no significant change in internal control over financial reporting during the year under reference;
 - ii. There is no significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. There is no significant fraud of which we have become aware and that the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

FOR NANDANI CREATION LIMITED

Sd/-
ANUJ MUNDHRA
CHAIRMAN AND MANAGING DIRECTOR

Sd/-
DWARKA DASS MUNDHRA
CHIEF FINANCIAL OFFICER

PLACE: Jaipur
DATE: 26.08.2019

STANDALONE AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT

To
The Members of
NANDANI CREATION LIMITED
Jaipur

Opinion

We have audited the standalone financial statements of **NANDANI CREATION LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2019 and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at March 31, 2019 and its profit and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not observed anything which falls under this.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board of Directors is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the returns received from the branches not visited by us.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
- g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act; In our opinion and to the best of our information and according to the explanations given to us, remuneration paid/provided by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- h)
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund

Place: Jaipur

Dated: 30.05.2019

ASHOK HOLANI AND COMPANY
Chartered Accountant
FRN : 009840C

Sd/-
RAHUL JANGIR
Partner
Membership No. 435804
UDIN-19435804AAAABE6947

Annexure B referred to in paragraph 8(g) of our report of even date to the members of NANDANI CREATION LIMITED on the Financial Statements of the company for the year ended March 31, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NANDANI CREATION LIMITED**. ("The Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: **Jaipur**

ASHOK HOLANI AND COMPANY

Dated: **30.05.2019**

Chartered Accountant
FRN : 009840C

Sd/-
RAHUL JANGIR
Partner
Membership No. 435804

Annexure A referred to in paragraph 7 of our report of even date to the members of NANDANI CREATION LIMITED on the financial statements of the company for the year ended March 31, 2019.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) According to the information and explanations given to us and based on the records of the company examined by us, fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.
(c) According to the information and explanations given to us and based on the records of the company examined by us, the company does not own any Immovable property, therefore reporting under this clause is not applicable on the company.
2. According to the information and explanations given to us and based on the records of the company examined by us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
3. The company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus sub clauses (a), (b) & (c) are not applicable to the company.
4. According to the records of the company examined by us and as per the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013
6. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
7. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, Goods and service tax, duty of customs, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as on 31st march, 2019 for a period of more than six months from the date on when they become payable, however there is undisputed default of Rs.44,790.00 with Income Tax Department in relation to TDS payment.
(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no outstanding dues of Income tax or Goods and Service tax or Duty of Customs which have not been deposited on account of any dispute.
8. According to the information and explanations given to us and based on the records of the company examined by us, the company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. According to the information and explanations given to us and based on the records of the company examined by us, company has not raised money by way of initial public offer during the year. Hence, clause 3(ix) of the Order is not applicable to it.
10. During the course of our examination of the books and records of the company carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the company or on the company by its officers or employees noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.
11. According to the records of the company examined by us and as per the information and explanations given to us, the company has complied with the provisions of Section 197 read with Schedule V to the Act. For details refer Note No 18 of the significant accounting policies.
12. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Hence, clause 3(xii) of the Order is not applicable to it.
13. According to the information and explanations given to us and based on the records of the company examined by us, the company is in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable rules, and where applicable, for

all transactions with the related parties and the details of the related party transaction have been disclosed in the financial statements in note no. 25.11a and 25.11bas required by the applicable accounting standards.

14. According to the information and explanations given to us and based on the records of the company examined by us, the company has not made any preferential allotment or private placement of shares during the year. Hence, clause 3(xiv) of the Order is not applicable to it.
15. According to the records of the company examined in course of our audit and as per information and explanations given to us, the company has not entered in any non-cash transaction with directors or persons connected with him. Hence, provisions of Section 192 are not applicable to the company.
16. According to information and explanations given to us and on the basis of records of the company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: **Jaipur**

Dated: **30.05.2019**

ASHOK HOLANI AND COMPANY
Chartered Accountant
FRN : 009840C

Sd/-
RAHUL JANGIR
Partner
Membership No. 435804

Nandani Creation Limited

Note No.1 to the financial Statements for the Year ending on 31st March 2019

Note 1(a). Background of the Company

The Company was incorporated as Nandani Creation Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation having CIN: U18101RJ2012PLC037976 dated February 21, 2012, in Jaipur. Further, Company was converted into public limited company i.e. Nandani Creation Limited having CIN: L18101RJ2012PLC037976 vide fresh certificate of incorporation dated August 12, 2016.

The registered office of the company is situated G-13 Kartarpura Industrial Area Near 22 Godam, Jaipur-302006.

Nandani Creation Limited was formed in 2012. Nandani Creation Limited (the "Company") is a limited company incorporated in India under the provisions of the Companies Act 1956. The company is engaged in Manufacturing, produced, import, export, wholesalers, trader, buyer, seller, job workers of dress materials, suits, sarees, garments of men, women and children including sportswear, active wear, daily wears, fashion wears, party wears wearing apparels purses, belts, wallets, and other allied good made from cotton, silk, synthetics, jute, velvet, woolen, leather, rexin or with any combination thereof and to participate in local, national and international trade fairs, sales exhibitions, seminars, fashion shows or any other sales promotion scheme. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013.

Note (1b) .Significant Accounting Policies: -

1. Basis of Accounting:-

The financial statements are prepared in accordance with the applicable Accounting Standards as prescribed under **section 133 of The Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules 2014** under the Historical cost convention, on accrual basis.

The Financial Statements are prepared under the Historical Cost Conversion using the accrual method of Accounting, in accordance with the accounting standards prescribed by the Institute of Chartered Accountants of India. However, the Insurance Claims and other than cash compensatory Incentives are accounted on the basis of receipt. The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis, except in case of significant uncertainties relating to the income.

2. Revenue Recognition:-

Revenue has been considered as per AS 9- Revenue Recognition issued by Institute of Chartered Accountants of India. During the year company has changed its accounting policy in regard recognition of sales revenue in the books of accounts. Earlier sales turnover is recorded in books of accounts on gross basis and discount given after sales is recorded as indirect expenses separately in profit and loss account. During the current year revenue is recognized net of after sales discount. by the company.

3. Taxes on Income:-

Tax expense comprises both current and deferred taxes. Current tax is provided for on the taxable profit of the year at applicable tax rates.

Deferred taxes on income reflect the impact of timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years if any.

For detailed breakup of current year deferred tax refer to sub note 5 to Note No.1.(Notes to the accounts)

4. Provisions and Contingent Liability: -

A Provision is recognized, if as a result of past event the company has a present obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the Obligation.

Contingent Liability is a possible Obligation that arises from past events and the existence of which will be confirmed only by

occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise.

5. Tangible Assets & Capital Work-In-Progress:-

Tangible Assets are stated at cost less Depreciation. Cost includes taxes, duties, freight and other incidental expenses related to acquisition, improvements and installation of the assets.

6. Impairment of Assets:-

Pursuant to "AS-28 Impairment of Assets" issued by the Central Government under the Companies (Accounting Standard) Rules 2006 for determining Impairment in the carrying amount of fixed assets, the management has concluded that since recoverable amount of fixed Assets is not less than its carrying amount, therefore no provision is required for impairment in respect of fixed Assets owned by the Company.

7. Depreciation: -

Depreciation on tangible assets is provided on "Written down Value Method" over the useful lives of the assets estimated by the Management. The Management estimates are based on the useful life provided in the Schedule II to Companies Act, 2013. The Useful Life of Various assets are mentioned in the below mentioned Chart.

Sr. No	Major Head	Assets Included		Useful Life
1.	Plant and Equipment	All Plant and machinery		15 Years
2.	Furniture & Fittings	All Furniture and Fixtures		10 Years
3.	Office Equipment	Air Conditioner, EPBX, Fan, Mobile, CC TV Camera, Finger Print Machine, Water Cooler, Bar Code Machine		10 Years
4.	Motor Vehicle	Truck & Cars		10 Years
5.	Computer and Data Processing Units	Computers and Printers		3 Years

8. Earnings per Share:-

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. The numbers of equity shares are adjusted retrospectively for all periods presented.

The Calculation of Weighted Average Number of Equity Shares is described below: -

Particulars		Current Year			Previous Year	
	No. Of Shares outstanding	No. Of Days outstanding	Weightedd average number of Shares	No. Of Shares Outstanding	No. Of Daysoutstanding	Weighted average number of Shares
Number of Shares outstanding at the Beginning of the year	2949580	365	2949580	2949580	365	2949580
Shares issued during the year: -						
By way of Bonus Issue						
Other than bonus Issue						
Other than bonus Issue						
Other than bonus Issue						
Initial Public Offer (IPO)						
Total Shares outstanding at the end of the year	2949580	365	2949580	2949580	365	2949580

9. Investments:-

Investments are either classified as current or non-current based on management's intention. Long Term Investments includes investment made in the share capital of Subsidiary Company which are carried at cost.

10. Foreign Currency Transactions:-

a). Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of the transaction.

b). Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the yearend rates. However, in current year Company has not translated monetary items at year end rates.

c).Any income or expense on account of exchange difference between the date of transaction and on settlement Date or on translation is recognized in the profit and loss account as income or expense except in cases where they relate to the acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

d).As per the information provided by the management, the company has not entered into any forward contracts.

11. Valuation of Inventories:-

The inventories are physically verified at regular intervals by the Management. Raw materials, stores and Spares are valued at cost Finished Goods and Traded Goods are valued at Cost or Market Value/Contract Price Whichever is lower.

12. Gratuity Valuation:-

The company is not participating in any employee benefits plans for payment of gratuity and other retirement benefits. The gratuity liability is ascertained on the report of actuary and provision of the same has been made in the books of accounts.

13. Duty Drawback:-

Duty Drawback is recorded on Receipt basis. Management is not able to estimate the amount of Claim receivable, therefore the duty drawback is recorded on receipt basis rather than on Accrual basis.

14. Prior Period Expenses:-

Prior Period Expenses for previous years have been expensed out during the current year and it is disallowed as per Income Tax Act.

15. Management Remuneration:-

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been provided in the below mentioned table: -

A. Remuneration to Managing Director ,WTD and/or Manager:

Sr. No.	Particulars of Remuneration	Name MD/WTD/Manager	of	Total Amount
		MD	WTD	
1.	Gross Salary	10,80,000.00	18,00,000.00	28,80,000.00
	a) Salary as per Provisions contained in section 17(1) of the Income Tax Act,1961.			
	b) Value of perquisites u/s 17 (2) of Income Tax Act,1961			
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2.	Stock option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
5.	Any other Benefits	0	0	0
	Total	10,80,000.00	18,00,000.00	28,80,000.00
	Ceiling as per Schedule V of the Companies Act on the account of inadequate profit			60,00,000.00

The remuneration is paid as per limits sets out in Section II Part A of Schedule V in case of no profit or inadequate profit and as per resolution passed in the General meeting of the members.

B. Remuneration to key managerial personnel other than MD/ Manager/ WTD: -

Sr. No.	Particulars of Remuneration	Name of Managerial Person other than MD/WTD/Manager			Total Amount
		CEO	CFO	CS	
1.	Gross Salary	0.00	3,60,000.00	2,95,800.00	6,55,800.00
	a) Salary as per Provisions contained in section 17(1) of the Income Tax Act, 1961.	0	0	0	0
	b) Value of perquisites u/s 17 (2) of Income Tax Act, 1961	0	0	0	0
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2.	Stock option	0	0		0
3.	Sweat Equity	0	0		0
4.	Commission	0	0		0
5.	Any other Benefits	0	0		0
	Total	0.00	3,60,000.00	2,95,800.00	6,55,800.00

16. Cash and Cash Equivalents:-

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, fixed deposits with banks which are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

17. Segment Reporting:-

The activities of the company are such that the According to AS-17 "Segment Reporting: is not applicable in the company.

Note 1. Notes to Accounts: -

1. The Financial Statements for the year ended on 31st March, 2019 are prepared based on Schedule III of Companies Act, 2013.
2. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the previous year.
3. The Micro Small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006 have been taken based on the list of MSME creditors provided by the management. However, as the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

4. Related Party Disclosure(AS18):-Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the below mentioned table:-

Nature of Transaction	Period	
	2018-19	2017-18
1. Mr. Anuj Mundra (MD)		
Remuneration (Gross Paid)	1,080,000.00	1,080,000.00
Rent Paid	1,080,000.00	1,080,000.00
Loan Accepted		
Loan Repaid		
Equity Contribution	0.00	0.00
2. Mrs. Sunita Devi Mundra (WTD)		
Remuneration(Gross Paid)	7,20,000.00	7,20,000.00
Rent Paid		
Unsecured Loan		
Loan Repaid		
Equity Contribution	0.00	0.00
3.Mrs. Vandana Mundra (WTD)		
Remuneration(Gross Paid)	1,080,000.00	1,080,000.00
Rent	10.00	
Equity Contribution		0.00
4. Mr. Dwarka Das Mundra (CFO)		
Remuneration(Gross Paid)	3,60,000.00	3,60,000.00
Loans and Advances		
Equity Contribution	0.00	0.00
5. Gunjan Jain (CS)		
Remuneration(Gross Paid)	2,95,800.00	2,56,545.00
6. Desi Fusion India Private Limited		
Job Charges	60,12,500.00	0.00
Stitching Charges	1,06,51,522.00	5,48,580.00
Interest Received	2,04,496.00	1,84,563.00
Purchase Goods	9,68,05,252.00	8,25,68,002.74
Sale of Goods		1,62,25,800.00
Unsecured Loan to Company	18,88,181.00	17,04,135.00

5. Accounting for Taxes on Income (AS 22) Deferred Tax liability/Asset in view of Accounting Standard – 22:- “Accounting for Taxes on Income” as at the end of the year/period is reported in the below mentioned table:-

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deferred tax Assets (Opening Balance)	3,19,797.00	6,668.00
Tax effect of items constituting deferred tax liability		
On difference between depreciation as per books and as per tax		
On expenditure deferred in the books but allowable for tax purposes		
On items included in Reserves and surplus pending amortization into the Statement of Profit and Loss		
Others (DTA reversed during the year)	(1,69,238.00)	
Tax effect of items constituting deferred tax liability		
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	0.00	110,401.00
Provision for doubtful debts / advances		
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961		
On difference between depreciation as per books and as per tax	3,77,265.00	202,728.00
Unabsorbed depreciation carried forward		
Brought forward business losses		
On items included in Reserves and surplus pending amortization into the Statement of Profit and Loss		
Others - Preliminary Expenses		
Tax effect of items constituting deferred tax assets		
Net deferred tax asset	5,27,824.00	3,19,797.00

The Company has recognized deferred tax asset on Depreciation as per books and depreciation allowable as per Income Tax Act, 1961.

