



GOKALDAS EXPORTS LIMITED

Regd. Office : No. 70, Mission Road, Bangalore – 560 027

Notice

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of Gokaldas Exports Limited will be held at The Atria Hotel, No.1, Palace Road, Bangalore – 560 001 on September 17, 2010 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS:

To consider and it though fit, to pass with or without modification(s), the following resolutions:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2010 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri Rajendra J Hinduja who retires by rotation and being eligible for reappointment.
3. To appoint a Director in place of Shri Dinesh J Hinduja who retires by rotation and being eligible for reappointment.
4. To appoint a Director in place of Shri Prince Asirvatham who retires by rotation and being eligible for reappointment.
5. To re-appoint M/s S.R. Batliboi & Co and M/s. Girish Murthy & Kumar, Chartered Accountants as Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

To consider and it though fit, to pass with or without modification(s), the following resolutions:

As special Resolutions:

6. To reappoint Shri Dinesh J Hinduja as Executive Director.

To consider and if thought fit, to pass with or without modification(s), the following resolutions as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, approval be and is hereby given to the appointment of Mr. Dinesh J Hinduja, as the Executive Director of the company from April 01, 2010 to March 31, 2012 (both days inclusive).

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded for the payment of remuneration, as set out in the explanatory statement annexed hereto and forming part of this notice, to Shri Dinesh J Hinduja, Executive Director of the company for the period from April 01, 2010 to March 31, 2012 (both days inclusive).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix and vary remuneration and perquisites including monetary value thereof to the extent the Board of Directors may consider appropriate and as may be considered and permitted or authorized in accordance with the provisions of the Companies Act, 1956, for the time being in force and any statutory modifications or reenactment thereof, and any / or rules or regulations framed there under."

7. To consider and if thought fit, to pass with or without modification s, the following resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 81(1A), and all other applicable provisions, if any, of the Companies Act 1956, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Guidelines") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to reserve 5% of the Paid-up Equity Share Capital (or 17,18,800 options convertible into 17,18,800 shares), of the Company, to offer and issue at any time to or to the benefit of such person(s) who are in permanent employment of the Company, including any Director of the Company, whether whole time or otherwise, equity shares of the Company, of a face value of Rs. 5 each fully paid-up on payment of the requisite exercise price to the Company, under Gokaldas Exports Limited – Employee Stock Option Scheme 2010 hereinafter referred as "GEL – ESOS 2010" or any other Employee Stock Option Scheme(s), in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant authorities.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity shares to the employees upon exercise of options from time to time in accordance with the employee stock option scheme and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 5 % of the Paid-up Equity Share Capital (or 17,18,800 options convertible into 17,18,800 shares) shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 5 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board (including the Compensation Committee) be and is hereby authorized to take necessary steps for listing of the securities allotted under the GEL - ESOS 2010 or any other Stock Option Scheme (s) on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the maximum number of stock options that can be granted under the said GEL - ESOS 2010, to non-executive directors, including independent directors, in any financial year and in aggregate shall not exceed 1% of the Paid-up Equity Share Capital which shall be within the overall limit of 5 % of the Paid-up Equity Share Capital (or 17,18,800 options convertible into 17,18,800 shares) of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:-**

“RESOLVED THAT pursuant to the provisions of Section 81(1A), and all other applicable provisions, if any, of the Companies Act 1956, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of

All Colour Garments Private Limited
Deejay Trading Private Limited
Glamourwear Apparels Private Limited
Madhin Trading Private Limited
Magenta Trading Private Limited
Rafter Trading Private Limited
Rajdin Apparels Private Limited
Reflexion Trading Private Limited
Rishikesh Apparels Private Limited
Seven Hills Clothing Private Limited
SNS Clothing Private Limited
Vignesh Apparels Private Limited
Robot Systems Private Limited

and any future subsidiaries, the present and future subsidiaries of the Company, including any Director of the Company, whether whole time or otherwise, options exercisable into shares or securities convertible into equity shares within the overall ceiling of 5 % of the Paid-up Equity Share Capital (or 17,18,800 options convertible into 17,18,800 shares) of the Company as mentioned in Resolution No.7 above, under GEL - ESOS 2010, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority; each option would be exercisable for one Equity share of a face value of Rs.5 each fully paid-up on payment of the requisite exercise price to the Company.

