



Performance review and Annual Results of Financial Year 2009-10 and Q4 of 2009-10

For the Financial Year 2009-10, Gokaldas Exports Limited has posted a top line of Rs 1155 Crores, as against 1174 Crores of Last Year, thereby showing a reduction of 1.6%.

The profit after tax has reduced from Rs 3.36 Crores to a loss o Rs 1.93 Crores.

The last quarter has been especially tough, considering,

- a. Higher cotton fabric process
- b. Acute pricing pressures from US and European markets.
- c. Higher wages paid in comparison to the last year.
- d. Volatile Indian Rupee situation.

Delayed cotton fabric supplies have resulted in airlifting the goods to destinations at a heavy cost.

While comparing Q4 of the last year with present year, there is an increase of Rs 20 Crores in the top line, i.e. Rs 290 crores Vs. Rs 270 Crores. However in this quarter Q4 there is a loss of Rs 22 Crores as against a profit of Rs 11 Lacks when compared to the same quarter last year. About Rs 9.5 Crores of additional airfreight has been paid in this quarter which is very un usual, in addition a provision of Rs 10.5 Crores has been made for inventory related expenses & certain non recurring expenses.

The apparel export industry has been adversely affected by,

- a. General recessionary conditions still prevail in U.S. and Europe. Though the US markets are improving slowly, prices remain the same. On the one hand selling prices are on the decrease and on the other hand raw material prices are increasing. The Indian apparel export industry is struggling with this low pricing structure.
- b. Added to this pricing pressures, the high cotton prices, appreciating Rupee and high wage costs have adversely affected the performance of the Company.

Though in the US Markets the volumes are increasing, we find that the European business will be definitely affected due to the Euro zone economic crisis triggered by the monetary situation in Greece.

Our order position for Q1 and Q2 of 2010-11 totals to Rs 450 Cr, which is quite normal at this time of the year.

Efforts are in progress to get better prices from customers which can in turn give a prop to the bottom line.