The net deferred tax asset is classified as non-current assets and disclosed on the face of the Balance Sheet.

- Amounts in the financial statements are rounded off to nearest rupee. Figures in brackets indicate negative values.
- Unsecured loans, advances from customers, advances recoverable in cash or in kind, investments and various other parties are subject to confirmations.
- The management of the company has carried out an exercise to ascertain impairment of Fixed Assets, if any. In the opinion of the management of the company there are no indication of impairment of assets as at 31/03/2019 and the reformat effect of

impairment is required to be given in the books of account.

9. Cash Balance is taken as valued & certified by management.

10. Pending Litigations and Criminal Proceedings:-

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against/by our Company, our Directors, our Promoters and our Group Entities and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions by our Company, default in creation of full security as per terms of issue/other liabilities, no proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph(I) of Part 1 of Schedule V to the Companies Act other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchange against our Company, our Promoters, our Directors and Group Entities.

Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, our Promoters, our Directors or our Promoter Group Entities, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of our Company. Further, there are no cases of litigation, defaults etc. in respect of companies/firms/ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name(s) of the Promoters continues to be associated.

Further, apart from those as stated below, there are no show-cause notices/claims served on our Company our Promoters, our Directors or our Group Entities from any statutory authority/revenue authority that would have a material adverse effect on our business.

a. Outstanding Demands relating to Direct Taxes:-

The total amount outstanding relating to Tax Deducted at Source (TDS) which are verified through the Traces Portal are attached in the below mentioned table: -

Financial Year	Defaults (Amount in `)
2018-19	880.00
2016-17	1,200.00
2015-16	2,750.00
Prior Years	39,960.00
Total	44,790.00

STANDALONE BALANCE SHEET

NANDANI CREATION LIMITED
CIN: L18101RJ2012PLC037976
Balance Sheet as at 31 March, 2019

Particulars	Note No.		As at 31 March, 2019		As at 31 March, 2018
A EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	2	29,495,800		29,495,800	
(b) Reserves and surplus	3	55,205,273	84,701,073	44,972,917	74,468,717
2 Non-current liabilities					
(a) Long-term borrowings	4	31,078,675		20,701,409	
(b) Deferred tax liabilities (net)	25.10	-		-	
(c) Other long-term liabilities	5	558,185	31,636,860	1,215,421	21,916,830
3 Current liabilities					
(a) Short-term borrowings	6	19,589,399		18,882,381	
(b) Trade payables	7	32,245,447		27,189,724	
(c) Other current liabilities	8	31,458,559		19,352,369	
(d) Short-term provisions	9	4,883,916	88,177,321	2,688,681	68,113,155
TOTAL			204,515,253		164,498,702
B ASSETS					
1 Non-current assets					
(a) Fixed assets	10				
(i) Tangible assets		11,582,747		11,598,455	
(ii) Intangible assets		566,361		446,018	
(iii) Capital work-in-progress					
(iv) Intangible assets under development					
(v) Fixed assets held for sale					
(b) Non-current investments	11	12,149,108		12,044,473	
(c) Deferred tax assets (net)	25.10	5,289,600		5,289,600	
(d) Long-term loans and advances	12	527,824		319,797	
(e) Other non-current assets		3,224,073	21,190,605	2,734,135	20,388,005
2 Current assets					
(a) Current investments		-		-	
(b) Inventories	13	109,039,591		73,373,495	
(c) Trade receivables	14	62,462,217		67,255,983	
(d) Cash and cash equivalents	15	1,707,000		488,150	
(e) Short-term loans and advances	16	9,068,192		1,494,562	
(f) Other current assets	17	1,047,648	183,324,648	1,498,508	144,110,697
TOTAL			204,515,253		164,498,702
The accompanying notes 1 to 25 are an integral part of the financial statements			(0)		0

In terms of our report of even date
FOR ASHOK HOLANI & CO.
Chartered Accountants

For and on behalf of the Board of Directors
of Nandani Creation Limited

Sd/-
RAHUL JANGIR
PARTNER
M.No.435804

Place: Jaipur
Date: 30/05/2019

Sd/-
ANUJ MUNDRA
(MANAGING DIRECTOR)
DIN:- 05202504

Sd/-
DWARKA DASS MUNDRA
(CHIEF FINANCIAL OFFICER)

Sd/-
VANDANA MUNDRA
(WHOLE-TIME DIRECTOR)
DIN:- 05202403

Sd/-
GUNJAN JAIN
(COMPANY SECRETARY)
M.No 45068

STANDALONE PROFIT & LOSS

NANDANI CREATION LIMITED
CIN: L18101RJ2012PLC037976

Statement of Profit and Loss for the year ended 31st March, 2019

Particulars	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Gross Income			
Revenue from operations (gross)	18	360,816,568	342,084,590
Less: Excise duty		-	-
Revenue from operations (net)		360,816,568	342,084,590
Other income	19	972,614	391,733
Total revenue		361,789,183	342,476,323
Expenses			
Cost of materials consumed	20(a)	63,484,240	39,937,292
Purchases of stock-in-trade	20(b)	82,295,340	93,807,062
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20(c)	(36,299,942)	(45,215,228)
Employee benefits expense	21	14,672,682	12,324,060
Finance costs	22	9,296,190	5,339,838
Depreciation and amortisation expense	10	4,309,883	2,863,281
Other expenses	23	209,206,450	220,636,879
Total expenses		346,964,842	329,693,185
Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		14,824,341	12,783,138
Exceptional items	24	460,000	460,000
Profit / (Loss) before tax		14,364,341	12,323,138
Tax expense:			
(a) Current tax expense for current year		4,340,012	3,901,784
(e) Deferred tax	25.10	208,027	313,129
Profit / (Loss) for the year		10,232,355.34	8,734,483
Earnings per share (Face Value of Rs.10/-each):	25.9		
(a) Basic		3.47	2.96
(b) Diluted		3.47	2.96
Restated Earnings per share (Face Value of Rs.10/-each):			
(a) Basic		3.47	2.96
(b) Diluted		3.47	2.96
The accompanying notes 1 to 25 are an integral part of the financial statements			
In terms of our report of even date FOR ASHOK HOLANI & CO. CHARTERED ACCOUNTANTS		For and on behalf of the Board of Directors For Nandani Creations Limited	
Sd/- RAHUL JANGIR PARTNER M.No. 435804		Sd/- ANUJ MUNDRA (MANAGING DIRECTOR) DIN: 05202504	Sd/- VANDANA MUNDRA (WHOLE-TIME DIRECTOR) DIN: 05202403
Place: Jaipur Date: 30/05/2019		Sd/- DWARKA DASS MUNDRA (CHIEF FINANCIAL OFFICER)	Sd/- GUNJAN JAIN (COMPANY SECRETARY) M.No 45068

NANDANI CREATION LIMITED
CIN: L18101RJ2012PLC037976
Cash Flow Statement for the year ended 31 March, 2019

Particulars	For The Year Ended 31st March, 2019	For The Year Ended 31st March, 2018
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	14,364,341	12,323,138
Adjustments for:		
Depreciation and amortisation	4,309,883	2,863,281
Finance costs	9,296,190	5,339,838
Operating profit / (loss) before working capital changes	27,970,413	20,526,257
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Current Investment	-	-
Inventories	(35,666,096)	(34,655,382)
Trade receivables	4,793,766	(25,711,271)
Short-term loans and advances	(7,573,631)	(198,201)
Other Current assets	450,860	451,512
	(37,995,101)	(60,113,342)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	5,055,723	2,005,666
Other current liabilities	12,106,190	18,185,081
Short-term provisions	2,195,235	1,529,464
	19,357,148	21,720,211
Cash generated from operations	9,332,460	(17,866,874)
Net income tax (paid) / refunds	(4,340,012)	(3,901,784)
Net cash flow from operating activities (A)	4,992,448	(21,768,658)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(4,414,518)	(11,405,376)
Investment Purchased	-	(290,100)
Long - Term Loans & Advances	(489,938)	(1,036,792)
	(4,904,456)	(12,732,268)
Net cash flow used in investing activities (B)	(4,904,456)	(12,732,268)
C. Cash flow from financing activities		
Proceeds from Issue of Share Capital	-	-
Proceeds from Security Premium	-	-
Increase in long-term borrowings	10,377,266	19,822,089
Increase in other long-term borrowings	(657,236)	1,215,421
Net (increase) / decrease in working capital borrowings	707,018	18,882,381
Finance cost	(9,296,190)	(5,339,838)
Net cash flow used in financing activities (C)	1,130,858	34,580,053
Net increase / (decrease) in Cash and cash equivalents (A-B-C)	1,218,850	79,127
Cash and cash equivalents at the beginning of the year	488,150	409,023
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	1,707,000	488,150
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	1,707,000	488,150
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow	-	-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19	1,707,000	488,150
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash	-	-
Cash and cash equivalents at the end of the year *	1,707,000	488,150
* Comprises:		
(a) Cash on hand	1,696,451	352,073
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	10,549	136,077
(ii) In EEFC accounts	-	-
(iii) In deposit accounts with original maturity of less than 3 months	-	-
(iv) In earmarked accounts (give details) (Refer Note (ii) below)	-	-
(d) Others (specify nature)	-	-
Deposits	-	-
(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16	-	-
Notes:		
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.		
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.		
See accompanying notes forming part of the financial statements		
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>In terms of our report of even date FOR ASHOK HOLANI & CO Chartered Accountants</p> <p>Sd/- RAHUL JANGIR PARTNER</p> <p>Place: Jaipur Date: 30/05/2019</p> </div> <div style="width: 50%; text-align: center;"> <p>For and on behalf of the Board of Directors of Nandani Creation Limited</p> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;"> <p>Sd/- ANUJ MUNDRA MANAGING DIRECTOR DIN: 05202504</p> </div> <div style="text-align: center;"> <p>Sd/- VANDANA MUNDRA WHOLE TIME DIRECTOR DIN: 05202403</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;"> <p>Sd/- DWARKA DASS MUNDRA CFO</p> </div> <div style="text-align: center;"> <p>Sd/- GUNJAN JAIN CS M.No 45068</p> </div> </div> </div> </div>		

NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note 2 Share capital

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
(a) Authorised Equity shares of Rs. 10/- each with voting rights	3,250,000	32,500,000	3,250,000	32,500,000
(b) Issued Equity shares of ` Rs. 10/- each with voting rights	2,949,580	29,495,800	2,949,580	29,495,800
(c) Subscribed and fully paid up Equity shares of Rs. 10/- each with voting rights	2,949,580	29,495,800	2,949,580	29,495,800
	2,949,580	29,495,800	2,949,580	29,495,800
Total	2,949,580	29,495,800	2,949,580	29,495,800

Refer Notes 2.1 to 2.4 below

Note 2.1 Reconciliation of the number of Equity Share outstanding is set out below :

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
As at the beginning of the year	2,949,580	29,495,800	2,949,580	29,495,800
Add : Shares issued through IPO				
Add : Shares issued through allotment Bonus				
Add : Shares issued through consideration other than cash				
Add : Share issued through Preferential allotment				
As at the end of the year	2,949,580	29,495,800	2,949,580	29,495,800
	2,949,580	29,495,800	2,949,580	29,495,800

Note 2.2 Shareholders holding more than 5% of the Equity share in the company

Name of the ShareHolders	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Mr. Anuj Mundra	1,018,890	34.54%	986,890	33.46%
Mrs. Vandna Mundra	512,790	17.39%	486,790	16.50%
Maverick Share Brokers Limited	230,000	7.80%	362,000	12.27%
Sunita devi	150,900	5.12%		
	1,912,580	65%	1,835,680	62%

Note 2.3 Rights, preferemces and restrictions attached to the equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

NANDANI CREATION LIMITED**Notes forming part of the financial statements****Note 3 Reserves and surplus**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(i) Surplus / (Deficit) in Statement of Profit and Loss		
As per previous year balance sheet	14,395,834	5,661,352
Add: Profit / (Loss) for the year	10,232,355	8,734,483
Less: Transferred to General reserve		
Closing balance	24,628,190	14,395,834
(ii) General Reserve		
As per previous year balance sheet	500,000	500,000
Add: Transferred from Profit & Loss account		
Less: Bonus share issued during the year		
Closing balance	500,000	500,000
(iii) Security Premium		
As per previous year balance sheet	30,077,083	30,077,083
Add: Proceed Received from Issue of share		
Less: IPO expenses		
Closing balance	30,077,083	30,077,083
Total	55,205,273	44,972,917

NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note 4 Long term borrowings

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Non current Maturities	Current Maturities	Non current Maturities	Current Maturities
A. Term loans				
a). From banks				
Secured				
1) HDFC Bank Limited	286,159	238,429	524,590	216,111
2) HDFC Bank Limited	-	-	0	138,618
3) Axis Bank Limited	-	888,160	888,160	896,280
Total	286,159	1,126,589	1,412,750	1,251,010
(B) Loans & Advances From Related parties (Refer Note No. 25.11, 25.11a & 25.11b)				
Secured			-	
Unsecured			-	
1.) Anuj Mundra	8,022,150			
2.) Sunita Devi Mundra	3,500,000			
3.) Vandana Mundra	1,662,000			
Total	13,184,150	-	-	-
(C) From other parties				
Secured			-	
Unsecured Loan from Banks and Financial Institutions	17,608,366	26,904,925	19,288,659	17,348,914
Total	17,608,366	26,904,925	19,288,659	17,348,914
Grand Total	31,078,675	28,031,514	20,701,409	18,599,923

Notes: 4.1

(ii) Details of Long-term borrowings guaranteed by some of the directors or others:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Loans repayable on demand from banks	286,159	1,412,750
Loans repayable on demand from other parties	17,608,366	19,288,659
Loans and advances from related parties	13,184,150	-
Other loans and advances		
Total	31,078,675	20,701,409

Note 4.2 Additional information to Secured/Unsecured

The long term portion of term loans are shown under long term borrowings and the current maturities of the long term borrowings are shown under the current liabilities as per the disclosure requirements of the Revised Schedule VI.

Note 4.3 Details of securities and Terms of repayment

I. Secured

(A). Term Loans

a). Banks

1. HDFC Bank Limited - Note 4(A)(a)(1)

Secured by hypothecation of Honda City car as specified in the schedule annexure to the loan agreement executed on 29.03.2016. The loan is repayable in 60 monthly installments of Rs.23,300/- each. The period of maturity w.r.t balance sheet date is 25 months.

