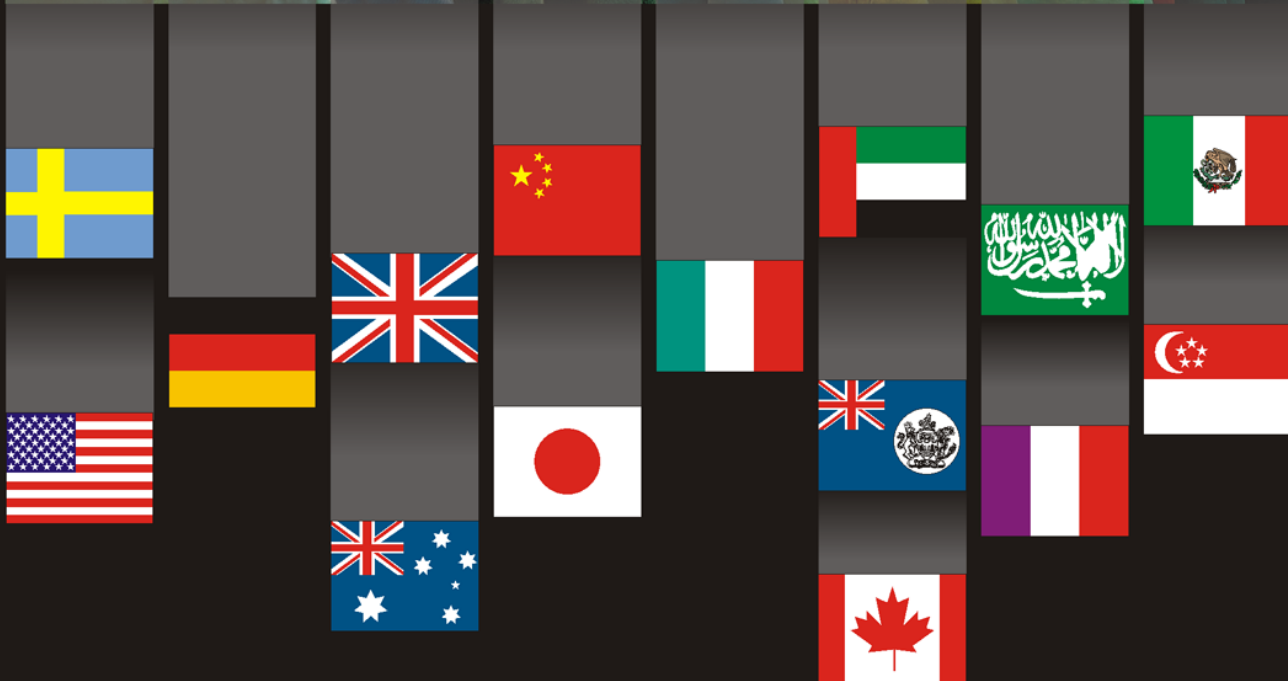


gokaldas exports ltd. **ge**





## THE FOUNDER

**G**OKALDAS EXPORTS was founded by the visionary Jhamandas H. Hinduja, who, with his innate ability to plan for the future, while closely overseeing the details of day-to-day operations, built a company with strong foundations and a corporate ethos that rewards initiative and innovation.

