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NANDAN EXIM LIMITED

13th Annual Report : 2006 - 07



NANDAN EXIM LIMITED

Company Information

BOARD OF DIRECTORS

Shri Vedprakash Chiripal *Chairman*
 Shri Brijmohan Chiripal *Managing Director*
 Shri Gautam C. Gandhi *Director*
 Shri A. C. Patel *Additional Director*

Shri Deepak J. Chiripal *Chief Executive Officer*

Shri Jigar H. Shah *Company Secretary*

SHAREHOLDERS GRIEVANCE COMMITTEE

Shri Gautam C. Gandhi *Chairman*
 Shri Vedprakash Chiripal *Member*

RIGHT ISSUE COMMITTEE

Shri Vedprakash Chiripal *Chairman*
 Shri Brijmohan Chiripal *Member*
 Shri A. C. Patel *Member*

BANKERS

State Bank of India
 State Bank of Hyderabad
 Corporation Bank
 State Bank of Saurashtra
 Syndicate Bank
 State Bank of Patiala
 Oriental Bank of Commerce
 State Bank of Travancore
 State Bank of Mysore
 United Bank of India
 Indian Bank
 Karur Vysya Bank
 Tamilnadu Mercantile Bank
 Bank of Maharashtra

AUDITORS

M/s J.T. Shah & Co.,
 Chartered Accountants,
 201/202, Lalita Complex,
 Nr. Mithakhali Cross Roads,
 Navrangpura, Ahmedabad - 380 009

REGISTRAR & TRANSFER AGENT

Datamatics Financial Software & Services Ltd.
 Plot No. A/16 & 17, MIDC, Part B,
 Crosslane, Marol, Andheri (E),
 Mumbai - 400 093
 Tel. No.: 022 2821 3383-90
 Fax No.: 022 2832 0382

CORPORATE OFFICE

"Chiripal House", B/h Arjun Tower,
 132, Ft. Ring Road, Shivranjani Cross Roads,
 Satellite Road, Ahmedabad - 380015.
 Tel : 91-079-26734660-2-3
 Fax : 91-079-26768656

REGISTERED OFFICE & PLANT

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

COMMITTEES OF BOARD :-**AUDIT COMMITTEE**

Shri A. C. Patel *Chairman*
 Shri Vedprakash Chiripal *Member*
 Shri Gautam C. Gandhi *Member*

REMUNERATION COMMITTEE

Shri A. C. Patel *Chairman*
 Shri Vedprakash Chiripal *Member*

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NANDAN EXIM LIMITED

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Members of the Company will be held on **Friday, the 28th day of September 2007** at Registered office at 3.30 p.m. at Survey No. 198/1 & 203/2, Saijpur- Gopalpur, Pirana Road, Piplej, Ahmedabad - 382 405, to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To confirm and approve the payment of Interim Dividend declared by the Board of Directors as a total dividend for the year ended 31st March 2007.
3. To appoint a Director in place of Shri Gautam C. Gandhi, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS:**5. Appointment of Shri Ambalal C. Patel as a Director :-**

To consider and if thought fit, to pass with or without modifications, the following as **ORDINARY RESOLUTION**..

" **RESOLVED THAT** THAT Shri A. C. Patel, Director who was appointed by the Board of Directors on 21st February, 2007 as an Additional Director, pursuant to the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing the candidature of Shri A. C. Patel, Director for his appointment as Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

6. Increase in Borrowing Limits :-

To consider and if thought fit, to pass with or without modifications, the following as **ORDINARY RESOLUTION**..

" **RESOLVED THAT** pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies, which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors shall not at any time exceed the limit of Rs.1000 crores (Rupees One Thousand Crores only)."