2. Axis Bank - Note 4(A)(a)(3)

Secured by hypothecation of Jeep Campas Car as specified in the schedule annexed to the loan agreement executed on 13.03.2018. The loan is repayable in 24 monthly installment of Rs. 84,650/- each. The period of Matuity w.r.t balance sheet date is 12 months.

NANDANI CREATION LIMITED**Notes forming part of the financial statements****Note 5 Other long-term liabilities**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Trade Payables: *		
(i) Acceptances		
(ii) Other than Acceptances		
(b) Others:		
(i) Payables on purchase of fixed assets		
(ii) Contractually reimbursable expenses		
(iii) Interest accrued but not due on borrowings		
(iv) Interest accrued on trade payables		
(v) Interest accrued on others		
(vi) Trade / security deposits received		
(vii) Advances from customers		
(viii) Income received in advance (Unearned revenue)		
(ix) Gratuity Fund	558,185	1,215,421
Total	558,185.00	1,215,421.00

NANDANI CREATION LIMITED**Notes forming part of the financial statements****Note 6 Short-term borrowings**

Particulars	As at 31 March, 2019	As at 31 March,
(a) Loans repayable on demand		
From banks		
Secured	19,589,399	18,882,381
Unsecured	-	-
	19,589,399	18,882,381
From other parties		
Secured	-	-
Unsecured	-	-
	-	-
Total	19,589,399	18,882,381

Notes:

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31 March, 2019	As at 31 March,
<u>Loans repayable on demand</u>			
<u>from banks:</u>			
a) Bank of India CC A/c	Secured by hypothecation of stock & debtors of the company and personnel guarantee of all the directors of the company. The loan is further secured by Government of India under CGTSME scheme The Applicable rate of interest on CC limit is 10.70%p.a. with monthly rest.	19,589,399	18,882,381
Total - from banks		19,589,399	18,882,381

NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note 7 Trade payables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade payables:		
Acceptances	32,245,447	27,189,724
Other than Acceptances		
Total	32,245,447	27,189,724

Note 7.1 "For the disclourer of the suppliers under the Micro, small and medium enterprises Development Act, 2006, refer note no. 25.3

Note 8 Other current liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Current maturities of long-term debt (Refer Note (i) below)	28,031,514	18,599,923
(b) Interest accrued but not due on borrowings		
(c) Interest accrued and due on borrowings		
(d) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes,	1,983,267	663,288
(ii) Payables on purchase of fixed assets		
(iii) Contractually reimbursable expenses		
(iv) Interest accrued on trade payables		
(v) Interest accrued on others		
(vi) Trade / security deposits received		
(vii) Advances from customers	1,443,778	89,158
(viii) Others (specify nature)		
Total	31,458,559	19,352,369

Note (1) For the Current Maturities of long term borrowings (refer note 4 and note 4.1 in Note 4- Long term borrowings for details of borrowings, gurantee and details of current maturities

Note 9 Short-term Provision

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Provision - Others:		
(i) Provision for Income tax (Tax Provision Rs.4319200/- less advance tax and TDS of Rs.10,20,450/-)	3,298,750	1,863,736
(ii) Provision		
a. Provision for Salary	1,141,237	687,933
b. Provision for Wages	61,929	92,012
c. Provision for Electricity	50,000	45,000
d. Provision for audit fees	332,000	
Total	4,883,916	2,688,681

NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note 10 Fixed assets

A.Tangible assets	Gross block				Accumulated depreciation and impairment			Net block	
	Balance as at 1 April, 2018	Additions	Disposals	Balance as at 31 March, 2019	Balance as at 1 April, 2018	Depreciation / amortisation expense for the year	Balance as at 31 March, 2019	Balance as at 31 March, 2019	Balance as at 31 March, 2018
(a) Plant and Equipment Owned	3,513,779	1,561,813	-	5,075,592	601,067	686,570	1,287,637	3,787,955	2,912,712
(b) Furniture and Fixtures Owned	3,589,719	2,084,193	-	5,673,912	520,998	1,105,375	1,626,373	4,047,539	3,068,721
(c) Office equipment Owned	3,049,642	475,081	-	3,524,723	1,093,233	1,030,438	2,123,671	1,401,052	1,956,409
(d) Computer Owned	1,741,996	120,550	-	1,862,546	1,061,130	487,180	1,548,310	314,236	680,866
(e) Vehicles Owned	3,933,479	-	-	3,933,479	953,732	947,782	1,901,514	2,031,965	2,979,747
Total	15,828,615	4,241,637	-	20,070,252	4,230,160	4,257,345	8,487,505	11,582,747	11,598,455
Previous year	4,873,239	10,955,376	-	15,828,615	1,370,861	2,859,299	4,230,160	11,598,455	3,502,377
B.Intangible assets	Gross block				Accumulated depreciation and impairment			Net block	
	Balance as at 1 April, 2018	Additions	Disposals	Balance as at 31 March, 2019	Balance as at 1 April, 2018	Depreciation / amortisation expense for the year	Balance as at 31 March, 2019	Balance as at 31 March, 2019	Balance as at 31 March, 2018
Software	450,000	172,881	-	622,881	3,982	52,538	56,520	566,361	446,018
Total	450,000	172,881	-	622,881	3,982	52,538	56,520	566,361	446,018
Previous Year	-	450,000.00	-	450,000.00	-	3,982.00	3,982.00	446,018.00	-
Grand Total	16,278,615	4,414,518	-	20,693,133	4,234,142	4,309,883	8,544,025	12,149,108	12,044,473

NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note 11 Non-current investments

Particulars	As at 31 March, 2019			As at 31 March, 2018		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
A. <u>Trade</u>						
(a) Investment in equity instruments						
(b) Investment in preference shares						
(c) Investment in debentures or bonds						
Total - Trade (A)						
B. <u>Other investments</u>						
(i) Of Related Parties						
(a) Desi Fusion India Pvt Ltd.499950 shares @ Rs 10/- each		4,999,500	4,999,500		4,999,500	4,999,500
(C) Other non-current investments						
Sovereign Gold Bond Scheme 2017-18		290,100	290,100		290,100	290,100
(Interest rate @2.5% every half year ended)						
Total - Other investments (B)		5,289,600	5,289,600		5,289,600	5,289,600
Total (A+B)		5,289,600	5,289,600		5,289,600	5,289,600
Less: Provision for diminution in value of investments						
Total			5,289,600			5,289,600
Aggregate amount of quoted investments						
Aggregate market value of listed and quoted investments						
Aggregate value of listed but not quoted investments						
Aggregate amount of unquoted investments		5,289,600			5,289,600	

Nandani Creation Limited
Notes forming part of the financial statements

Note 12 Long-term loans and advances

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Loans and advances to related parties (refer note 25.11)	-	-
Unsecured, considered good	1,888,181	1,704,135
Less: Provision for doubtful loans and advances	1,888,181	1,704,135
	1,888,181	1,704,135
(b) Security deposits		
Unsecured, considered good	1,330,000	1,030,000
Less: Provision for doubtful deposits	1,330,000	1,030,000
	1,330,000	-
	1,330,000	1,030,000
(c) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable		
(ii) Advance Tax		
(iii) Tax Deducted at source/Advance Tax	5,892	-
	5,892	-
(d) Others (Advance recoverable in cash or Kind)		
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for other doubtful loans and advances	-	-
	-	-
Total	3,224,073	2,734,135

Note: 12.1 Long-term loans and advances include amounts due from:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Directors *		
Other officers of the Company *		
Firms in which any director is a partner (give details per firm)		
From Subsidiary Company (Desi Fusion India Pvt Ltd)	1,888,181	1,704,135
	1,888,181	1,704,135

NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note 13 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2019	As at 31 March, 2018
a). Fabric	5,550,000	4,253,417
b). Running Cotton	4,790,205	6,775,288
c). Kurti	76,125,052	55,052,417
d). Salwar Duppta	6,172,614	1,395,296
e). Plazoo	3,598,750	3,539,342
f). Jackets	82,232	80,048
g) Pants	10,046,711	2,217,340
i). Dupptta	1,644,532	-
j) Leggings	914,494	-
k). Stock of consumables and packing Material	115,000	60,345
Total	109,039,591	73,373,495

Note 14 Trade receivables

Particulars	As at 31 March, 2019	As at 31 March, 2018
a. More than six months	13,501,239	102,142
b, Other	48,960,978	67,153,841
	62,462,217	67,255,983
Less: Provision for bad and doubtful debts	-	-
	62,462,217	67,255,983
Unsecured, considered good	62,462,217	67,255,983
Doubtful	-	-
Total	62,462,217	67,255,983

Note 14.1: Trade receivables include debts due from:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Directors *		
Other officers of the Company *		
Private companies in which any director is a director or member		
	-	-

Note 15 Cash and cash equivalents

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Cash on hand	1,696,451	352,073
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	10,549	136,077
(ii) In EEFC accounts		
(iii) In Deposit accounts		
(d) Others (specify nature)		
Total	1,707,000	488,150
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	1,707,000	488,150

NANDANI CREATION LIMITED**Notes forming part of the financial statements****Note 16 Short-term loans and advances**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Loans and advances to related parties		
Unsecured, considered good		
Less: Provision for doubtful loans and advances	-	-
	-	-
(b) Security deposits		
Unsecured, considered good	-	-
Less: Provision for doubtful deposits	-	-
	-	-
(c) Loans and advances to employees		
Unsecured, considered good	620,880	-
Doubtful		
Less: Provision for doubtful loans and advances	620,880	-
	620,880	-
(d) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)		
(i) Insurance Expenses	149,719	166,041
(e) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	232,210	232,210
(ii) Tax Deducted at source	18,456	5,892
(iv) TCS Receivable GST	337,272	
(v) GST Receivable	7,039,633	
	7,627,570	238,102
(f) Others (Advance recoverable in cash or Kind)		
Unsecured, considered good	670,024	1,090,419
Doubtful		
Less: Provision for other doubtful loans and advances	670,024	1,090,419
	670,024	1,090,419
Total	9,068,192	1,494,562

NANDANI CREATION LIMITED**Notes forming part of the financial statements**

Note: 16.1 Short-term loans and advances include amounts due from:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Directors *	-	-
Other officers of the Company *	-	-
Firms in which any director is a partner (give details per firm)	-	-
From Subsidiary Company (Desi Fusion India Pvt Ltd)	-	-

Note 17 Other Current Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Long Term trade receivables		
Secured Considered Good		
Unsecured Considered Good		
Doubtful	-	-
(b) Unamortised expenses		
(i) Share issue expenses	-	-
(ii) Membership Fees	920,000.00	1,380,000.00
(c) Other Non Current Assets		
(i) Term Deposits having maturity of more than 12 Months	127,648.00	118,508.00
Total	1,047,648.00	1,498,508.00

NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note 18 Revenue from operations

	Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a)	Sale of products (Refer Note (i) below)	359,571,882	342,072,668
(b)	Sale of Service (Refer Note (ii) below)	-	-
(c)	Other Operating revenue (Refer Note (iii) below)	1,244,686	11,922
	Total	360,816,568	342,084,590

Note	Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(i)	Sale of products comprises :		
	a). Traded Goods		
	Grey Fabric	-	718,839
	Running Cotton	22,078	20,425,141
	Kurti	85,340,793	53,872,086
	Dupatta	352,988	
	Leggins	298,694	
	Salwar Duppata	6,172,123	8,427,459
	Plazzoo	33,839,972	30,548,359
	Pants	23,034,497	17,115,275
	Total - Sale of traded goods	149,061,146	131,107,159
	b). Manufacture Goods		
	Ladies Suits & Kurti Sales	164,558,417	193,660,987
	Salwar Duppta	708,053	4,994,807
	Saree Sales		5,792
	Plazoo Sales	9,616,833	11,114,796
	Pant Sales	35,636,222	192,834
	Jackets Sales (Less Sales Return)	(8,789)	996,294
	Total - Sale of manufacture goods	210,510,737	210,965,509
	Total - Sale of products	359,571,882	342,072,668
(ii)	Sale of Service comprises :		
	Job Work	-	-
	Total - Sale of Service	-	-
(iii)	Other operating revenues comprise:		
	Refund of Duties	1,149,620	
	Wallet A/C	9,849	
	Label Charge	4,000	
	Discount received	81,217	11,922
	Total - Other operating revenues	1,244,686	11,922

Note 19 Other income

	Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a)	Interest income	213,636	194,498
(b)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (i) below)	758,978	197,235
	Total	972,614	391,733

Note	Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(i)	Other non-operating income comprises:		
	Rate Difference on purchases	-	-
	Postage & Courier	712,964	184,135
	Other Income	32,865	
	Cotton Wastage		13,100
	Write Off	13,149	-
	Total - Other non-operating income	758,978	197,235

NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note 20.a Cost of materials consumed

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Opening stock	11,028,706	21,648,897
Add: Purchases	62,795,739	29,317,101
Less: Closing stock	10,340,205	11,028,706
Cost of Material Consumed	63,484,240	39,937,292
Material consumed comprises:		
Fabric	25,396,781	5,304,373
Running Cotton	38,087,459	34,632,919
Total	63,484,240	39,937,292

Note 20.b Purchase of traded goods

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Traded goods		
Running Cotton	20,513	28,243,996
Gray Fabric	-	4,881,811
Salwar Duppta	9,220,926	4,538,799
Sarees	-	6,660
Dupatta	1,707,937	
Leggins	1,170,632	
Kurti	39,439,287	36,426,750
Plazoo	14,674,180	11,168,337
Pant	16,061,865	8,540,710
Total	82,295,340	93,807,062

Note 20.c Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A. Inventories at the end of the year: (As verified and certified by the management)		
Salwar Duppta	6,172,614	1,395,296
Kurti	76,125,052	55,052,417
Plazoo	3,598,750	3,539,342
Pant	10,046,711	2,217,340
Dupatta	1,644,532	
Leggins	914,494	
Jackets	82,232	80,048
Saree & Unstiched		-
Total A	98,584,386	62,284,444
Inventories at the beginning of the year:		
Salwar Duppta	1,395,296	470,670
Kurti	55,052,417	14,545,466
Plazoo	3,539,342	1,124,280
Pant	2,217,340	
Jackets	80,048	928,800
Saree & Unstiched		
Total B	62,284,444	17,069,216
Net (increase) / decrease	(36,299,942)	(45,215,228)

NANDANI CREATION LIMITED**Notes forming part of the financial statements****Note 21 Employee benefits expense**

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Salary to Employees	11,781,132	7,551,184
ESI & PF Exp	308,786	317,455
Salary to CFO	360,000	360,000
Directors Remuneration	2,880,000	2,880,000
Gratuity Expenses	(657,236)	1,215,421
Total	14,672,682	12,324,060

