

CHAIRMANS SPEECH

Dear Shareholders,

Good afternoon. On behalf of the Board of Directors, I extend my warm welcome to all of you to this 17th Annual General Meeting of your Company. I thank you for having spared your valuable time and made it convenient to attend the meeting.

The Annual Report containing the Directors' Report and the Audited Accounts for the year ended March 31, 2011 has been with you for sometime and with your permission, I consider them as read.

Before I dwell upon the performance of the company, it is pertinent to present the environment in which your company operated during the last fiscal.

ECONOMIC SCENERIO

FY11 so far has been reasonably good for the Indian textile industry as the export demand from the US and Europe have shown an uptick and realizations have been better for the larger players due to vendor consolidation. According to the Ministry of Textiles, the industry currently contributes about 14 per cent to industrial production, 4 per cent to GDP, and 17 per cent to the country's export earnings. The industry accounts for nearly 12 per cent share of the country's total exports basket. It provides direct employment to more than 35 million people.

INDUSTRY SCENERIO

At current prices, the Indian textiles industry is valued at US\$ 55 billion, 64 per cent of which caters to domestic demand. Better capacity utilisation and an improved product mix revived the denim industry's financial performance for 2010-11. On the domestic front, the industry is growing at 10-15 per cent and with more supply coming in it will improve further in the coming days. The qualities of efficiently using existing capacity as well as upgrading products continually are the two factors that led to higher growth of the denim industry in the financial year 2010-11.

FINANCIAL PERFORMANCE

During the year under review, the turnover achieved was Rs. 507.40 crore registering a growth of 35% over the previous year. The net profit for the year 2010-11 rose to 17.35 crore as compared to profit of Rs. 11.58 crore over the previous year. The above performance was possible due to the following factors:

- (a) Effective management internal control, optimum utilization of resources and dedicated hard work of human resources;
- (b) Though the rate of interest is increasing, the timely servicing of TUFs scheme gave support;
- (c) The captive power plant of the Company is now streamlined / stabilized, so during the year profitability of the Company increased due to reduction in electricity cost;
- (d) The bumper cotton crops and effective steps taken by Government of India in streamlining the cotton export policy have helped the domestic industry. This is yet another successful period for Nandan Exim Limited which resulted in several key achievements.
- (e) As Company is implementing its expansion project and backward integration plan to continue its growth process, the Company is ploughing back the profits into ongoing projects and therefore the Directors have not recommended any dividend.
- (f) The group i.e. Chiripal Group of Industries is in textile field since more than three decades and having well established customer base and market segment producing varieties of products in synthetics, cotton and other products which enables the Company to fight against any condition by putting up alternate use of available resources and thereby making optimum utilization of capacity to get returns from the products manufactured by the Company.

FUTURE PLANS OF THE COMPANY

The Company plans to add 62 looms and 7th line to reach 70 mn meter p.a. capacity. The Company also plans to increase its spinning production. Accordingly, on implementation of the project, I expect the Company would present better performance.

ACKNOWLEDGEMENT

I feel privileged to thank every stakeholder of the Company - investors, customers, financial institutions, banks, suppliers, the government and our employees who play a vital role in our success. Without their support and tireless efforts we could not be where we are today. We are grateful to each one of them for being with us and sharing in the making of the Company's future. I also thank my colleagues on the Board for their wise counsel and guidance. And, of course, I remain grateful to you, our faithful shareholders, for your continuing confidence in our Company.

Thank You.

Brijmohan D. Chiripal
Chairman

Note: This does not purport to be part of proceedings of the meeting.