NOTES:

1. **A MEMBER IS ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIS/HER SELF AND PROXY NEED NOT BE A MEMBER.**
IN ORDER THAT THE PROXIES TO BE EFFECTIVE, THE PROXY FORMS SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE ON OR BEFORE 48 HOURS FROM THE DATE OF HOLDING OF THE MEETING.
2. The relative Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the business under Item Nos. 5 & 6 set out above are annexed hereto.
3. Members are requested to notify changes in address, if any, immediately to the Company at its registered office quoting their Folio Numbers.
4. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays between 11.00 a.m and 1.00 p.m, upto the date of the ensuing Annual General Meeting.
5. Members / Proxies should fill the Attendance Slip for attending the Meeting; Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Number for easy identification for attendance at the Meeting.
6. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Monday 24th September, 2007 to Tuesday 25th September, 2007 (both days inclusive).

By Order of the Board of Directors

Date : 26/07/2007
Place : Ahmedabad

Jigar H. Shah
Company Secretary

EXPLANATORY STATEMENT

The Explanatory Statement, pursuant to section 173 (2) of the Companies Act, 1956 sets out all material facts relating to the business mentioned at item nos. 5 & 6 of the accompanying notice.

ITEM NO. 5

The Board of Directors at their meeting held on 21st February 2007 appointed Shri A. C. Patel as an additional director of the Company. The office of the Additional Director ceased to be exit at the ensuing Annual General Meeting of the Company.

The Company has received a notice from a member under Section 257 of the Companies Act, 1956, about his intention to propose the candidature for the appointment of Shri A. C. Patel as the Director of the Company.

Shri A. C. Patel is an Engineer (Metallurgy) and having wide experience in the field of project evaluation & development, project finance and having experience of liaison with Government and Semi Government Department. He is expert in providing advice in the field of commercial and capital market and he is on the board of reputed organizations.

The approval of the members is accordingly sought for the appointment of Shri A. C. Patel as the Director of the Company liable to retire by rotation.

As the matter concerns Shri A. C. Patel, may be considered as interested in the passing of the said resolution.

Your Directors recommended his appointment and request to approve the above resolution.

None of the Directors is in any way concerned or interested in the proposed resolution except Shri A. C. Patel.

ITEM NO. 6

Pursuant to Section 293 (1) (d) of the Companies Act, 1956 the Board of Directors of a Company cannot, except with the consent of the company in general meeting, borrow monies, (apart from temporary loans obtained from the company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose. The Members, at the Extra Ordinary General Meeting of the company held on 1st May 2004 had accorded their consent to the Board of Directors borrowing upto Rs. 500 Crores. To meet the capital expenditure for expansion project and for future Projects/Planning, and also to provide for the issue of any debt/ debt related instruments in the Indian and/or international market, it is necessary to enhance the present borrowing limit. The Members' approval is therefore being sought pursuant to section 293(1) (d) of the Act to increase the borrowing limit to Rs. 1000 crores.

The Directors, recommend the resolution at Item No. 6 of the accompanying Notice for approval by the Members.

None of the Directors is in any way concerned or interested in the proposed resolution.

By Order of the Board of Directors

Date : 26/07/2007

Place : Ahmedabad

Jigar H. Shah

Company Secretary

Brief resume and other information in respect of Shri A. C. Patel (Additional Director) Non Executive Director seeking re-appointment at the Annual General Meeting:

Shri A. C. Patel aged about 64 years. He is Bachelor of Engineering (Metallurgy). He has wide experience as well as knowledge of Technical, Project Finance matters. He also worked as a Nominee Director in various Companies. He is as independent Director on the Board of the Company.

He is a member of the following committee of the Board of Directors of the Company:

1. Audit Committee
2. Remuneration Committee
3. Right Issue Committee

Brief resume and other information in respect of Shri Gautam C. Gandhi Non Executive Director seeking re-appointment at the Annual General Meeting:

Shri Gautam C. Gandhi aged about 71 years. He is Practicing Advocate. He has wide experience as well as knowledge of Legal, Finance matters. He also worked as a Nominee Director in various Companies. He is a partner of Legal firm C.C. Gandhi & Co. at Ahmedabad. He is an independent director on the board of our Company.

He is a member of the following committee of the Board of Directors of the Company:

1. Audit Committee
2. Share Holders' Grievance Committee

NANDAN EXIM LIMITED

DIRECTORS' REPORT

To,
The Members
NANDAN EXIM LIMITED.