Note 22 Finance costs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a) Interest expense on:		
(i) Borrowings	8,653,517	3,568,333
(ii) Trade payables	-	-
(iii) Others	-	-
Loan Processing Fees	364,060	1,357,001
(b) Other borrowing costs		
(i) Bank Charges	278,612	414,504
Total	9,296,190	5,339,838

NANDANI CREATION LIMITED
Notes forming part of the financial statements
Note 23 Other expenses

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
DIRECT EXPENSES		
Consumables	5,046,304	3,345,794
Colour and Chemical	-	1,931,718
Freight & Cartage	-	231,976
Job Work & Sticking Charges	46,780,179	33,343,222
Kurti Stickers	1,277,314	1,398,662
Factory Rent	3,276,000	2,320,000
Packing Material	1,261,067	654,167
Power & Fuel	1,073,127	967,786
Spotting and Washing	-	5,820
Discount on online Sale	31,605,343	133,173,879
Wages	1,151,761	1,392,598
Sampling Exp	-	2,088
Total	91,471,096	178,767,710
INDIRECT EXPENSES		
Business Promotion	649,635	240,097
Advertisement	25,352,284	11,148,191
Commission & Brokerage	50,246,953	16,859,781
Donation	24,000	24,000
Export Charges	2,155,138	169,207
Legal and Professional Exp.	422,858	219,107
Membership & Subscription	269,737	76,118
Market Making Charges	-	600,000
Miscellaneous expenses *	356,685	944,907
NSE Listing Fees	19,000	11,500
Office Expenses	1,958,150	246,591
Rent Expenses	2,326,594	1,235,830
Penalty & Interest	334,024	125,099
Payments to auditors (Refer Note (i) below)	343,200	408,780
Photo Shoot Exp.	1,060,350	532,669
Postage and Courier Expenses	3,122,516	707,306
Printing and Stationery Expenses	831,786	533,644
Repair & Maintenance	497,290	892,550
Prior Period Expenses	4,690	25,000
Security Guard Expenses	508,050	393,719
Shipping and handling Charges	10,209,473	1,456,724
Staff & Labour Welfare expenses	622,544	436,203
Travelling Expenses	800,918	863,654
Website Charges	926,091	753,802
Turnover Incentive	12,216,340	-
Insurance Exp	341,172	127,731
Service Tax Paid	-	867,841
Minimum Margin & Order Cancellation Exp	207,255	-
Software Exp	180,266	-
Telephone and Mobile Expenses	378,760	274,486
Technical Support Charges	1,369,595	1,694,631
Total	117,735,354	41,869,169
Grand Total	209,206,450	220,636,879

NANDANI CREATION LIMITED**Notes forming part of the financial statements****Notes: (i) Payment to Auditor**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(i) Payments to the auditors comprises (net of service tax input credit,		
As auditors - statutory audit	300,000	354,000
As auditors- Secretarial Audit	20,000	20,000
As auditors - other	12,000	12,000
ROC Return Filling Charges	11,200	22,780
Total	343,200	408,780
Note 24 Exceptional items		
Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Exceptional items		
Jaipur Club Membership	460,000	460,000
Total	460,000	460,000

NANDANI CREATION LIMITED
Notes forming part of the financial statements
Note 25 Additional information to the financial statements

Note	Particulars		
25.1	The Schedule III has effective from 1st April, 2014 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.		
25.2	Contingent liabilities and commitments (to the extent not provided for)		
		As at 31 March, 2019	As at 31 March, 2018
		₹	₹
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt (give details)	NA	NA
	(b) Guarantees @ (give details)	NA	NA
	(c) Other money for which the Company is contingently liable (give details)	NA	NA
		As at 31 March, 2019	As at 31 March, 2018
		₹	₹
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	NA	NA
	Tangible assets	NA	NA
	Intangible assets	NA	NA
	(b) Uncalled liability on shares and other investments partly paid	NA	NA
	(c) Other commitments (specify nature)	NA	NA
25.3	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
	Particulars	As at 31 March, 2019	As at 31 March, 2018
		₹	₹
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	5,363,840.47	906,136.20
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
	(iv) The amount of interest due and payable for the year	-	-
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
	(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		
25.4	Value of imports calculated on CIF basis @:	As at 31 March, 2019	As at 31 March, 2018
		₹	₹
	Raw materials		
	Components		
	Spare parts		
	Total Components and spare parts		
	Capital goods		

NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note	Particulars	As at 31 March, 2019	As at 31 March, 2018
25.5	Expenditure in foreign currency #:	As at 31 March, 2019	As at 31 March, 2018
	Royalty		
	Know-how		
	Professional and consultation fees		
	Interest		
	Other matters		
25.6	Details of consumption of imported and indigenous items *	As at 31 March, 2019	As at 31 March, 2018
	<u>Imported</u>		
	Raw materials	-	-
	Components	-	-
	Spare parts	-	-
	Total	-	-
	<u>Indigenous</u>	As at 31 March, 2019	As at 31 March, 2018
	Raw materials	63,484,240	39,937,292
	Components	-	-
	Spare parts	-	-
	Total	63,484,240	39,937,292
25.7	Earnings in foreign exchange :	As at 31 March, 2019	As at 31 March, 2018
	Export of goods calculated on FOB basis		
	Royalty, know-how, professional and consultation fees		
	Interest and dividend		
	Other income, indicating the nature thereof.		
25.8	Amounts remitted in foreign currency during the year on account of dividend ##	As at 31 March, 2019	As at 31 March, 2018
	Amount of dividend remitted in foreign currency		
	Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)		
	Total number of shares held by them on which dividend was due		
	Year to which the dividend relates		
25.9	Earnings per share		
	<u>Basic & Diluted</u>		
	Net profit / (loss) for the year attributable to the equity shareholders	10,232,355.34	8,734,482.68
	Weighted average number of equity shares	2,949,580.00	2,949,580.00
	Par value per share	10.00	10.00
	Earnings per share - Basic & diluted	3.47	2.96
25.10	Deferred Tax (Liability)/asset		
	Tax effect of items constituting deferred tax liability		
	On difference between book balances and tax balance of fixed assets	807,871	1,216,034
	Tax effect of items constituting deferred tax assets		
		208,027	313,129
		319,797	6,668
	Net deferred tax (liability)/asset	527,824	319,797

NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note 25 Disclosures under Accounting Standards (contd.)

Note	Particulars				
25.11	Related party transactions				
25.11a	Details of related parties:				
	Description of relationship	Names of related parties			
	Key Management Personnel (KMP)	Mr. Anuj Mundra, Mrs Vandna Mundra and Mrs Sunita Devi Mundhra, Dwarka Das Mundra and Gunjan Jain			
	Relatives of KMP	-			
	Company in which KMP / Relatives of KMP can exercise significant influence	Desi Fusion India Private Limited			
	Note: Related parties have been identified by the Management.				
	Details of related party transactions during the year ended 31 March, 2019 and balances outstanding as at 31 March, 2019:				
25.11b		KMP	Relatives of KMP	Entities in which KMP /relatives of KMP have significant influence	Total
	Purchase of goods			96,805,252.00	96,805,252.00
	Receiving of services			16,664,022.00	16,664,022.00
	Sale of Goods			-	-
	Maintainnce Charges Paid			-	-
	Transfer of research and development			-	-
	Remuneration to Directors	2,880,000.00	-	-	2,880,000.00
	Rent Paid	1,080,010.00	s	-	1,080,010.00
	Interest Received			204,496.00	204,496.00
	Finance (including loans and equity contributions in cash or in kind)	-		2,599,362.83	2,599,362.83
	Salary Paid	655,800.00		-	-
	Management contracts including for deputation of employees			-	-
	Provision for doubtful receivables, loans and advances			-	-
	Write off / write back made during the year			-	-
	<u>Balances outstanding at the end of the year</u>				
	Trade receivables			-	-
	Loans and advances	50,000.00	-	1,888,181.00	1,938,181.00
	Trade payables	-	-	2,599,362.83	2,599,362.83
	Borrowings	8,752,450.00	-	-	8,752,450.00
	Provision for doubtful receivables, loans and advances			-	-

CONSOLIDATED AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT

To
The Members of
NANDANI CREATION LIMITED
Jaipur

Opinion

We have audited the consolidated financial statements of NANDANI CREATION LIMITED ("hereinafter referred to as the 'Holding Company'"), and its subsidiary (the holding company and its subsidiary together referred as "the Group") which comprise the consolidated Balance Sheet as at 31 March 2019 and the consolidated statement of Profit and Loss and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the company as at March 31, 2019 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not observed anything which falls under this.

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for preparation and presentation of these consolidated financial statement in terms of requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the group is responsible for assessing the ability of Group to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept so far as appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors of Holding Company as on 31 March, 2019, taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditor of subsidiary company incorporated in India none of the directors of Group is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
- g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act; In our opinion and to the best of our information and according to the explanations given to us, by Holding company and reports of the statutory auditor of subsidiary company incorporated in India, the remuneration paid/provided by the Holding Company and its subsidiary company incorporated in India to its directors during the year is in accordance with the provisions of section 197 of the Act.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There were no pending litigations which would impact the consolidated financial position of the group.
 - ii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the group
- h)

Place: Jaipur
Dated: 30.05.2019

ASHOK HOLANI AND COMPANY
Chartered Accountant
FRN : 009840C

Sd/-
RAHUL JANGIR
Partner
Membership No. 435804
UDIN-19435804AAAABE6947

Annexure B referred to in paragraph 8(g) of our report of even date to the members of NANDANI CREATION LIMITED on the Financial Statements of the company for the year ended March 31, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NANDANI CREATION LIMITED**. ("The Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: **Jaipur**

ASHOK HOLANI AND COMPANY

Dated: **30.05.2019**

Chartered Accountant

FRN : 009840C

Sd/-

RAHUL JANGIR

Partner

Membership No. 435804

Annexure A referred to in paragraph 7 of our report of even date to the members of NANDANI CREATION LIMITED on the consolidated financial statements of the company for the year ended March 31, 2019.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1.
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) According to the information and explanations given to us and based on the records of the company examined by us, fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and based on the records of the company examined by us, the company owns Immovable properties, but still not registered in the name of the company.
2. According to the information and explanations given to us and based on the records of the company examined by us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
3. According to the information and explanation given to us and based on the records of the company examined by us, the company has not granted loans secured or unsecured to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus reporting on sub clause (a), (b) and (c) are not applicable.
4. According to the records of the company examined by us and as per the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. According to the records of the company examined by us and as per the information and explanations given to us, the company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013
6. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
7.
 - (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as on 31st march, 2019 for a period of more than six months from the date on when they become payable, however there is undisputed default of Rs. 44,790.00 with Income Tax Department in relation to TDS payment.
 - (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no outstanding dues of Income tax or Goods and Service tax or Duty of Customs which have not been deposited on account of any dispute.
8. According to the information and explanations given to us and based on the records of the company examined by us, the company has not made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. According to the information and explanations given to us and based on the records of the company examined by us, company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The company has however has raised term loans from banks and have applied the same for the purpose they were raised.
10. During the course of our examination of the books and records of the company carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the company or on the company by its officers or employees noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.
11. According to the records of the company examined by us and as per the information and explanations given to us, the company has complied with the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Hence,

clause 3(xii) of the Order is not applicable to it.

13. According to the information and explanations given to us and based on the records of the company examined by us, the company is in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable rules, and where applicable, for all transactions with the related parties and the details of the related party transaction have been disclosed in the financial statements in note no. 27.11a and 27.11b as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on the records of the company examined by us, the company has not made any preferential allotment or private placement of shares during the year. Hence, clause 3(xiv) of the Order is not applicable to it.
15. According to the records of the company examined in course of our audit and as per information and explanations given to us, the company has not entered in any non-cash transaction with directors or persons connected with him. Hence, provisions of Section 192 are not applicable to the company.
16. According to information and explanations given to us and on the basis of records of the company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: **Jaipur**

Dated: **30.05.2019**

ASHOK HOLANI AND COMPANY
Chartered Accountant
FRN : 009840C

Sd/-
RAHUL JANGIR
Partner
Membership No. 435804

NANDANI CREATION LIMITED

Note 1 forming part of the consolidated financial statements

Note	Particulars
1	Corporate information
	The company is engaged in the business/dealership (buying & selling) of fabric. The company registered office is situated at G-13, Kartarpura Industrial Area, Near 22 Godam, Jaipur.
2	Significant accounting policies
2.1	Basis of accounting and preparation of financial statements The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.
2.2	Use of estimates The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
2.3	Inventories Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Finished goods include appropriate proportion of overhead.
2.4	Cash and cash equivalents (for purposes of Cash Flow Statement) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
2.5	Depreciation and amortisation Depreciation has been provided on the basis of useful life method of the assets as per the Companies Act, 2013.
2.6	Revenue recognition <u>Sale of goods</u> Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.
2.7	Other income Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.
2.8	Tangible fixed assets Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. The excise duty paid on fixed assets acquired is deducted from the cost of the assets and credit is availed from the excise duty payable on the sale of goods thereon. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

2.9	<p>Borrowing costs</p> <p>Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.</p>
2.10	<p>Earnings per share</p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p>
2.11	<p>Taxes on income</p> <p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.</p> <p>Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.</p> <p>Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p> <p>Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Consolidated Statement of Profit and Loss.</p>
2.12	<p>Employees Retirement Benefits</p> <p>Gratuity is accounted for on the basis of actuarial valuation as per the requirement of Accounting Standard -15 Employee Benefits.</p>

CONSOLIDATED BALANCE SHEET

NANDANI CREATION LIMITED

CIN: L18101RJ2012PLC037976

Balance Sheet as at 31 March, 2019

Consolidated Financial Statement of Nandani Creation Limited					
Particulars	Note No.		As at 31 March, 2019		As at 31 March, 2018
A EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	2	29,495,800		29,495,800	
(b) Reserves and surplus	3	57,140,337	86,636,137	46,084,883	75,580,683
2 Minority Interest	4	693	693	611	611
3 Non-current liabilities					
(a) Long-term borrowings	5	46,146,604		26,384,569	
(b) Other long-term liabilities	6	736,587	46,883,191	1,405,379	27,789,948
4 Current liabilities					
(a) Short-term borrowings	7	30,603,443		28,573,007	
(b) Trade payables	8	79,457,571		64,114,580	
(c) Other current liabilities	9	31,576,724		19,552,103	
(d) Short-term provisions	10	5,331,954	146,969,691	3,497,080	115,736,770
TOTAL			280,489,712		219,108,013
B ASSETS					
1 Non-current assets					
(a) Fixed assets	11				
(i) Tangible assets		13,750,554		13,556,380	
(ii) Intangible assets		630,116		516,465	
(iii) Capital work-in-progress	11A	2,244,516		2,244,516	
(iv) Intangible assets under development					
(v) Fixed assets held for sale		16,625,185		16,317,361	
(b) Non current investment	12	2,080,646		2,080,646	
(c) Deferred tax assets (net)	27.10	582,537		354,439	
(d) Long-term loans and advances	13	1,865,892		1,505,124	
(e) Other non-current assets	14	79,272	21,233,533	118,908	20,376,478
2 Current assets					
(a) Current investments					
(b) Inventories	15	174,986,571		121,681,603	
(c) Trade receivables	16	71,016,719		72,058,089	
(d) Cash and cash equivalents	17	2,255,633		1,069,608	
(e) Short-term loans and advances	18	9,949,608		2,423,728	
(f) Other Current Assets	19	1,047,648	259,256,179	1,498,508	198,731,535
TOTAL			280,489,712		219,108,013
The accompanying notes 1 to 27 are an integral part of the financial statements					

