

# gokaldas exports ltd

GEL/SEC/2023-24/97

February 13, 2024

**BSE Limited**  
**Phiroze Jeejeebhoy Towers**  
**25<sup>th</sup> Floor, Dalal Street,**  
**Mumbai – 400 001**

**National Stock Exchange of India Limited**  
**The Exchange Plaza**  
**Bandra-Kurla Complex, Bandra (E),**  
**Mumbai – 400 051**

**Scrip Code – 532630**

**Scrip Code: GOKEX**

Dear Sir / Madam,

**Sub: Credit Rating**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule III Part A, we would like to inform that ICRA Ratings (“IRCA”) has placed “Rating Watch with Developing Implications” on the ratings of the Company subsequent to the announcement made by the Company regarding acquisition of Matrix Design & Industries Private Limited, as below. Rating rationale is enclosed.

Short Term – Fund Based	<b>[ICRA]A1;</b> Placed on Rating Watch with Developing Implications
Long Term - Fund based – Term Loan	<b>[ICRA]A;</b> Placed on Rating Watch with Developing Implications
Long Term – Unallocated Limits	<b>[ICRA]A;</b> Placed on Rating Watch with Developing Implications
Short Term - Non-Fund based	<b>[ICRA]A1;</b> Placed on Rating Watch with Developing Implications

This is for your information and records.

Thanking you,

Yours truly,

**For Gokaldas Exports Limited**

**Gourish Hegde**  
**Company Secretary & Compliance Officer**

Encl: as above



Regd. Office : # 25, 2nd Cross, 3rd Main,  
Industrial Suburb, Yeshwanthpur, Bangalore 560 022.  
Tel : +91 80 68951000, Fax : +91 80 68951001  
E-Mail : info@gokaldasexports.com CIN : L18101KA2004PLC033475



014

February 12, 2024

## Gokaldas Exports Limited - Placed on Rating Watch with Developing Implications

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short Term – Fund Based	345.00	345.00	[ICRA]A1; Placed on Rating Watch with Developing Implications
Long Term - Fund Based – Term Loan	40.00	40.00	[ICRA]A; Placed on Rating Watch with Developing Implications
Long Term – Unallocated Limits	40.08	40.08	[ICRA]A; Placed on Rating Watch with Developing Implications
Short Term - Non-Fund based	200.92	200.92	[ICRA]A1; Placed on Rating Watch with Developing Implications
<b>Total</b>	<b>626.00</b>	<b>626.00</b>	

\*Instrument details are provided in Annexure-1

### Rationale

On February 1, 2024, Gokaldas Exports Limited (GEL) announced execution of a share swap agreement with Matrix Clothing Private Limited (MCPL) to acquire 100% of the equity share capital of Matrix Design & Industries Private Limited (MDIPL) for a total enterprise value of Rs. 489 crore. Of the total enterprise value, Rs. 247.5 crore would be paid by preferential allotment of shares of GEL through share swap, Rs.155 crore would be paid towards settling the existing debt of MDIPL availed from MCPL and a cash consideration of Rs. 86.5 crore would be paid to MCPL.

While GEL has approached shareholders to approve raising of funds to the tune of Rs. 600 crore to part-fund this acquisition, ICRA has placed the ratings of GEL on Watch with Developing Implications as the exact funding mix for the acquisition is yet to be finalised. ICRA will resolve the rating Watch once further clarity emerges on the funding mix for the acquisition and the actual impact on the credit profile of GEL is ascertained. The transaction is also subject to various statutory and shareholder approvals. ICRA would continue to monitor the developments in this regard for their impact on the company's financial profile.

The proposed acquisition is expected to support growth and access to new customers in the EU and UK regions for GEL. It would also benefit from an increased penetration in the knit segment and diversification of its existing manufacturing base to Gurugram and Ranchi locations. ICRA has also noted the recently concluded acquisition of the Atraco Group through its wholly owned subsidiary.

Please refer to the following link for the previous detailed rationale that Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Textiles - Apparels</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the consolidated financial profile of the company.