### OUR VISION

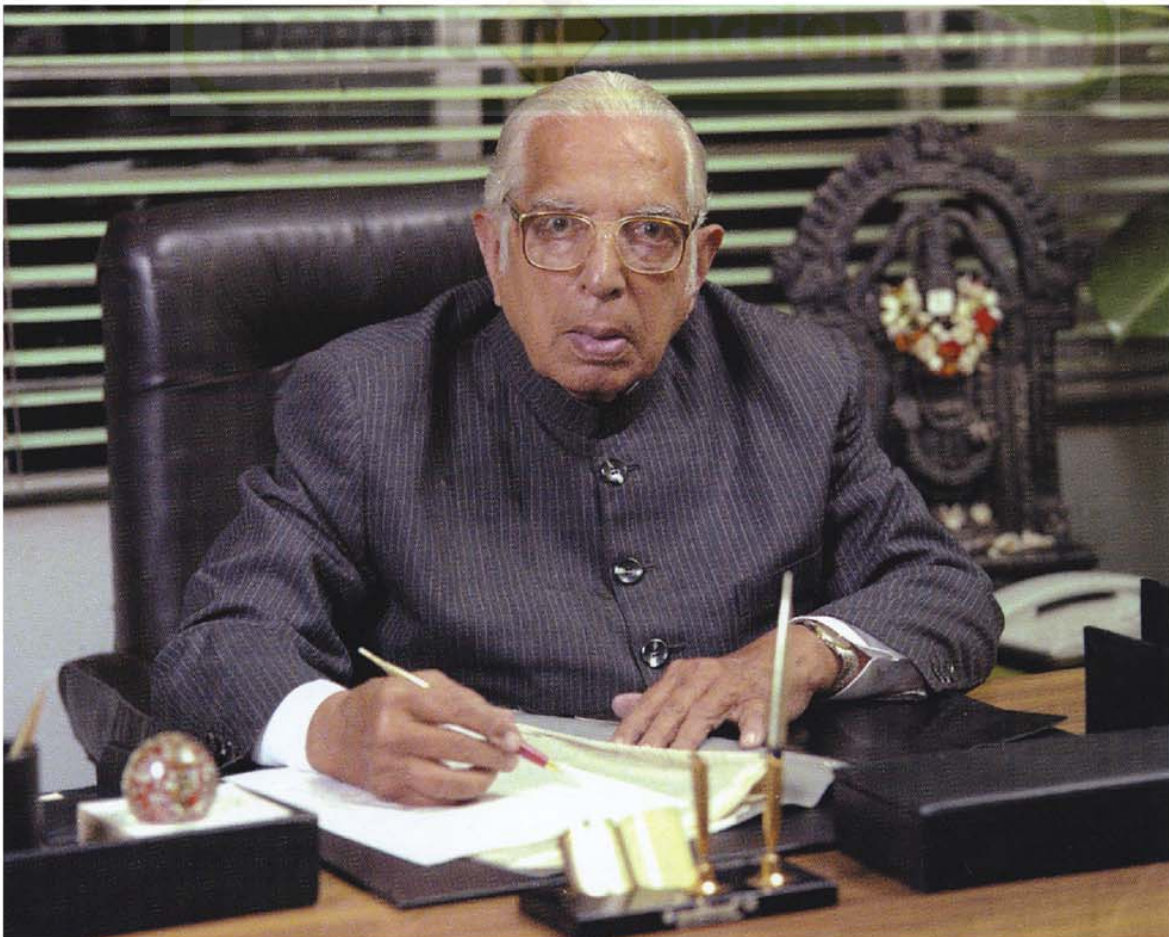
To set a precedent in the global garment manufacturing industry through continuous innovation, exceptional products, focused services and enhanced customer satisfaction.

**Jhamandas H. Hinduja**

### OUR MISSION

- Deliver on-time, every time, any where in the world.
- Keep a sharp eye on product quality and put in all efforts to raise the bar, constantly.
- Comply flawlessly with all statutory regulations required by our customers in any country.
- Augment and maintain a logistics infrastructure that adheres to the highest levels of efficiency that seamlessly blends with our customers' own supply chain.
- Ensure escalating productivity standards at the lowest operating cost, thus offering our customers a product of the highest quality at the most competitive price.

*The late Jhamandas H. Hinduja*





**G**OKALDAS EXPORTS has won the highest number of awards in Asia! Since 1980, the company has also won all the top export awards amongst all Indian garment manufacturers.

A signal recognition indeed!



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### Registered Office

No. 70, Mission Road  
Bangalore 560 027, India

### Company Secretary

Bimlendu Kumar

### Statutory Auditors

M/s S R Batliboi & Co.  
Chartered Accountants  
Canberra Block, 12th Floor, UB City  
No. 24, Vittal Mallya Road  
Bangalore - 560 001

M/s Girish Murthy & Kumar  
Chartered Accountants  
4502, High Point IV  
45, Palace Road,  
Bangalore 560 001