In terms of our report of even date
FOR ASHOK HOLANI & CO.
Chartered Accountants

For and on behalf of the Board of Directors
of Nandani Creation Limited

Sd/-

RAHUL JANGIR
PARTNER
M.No. 435804

Sd/-

Anuj Mundra
(Managing Director)
(DIN - 05202504)

Sd/-

Vandana Mundra
(Whole Time Director)
(DIN - 05202403)

Date 30.05.2019
Place Jaipur

Sd/-

Dwarka Das Mundra
(Chief Financial Officer)

Sd/-

Gunjan Jain
(Company Secretary)
M.No 45068

CONSOLIDATED PROFIT & LOSS ACCOUNT

NANDANI CREATION LIMITED

CIN: L18101RJ2012PLC037976

Statement of Profit and Loss for the year ended 31st March, 2019

Consolidated Financial Statement of Nandani Creation Limited			
Particulars	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Gross Income			
Revenue from operations (gross)	20	373,716,624	332,755,207
Less: Excise duty		-	-
Revenue from operations (net)		373,716,624	332,755,207
Other income	21	738,197	210,394
Total revenue		374,454,821	332,965,601
Expenses			
Cost of materials consumed	22(a)	64,954,704	63,606,179
Purchases of stock-in-trade	22(b)	103,692,161	71,767,008
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22(c)	(52,736,911)	(73,331,800)
Employee benefits expense	23	24,978,194	21,875,083
Finance costs	24	11,563,384	6,633,597
Depreciation and amortisation expense	11	4,696,724	3,325,516
Other expenses	25	201,298,379	225,081,146
Total expenses		358,446,636	318,956,730
Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		16,008,185	14,008,871
Exceptional items	26	499,636	499,636
Profit / (Loss) before tax		15,508,549	13,509,235
Tax expense:			
(a) Current tax expense for current year		4,681,112	4,298,231
(b) Deferred tax		(228,099)	(346,168)
Profit / (Loss) before share of profit of minority interest		11,055,536	9,557,172
Less: Minority Interest (0.01%)		82	82
Profit / (Loss) after share of profit of minority interest		11,055,454	9,557,090
Earnings per share (Face Value of Rs.10/-each):	27.9		
(a) Basic		3.75	4.97
(b) Diluted		3.75	4.97
The accompanying notes 1 to 27 are an integral part of the financial statements			
In terms of our report of even date FOR ASHOK HOLANI & CO. Chartered Accountants		For and on behalf of the Board of Directors of Nandani Creation Limited	
Sd/- RAHUL JANGIR PARTNER M.No. 435804		Sd/- Anuj Mundra (Managing Director) (DIN - 05202504)	Sd/- Vandana Mundra (Whole Time Director) (DIN - 05202403)
Date 30.05.2019 Place Jaipur		Sd/- Dwarka Das Mundra (Chief Financial Officer)	Sd/- Gunjan Jain (Company Secretary) M.No 45068

NANDANI CREATION LIMITED
CIN: L18101RJ2012PLC037976

Cash Flow Statement for the year ended 31 March, 2019

Particulars	For The Year Ended 31st March, 2019	For The Year Ended 31st March, 2018
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	15,508,549	13,509,235.09
Adjustments for:		
Depreciation and amortisation	4,696,724	3,325,516.00
Finance costs	11,563,384	6,633,597.20
Exceptional Item	-	-
Operating profit / (loss) before working capital changes	31,768,658	23,468,348.29
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Current Investment	-	-
Inventories	(53,304,968)	(79,701,410)
Trade receivables	1,041,370	(30,513,377)
Short-term loans and advances	(7,525,880)	(842,605)
Other Non Current Assets	39,636	39,636
Other Current assets	450,860	451,512
	(59,298,983)	(110,566,243.79)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	15,342,991	43,886,805
Other current liabilities	12,024,621	18,222,970
Short-term provisions	1,834,874	2,213,003
	29,202,485	64,322,778
Cash generated from operations	1,672,159	(22,775,117)
Net income tax (paid) / refunds	(4,681,112)	(4,298,231)
Net cash flow from operating activities (A)	(3,008,953)	(27,073,348)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(5,004,548)	(11,202,011)
Investment Purchased	-	(2,080,646)
Long - Term Loans & Advances	(360,768)	(650,109)
	(5,365,316)	(13,932,766)
Net cash flow used in investing activities (B)	(5,365,316)	(13,932,766)
C. Cash flow from financing activities		
Increase in long-term borrowings	19,762,035	19,980,328
Increase in Other long-term Liability	(668,792)	1,405,379
Net (increase) / decrease in working capital borrowings	2,030,436	24,537,951
Finance cost	(11,563,384)	(6,633,597)
Net cash flow used in financing activities (C)	9,560,295	39,290,061
Net increase / (decrease) in Cash and cash equivalents (A-B-C)	1,186,026	(1,716,054)
Cash and cash equivalents at the beginning of the year	1,069,608	2,785,661
Effect of exchange differences on restatement of foreign currency Cash and		
Cash and cash equivalents at the end of the year	2,255,634	1,069,608
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	2,255,633	1,069,608
Less: Bank balances not considered as Cash and cash equivalents as defined	-	-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	2,255,633	1,069,608
Add: Current investments considered as part of Cash and cash equivalents (as		
Cash and cash equivalents at the end of the year *	2,255,633	1,069,608

* Comprises:		
(a) Cash on hand	2,221,440	926,158
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	34,192	143,450
(ii) In EEFC accounts		
(iii) In deposit accounts with original maturity of less than 3 months		
(iv) In earmarked accounts (give details) (Refer Note (ii) below)		
(d) Others (specify nature)		
Deposits		
(e) Current investments considered as part of Cash and cash equivalents		
Notes:		
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.		
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.		
See accompanying notes forming part of the financial statements		
In terms of our report of even date		
FOR ASHOK HOLANI & CO.	For and on behalf of the Board of Directors	
Chartered Accountants	of Nandani Creation Limited	
Sd/-	Sd/-	Sd/-
RAHUL JANGIR	Anuj Mundra	Vandana Mundra
PARTNER	(Managing Director)	(Whole Time Director)
M.No. 435804	(DIN - 05202504)	(DIN - 05202403)
Date 30.05.2019	Sd/-	Sd/-
Place Jaipur	Dwarka Das Mundra	Gunjan Jain
	(Chief Financial Officer)	(Company Secretary)
		M.No 45068

NANDANI CREATION LIMITED**Notes forming part of the consolidated financial statements****Note 2 Share capital**

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
(a) Authorised Equity shares of Rs.10/- each with voting rights	3,250,000	32,500,000	3,250,000	32,500,000
(b) Issued Equity shares of ` Rs.10/- each with voting rights	2,949,580	29,495,800	2,949,580	29,495,800
(c) Subscribed and fully paid up Equity shares of Rs.10/- each with voting rights	2,949,580	29,495,800	2,949,580	29,495,800
	2,949,580	29,495,800	2,949,580	29,495,800
Total	2,949,580	29,495,800	2,949,580	29,495,800

Refer Notes (1) to (4) below

Note (1) Reconciliation of of number of Equity Share outstanding

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
As at the beginning of the year	2,949,580	29,495,800	2,949,580	29,495,800
Add : Shares issued through IPO				
Add : Shares issued through allotment Bonus				
Add : Shares issued through consideration other than cash				
Add : Share issued through Preferential allotment				
As at the end of the year	2,949,580	29,495,800	2,949,580	29,495,800
As at the end of the year	2,949,580	29,495,800	2,949,580	29,495,800

Note (2) Shareholders holding more than 5% of the Equity share in the company

Name of the ShareHolders	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Nandani Creation Limited				
Mr. Anuj Mundra	1,018,890	34.54%	986890	33.46%
Mrs. Vandna Mundra	512,790	17.39%	486790	16.50%
Sunita devi	150,900	5.12%	-	-
Maverick Share Brokers Limited	230,000	7.80%	362000	12.27%
	1,912,580	64.84%	1,835,680	62.23%

Note (3) Rights, preferemces and restrictions attached to the equity shares

Note (4) The Equity of the company having par value of Rs.10/- per share, rank pari passu in all respects including voting rights and entitlement to dividend.

NANDANI CREATION LIMITED**Notes forming part of the consolidated financial statements****Note 3 Reserves and surplus**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(i) Surplus / (Deficit) in Statement of Profit and Loss		
As per previous year balance sheet	15,507,801	5,950,711
Add: Profit / (Loss) for the year	11,055,454	9,557,090
Less: Transferred to General reserve	-	-
Closing balance	26,563,255	15,507,801
(ii) General Reserve		
As per previous year balance sheet	500,000	500,000
Add: Transferred from Profit & Loss account	-	-
Less: Bonus share issued during the year	-	-
Closing balance	500,000	500,000
(iii) Security Premium		
As per previous year balance sheet	30,077,082	-
Add: Proceed Received from Issue of share	-	36,372,440
Less: IPO expenses	-	6,295,358
Closing balance	30,077,082	30,077,082
Total	57,140,337	46,084,883

Note 4 Minority Interest

Particulars	As at 31 March, 2019	As at 31 March, 2018
Equity attributable to minority interest: Shareholders of Desi Fusion India Pvt Ltd	611	500
Share in profit to minority interest shareholders of Desi Fusion India Pvt Ltd	82	111
Total	693	611

NANDANI CREATION LIMITED
Notes forming part of the consolidated financial statements

Note 5 Long-term borrowings

Particulars	Non current Portion	Current Maturities	Non current Portion	Current Maturities
	As at 31 March, 2019	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2018
A. Term loans				
From banks				
a. Secured				
1. HDFC Bank Limited	286,159	238,429	524,590	216,111
2. HDFC Bank Limited	-	-	-	138,618
3. Axis Bank	-	888,160	888,160	896,280
4. Axis Bank	346,767	73,757	-	-
	632,926	1,200,346	1,412,750	1,251,009
B. Loans and advances from related parties				
Unsecured Loan (Refer note no. 27.10, 27.11a & 27.11b)				
Unsecured				
1.) Anuj Mundra	9,477,312	-	-	-
2.) Sunita Devi Mundra	4,461,000	-	-	-
3.) Vandana Mundra	6,301,510	-	-	-
4.) Dwarka Das Mundra	4,118,000	-	-	-
	24,357,822	-	-	-
C. Loans and Advances From Other Parties				
Secured				
Unsecured Loan from Banks and Financial Institutions	14,039,572	26,904,925	19,288,659	17,348,914
Others	7,116,284		5,683,160	
	21,155,856	26,904,925	24,971,819	17,348,914
Total	46,146,604	28,105,271	26,384,569	18,599,923

Notes: 5.1

(ii) Details of Long-term borrowings guaranteed by some of the directors or others:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Loans repayable on demand from banks	632,926	1,200,346
Loans repayable on demand from other parties	21,155,856	26,904,925
Loans and advances from related parties	24,357,822	-
Deposits	-	-
Other loans and advances	-	-
Total	46,146,604	28,105,271

Note 5.2 Additional information to Secured/Unsecured long term borrowings

The long term portion of term loans are shown under long term borrowings and the current maturities of the long term borrowings are shown under the current liabilities as per the disclosure requirements of the Revised Schedule VI.

Note 5.3 Details of securities and Terms of repayment

I. Secured

(A). Term Loans

a). Banks

1. HDFC Bank Limited - Note 5(A)(a)(1)

Secured by hypothecation of Honda City car as specified in the schedule annexure to the loan agreement executed on 29.03.2016. The loan is repayable in 60 monthly installments of Rs.23,300/- each. The period of maturity w.r.t balance sheet date is 25 months.

2. Axis Bank - Note 5(A)(a)(3)

Secured by hypothecation of Jeep Campas Car as specified in the schedule annexed to the loan agreement executed on 13.03.2018. The loan is repayable in 24 monthly installment of Rs. 84,650/- each. The period of Matuity w.r.t balance sheet date is 12 months.

3. Axis Bank Limited - Note 5(A)(a)(4)

Secured by hypothecation of Maruti suzuki Baleno car as specified in the schedule annexure to the loan agreement executed on 30.12.2018. The loan is repayable in 60 monthly installments of Rs.9,297/- each. The period of maturity w.r.t balance sheet date is 57 months.

NANDANI CREATION LIMITED**Notes forming part of the consolidated financial statements****Note 6 Other long-term liabilities**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Trade Payables: *		
(i) Acceptances		
(ii) Other than Acceptances		
(b) Others:		
(i) Trade / security deposits received		
(ii) Advances from customers		
(iii) Income received in advance (Unearned revenue)		
(iv) Gratuity Provision	736,587.00	1,405,379.00
Total	736,587.00	1,405,379.00

NANDANI CREATION LIMITED**Notes forming part of the consolidated financial statements****Note 7 Short-term borrowings**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Loans repayable on demand		
From banks		
Secured	30,603,443	28,573,007
Unsecured		-
	30,603,443	28,573,007
From other parties		
Secured		-
Unsecured		-
		-
Total	30,603,443	28,573,007

Notes:

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31 March, 2019	As at 31 March, 2018
<u>Loans repayable on demand from banks:</u>			
a) Bank of India CC A/c	Secured by hypothecation of stock & debtors of the company and personnel guarantee of all the directors of the company. The loan is further secured by Government of India under CGTSME scheme The Applicable rate of interest on CC limit is 10.70%p.a. with monthly rest.	19,589,399	18,882,381
b) Axis Bank	The Cash Credit Limit is secured on HYP of all current assets of the Company and under the CGTSME Scheme. Further personal guarantee of Vandana Mundra, Anuj Mundra, Sunit Devi mundra and Dwarka Das Mundra. The Applicable rate of interest on CC limit is 11.00%p.a. (Base rate 8.00%+ 3.00%)	11,014,044	9,690,625
Total - from banks		30,603,443	28,573,007

NANDANI CREATION LIMITED**Notes forming part of the consolidated financial statements****Note 8 Trade payables**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade payables:		
Acceptances	79,457,571	64,114,580
Other than Acceptances		-
Total	79,457,571	64,114,580

Note 8.1 "For the disclosure of the suppliers under the Micro, small and medium enterprises development Act, 2006 refer note no. 27.3

Note 9 Other current liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Current maturities of long-term debt (Refer Note (i) below)	28,105,271	18,599,923
(b) Interest accrued but not due on borrowings		
(c) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)		
TDS Payable	2,027,675	451,398
GST Payable	-	362,136
EPF Payable		29,094
ESIC Payable		20,395
(ii) Payables on purchase of fixed assets		
(iii) Contractually reimbursable expenses		
(iv) Interest accrued on trade payables		
(v) Interest accrued on others		
(vi) Trade / security deposits received		
(vii) Other Payables		
(viii) Advances from customers	1,443,778	89,157
Total	31,576,724	19,552,103

Note (i) For the Current Maturities of long term borrowings (refer note 5 and note 5.1 in Note 5- Long term borrowings for details of borrowings, gurantee and details of current maturities.

