



GOKALDAS EXPORTS LIMITED

PERFORMANCE REVIEW OF Q-1 2006-07

Gokaldas Exports Limited's (GEL) first Quarter revenue increased by 24.50% and the net profit increased by 16%. (Year on Year)

The revenue for the first Quarter was Rs.224 Crores as against Rs.180 Crores of last year. The EBIDTA has been Rs.22.50 Crores as against Rs.17.89 Crores of Q1 of last fiscal. The PBT has been Rs.14.96 Crores compared to Rs.11.97 Crores of last year. The net profit would have been higher but for the larger provision made for depreciation. There has been an increase of 52% in depreciation and a substantial deferred tax liability provision when compared to the Q-1 of last year.

The operating margin stood at 10.43% vis-à-vis 10.24% of last year. PAT is Rs.13.51 Crores and PAT of Q-1 last year stood at Rs.11.63 Crores.

The Company is expanding its product mix. A new manufacturing facility to make "Structured Suits" both for ladies and men is being set up. This would be a value added product and would fetch higher realization. The plant would be in Bangalore and would be commissioned by the end of 2006.

New buyers have been added to our Customer List as an ongoing sales promotion process. The newly set up Knitwear Division and Laundry Unit are in full swing and running at full capacity.

The first six months (January-June 2006) for Indian Apparel Exports have been quite promising. The performance numbers indicate a healthy growth and India seems to be well poised to achieve \$ 15 Billion export target by year 2010.

The Company's expansion programmes are well on track and as planned, "three new factories" would be commissioned by the end of fiscal year 2006-07.

The demand for goods from their buyers is quite encouraging and the Company is exploring the possibilities of diversifying their product range further.

The new items that could be added are (a) Industrial Workwear, (b) Innerwear and Sleepwear Products and (c) Garments made from Technical Textiles. The inflow of orders are quite substantial and the Company hopes to achieve the desired growth by the end of the current fiscal.