Gokaldas Exports Ltd

Performance Review - Q4 FY 2013-14

- **Revenue grown in Q4 FY 13-14 of 17% on YoY basis and 26% on QoQ basis**
- **Full year FY 13-14 Revenue growth of 16%**
- **PBT of Rs. 7 Cr for the quarter**

Gokaldas Export Limited has posted strong results for Q4 of FY 2013-14 with revenues of Rs.321 Cr and Rs. 7 Cr of PBT. Revenues for this quarter have clocked a growth of 17% over the corresponding quarter of previous year, and 26% over Q3 of FY14.

Revenue for the full year 2013-14 stands at Rs. 1127 Cr, which shows a growth of 16% over the corresponding previous year.

Growth in Q4 FY14 has been broad-based with both exports as well as domestic businesses showing revenue expansion. This has been driven by strong order flow in the second half of FY14. Demand levels have been steady both from our existing set of customers as well as new customers. Euro zone is showing signs of improvement which should be positive for the industry as a whole.

In this quarter, in addition to sales growth, our margins have shown improvement resulting in growth in profitability. EBIDTA for the Quarter is Rs. 24 Cr which has grown by 166% over Q4 of FY13. EBIDTA margin has more than doubled to 7.6% (Q4 FY14) from 3.4% (Q4 FY13), and is higher than Q3 FY14 too. For the full year 13-14, EBIDTA is Rs. 58 Cr against a loss of Rs. (43) Cr in FY13.

PBT for the quarter is 7 Cr which compares favorably against a loss of Rs. (10 Cr) in Q4 FY13, a positive swing of Rs.17 Cr. There has been a positive movement in excess of Rs. 100 Cr in both EBIDTA and PBT in FY14 over the immediate preceding year.

Going forward, while the demand pattern is likely to be similar, adjusted for seasonality, there are headwinds on account of inflationary conditions and sharp increase in wage rates. Management is taking adequate steps to counter the impact of such cost increases. However, the key risk is the impact of this cost increase on competitiveness of the Indian garments' industry vis-à-vis other countries.

Date: May 10, 2014