

CHAIRMANS SPEECH

Dear Shareholders,

Good afternoon. It gives me immense pleasure to welcome you all to this 19th Annual General Meeting of your Company. I thank you for having spared your valuable time and made it convenient to attend the meeting.

I would like to first present to you a glimpse of the Denim Industry and also the highlights of your Company's performance for the year gone by.

INDIAN TEXTILE INDUSTRY:

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a vital role through its contribution to industrial output, employment generation and the export earnings of the country. The sector contributes about 14% to industrial production, 4% to GDP and 17% to the country's export earnings. It provides direct employment to over 35 million people. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation. India has the potential to increase its textile and apparel share in the world trade from the current level of 4.5% to 8% and reach US\$ 80 billion by 2020.

DENIM INDUSTRY IN INDIA

India started very late in Denim despite the fact that the oldest industry in India is the textile industry, we are rich in cotton and denim is basically a cotton based fabric. At that time, due to lesser demand in the domestic market, India was exporting almost two thirds of its denim production when we were producing 300 million meters per annum. With the passage of time the domestic demand started growing. Simultaneous to the increase in capacity, domestic demand also increased.

In India, demand for Denim has been growing at a phenomenal pace in the recent years. Around 5 years ago, the annual production capacity was around 600 million meters, and today it is approximately around 1000 million meters. In the past two years, Indian denim industry has seen an increase in capacity of about 200-250 million meters. New players have come in, and existing players have expanded their operations. By 2015, the production capacity is expected by industry analysts to grow and reach around 1200 million meters.

GOVERNMENT INITIATIVES

The Government of India has promoted a number of export promotion policies for the textile sector. It has also allowed 100 per cent foreign direct investment (FDI) in the Indian textile sector through automatic route.

According to the Union Budget 2013-14:

- Technology Upgradation Fund Scheme (TUFS) to continue in 12th Plan with an investment target of Rs 151,000 crore (US\$ 27.58 billion)
- Rs 50 crore (US\$ 9.13 million) were allocated to Ministry of Textile to incentivise setting up apparel parks within the Scheme for Integrated Textile Parks (SITP) to house apparel manufacturing units
- A new scheme called the Integrated Processing Development Scheme will be implemented in the 12th Plan to address the environmental concerns of the textile industry
- Working capital and term loans at a concessional interest of 6 per cent to handloom sector
- Scheme of Fund for Regeneration of Traditional Industries (SFURTI) extended to 800 clusters during the 12th Plan.

FINANCIAL PERFORMANCE

NANDAN EXIM LIMITED - ANNUAL GENERAL MEETING - 2012-13

During the year under review, the turnover achieved was Rs. 703.12 crores as compared to previous years turnover of Rs. 573.84 crores registering a growth of 22.52% over the previous year. The profit before depreciation and taxes stood at Rs. 76.68 crores for the year 2012-13 as compared to Rs. 55.29 crores during the year 2011-12 showing 38.69% over the previous year. The net profit for the year 2012-13 rose to Rs. 31.05 crores as compared to profit of Rs. 18.79 crores over the previous year. The cash profit during the year under review was achieved at Rs. 71.97 crores evidenced by effective management internal control, optimum utilization of resources and dedicated hard work of human resources. This is yet another successful period for Nandan Exim Limited which resulted in several key achievements.

DIVIDEND

I would like to state that in view of excellent results during the year under review 2012-13, the Board has recommended a final dividend of 12% on equity shares subject to approval by shareholders, banks, institutions, etc.

FUTURE PLANS

The Company is planning a high capacity expansion of Rs. 1200.00 crores by increasing the current production capacity in the coming years. At present, the Company has an installed capacity for spinning of about 54 TPD (19,500 spindles for ring frame and 2,760 rotors for Open End) and weaving capacity of 70 MMPA of Denim fabric. Post expansion, the spinning capacity will increase to 104 TPD and weaving capacity will increase to 112 MMPA. The Company has been in the textile industry for almost two decades and has successfully executed several expansion and modernization projects in the past. In addition to this, the Company has experienced executives with in-depth understanding of the industry in its senior management and operations team, thus forming a strong position to leverage their past experiences for the proposed Project.

Further, the proposed Project envisages enhancement in the capacity of Denim fabric and installation of the facilities to manufacture yarn dyed shirting. The Company will execute the expansion Project by procuring machineries from reputed suppliers. The Company has made a strategic decision to setup the proposed Project taking into consideration the high consumption of Denim in urban households and also in rural areas in the coming years. Due to proposed expansion, the Company can also avail the interest subsidy and capital subsidy benefits introduced by the Central & State Government under the TUFs (Technology Upgradation Funds Scheme) scheme. The expansion is under process and we have also involved our bankers thereby reducing the financial burden.

CORPORATE SOCIAL RESPONSIBILITY

CSR is about capacity building for sustainable livelihoods. With the same objectives the Chiripal group gave birth to the Chiripal charitable trust. Every year in managing directors birthday, the annual blood donation is organized with the support of Prathama Blood Center. Every year, as the pilgrims of dakor temple pass through dakor, the trust organizes a rest camp for them. Hot water bath, massages and meals are served to over 10-12 lakh pilgrims. Besides this, the group also sponsors schemes for under-privileged children by helping them for medical & educational requirements. We have also raised money for the Uttarakhand Flood victims.

ACKNOWLEDGEMENT

On behalf of the Board of Directors and the Management, I would like to place on record your Company's sincere appreciation of the support extended by the shareholders, bankers and the employees of the Company. As we move towards new horizons, I draw strength from my Team and their dedication to take the Company to a greater glory in the coming years.

As it is said 'A small body of determined spirits fired by an unquenchable faith in their mission can alter the course of history'. This well begun journey, determined by our spirits to succeed is not yet over, it will continue to grow. Your Company is inspired by the vision to establish itself among the top Denim manufacturing industries of India. You, the shareholders, can draw confidence from the promise visible in the early successes registered by your Company. Indeed the journey has begun and there are miles to go.

Thank You.

Vedprakash D. Chiripal
Chairman

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