NANDANI CREATION LIMITED**Notes forming part of the consolidated financial statements****Note 10 Short-term provisions**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Provision for employee benefits:		
(i) Provision for bonus		
(ii) Provision for provident Fund	29,188	
(iii) Provision for ESI	28,053	
(iv) Provision for post-employment medical benefits		
(v) Provision for other defined benefit plans		
(vi) Provision for other employee benefits		
	57,241	-
(b) Provision - Others:		
(i) Provision for Income tax (Tax Provision 43,27,019.00/- less advance tax and TDS of Rs. 10,20,450.00 and Last year Rs. 42,98,231.00/- less advance tax and TDS of Rs. 21,47,776/-)	3,306,569	2,150,465
(ii) Provision - others		
Provision for Salary and wages	1,548,644	1,301,615
Provision for electricity	62,500	45,000
Provision for audit fees	357,000	-
Total	5,331,954	3,497,080

NANDANI CREATION LIMITED

Notes forming part of the consolidated financial statements

Note 11 Fixed assets

A.	Tangible assets	Gross block				Accumulated depreciation and impairment				Net block	Net block
		Balance as at 1 April, 2018	Additions	Disposals	Balance as at 31 March, 2019	Balance as at 1 April, 2018	Depreciation / amortisation expense for the year	Depreciation on Disposal	Balance as at 31 March, 2019	Balance as at 31 March, 2019	Balance as at 31 March, 2018
	(a) Land										
	Freehold										
	Leasehold *										
	(b) Buildings										
	Own use	962,961			962,961	149,322	77,296		226,617	736,344	813,639
	Given under operating lease *										
	(c) Plant and Equipment										
	Owned	4,542,448	1,561,813		6,104,261	893,058	819,909		1,712,967	4,391,294	3,649,390
	Taken under finance lease *										
	Given under operating lease *										
	(d) Furniture and Fixtures										
	Owned	3,717,491	2,084,193		5,801,684	571,206	1,125,457		1,696,663	4,105,022	3,146,285
	Taken under finance lease *										
	Given under operating lease *										
	(e) Vehicles										
	Owned	4,513,919	830,546	580,440	4,764,025	1,222,095	1,088,984	339,924	1,971,156	2,792,870	3,291,824
	Taken under finance lease *										
	Given under operating lease *										
	(f) Computer and Data Processing Unit										
	Owned	1,745,560	120,550		1,866,110	1,063,961	487,643		1,551,604	314,506	681,599
	Given under operating lease *										
	(g) Office equipment										
	Owned	3,095,433	475,081		3,570,514	1,121,790	1,038,205		2,159,995	1,410,519	1,973,643
	Taken under finance lease *										
	Given under operating lease *										
	Total	18,577,813	5,072,183	580,440	23,069,556	5,021,432	4,637,494	339,924	9,319,002	13,750,554	13,556,381
	Previous Year	7,911,215	10,955,376	288,779	18,577,812	1,792,707	3,314,139	85,414	5,021,432	13,556,380	6,118,508
B	Intangible assets	Gross block				Accumulated depreciation and impairment				Net block	Net block
		Balance as at 1 April, 2018	Additions	Disposals	Balance as at 31 March, 2019	Balance as at 1 April, 2018	Depreciation / amortisation expense for the year	Depreciation on Disposal	Balance as at 31 March, 2019	Balance as at 31 March, 2019	Balance as at 31 March, 2018
	Goodwill	83,376	-		83,376	12,929	6,693		19,621	63,755	70,447
	Software	450,000	172,881		622,881	3,982	52,538		56,520	566,361	446,018
	Total	533,376	172,881	-	706,257	16,911	59,231	-	76,141	630,116	516,465
	Previous Year	83,376	450,000	-	533,376	5,534	11,377	-	16,911	516,465	77,842
	Grand Total	19,111,188	5,245,064	580,440	23,775,812	5,038,343	4,696,725	339,924	9,395,143	14,380,669	14,072,846

NANDANI CREATION LIMITED
Notes forming part of the consolidated financial statements
Note 12 Non Current investments

Particulars	As at 31 March, 2019			As at 31 March, 2018		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
A. <u>Trade</u>						
(a) Investment in equity instruments	-		-			-
(b) Investment in preference shares			-			-
(c) Investment in debentures or bonds			-			-
Total - Trade (A)	-	-	-	-	-	-
B. <u>Non-Trade Investments (At Cost)</u>						
(a) Investment in equity instruments (quoted)						
Raghav Ramming Mass Limited (2000 Shares)	284,823.00		284,823.00	284,823.00		284,823.00
Jash Engineering Limited (8400 shares)	1,505,723.00		1,505,723.00	1,505,723.00		1,505,723.00
SGB Gold Bonds (Int @ 2.5% every half year)		290,100.00	290,100.00		290,100.00	290,100.00
(b) Investment in preference shares			-			-
(c) Investment in debentures or bonds						
Total - Trade (B)	1,790,546.00	290,100.00	2,080,646.00	1,790,546.00	290,100.00	2,080,646.00
C. <u>Other investments</u>						
(i) Of Related Parties			-			-
D. Other Non current investments						
Total (A+B+C+D)	1,790,546.00	290,100.00	2,080,646.00	1,790,546.00	290,100.00	2,080,646.00
Less: Provision for diminution in value of investments						
Total			2,080,646.00			2,080,646.00
Aggregate amount of quoted investments			1,790,546.00			1,790,546.00
Aggregate market value of listed and quoted investments			1,028,660.00			1,375,920.00
Aggregate value of listed but not quoted investments						
Aggregate amount of unquoted investments		-	-		-	-

NANDANI CREATION LIMITED**Notes forming part of the consolidated financial statements****Note 11a Capital Work in Progress**

Particulars	As at 31 March 2019	As at 31 March 2018
Jaipur Landmark Private Limited	2,244,516.00	2,244,516.00
Total	2,244,516.00	2,244,516.00

NANDANI CREATION LIMITED**Notes forming part of the consolidated financial statements****Note 13 Long term Loans and Advances**

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Security deposits		
Unsecured, considered good	1,830,000	1,505,124
	1,830,000	1,505,124
Less: Provision for doubtful deposits		
	1,830,000	1,505,124
(b) Balances with government authorities		
Unsecured, considered good	35,892	-
Total	1,865,892	1,505,124

Note: 13.1 Long-term loans and advances include amounts due from:

Particulars	As at 31 March 2019	As at 31 March 2018
Directors *	50,000	-
Other officers of the Company *		
Firms in which any director is a partner (give details per firm)		
Private companies in which any director is a director or member		

NANDANI CREATION LIMITED
Notes forming part of the consolidated financial statements
Note 14 Other non current assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Long Term trade receivables Secured Considered Good Unsecured Considered Good Doubtful		
(b) Unamortised expenses (i) Company formation Expenses (ii) Share issue expenses (where applicable) (iii) Discount on shares (where applicable)	79,272	118,908
Total	79,272	118,908

Note 15 Inventories

(At cost)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Stock in Trade		
a). Fabric	7,667,075	19,396,937
b). Running Fabric	24,061,204	11,817,940
c). Kurti	119,225,332	76,523,970
d). Salwar Duppta	6,172,614	4,320,309
e). Plazoo	3,786,918	5,024,222
f). Jackets	82,232	80,048
g). Pant	10,046,711	4,457,831
h). Consumables	115,000	60,345
i). Leggings	914,494	-
j). Dupptta	2,914,990	-
Total	174,986,571	121,681,603

Note 16 Trade receivables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade receivables outstanding for a period exceeding six months from the date they were due for payment Secured, considered good Unsecured, considered good Doubtful	15,352,463	33,102,561
Less: Provision for doubtful trade receivables	15,352,463	-
Other Trade receivables Secured, considered good Unsecured, considered good Doubtful	55,664,256	38,955,528
Less: Provision for doubtful trade receivables	55,664,256	-
Total	71,016,719	72,058,089

Note16.1: Trade receivables include debts due from:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Directors *		-
Relative of Directors		-
Other officers of the Company *		-
Firms in which any director is a partner	-	-
Private Company which is subsidiary company	-	-

NANDANI CREATION LIMITED**Notes forming part of the consolidated financial statements****Note 17 Cash and cash equivalents**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Cash on hand	2,221,440	926,158
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	34,192	143,450
(ii) In EEFC accounts		
(iii) In Deposits Account		
(d) Others (specify nature)		
Total	2,255,633	1,069,608
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is	2,255,633	1,069,608

NANDANI CREATION LIMITED**Notes forming part of the consolidated financial statements****Note 18 Short-term loans and advances**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Loans and advances to related parties (Refer Note 27.11, 27.11a and 27.12b) Less: Provision for doubtful loans and advances	-	-
(b) Security deposits Unsecured, considered good Less: Provision for doubtful deposits	-	-
(c) Loans and advances to employees Unsecured, considered good Doubtful Less: Provision for doubtful loans and advances	620,880 620,880	-
(d) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	378,166	211,100
(e) Balances with government authorities Unsecured, considered good (i) CENVAT credit receivable (ii) Tax Deducted at Source (AY 2017-18) (iii) Goods and Service Tax (iv) Goods and Service Tax (TCS Receivables)	232,210 18,456 6,820,982 337,272 7,408,919	232,210 35,892
(f) Others (Advance recoverable in cash or Kind) Unsecured, considered good Doubtful Less: Provision for other doubtful loans and advances	1,541,643 1,541,643	1,944,525 1,944,525
Total	9,949,608	2,423,727

Note: 18.1 Short-term loans and advances include amounts due from:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Directors *	-	-
Relative of Director	-	-
From Subsidiary Company - Desi Fusion India Private Limited	-	-
	-	-

NANDANI CREATION LIMITED**Notes forming part of the consolidated financial statements****Note 19 Other Current Assets**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Long Term trade receivables		
Secured Considered Good		
Unsecured Considered Good		
Doubtful		
(b) Unamortised expenses		
(i) Share issue expenses		-
(ii) Membership Fees	920,000	1,380,000
(c) Other Non Current Assets		
(i) Term Deposits having maturity of more than 12 Months	127,648	118,508
Total	1,047,648	1,498,508

NANDANI CREATION LIMITED
Notes forming part of the consolidated financial statements
Note 20 Revenue from operations

	Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a)	Sale of products (Refer Note (i) below)	372,427,248	332,743,285
(b)	Sale of services (Refer Note (ii) below)	-	-
(c)	Other operating revenues (Refer Note (iii) below)	1,289,376	11,922
	Total	373,716,624	332,755,207

Note	Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(i)	Sale of products comprises :		
	<u>Traded goods</u>		
	Gray Fabrics	674,838	998,029
	Running Fabric	10,404,068	10,802,479
	Kurti	60,079,975	40,306,367
	Pant	21,070,722	14,882,167
	Plazzo	32,060,610	27,618,387
	Salwar Dupatta	2,615,854	7,582,076
	Leggins	298,694	-
	Dupatta	396,908	-
	Legging Fabric	1,077,477	-
	<u>Manufacutred Goods</u>		
	Kurti	190,472,163	207,230,786
	Salwar Duppta	4,264,323	5,840,190
	Saree	-	5,792
	Plazoo	11,416,108	14,044,768
	Pant	37,604,298	2,435,950
	Jackets (Less Sales Return)	(8,789)	996,294
	Total - Sale of traded goods	372,427,248	332,743,285
(ii)	Sale of services comprises :		
	Job Work		-
	Total - Sale of services	-	-
(iii)	Other operating revenues comprise:		
	Duties Refund	1,149,620	-
	Label Charge	4,000	-
	Wallet Ac	9,849	-
	Discount Received	93,042	11,922
	Other Income	32,865	
	Total - Other operating revenues	1,289,376	11,922

NANDANI CREATION LIMITED

Notes forming part of the consolidated financial statements

Note 21 Other income

	Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a)	Interest income (Refer Note (i) below)	9,140	9,935
(b)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	729,057	200,459
	Total	738,197	210,394

Note	Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(i)	Interest income comprises: Interest from banks on: deposits Interest Received On FD Interest on Tds refund	9,140	9,935
	Total - Interest income	9,140	9,935

Note	Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(ii)	Other non-operating income comprises: Postage and courier Cotton Wastage Round Off	715,054 - 14,002	184,675 13,100 2,684
	Total - Other non-operating income	729,057	200,459

NANDANI CREATION LIMITED
Notes forming part of the consolidated financial statements
Note 22.a Cost of materials consumed

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Opening stock	31,214,878	24,905,612
Add: Purchases	65,468,106	69,915,445
Less: Closing stock	31,728,279	31,214,878
Cost of Material Consumed	64,954,704	63,606,179
Material consumed comprises:		
Gray Fabric	22,697,565	10,719,259
Running Cotton	42,257,139	52,886,920
Total	64,954,704	63,606,179

Note 22.b Purchase of traded goods

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<u>Traded good</u>		
Fabric		
Running Cotton	10,639,154	22,690,598
Gray purchase	674,838	5,017,908
Salwar Duppta	5,647,525	3,692,950
Sarees	-	6,660
Kurti	54,248,471	26,893,805
Pant	14,121,525	5,762,210
Plazoo	13,209,755	7,702,878
Leggins	1,170,632	
Dupatta	2,902,789	
Leggin fabric	1,077,472	
Total	103,692,161	71,767,008

