

September 15, 2014

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

**Scrip Code: 532641**

To,  
National Stock Exchange of India Limited  
Exchange Plaza,  
Plot No. C/1, G – Block,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai – 400 051.

**Scrip Code: NDL**

Dear Sir,

**Sub.: Chairman's Speech at the 20<sup>th</sup> Annual General Meeting held on 15<sup>th</sup> September, 2014**

We are pleased to submit herewith copy of the Chairman's Speech which was given by our Chairman, Mr. Vedprakash Chiripal at the 20<sup>th</sup> Annual General Meeting of the Company conducted on 15<sup>th</sup> September, 2014.

Kindly take the above information on your record and oblige.

Thanking You,

Yours faithfully,  
**For NANDAN DENIM LIMITED**

  
**COMPANY SECRETARY**



## NANDAN DENIM LIMITED

### CHAIRMANS SPEECH AT THE 20<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON 15<sup>TH</sup> SEPTEMBER, 2014

Dear Shareholders,

It gives me immense pleasure to welcome you all to our 20<sup>th</sup> Annual General Meeting.

Denim has come a long way since its humble origins and are now recognized as a truly global fashion item. They are affordable, long-lasting and can be produced in varying degrees of thickness and quality to meet different price-points and are thus an essentially classless as well as timeless piece of apparel. The comfort, style and versatility jeans offer make them suitable for all age groups.

During 2013-14, Indian textiles and clothing exports increased by 14% over the previous year. TUFs launched by the Government of India was competitively complemented by select State Governments to encourage value addition and growth. The Indian denim apparel market has grown from Rs. 72 bn in FY2011 to Rs. 108 bn in FY2013 and is expected to expand to Rs. 132 bn in FY2017. The Indian denim apparel market has been growing at a CAGR of 14%-15% which has fast outpaced the global denim apparel market growing at a CAGR of 3%-5%.

The financial year 2013-14 was a significant year for the Company. Revenues grew by 27% in FY14 over FY13. Net Profit for the year grew 27%. We have a healthy balance sheet and strong cash flows. We are focused on our goal of profitable growth. The denim fabric sale in the domestic market constitutes 91% whereas export sale constitutes 9%. Although, we wish to tap more of the export market also since there are good growth opportunities. There are more opportunities to be harnessed through the efficiency of our growth engines. In addition to manufacture of denim fabric, bottom weight, the Company has further diversified and installed shirting facility in January 2014 as an attempt to diversify its product portfolio.

NDL is also planning expansion amounting to Rs. 612.00 crores to enhance its manufacturing capacity along with backward integration of spinning facility. Equity contribution of Rs. 101.40 crore infused as on date is by way of internal accruals and the balance equity infusion of funds is required to the tune of Rs. 80.60 crore over the period of next 2 years by way of either internal accruals, unsecured loans or any other means of finance. Besides, your Company paid an Interim Dividend of 6% during the year under review. I am happy to inform you that the Board has further recommended a Dividend of 6% in line with the improved profits. The EPS for the year is Rs. 8.63 per equity share as compared to Rs. 6.82 per share in the previous year.

India's Gross Domestic Product grew around 5.2% in 2014, thereby creating a wave of optimism in the economy led by the new government which ensures smooth implementation of new government policies which may benefit the Company also. Textile sector received much needed support in budget 2013-14 by way of affordable credit, Technology Upgradation, duty relief and skill development. Technology Upgradation Fund Scheme (TUFs) has been continued in the 12th Plan. TUFs has been working to improve the competitiveness and overall long term viability of the Indian Textiles Industry so that it may have access to timely and adequate capital at internationally comparable rates of interest in order to upgrade its technology level. Interest subsidy and refund of VAT are other incentives provided to the textile industry by the State Government.

As a step towards Corporate Social Responsibility, the group has made necessary developments in the educational field, starting from pre-school education and going up to post-graduation. Shanti Asiatic and Shanti Business Schools were established as an initiative to provide quality education. We also introduced a multi-faceted undergraduate programme for imparting integrated knowledge of BBA+BCom+BCA domains together, which is first of its kind in India.

One major change that we underwent was the change in name of our Company to 'Nandan Denim Limited'. Considering that the major product of the Company being denim, the same should be reflected in the Company's name.

Our biggest assets are our employees. People remain the cornerstone of the organization. Through their hard work, passion and commitment to excellence, they help us differentiate ourselves in the marketplace and realize our aspirations.

I strongly believe that we enjoy a robust foundation that will support growth across all our lines of businesses. We have demonstrated our capabilities across products, customer segments and markets. I intend to continue to leverage this solid platform to achieve our aspirations and deliver value to our stakeholders.

All of this has been possible with the constant support of all our stakeholders, who have reposed their faith in the Board and management. I would like to thank each and every one of you – customers, employees, shareholders and bankers – for your continued engagement and commitment. The confidence of you, the shareholders, have been a considerable source of strength for us. As we step into a new phase of vitality, we continue to rely on this support and confidence.

**VEDPRAKASH CHIRIPAL**  
**CHAIRMAN**