

Gokaldas Exports Ltd

Performance Review – Q4 FY 2016-17

Gokaldas Exports Limited (GEX) has posted quarterly revenue from operations of INR 308.7 crores, 3% YoY decline, in Q4 FY17. The company declared net profit of INR 11.4 crores in Q4 FY17. On a consolidated basis, the FY17 annual revenue of the company declined by 18.6% YoY to INR 930.5 crores, and reported a net loss of INR 49.1 crores in FY17.

The decline in revenue in FY17 was mainly due to loss of business from a key export customer (for which efforts are underway to get this addressed) and delay in onboarding operations of a large new customer, which has been stabilized in the last two quarters. The company continues to push efforts to acquire new customers and expand the scope of operations with existing customers.

The new textile policy along with some of the labour reforms, came in effect during the second half of FY17 and is expected to improve the overall cost competitiveness of the sector in the global market in the coming years.

The Company is looking at building exposure to online & digital channels and in this regard, the Board approved a small strategic investment in Yepme UK, subject to definitive documents and necessary regulatory approvals. This entity deals in fast fashion products exclusively for the international markets mainly US, Europe and the Middle East. The initiative is expected to provide GEX exposure to digital sales channels, fast fashion design and procurement, online marketing tools etc.

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