By Order of the Board of Directors

Place: Bangalore
Date : August 2, 2010

N Sri Sai Kumar
Company Secretary

Notes:

- 1) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
- 2) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and a proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting.
- 3) Corporate members are requested to send a duly certified copy of the board resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.
- 4) The Register of Members and Share Transfer Books will remain closed from September 14, 2010 to September 17, 2010 (both days inclusive).
- 5) Members / Shareholders are requested to bring the duly filled attendance slip sent herewith and produce at the registration counters for admission to the Meeting Hall.
- 6) Copies of the Annual Report will not be distributed at the Annual General Meeting. Members / Proxy Holders are therefore requested to bring to the Annual General Meeting their copy of the Annual Report and the Attendance Slip sent herewith duly filled in.
- 7) In case you have any query relating to the enclosed Annual Accounts, you are requested to send the same to the Company Secretary at the Registered Office of the Company at least 10 days before the date of the Annual General Meeting so as to enable the management to keep the information ready.
- 8) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 9) Members are requested to write to the Company Secretary or to the Share Transfer Agent at the address given below, regarding transfer of shares, change in address and for resolving grievances

| | |
|---|---|
| Company Secretary | Karvy Computershare Pvt. Ltd |
| Gokaldas Exports Limited | Plot No.17-24, Vittalrao Nagar, Madhapur, |
| 70 Mission Road, P.B. No. 2717 | Hyderabad 500 081. |
| Bangalore 560027 | Tel: 040 2342 0818 / 4465 5000 |
| Tel & Fax: 080 41510124 | Fax: 040 2342 0814 / 4465 5021 |
| Email: investorcare@gokaldasexports.com | Email: |
- 10) Members holding shares in physical form can avail of the nomination facility by filing Form 2B (in duplicate) with the Company or its Registrar & Share Transfer Agents which will be made available on request and in case of shares held in demat form, the nomination has to be lodged with their Depository Participant.
- 11) Attendance Slip and Proxy Form are given at the end of this Notice.

By Order of the Board of Directors

Place: Bangalore
Date : August 2, 2010

N Sri Sai Kumar
Company Secretary

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

The following Explanatory Statement sets out material facts relating to some of the Ordinary Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Ordinary Business

Profile of the Directors proposed to be re-appointed

In respect of Item No.2

Shri Rajendra J Hinduja holds a bachelors degree in Engineering from Bangalore University and founder promoter of the Company. He is on the Boards of not only in Gokaldas Exports group but also on the Board of Apparel Export Promotion Council (APEC). He has served as Executive Committee Member of Export Promotion Council of EOUs and SEZs since 2003 and also was on various committees formed by the Ministry of Textiles, Government of Karnataka.

He is the brain behind critical functions like shipping, customs clearance, documentation, finance, legal and imports. He is also responsible for new projects and initiatives of the Company.

Presently, Shri Rajendra J Hinduja is Managing Director of the Company. The details of his other directorships and memberships in other companies / committees are provided in the Corporate Governance Reports, which form part of this Annual Report.

He holds 19,55,580 shares in the company.

No Director other than Shri Madanlal J Hinduja & Dinesh J Hinduja is in any way concerned or interested in the said resolution.

In respect of Item No.3 & 6

Shri Dinesh J Hinduja, Executive Director, who is retires by rotation in this Annual General Meeting and being eligible, offers himself for re-appointment, pursuant to clause 123A(f) of article of association and sec 257 of Companies Act, 1956 proposed to be re-appointed.

He holds 21,45,580 shares in the company.

Shri Dinesh J Hinduja is the recipient of Award for Excellence from Association of Young India in 1994 and holds a bachelors degree in Science from Bangalore University. With his speedy decision making, he controls the Company's 40 manufacturing units that employ over 39000 workers and produce more than 2.5 million garments of various styles per month.

He was also on the state level management committee of National Institute of Fashion Technology (NIFT) and on the advisory Board of the World Fashion Exchange Inc. USA.

Presently, Shri Dinesh J Hinduja is Executive Director of the Company. The details of his other directorships and memberships in other companies / committees are provided in the Corporate Governance Reports, which form part of this Annual Report.