Your Directors have pleasure in presenting the 13th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March 2007.

FINANCIAL HIGHLIGHTS:-

(Rs. In Lacs)

FINANCIAL RESULTS	Current Year 2006-07 Amount (Rs.)	Previous Year 2005-06 Amount (Rs.)
Sales	22195.05	12,873.13
Profit Before Depreciation	2861.02	2369.49
Less - Depreciation	805.99	496.61
Profit After Depreciation	2055.03	1,872.88
Less - Provision For Taxation	176.50	257.10
Less - Provision For Deferred Tax	586.45	376.75
Profit After Taxation	1292.08	1,239.03
Less: Prior Period Items	2.77	(2.01)
Less: Short/(Excess) provision of Income Tax	(27.86)	26.89
PROFIT FOR THE YEAR	1317.17	1214.15
Appropriations / Adjustments		
Balance of profit / (loss) brought forward	1578.56	722.81
Interim Dividend	113.87	104.25
Proposed Final Dividend	—	104.25
Corporate Dividend Tax (including cess and surcharge)	15.97	29.90
General Reserves	115.00	120.00
Profit carried to Balance Sheet	2650.89	1578.56

PERFORMANCE:

During the year under review, the Company has achieved its target by showing excellent performance by touching all time high **turnover** of Rs 221.95 crores as compared to a previous year's turnover of Rs.128.73 crores. This shows a rise of 72.42% over the previous year. The **Gross Profit** for the year ended 31.03.2007 has reached to Rs. 28.61 crores showing a jump of 20.76 % over the previous year's figures of Rs. 23.69 crores for the year 31.03.06. The **Net profit** during the year under review has increased to Rs. 12.92 crores as compared to Rs. 12.39 crores for the year ended 31.03.2006 which shows the rise of 4.2 % over the previous year. The Company could achieve its target as per the projection by maximum utilization of available resources, effective planning & management. During the year, the Company was executing various projects framed by the Management and looking to the various projects on hand, and future goals framed by the Management, your Directors expect bright future in the coming years.

DIVIDEND:

During the year under review, the Board of Directors had declared the Interim Dividend of 7.5% on Equity Shares and paid to the Shareholders as per the record date. Further, your Directors hereby inform that the Company is implementing the Expansion Project and the Internal Cash Accruals has been taken as a part of sources of finance to the expansion project, which has been approved by the bankers and consequently the Company is required to plough back the profit for the expansion project and other projects on hand. So, the Board of Directors has not recommended Final Dividend on Equity Shares for the year under review and your Directors request the shareholders to approve the total dividend of 7.5% (being the Interim dividend) on Equity Shares for the year ended 31.03.2007.



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EXPANSION PROJECT:-

The Company is implementing an expansion project for the increase in the existing manufacturing capacity from 20 Lacs Mtr. P.A to 40 Lacs Mtr. P.A., installation of 15 MW Captive Power Project and Spinning Project at a Project cost of Rs.327 crores, which is financed through a Term Loan of Rs.243 crores and balance by way of Promoters Contribution by way of Equity and Right Issue. It is our great pleasure to inform you that the Company has already commissioned Third Line of Denim by increasing existing capacity from 20 Lacs Mtr p.a. to 30 Lacs Mtr p.a. and one unit of Spinning Project has already been commissioned. The installation of 15 M W. Captive Power Project is under implementation and it is expected to implement the project as per the revised schedule fixed by the Company. Further, the Company has filed Draft Letter of Offer with SEBI and your Directors hope to get the SEBI Clearance very soon.

BONUS SHARES:-

Your Directors are pleased to inform you that the Company had declared the Bonus Shares to the shareholders in the ratio of 1:1 during the year under review by capitalizing the reserves. Your Directors convey the regards to the shareholders for the continuous support and trust extended to the Company

RIGHT ISSUE OF EQUITY SHARES:-

It is a great pleasure of your Directors to inform that your Company is coming out with the Rights Issue to Equity Shares at a price of Rs.3/- per share including a premium of Rs.2/- per share on right basis in the ratio of one Equity Share for every two Equity Shares held by the shareholders as on record date to be decided by the Board for the total amount of Rs.45.54 crores. Your Directors are pleased to inform you that the Company has already filed the Draft Letter of Offer for the proposed Rights Issue of the Equity Shares with SEBI and your Company expect to get final clearance from SEBI very shortly.

