

Gokaldas Exports Ltd

Performance Review – Q1 FY 2015-16

Gokaldas Export Limited (GEX) has posted a marginal decline in Q1 FY2015-16 in revenue of 2% at Rs.269 Cr as compared to Rs.274 Cr clocked during Q1 of 2014-15. This quarter saw growth in some of our key customer accounts which are strategic to us and where we would be putting higher focus for growth. On the other hand, there has been decline in certain accounts, due to various reasons, which has led to flattish revenue in the current quarter.

We are seeing positive signals in the US market with the economy's GDP growth being promising in the past few quarters. However, the situation in the European region continues to be weak with Greece imbroglio and decline in economic conditions in few other countries in that region. We are also focusing on specific product categories which would give us growth.

Our margins have got hit in the current quarter due to a one-time hit, however underlying margins continue to be strong. Certain costs like wages and other operational costs have gone up driven by inflationary conditions, however there has been decrease in depreciation charges as well as interest costs the latter having reduced by 12%. Company is focused on cost reduction, cost containment as well as margin improvement in the quarters to come.

Net borrowings have come down from Rs.234 Cr to Rs.217 during the quarter. This is under continuous focus for further reduction.

Including other income & one-time expenses, PBT for the quarter stands at (-) Rs.11 Cr as compared to (-) Rs.3 Cr of Q1 FY14-15. Management has taken adequate initiatives to ensure improved performance in the quarters to come.

Date: Aug 12, 2015