### Bankers

Canara Bank  
Citi Bank





Marketing team



The Gokaldas Exports  
Corporate Office in Bangalore



## BOARD OF DIRECTORS



**Shri Madanlal J. Hinduja**  
*Chairman*



**Shri Rajendra J. Hinduja**  
*Managing Director*



**Shri Dinesh J. Hinduja**  
*Executive Director*



**Shri Akhilesh Krishna Gupta**  
*Director*



**Shri Mathew Cyriac**  
*Director*



**Shri Prince Asirvatham**  
*Independent Director*



**Shri Arun K. Thiagarajan**  
*Independent Director*



**Shri J H Mehta**  
*Independent Director*



**Shri Ranjan Pant**  
*Independent Director*







## CHAIRMAN'S STATEMENT



**Shri Madanlal J. Hinduja**  
*Chairman*

**W**e enter the new financial year in turbulent times. 2009-10 offers tough challenges as we come off a year that started off very well but ended with tough last quarters. We are in the midst of very challenging times. The global economic crisis has now adversely affected all the economies across the world.

In spite of our initial optimism, the Indian economy also stands beaten by the crisis. The year 2008-09 started with a lot of promises of continued high growth. However, the monetary measures to control the runaway inflation during the middle of the year and the credit crunch caused by the economic crisis in the latter half of the year saw demand severely hit and our sales sharply falling.

The financial crisis and the ensuing recessionary tendencies have created a sense of uncertainty among all the entities and clients. The financial tsunami has cascaded to other sectors of the economy. The effect has been felt among matured and developing markets alike. Despite economic slow down that set in the middle of 2008, our company ended the year with a net sales increase of 9% in line with our expectations. We were able to achieve this growth because of our company's diversified clientele and product portfolio. Though we did an excellent job of monitoring costs and increasing prices, this was not enough to offset the rapid decline of the Indian Rupee and in turn adversely impacted our bottom line. The loss increased due to hedging of Foreign Currency and this brought the company's PAT to the lowest level. However, the EBITDA registered a growth of 30% and stood at Rs.154 Crores.

The forex loss of Rs.70 Crores for the whole year has been unprecedented, and this currency volatility affected the whole Indian economy as a whole. The textile and clothing industry in India is facing the worst period since its inception. One single economic crisis in the U.S. has brought down the sector to its knees. As against the Indian apparel export growth of 15% to 20% every year, we have landed up in a negative growth of 10%. This has been really a roller coaster ride for the industry.

The U.S. and EU markets constitute 90% of our company's exports and the slow down in these markets have impacted our exports in a significant way. Consumers in these major markets also seem to have shifted towards cheaper products and therefore more economic sources of supply. Countries which are able to supply cheaper goods have therefore been less affected. Several of the leading manufacturing countries have taken various steps to mitigate the hardship faced by their respective garment industries.

Vietnam, Pakistan, Cambodia and Bangladesh, and of course China, have increased their tax incentives/refunds, reduced interest charges and increased their duty drawback refunds. We have appealed to our Government and we await their favourable response.

Textile exports tumbled 30% and production contracted 20% to 30% since April '08. The Indian textile industry reeled under declining domestic demand and high input costs in the current year. Drop in demand from the external markets has created a panic among many manufacturers who have started production in a phased manner.

The present scenario is likely to remain till early 2010. As the effect of recession is higher on the developed markets, the demand is expected to remain weak. Due to the global economic meltdown and the consequent slow down in demand for products from overseas, the industry has been facing a tremendous task of retaining the workforce and keeping the factories running.

In terms of employment and manpower, we have reduced the employment by approx. 3000 to be in line with the sagging demand from the world markets. In this atmosphere of gloom, I wish to emphasize that our

Company has the necessary strength not only to sustain itself but also to be well positioned to contribute and benefit from the opportunities that the world markets offer.

In the previous year, 2008-09, we inducted 2 new independent Directors, namely, Mr. Arun Thyagarajan, Mr. J.H. Mehta. We have also, on 13th July, 2009, appointed 2 new directors, viz. Mr. Rangachari and Mr. Partha Sarkar.

The earlier 2 independent Directors, Mr. H.S. Nagaraj and Mr. K.P. Kumar, have resigned from the Board.

I wish to place on record my appreciation to all the Board members for their continued support for the challenges we have ahead.

In the coming years, Gokaldas Exports would continue to take a lead and thrive on the spirit of entrepreneurship, and finding out answers to the various questions we come across.

**Madanlal J. Hinduja**  
*Chairman*