PUBLIC DEPOSIT:-

Your Company has not accepted any deposits u/s 58A of the Companies Act, 1956 during the year under review.

COVERAGE OF ASSETS:-

Adequate Insurance Cover for the risk on the fixed assets of the Company including entire Plant & Machinery, Building, Stock etc. have been taken during the year under review and it is renewed regularly taking into the consideration of various factors and it is sufficient to take care of any unforeseen situation.

PREFERENTIAL ISSUE OF EQUITY SHARES:-

The Company, during the year under review made a preferential issue of Equity Shares to the promoters, as per SEBI (DIP) Guidelines 2000 and their regulation thereto as a part of Means of Finance of the expansion project and the equity shares has been listed on BSE and NSE.

CORPORATE GOVERNANCE:-

The Company believes that the corporate governance is the part of its responsibility to adhere the requirement of law and is added to application of Management Practice, Compliance with Law and also adherence to ethical standards and discharge of social responsibilities.

Corporate Governance Report as well as Corporate Governance Compliance Certificate is provided as separate annexure of this report.

DIRECTORS:-

Shri Gautam C. Gandhi, Director who retires by rotation during the year under review, offers himself for reappointment. Your Directors recommend his reappointment.

PARTICULARS OF EMPLOYEES:-

There was no Employee drawing remuneration exceeding ceiling prescribed under section 217 (2A) of the Companies Act, 1956. Therefore, no separate report has been annexed

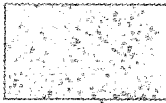
DIRECTORS RESPONSIBILITY:-

In accordance with the provision of Section 217(2AA) of the Companies Act 1956 and based on the information provided by the Management, your Directors state that;

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;



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- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2007 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care has taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts of the Company have been prepared on a going concern basis.

AUDITORS:-

M/s. J.T. Shah & Co. Chartered Accountants, Ahmedabad will retire at the ensuing Annual General Meeting of the company and being eligible offers themselves for reappointment. Your Directors recommend their reappointment for the current year.

ACKNOWLEDGMENT:-

Your Directors would like to acknowledge with gratitude, the support and co-operation extended by shareholders, suppliers, banks and financial institutions and look forward to their continued support, we appreciate the continued co-operation received from various regulatory authorities, Department of Company Affairs, Registrar of Companies, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and Depositories. We also recognize and appreciate the sincere hard work, loyalty and efforts of the employees and look forward to their continued support.

FOR AND ON BEHALF OF THE BOARD

Place : Ahmedabad

Date : 26/07/2007

VEDPRAKASH CHIRIPAL
CHAIRMAN

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-1

Particulars pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Report of the Directors.

A. CONSERVATION OF ENERGY:

[a] Energy conversion measures taken :-

- 1) Installation of new high capacity HT compressor in place of Four less capacity compressors to reduce overall specific power consumption.
- 2) Installation of condensate collection system and booster pump to recover almost 95 % from 70 % Hot condensate from the process of 90-95°C.
- 3) Optimization of Humidification plant by air balancing from inlet and outlet fans.

Water conservation Measures taken

Reduced wastages of water by providing orifices in pipelines for construction activities reduced the pump operation by 4-5 Hrs.

[b] Additional investments and proposals, if any, being implemented for reduction of consumption of energy:-

To install variable frequency drive in ID fan & FD fan to reduce power consumption.

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

- 1) The Power consumption reduced to the tune of 4000-4500 kWh/Day.
- 2) Lignite consumption reduced to 2 - 2.2 MT/Day



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[d] Total Energy Consumption and energy consumption per Unit of Production.