Note 22.c Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<u>Inventories at the end of the year:</u>		
Kurti	119,225,332	76,523,970
Salwar Duppta	6,172,614	4,320,309
Plazoo	3,786,918	5,024,222
Jackets	82,232	-
Pant	10,046,711	4,457,831
Saree	-	80,048
Dupatta	2,914,990	
leggins	914,494	
		-
	143,143,292	90,406,381
<u>Inventories at the beginning of the year:</u>		
Grey Fabrics		
Kurti	76,523,970	14,550,831
Salwar Duppta	4,320,309	470,670
Plazoo	5,024,222	1,124,280
Jackets	80,048	928,800
Pant	4,457,831	-
	90,406,381	17,074,581
Net (increase) / decrease	(52,736,911)	(73,331,800)

NANDANI CREATION LIMITED**Notes forming part of the consolidated financial statements****Note 23 Employee benefits expense**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Salaries and wages	20,697,428	17,949,560
Director Remuneration	3,300,000	3,300,000
ESI Contribution	308,786	66,489
Staff welfare expenses	671,980	559,034
Total	24,978,194	21,875,083

Note 24 Finance costs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a) Interest expense on:		
(i) Borrowings	10,852,770	4,750,490
(ii) Trade payables		
(iii) Others		
(b) Loan Processing fees	364,060.14	-
(c) Bank Charges	346,554	1,883,107
Total	11,563,384	6,633,597

NANDANI CREATION LIMITED**Notes forming part of the consolidated financial statements****Note 25 other expenses**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(A) Direct Exps.		
Consumables	5,236,304	2,348,725
Dying Expenses	-	998,019
Freight & Cartage	895,465	731,932
Job Work & Sticking Charges	35,288,593	33,465,514
Kurti Stickers	1,277,314	1,398,662
Factory Rent	5,328,500	3,695,632
Packing Material	1,261,067	654,167
Power & Fuel	1,186,939	1,164,901
Sales Discount on online Sale	31,605,786	133,173,879
Wages	1,151,761	1,392,598
Purchase of Chemicals	-	3,880,079
Sampling Exp	-	2,088
Total	83,231,730	182,906,196
(B) Indirect Exps		
Advertising Expenses	25,352,284	11,148,191
Commission and Brokrage	50,385,050	16,895,479
Minimum Margin & Order Cancellation Exp	207,255	-
Rent Expenses	2,326,594	1,235,830
Payments to auditors	368,200	432,380
Insurance Expense	387,882	182,750
Business Promotion Expense	649,635	240,097
Donation	24,000	24,000
Penalty and Interest	379,243	137,973
Conveyance Expenses	46,780	16,433
Legal and Professional Expenses	438,508	245,736
Loss on sale of share	-	8,994
Loss on sale of car	57,516	13,365
Membership and Subscription	269,737	76,118
Miscellaneous expenses *	396,672	950,727
Photo Shoot Expenses	1,060,350	532,669
Security Guard Expenses	569,657	393,719
Export Charges	2,155,138	169,207
Shipping Charges	10,209,473	1,456,724
Travelling Expenses	800,918	863,654

NANDANI CREATION LIMITED**Notes forming part of the consolidated financial statements**

Website Server Charges	926,091	753,802
Office Expenses	2,116,577	269,037
Postage and Courier	3,122,516	708,266
Printing and Stationery	832,206	538,407
Repair and Maintenance	669,602	981,753
Service Tax on Commission	-	867,841
Technical Consultancy Fees	1,398,695	2,024,631
Market Making Charges	-	600,000
NSE Listing Fees	19,000	11,500
Telephone and Mobile Expenses	382,533	370,667
Software Exp	180,266	-
Turnover Incentive	12,216,340	-
Prior Period Expenses	4,690	25,000
Amaiva	113,240	
Total	118,066,649	42,174,950
Grand Total	201,298,379	225,081,146

Notes:25.1

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	325,000	377,600
For taxation matters		
As auditors- Secretarial Audit	20,000	20,000
As auditors- Other	12,000	12,000
ROC Return Filling Charges	11,200	22,780
Reimbursement of expenses		
Total	368,200	432,380

Note 26. Exceptional items

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Exceptional Item	499,636	499,636
Total	499,636	499,636

NANDANI CREATION LIMITED
Notes forming part of the consolidated financial statements
Note 27 Additional information to the financial statements

Note	Particulars		
27.1	The Schedule III has become effective from 1 April, 2014 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.		
27.2	Contingent liabilities and commitments (to the extent not provided for)		
	Particulars	As at 31 March, 2019	As at 31 March, 2018
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt (give details) (Amount in Lakhs)	NA	19.41
	(b) Guarantees @ (give details)	NA	NA
	(c) Other money for which the Company is contingently liable (give details)	NA	
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	NA	NA
	Tangible assets	NA	NA
	Intangible assets	NA	NA
	(b) Uncalled liability on shares and other investments partly paid	NA	NA
	(c) Other commitments (specify nature)	NA	NA
27.3	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
	Particulars	As at 31 March, 2019	As at 31 March, 2018
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	34,629,888	10,664,178
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	
	(iv) The amount of interest due and payable for the year	-	
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	
	(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	
	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		
27.4	Value of imports calculated on CIF basis @:	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Raw materials		
	Components		
	Spare parts		
	Total Components and spare parts		
	Capital goods		

NANDANI CREATION LIMITED

Notes forming part of the consolidated financial statements

27.5	Expenditure in foreign currency #:	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Royalty		
	Know-how		
	Professional and consultation fees		
	Interest		
	Other matters		
27.6	Details of consumption of imported and indigenous items *	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	<u>Imported</u>		
	Raw materials	-	
	Components	-	
	Spare parts	-	
	Total	-	
	<u>Indigenous</u>	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Raw materials	64,954,704	63,606,179
	Components	-	
	Spare parts	-	
	Total	64,954,704	63,606,179
27.7	Earnings in foreign exchange :	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Export of goods calculated on FOB basis		
	Royalty, know-how, professional and consultation fees		
	Interest and dividend		
	Other income, indicating the nature thereof.		
27.8	Amounts remitted in foreign currency during the year on account of dividend ##	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Amount of dividend remitted in foreign currency		
	Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)		
	Total number of shares held by them on which dividend was due		
	Year to which the dividend relates		
27.9	Earnings per share		
	<u>Basic & Diluted</u>		
	Net profit / (loss) for the year attributable to the equity shareholders	11,055,454	9,557,090
	Weighted average number of equity shares	2,949,580	1,924,584
	Par value per share	10	10
	Earnings per share - Basic & diluted	3.75	4.97
	Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
27.10	Deferred Tax (Liability)/asset		
	Tax effect of items constituting deferred tax liability		
	On difference between book balances and tax balance of fixed assets	872,830	1,344,342
	Tax effect of items constituting deferred tax assets		
		354,439	314,732
		228,099	39,707
	Net deferred tax (liability)/asset	582,537	354,439

Note 27 Disclosures under Accounting Standards (contd.)

Note	Particulars				
27.11	Related party transactions				
27.11a	Details of related parties:				
	Description of relationship	Names of related parties			
	Key Management Personnel (KMP)	Mr. Anuj Mundra, Mrs Vandna Mundra and Mrs Sunita Devi Mundhra, Dwarka Das Mundra and Gunjan Jain			
	Relatives of KMP	Anuj Mundra and Vandana Mundra			
	Company in which KMP / Relatives of KMP can exercise significant influence				
	Note: Related parties have been identified by the Management.				
27.11b	Details of related party transactions during the year ended 31 March, 2019 and balances outstanding as at 31 March, 2019:				
		KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
	Purchase of goods				-
	Receiving of services				-
	Sale of Goods				-
	Maintainnce Charges Paid				-
	Transfer of research and development				-
	Renumeration to Directors	3,300,000.00	520,000.00		3,820,000.00
	Rent Paid	1,080,010.00			1,080,010.00
	Interest Paid		161,183.00		161,183.00
	Finance (including loans and equity contributions in cash or in kind)	5,079,000.00	5,933,489.00		11,012,489.00
	Salary Paid	655,800.00			655,800.00
	Guarantees and collaterals provided				-
	Management contracts including for deputation of employees				-
	Provision for doubtful receivables, loans and				-
	Write off / write back made during the year				-
	Balances outstanding at the end of the year				
	Trade receivables				-
	Loans and advances	50,000.00			50,000.00
	Trade payables	164,505.00			164,505.00
	Borrowings	8,579,000.00	15,778,822.00		24,357,822.00
	Provision for doubtful receivables, loans and				-



NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE

NOTICE

NOTICE is hereby given that the **Seventh (7th) Annual General Meeting (AGM)** of the Members of **Nandani Creation Limited** will be held on **Monday, the 30th Day of September, 2019 at 3.00 P.M. at the registered Office of the Company situated at G-13, Kartarpura Industrial area, Near 22 Godam, Jaipur-302006, Rajasthan** to transact the following businesses:

ORDINARY BUSINESSES:

ITEM NO: 1 Adoption of Audited Standalone Financial Statements:

To consider and adopt the Audited Standalone Financial Statements of the Company for the year ended March 31, 2019 together with the reports of the Board of Directors and Auditors thereon;

Adoption of Audited Consolidated Financial Statements:

To consider and adopt the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2019 together with the reports of the Board of directors and Auditors thereon;

ITEM NO: 2 Re-Appointment of Directors liable to retire by rotation:

To Re-appoint a Director Mr. Anuj Mundhra (DIN: 05202504) who is liable to retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESSES:

ITEM NO: 3 To Approve continuation of payment of Remuneration to Executive Directors who are Promoters or members of the Promoter Group in excess of threshold limits as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. [SEBI (LODR) (Amendment) Regulations, 2018]:

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

“RESOLVED THAT pursuant to Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018 and other applicable provisions, if any, and as per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of the members of the Company be and is hereby accorded for the continuation of payment of remuneration, which falls in excess of threshold limits as prescribed under Securities and Exchange of Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (SEBI LODR Regulations) to Mr. Anuj Mundhra, Chairman & Managing Director (Promoter), Mrs. Vandna Mundhra, Whole-Time Director (Promoter) and Mrs. Sunita Devi Mundhra, Whole-Time Director (Promoter) as per existing terms and conditions as approved by the shareholders in their 4th Annual General Meeting held on 30th September, 2016 till the expiry of their current terms.

“RESOLVED FURTHER THAT the extent and scope of salary and perquisites of the Board of Directors of the Company be altered, enhanced, widened or varied by the Board of Directors in accordance with the provisions of Companies Act, 2013 and other applicable provisions.”

“RESOLVED FURTHER THAT the Board is be and hereby authorized to take all steps as may be necessary, proper and expedient to give effect to this Resolution.”

**By the Order of the Board
For NANDANI CREATION LIMITED**

**Sd/-
GUNJAN JAIN
(COMPANY SECRETARY)**

**DATE: 26.08.2019
PLACE: JAIPUR**

Registered Office:
G-13, KARTARPURA INDUSTRIAL AREA,
NEAR 22-GODAM, JAIPUR-302006, RAJASTHAN
CIN: L18101RJ2012PLC037976

IMPORTANT NOTES:

(1) PROXY: A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY (A COPY OF THE PROXY FORM IS ATTACHED AT THE LAST PAGE OF THE ANNUAL REPORT). THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM. PURSUANT TO SECTION 105 OF THE COMPANIES ACT, 2013, A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN AGGREGATE NOT MORE THAN 10 (TEN) PER CENT OF THE TOTAL SHAREHOLDING OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10 PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

(2) EXPLANATORY STATEMENT: The Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of business under Item 3 with respect to the Special Business of the above notice annexed hereto. The relevant details as required, under Regulation 26(4) and 36(3) of the SEBI LODR Regulations and as per Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment or re-appointment at this Annual General Meeting are also annexed.

(3) AUTHORISED REPRESENTATIVE: Corporate Members intending to send their authorized representative to attend the Meeting pursuant to

Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

(4) ATTENDANCE SLIP & ANNUAL RETURN:

Members/Proxies/Authorized Representatives should bring their copy of the Annual Reports and Financial Statements along with their Attendance Slip attached herewith duly filled and signed in accordance with Specimen Signatures registered with the company to attend the meeting.

(5) JOINT HOLDERS: In case of Joint Holder's attending the Meeting, the Joint Holder who is higher in the Order of name will be entitled to vote.

(6) INSPECTION OF REGISTERS: The Register of Directors & Key Managerial Personnel (KMP) and their shareholding and Register of Contracts or Arrangements in which Directors are interested maintained under Section 170 and 189 of the Companies Act, 2013 respectively will be available for Inspection by the members at the AGM.

(7) The Company has made necessary arrangements for the members to hold their shares in dematerialized form. Members are also entitled to make nomination in respect of the shares held by them in dematerialized form with their respective DPs. Those members who are holding shares in physical form are requested to dematerialize their shares by approaching any of the registered DPs. In case any member wishes to dematerialize his/her/its shares and needs any assistance, he/she/ it may write to the Company Secretary at the Registered Office of the Company.

(8) CLOSURE OF BOOKS: The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, the 23rd Day of September, 2019 to Monday, the 30th Day of September, 2019 (Both Days Inclusive).**

(9) UPDATION OF MEMBER DETAILS: The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/Registrars and Transfer Agents to record additional details of Members, including their Permanent Account Number details ("PAN"), email address, bank details for payment of dividend, etc. Further, the Securities and Exchange Board of India ("SEBI") has mandated the submission of PAN by every participant in the securities market.

As per Regulation 40 of Securities and Exchange Board of India Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, **BigShare Services Private Limited** for assistance in this regard.

(10) INTIMATION OF CHANGE IN THE DETAILS:

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 or bank mandates immediately to the Company or contact our Registrar and Transfer Agent i.e. Big Share Services Private Limited (Mumbai). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends (If any).

(11) DISPATCH OF ANNUAL REPORT :

Pursuant to the provisions of Sections 101 and 136 of the Act read with the Companies (Accounts) Rules, 2014 Annual Report for the Financial Year 2018-19, the notice of the 7th Annual General Meeting along with Attendance Slip and Proxy form, are being sent by electronic mode to all the members whose email addresses are registered with the Company/ Depository Participant(s) unless a member has requested for a physical Copy of the document. For members who have not registered their email addresses, physical copies of the Documents are being sent by the permitted mode.

(12) RE-APPOINTMENT OF DIRECTORS:

In terms of Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. Anuj Mundhra (DIN: 05202504) Managing Director of the Company, retires by rotation at the ensuing meeting & being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment.

(13) COMPLIANCE UNDER REGULATION 136(1):

The Annual Report of the Company will be available on the Company's website

<https://www.nandanicreation.com/> .