The Board of Directors of the Company at it's meeting held on August 02, 2010, re-appointed Shri Dinesh J Hinduja as Executive Director for the period from April 01, 2010 to March 31, 2012 (both days inclusive) on term and conditions set out detailed hereinafter, subject to approval of the shareholders.

Shri Dineh J Hinduja, is the founder promoter of Gokaldas Exports Group of Companies. He has over 37 years of varied experience in the apparel industry. He is instrumental to the growth of the company. He heads marketing and production and instrumental in operation excellence & efficiently.

The relevant terms of the salary and other benefits payable to Shri Dinesh J Hinduja are as follows:

Particulars

- a. Salary (Rs.) 12,50,000/- per month from 01.04.2010.
- b. **Commission:** 1% of net profits computed as per Section 349 & 350 of Companies Act, 1956, subject to a maximum of annual salary
- c. **Perquisites:**
 1. Chauffer driven car for official as well as for personal purposes.
 2. Two telephones at residence and mobiles at company's cost.
 3. Subject to any statutory ceilings, the Executive Director may be given any other allowances, perquisites, benefits and facilities at the discretion of the Board of Directors.

Evaluation of perquisites:

Perquisites/allowances shall be evaluated as per Income Tax Rules, wherever applicable, and in the absence of any such rules shall be evaluated at actual cost.

Minimum remuneration:

In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the director shall be paid salary and perquisites as set out above as the minimum remuneration, subject to the approval of the Central Government, if so required, in accordance with the provision of the Companies Act / Schedule XIII.

In same kind of industry and size of the company remuneration of executive Director is close or even higher to the remuneration proposed.

Shri Dinesh J Hinduja was getting remuneration of Rs 4,00,000/- P.M. during 2004-2009.

Shri Madanlal J Hinduja and Shri Rajendra J Hinduja, Directors are interested in this Special Resolution. None of the other Directors is interested or connected in this Special Resolution.

Shri Dinesh J Hinduja holds 21,45,580 shares in the company.

Your Board commends the Special Resolution for your approval.

In respect of Item No.4

Shri Prince Asirvatham is a Fellow member of the Institute of Chartered Accountants of India. He is a former Group Treasurer & Head (M&A) of Hindustan Lever Limited. In a distinguished career spanning 3 decades with the Unilever Group in Asia, London and South America, he has, among others, directed the commercial operations of the largest F&B operation, restructured treasury operations post liberalization in India and partnered Unilever in the design of its global corporate assurance process. He was actively involved in over 25 acquisitions and disposals which include India's first commercial privatisation.

Shri Prince Asirvatham is a Promoter-Director of Guardian Risk Advisors (P) Ltd., a business engaged in promoting aspirational management of personal financial assets and a Director & Audit Committee Member of TVS Motor Company Limited.

He has presented several papers and is today a coach in corporate finance and risk management."

Presently, Shri Prince Asirvatham is Independent Director, Chairman of the Audit Committee & member of the Remuneration Committee of the Company. The details of his other directorships and memberships in other companies / committees are provided in the Corporate Governance Reports, which form part of this Annual Report.

He does not hold any shares in the company.

No Director other than Shri Prince Asirvatham is in any way concerned or interested in the said resolution.

In respect of Item No.7 & 8

The objective of the GEL-ESOS 2010 is to align the employees to corporate goals and motivate them to contribute to the growth and profitability of the Company (including subsidiary companies). The Company views employee stock options as instrument that would enable the Employees to share the value they create for the Company in the years to come. The Company also intends to use this Scheme to attract and retain talent in the organization.

The main features of the employee stock option schemes are as under:

1. Total number of options to be granted:

Options up to 5 % of the Paid-up Equity Share Capital (or 17,18,800 options convertible into 17,18,800 shares) of the Company would be available for being granted to eligible employees of the Company and its subsidiaries under GEL-ESOS 2010. Each option when exercised would be converted into one Equity share of Rs. 5 each fully paid-up.

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the GEL- ESOS 2010.

SEBI guidelines require that in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional equity shares are issued by the Company to the Option Grantees for making such fair and reasonable adjustment, the ceiling of 5 % of the Paid-up Equity Share Capital (or 17,18,800 options convertible into 17,18,800 shares) as stated above from time to time shall be deemed to be increased to the extent of such additional equity shares issued.

2. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):

All permanent employees of the company, including any subsidiaries companies in India, including the Directors but excluding the promoters of the Company, as may be decided by the Board from time to time, would be entitled to be granted stock options under GEL- ESOS 2010.

3. Transferability of employee stock options

The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an employee stock option holder while in employment, the right to exercise all the options granted to him till such date shall be transferred to his legal heirs or nominees.

4. Requirements of vesting and period of vesting:

The Options granted shall vest so long as the employee continues to be in the employment of the Company. The Board may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below).

Options granted under GEL- ESOS 2010 would vest not less than one year and not more than seven years from the date of grant of such options. The exact proportion in which and the exact period over which the options would vest would be determined by the Board, subject to the minimum vesting period of one year from the date of grant of options.

5. Exercise Price:

The exercise price shall be the Market Price of the equity shares of the company discounted, if required, by such percentage not exceeding 20% to be determined by the Compensation Committee in the best interest of the various stake holders in the prevailing market conditions.

Market Price for the purposes of the above clause shall be the closing market price one day prior to the date when the Compensation Committee finalizes the number of options to be granted, on a stock exchange where highest trading volume is registered.

6. Exercise Period and the process of Exercise:

The Exercise period would be a maximum of 7 years from the date of vesting of options. The shares arising out of exercise of vested options would not be subject to any lock-in period after such exercise.

The options will be exercisable by the Employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Compensation Committee from time to time. The options will lapse if not exercised within the specified exercise period.

7. Appraisal Process for determining the eligibility of the employees to ESOS:

The appraisal process for determining the eligibility of the employee will be specified by the Compensation Committee, and will be based on criteria such as role / designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Compensation Committee at its sole discretion.

8. Maximum number of options to be issued per employee and in aggregate:

The number of options that may be granted to any specific employee under the Scheme shall not exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options.

9. Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI Guidelines.

10. Method of option valuation

To calculate the employee compensation cost, the Company shall use the Intrinsic Value Method for valuation of the options granted.

The difference between the employee compensation cost computed using the Intrinsic Value method and the cost that shall have been recognized if it had used the Fair Value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

As the employee stock option scheme provides for issue of shares to be offered to persons other than existing shareholders of the company, consent of the members is being sought pursuant to Section 81(1A) and all other applicable provisions, if any, of the Act and as per clause 6 of the SEBI Guidelines.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the securities that may be offered to them under the scheme.

By Order of the Board of Directors

Place: Bangalore
Date : August 2, 2010

N Sri Sai Kumar
Company Secretary



GOKALDAS EXPORTS LIMITED

Regd. Office : No: 70, Mission Road, Bangalore – 560 027

PROXY FORM

Reg. Folio No.

No. of Shares

Client ID No.

DP ID No.

I/We.....
of.....being Member/s of Gokaldas Exports Limited
hereby appointor failing
him/her.....of.....
as my/ our proxy to vote for me/ us on my/ our behalf at the 7th Annual General Meeting of the Company to be held at
10.30 a.m. on Friday, the September 17, 2010 at The Atria Hotel, No.1, Palace Road, Bangalore -560 001, and at any
adjournment thereof.

Signed this day of2010.

Affix
Re. 1/-
Revenue
Stamp

Note :

- 1. This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.



GOKALDAS EXPORTS LIMITED

Regd. Office : No: 70, Mission Road, Bangalore – 560 027

ATTENDANCE SLIP

Reg. Folio No.

No. of Shares

Client ID No.

DP ID No.

I / We, certify that I / We, am / are a Member / Proxy for the Member of the Company.

I / We hereby record my / our presence at the 7th Annual General Meeting to be held at 10.30 a.m. on Friday, the
September 17, 2010 at The Atria Hotel, No.1, Palace Road, Bangalore - 560 001.

.....
Shareholder's/ Proxy's name in block letters

.....
Signature of Shareholder/ Proxy

Note :

- 1. Please fill up this attendance slip and hand it over at the entrance of the meeting hall.
- 2. Members are requested to bring their copies of the Annual Report to the meeting.