I. POWER & FUEL CONSUMPTION

Power and Fuel Consumption:	31.03.2007	31.03.2006
1. Electricity		
a) Purchased		
Unit (kwh)	18467816	14965000
Total Amount	68325730	57615250
Rate / Unit (Rs.)	3.70	3.85
b) Own Generation:		
i. Through Diesel Generator		
Unit (kwh)	NIL	NIL
Unit per Ltr of Diesel Oil	NIL	NIL
Cost / Unit (Rs.)	NIL	NIL
ii. Through Steam Turbine/Generator		
Unit (kwh)	NIL	NIL
Units per Ltr of Fuel Oil / Gas	NIL	NIL
Cost / Unit (Rs.)	NIL	NIL
2. LIGNITE		
Quantity (Tones) / Day	42.94	24
Total Cost (Rs.)	22077446	38856
Average Rate (Rs.)	1408.63	1619
3. COAL		
Quantity (Tones) / Day	1.23	NIL
Total Cost (Rs.)	1425500	NIL
Average Rate (Rs.)	3173.42	NIL
4. Furnace Oil		
(Used in the Generation of Steam)		
Quantity (K. Liters)	NIL	NIL
Total Amount (Rs.Lakhs)	NIL	NIL
Average Rate (Rs.)	NIL	NIL
5. Others LSHS (Low Sulphur High Stock)		
(Used in the Generation of Steam)		
Quantity (Tones)	NIL	NIL
Total Cost (Rs.Lakhs)	NIL	NIL
Rate / Unit (Rs.)	NIL	NIL

II. CONSUMPTION PER METER OF PRODUCTION:

Electricity (KWH) Per Meter	0.93	0.91
Furnace Oil	NIL	NIL
Coal (Specified Quality)	0.02	NIL
LIGNITE (KG) Per Meter	0.79	0.45



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NANDAN EXIM LIMITED

B. TECHNOLOGY

I. RESEARCH AND DEVELOPMENT (R & D)

1. Specific Area in which R & D is carried out by the Company

During the year under review, the company mainly focused on development of new products to cater to different market segments and specific customers' needs apart from establishing existing products. In addition, research and optimization of process parameters at all processes were carried out. The company has also put-up a spinning plant having capacity to produce about 25 MT yarn per day as an efforts toward backward integration for getting in-house regular specialty yarn.

2. Benefits derived as a result of the Above R & D

- (1) We had developed 646 products, in the year out of which 262 products were commercialized. This has resulted in getting valued customers not only in domestic market but in export too.
- (2) Optimization of process parameters had benefited in achieving higher productivity, better fresh percentage as well as reduction in wastes across processes.
- (3) Able to produce and maintain continuity in product and also deliver the required matching sample to the customer
- (4) In-house production of yarn will lead to continuity/regularity in quality, timely delivery to customer not only of regular variety but fabric manufactured out of special yarn like slub yarn, multi count yarn etc.

3. Future Plan of Action

To develop system based inspection of various machines, their conditions and processes to enable preventive actions to be taken. To develop problem solving skills and multi skill in workers and shop floor supervisors. To procure latest testing equipment like afis for cotton and in process testing of spinning to get better and consistent quality.

II. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

Efforts made towards Technology, Absorption, Adoption and Innovation:-

Technology to process fine count yarns in Slasher Indigo dyeing was absorbed during this year. Wet finishing technology for denims was introduced. High speed Looms with invertors were procured which enables infinite speed adjustments. The company has purchased Tax cad design software for development of various fabrics and garment, reproduction and matching of customers' required sample.

Benefits derived:

Fine counts yarns for shirting can be dyed on the slasher dyeing machines. Denim will have a much better look (flat) and have soft feel compared to foam finished denims. Looms with invertors will allow adaptation of optimum speeds for various special yarns such as slub yarns, elastomeric yarns without any loss of down time.

Future Plan of Action.