As per Section 136(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at cs@jaipurkurti.com

(14) REMOTE E-VOTING: As per Notification issued by Ministry of Corporate Affairs dated 19th Day of March, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and Chapter XC as per SEBI(ICDR) Regulations, 2018 will be exempted from E-voting provisions. Also, no such provision is available in SME Equity Listing Agreement. Company is covered under Chapter XB as it is a SME Company and listed on NSE Emerge-SME Platform of National Stock Exchange of India Limited. Therefore, Company is not providing remote e-voting facility to its shareholders.

The Members vide resolution dated 30th September, 2015 had appointed M/s Ashok Holani & Co., Chartered Accountants (FRN:) as Statutory Auditors of the Company to hold office till the conclusion of the 8th Annual General Meeting of the Company to be held in the Calendar Year 2020, subject to ratification of such appointment by

Members at every AGM. The requirement of ratification by Members at every AGM is omitted vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs. Accordingly, the Board has not recommended ratification for the appointment of Statutory Auditors, However the Board has noted the confirmation received from /s Ashok Holani & Co., Chartered Accountants, to the effect that their appointment is in compliance of Sections 139 and 141 of the Act and rules made thereunder.

(15) INSPECTION : Relevant Documents referred to in the proposed resolutions are available for inspection by members at the Registered Office of the Company between 11.30 A.M. to 12.30 P.M. on all working days up to the date of the Annual General Meeting.

(16) A person who is not a member as on cut-off date should treat this notice for Information purpose only.

(17) As a part of “**Green Initiative in the Corporate Governance**”, the Ministry of Corporate Affairs has permitted the Companies to serve the documents, namely Notice of General Meeting, Balance Sheet, Statement of Profit & Loss, Auditor’s Report, Board’s Report etc. to the Members through e-mail.

The Shareholders holding shares in physical form are requested to register their E-mail Address with the Registrar & Share Transfer Agent by sending duly signed request letter quoting their Folio No. name and address. In case of shares held in demat form, the shareholders may register their e-mail addresses with their DPs (Depository Participants).

(18) Pursuant to the prohibition imposed vide Section 118 of the Companies Act, 2013 read with the Secretarial Standards on General Meeting (SS 2) issued by the Institute of Company Secretaries of India, no gifts/coupons shall be distributed at the Meeting.

(19) NRI SHAREHOLDERS:

The non-resident Indian shareholders are requested to inform the company immediately about:

1. The change in the residential status on return to India for Permanent settlement.
2. The particulars of NRO bank account in India if not furnished Earlier.

(20) ROUTE-MAP: A route Map showing directors to reach the Venue of the Meeting is given at the end of this Notice.eral Meeting.

REQUEST TO MEMBERS:

Members are requested to send their question(s), if any, relating to the financial statements, shareholding etc., to the Company Secretary/Chief Financial Officer at the Registered Office of the Company at least 7 days in advance, so that the answers/details can be kept ready at the AGM.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT") FORMING PART OF THE NOTICE:

ITEM NO.: 3

To Approve continuation of payment of Remuneration to Executive Directors who are Promoters or members of the Promoter Group in excess of threshold limits as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. [SEBI (LODR) (Amendment) Regulations, 2018]:

As per the recently introduced **Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018**, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if:

(a) The annual remuneration payable to such executive director exceeds rupees 5 Crores or 2.5 per cent of the net profits of the Company (calculated as per the provisions of Section 198 of the Companies Act, 2013), whichever is higher; or

(b) Where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company (calculated as per Section 198 of the Companies Act, 2013).

Currently, there are three Executive Directors in the Board of the Company who are promoters and members of the promoter group. Mr. Anuj Mundhra, Chairman and Managing Director and Mrs. Vandna Mundhra, Whole Time Director and Mrs. Sunita Devi Mundhra, Whole-Time Director are the promoters of the Company. The Shareholders have approved their remuneration and any alterations in the remuneration payable to them within the limits as prescribed at that time under Companies Act, 2013, while approving the change in their designations in the 4th Annual General Meeting held on 30th September, 2016.

The remuneration of the above mentioned Executive Directors in aggregate falls in excess of 5 per cent of the net profits of the Company in aggregate. This necessitates seeking fresh approval of the shareholders by way of special resolution for retaining all existing terms and conditions of appointment of aforesaid Executive Directors including remuneration payable to them till the expiry of their terms in order to comply with the above mentioned recently introduced Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015.

The Board approved the above proposal in their meeting held on 26th August, 2019 after considering the contributions of Mr. Anuj Mundhra, Mrs. Vandna Mundhra & Mrs. Sunita Devi Mundhra towards the overall growth and development of the Company.

The Board recommends the resolution as set out in Resolution No. 3 of the Notice for approval by the Members as Special Resolution.

Except Mr. Anuj Mundhra, Mrs. Vandna Mundhra & Mrs. Sunita Devi Mundhra and their relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution.

By the Order of the Board
For NANDANI CREATION LIMITED

Sd/-
GUNJAN JAIN
(COMPANY SECRETARY)

DATE: 26.08.2019

PLACE: JAIPUR

Registered Office:

G-13, KARTARPURA INDUSTRIAL AREA,
NEAR 22-GODAM, JAIPUR-302006, RAJASTHAN

CIN: L18101RJ2012PLC03797

ANNEXURE TO THE EXPLANATORY STATEMENT

ADDITIONAL INFORMATION (AS ON MARCH 31, 2019) OF DIRECTOR SEEKING RE-APPOINTMENT AT THE 7th ANNUAL GENERAL MEETING PURSUANT TO REGULATIONS 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS ("SS-2") ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA, IN RESPECT OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS DIRECTOR UNDER RESOLUTION NO. 3, IS AS UNDER:

Name of Director	Mr. Anuj Mundhra
Date of Birth	30.07.1981
Date of Appointment	21.02.2012
Qualifications	B.Com
Expertise in specific function area	Rich Experience in Sales, Marketing, Finance etc..
Brief Profile	<p>Mr. Anuj Mundra, aged 38 years, is the Promoter, Chairman and Managing Director of our Company. He has been director of our Company since Incorporation. He looks after overall business of the company. He is the key person in formulating and implementation of Business strategy for growth & expansion and has been the front face of the company in dealing with suppliers, vendors, customers, etc.</p> <p>Under his Marketing Leadership, the Company has gained many valued customers.</p> <p>Presently, he is the Chairman & Managing Director of the Company.</p>
Terms and Conditions of Appointment along with the remuneration sought to be paid	<p>As per the resolution passed by the members of Nandani Creation Limited at the 4th Annual General Meeting held on 30th September, 2016 Mr. Anuj Mundra has been appointed as Chairman & Managing Director for a period five years w.e.f. August 16, 2016 to August 15, 2021. In terms of Section 152 of the Companies Act, 2013, he retires by rotation at the Meeting and being eligible offer himself for re-appointment.</p>
Directorship held in other listed companies excluding foreign companies	--
Member of Committees in other listed Companies	Yes
Shareholding in the company as on 31st March, 2019	1018890
Relationship with other Directors and Key Managerial Personnel	Mr. Anuj Mundhra is the Husband of Mrs. Vandna Mundhra, Son of Mr. Dwarka Dass Mundhra & Mrs. Sunita Devi Mundhra
No. of Meetings attended during the Financial Year	Mr. Anuj Mundhra attended 7 meetings out of the 7 meetings of the Board of Directors of the Company.
Terms and Conditions of appointment	To enable compliance by the Company with the provisions of Section 152 of the Companies Act, 2013, Mr. Anuj Mundhra is being made liable to retire by rotation.

ATTENDANCE SLIP

ATTENDANCE SLIP

(to be presented at the entrance)

7th ANNUAL GENERAL MEETING ON MONDAY, 30TH DAY OF SEPTEMBER, 2019 AT 3.00 P.M.

G-13, Kartarpura Industrial Area, Near 22 Godam, Jaipur-302006, Rajasthan

Registered Folio/ DP ID & Client ID		
Name and Address of the Shareholder(s)		
Joint Holder 1		
Joint Holder 2		
I/We, hereby record my/our presence at the 7 th Annual General Meeting of the Company held at G-13, Kartarpura Industrial Area, Near 22 Godam, Jaipur-302006, Rajasthan on Monday, 30th Day of September, 2019 at 3.00 P.M		
Member's Folio/DP ID/Client ID No.	Member's Proxy's name(in Block Letters)	Member's/Proxy's Signature
Note: 1. Please fill in the Folio/DP ID/Client ID No., Name and Sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.		

FORM NO. MGT-11**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L18101RJ2012PLC037976
 Name of the Company : NANDANI CREATION LIMITED
 Name of the Member(s) :
 Registered Address :
 E-Mail ID :
 Folio No./Client ID :
 DP ID :

I/We, being the member(s) of ----- shares of the above named Company, hereby appoint:

1. Name :
 Address :
 E-Mail ID :
 Signature : -----or failing him
2. Name :
 Address :
 E-Mail ID :
 Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **7th Annual General Meeting** of the Company to be held on the **Monday, the 30th Day of September, 2019 at 3.00 P.M.** at G-13, Kartarpura Industrial Area, Near 22 Godam, Jaipur-302006, Rajasthan and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
ORDINARY BUSINESS	
1.	Adoption of Audited Financial Statements and Consolidated Financial Statements for the year ended March 31, 2019
2.	Appointment of Director liable to retire by rotation.
SPECIAL BUSINESS	
3.	To Approve continuation of payment of Remuneration to Executive Directors who are Promoters or members of the Promoter Group in excess of threshold limits as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. [SEBI (LODR) (Amendment) Regulations, 2018]

Signed this 26th Day of August, 2019

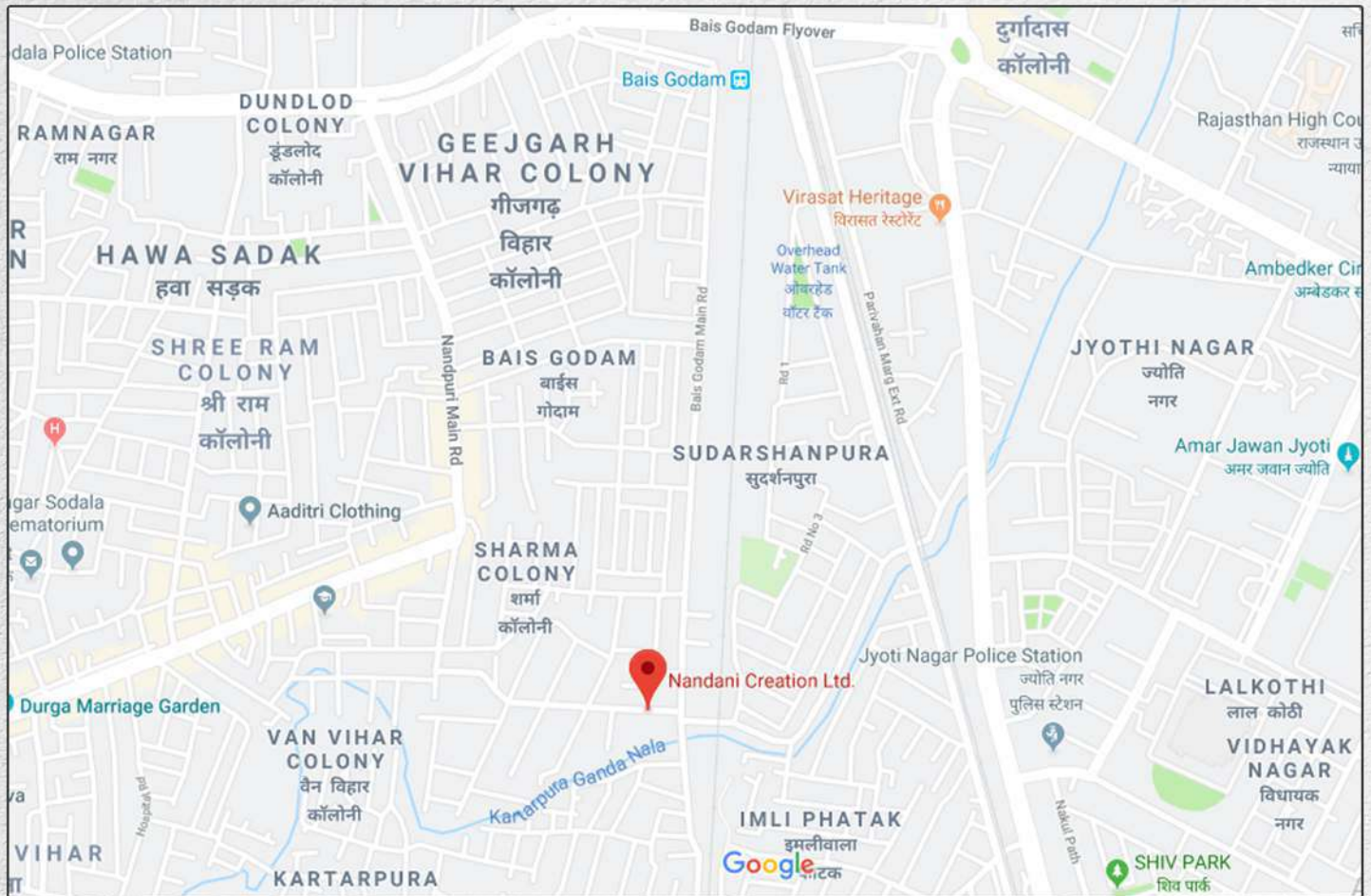
Signature of Shareholder -----

Signature of Proxy Holder(s) -----

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

ROUTE MAP



ADDRESS :

G/13, KARTARPURA INDUSTRIAL AREA,
BAIS GODAM, JAIPUR, RAJASTHAN

PHONE : +91-141 4037596 , 4029596

WHATSAPP : +91-9314966969

OUR KEY CLIENTS & PORTFOLIO

Jaipur kurti[™]
Com

जोधपुर
Jaipur kurti[™]
Com



JABONG COM

amazon.com

amazon.in

LIMEROAD COM

Flipkart

snapdeal

SHOPCLUES.COM

paytm

AJIO

TATA
CLIQ

NYKAA
FASHION





Jaipur kurti[™]
Com

AMAIVA
BY JAIPUR KURTI

For further information please contact

Company :

Nandani Creation Limited

CIN No. L18101RJ2012PLC037976

Website : www.nandanicreation.com Email Id : info@jaipurkurti.com Contact no. : 0141-4037596

Manufacturing Unit : G-13, Aarna-3, Kartarpura Industrial Area, Bais Godam, Jaipur, Rajasthan 302006

Flagship Store : 165, Queens Road, Rathore Nagar, D-Block, Vaishali Nagar, Jaipur, Rajasthan, 302021