



Gokaldas Exports Ltd
Performance Review
Q3 2011-12

Gokaldas Exports Limited has achieved total revenue of Rs.216 Cr on a consolidated basis in Q3 FY12. For the quarter, the company has clocked an EBIDTA of Rs.4.4 Cr showing a margin of 2% which compares favorably against 1.7% reported in Q2 FY12 and a loss of (1%) for Q3 FY11.

On a cumulative basis (first 9 months of FY12), the consolidated revenue has been Rs.745 Cr with marginally positive EBIDTA of Rs.6.7 Cr against a loss of Rs.20 Cr in the corresponding period of FY11.

The company has shown improved profitability in this quarter with sustained efforts on cost and margin management. There has been reduction in operating costs despite the inflationary trends. In addition, finance costs have also been reduced in the quarter under review through better working capital management notwithstanding rising interest rates.

On the other hand, overall volumes have been under pressure this quarter due to weaker demand scenario particularly from the European markets. However, with our efforts of business development in the earlier part of this year, we have been able to acquire new customers and have started received orders from them. These are likely to build over the coming quarters.

On the currency front, this quarter again saw a sharp movement in the foreign currency rates particularly in USD-INR where the INR depreciated by 9% in the quarter under review and a sharp 19% since April 2011 to Dec 2011. This has resulted in mark-to-market losses in our books on account of restatement of forex denominated working capital loans.

With a stable pricing regime for cotton and the US market providing some optimism for the sector, we continue our efforts towards working closely with our customers, existing as well as new, to increase our share of business from them and also expand the categories being serviced for them.