- (1) To Implement system based management information system(SAP) for the entire company which will allow real time information and optimum use of man ,machine and materials.
- (2) Measurement and hatching of waste generation and gradually reduction in waste value loss.
- (3) Training of employees for updation and up gradation of their skill and knowledge for improving the efficiency and quality

FOREIGN EXCHANGES EARNINGS AND OUTGO:

- a. The Company has taken various steps to increase exports of products during the year.
- b. Foreign exchange earning and outgo during the year:

Particular	31.03.2007 (Rs. in Crs.)	31.03.2006 (Rs. in Crs.)
(a) Foreign Exchange Earnings:	40.60	18.53
(b) Foreign Exchange Outgo:	1.26	0.23

Total Foreign Exchange Used and earned: - As per notes on account.



MANAGEMENT'S DISCUSSION AND ANALYSIS

1. Industry Structure and Developments:

Denim is one of the important parts of the Textile Industry, which has evidenced a rapid growth in the last few years. The Word Denim now-a-days widely known and in use among the people in India and of course Overseas Country. It has become more popular and is widely used in rural segment also. In Indian Economy, the demand of the Denim had increased tremendously due to rapid growth during the past years and over-all performance of all Denim Industries remained at high level and consistent to match with the demand. However all the players and new entrance increased their capacity much higher to avail the benefit of the growth of the economy resulting in excess supply of the Denim in the Market leading into stiff competition among the players and putting heavy pressure on the price of the Denim. The year 2006-07 was challenging year for the Company in such market scenario and your Company has even made significant progress by achieving high turnover due to its inherent strength and progressive future planning of the group in the market. The Company has long term goals to strengthen their presence in the Denim as well as in the over all Textile Structure as a group to achieve these goals. The Company has planned to become a fully Integrated Denim Industry by undertaking backward and forward integration by manufacturing of Cotton Yarn to garmenting. Your Company has already started this expansion project and the production of In-house Cotton Yarn and Ready Made Garments in Denim has already started, which are considered to be non-dependence for the steady supply of the raw material for better quality of the finished products and value added area of garmenting which will increase the value of the products resulting into better realization. The Company is in better position to grow as per the market and achieve the goals envisaged in such scenario. The Company is also developing its new areas of global market in the Denim Industry and is putting hundreds of varieties of the products to market and cope up with the latest demand of both, Domestic and International Market. Looking to the strength, demand and supply and the industry future, your Company foresee a reasonable growth in such scenario.

2. Opportunities:

Denim Industries is slowly picking up as compared to the recent past slow down in the market entering in to the field of garmenting and better quality of the products and variety of ranges in the Denim. The Company foresee good market demand of the products which shall give a high value to the Company.

Further, with opening of new area of demands in Rural Area and mainly its wide use in all Sectors of the society and the marketing Network established by the Company, the Company is definitely going to get good opportunities in the coming year, which will strengthen the growth of the Company.

3. Challenges:

Every business carried out by any entrepreneurship are full of challenges and risk and the success of any business always depend upon the ability of the Company how it faces the challenges and survive in the highly competitive market. The Company has developed various systems and strategies to face the challenges of the competitors. The Challenges are from the existing players and also from the newcomers. However, the Company has very little effect of the challenges due to high quality products, good marketing network and variety of products and its ranges and frequent change in the designs and pattern commensurate with the changing demand. Further, the Company has developed new segment of the consumers along with entering into garmenting and by putting the latest sophisticated machineries and created the brand name which has facilitated the Company to show satisfactory performance in such scenario.

4. Outlook:

The Company is having cautious outlook in its near term revenue and earning and it focused towards downstream business of garmenting and branded products in retail segment. Further, it is also putting up hundreds of varieties in the market by developing its own net work and carrying out research and development activities. Further, substantial investment have been made in resources and people to create an effective front end for fabric activities as well as to create varieties of products by differentiating with other products in the market. This will add to yield results in the current as well as coming years, the Company is cautious about the recent past trend of the Denim Industries and have taken reasonable steps to achieve the targeted goals.

5. Internal Control and their Adequacy:

Nandan Exim Limited has comprehensive systems and procedural guidelines concerning all operational areas encompassing tendering, building, execution, quality, safety, procurement, finance, accounts & audit, human resource