## About the company

Initially promoted as a partnership firm by Mr. Jhamandas H. Hinduja in 1978 and incorporated as a public limited company in 2004, GEL is one of the largest apparel exporters from India. GEL operates from more than 20 manufacturing facilities, primarily in and around Bangalore, and is in the process of expanding its capacity, given the healthy demand conditions. The company caters to renowned brands in the markets of North America and Europe, serving their requirements across various product categories. Clear Wealth Consultancy Services LLP, led by Mr. Mathew Cyriac, acquired a 39.94% stake in the company from Blackstone FP Capital Partners (Mauritius) VB Subsidiary Ltd. in FY2018. Post the equity infusion in Q1 FY2019 and QIP in October 2021, the current shareholding of Clear Wealth Consultancy Services LLP stands reduced to ~11% as on December 31, 2023, and the remaining is held by institutional investors, corporate bodies, public and others.

### Key financial indicators (audited)

GEL Consolidated	FY2022	FY2023	9M FY2024*
Operating income	1,811.4	2,228.9	1,566.5
PAT	117.1	173.0	86.7
OPBDIT/OI	11.3%	12.1%	10.8%
PAT/OI	6.5%	7.8%	5.5%
Total outside liabilities/Tangible net worth (times)	0.7	0.5	-
Total debt/OPBDIT (times)	0.9	0.6	-
Interest coverage (times)	5.1	10.5	10.1

Source: Company, ICRA Research; \*Provisional; All ratios as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for past three years

Instrument	Type	Current rating (FY2024)		Chronology of rating history for the past 3 years						
		Amount rated (Rs. crore)	Amount outstanding as of Mar 31, 2023 (Rs. crore)	Date & rating in FY2024		Date & rating in FY2023		Date & rating in FY2022	Date & rating in FY2021	
				Feb 12, 2024	Sep 06, 2023	Mar 23, 2023	Dec 29, 2022	Dec 27, 2021	Oct 06, 2020	Apr 24, 2020
1 Fund-Based Limits	Short Term	345.00	--	[ICRA]A1&	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A2+	[ICRA]A3+	[ICRA]A3+
2 Fund Based – Term Loan	Long Term	40.00	16.07	[ICRA]A &	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
3 Unallocated	Long Term	40.08	--	[ICRA]A &	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Positive)	-	-
4 Non-fund based limits	Short Term	200.92	--	[ICRA]A1&	[ICRA]A1	[ICRA]A1	-	-	-	-
5 Unallocated	Short Term	-	--	-	-	-	-	[ICRA]A2+	-	-

&: Rating Watch with Developing Implications

### Complexity level of the rated instrument

Instrument	Complexity Indicator
Short Term – Fund Based	Very Simple
Long Term - Fund Based – Term Loan	Simple
Long Term – Unallocated Limits	Not applicable
Short Term - Non-Fund based	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

**Annexure-I: Instrument details**

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Short Term - Fund Based	NA	NA	NA	345.00	[ICRA]A1; Rating Watch with Developing Implications
NA	Long Term - Fund Based TL	FY2021	NA	FY2025	40.00	[ICRA]A; Rating Watch with Developing Implications
NA	Long Term – Unallocated	NA	NA	NA	40.08	[ICRA]A; Rating Watch with Developing Implications
NA	Short Term – Non-Fund Based	NA	NA	NA	200.92	[ICRA]A1; Rating Watch with Developing Implications

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure-II: List of entities considered for consolidated analysis**

Company Name	Ownership	Consolidation Approach
All Colour Garments Private Limited	100.00%	Full Consolidation
SNS Clothing Private Limited	100.00%	Full Consolidation
Vignesh Apparels Private Limited	100.00%	Full Consolidation
Gokaldasexports Acharpura Private Limited	100.00%	Full Consolidation
Sri Susamyuta Knits Private Limited	100.00%	Full Consolidation
Gokaldas Exports FZCO	100.00%	Full Consolidation
Nava Apparels, L.L.C FZ, Dubai, UAE	100.00%	Full Consolidation
Gokaldas Exports Corporation, USA	100.00%	Full Consolidation

Source: Company

## ANALYST CONTACTS

**Jayanta Roy**

+91 33 7150 1120

[jayanta@icraindia.com](mailto:jayanta@icraindia.com)

**Priyesh Ruparelia**

+91 22 6169 3328

[priyesh.ruparelia@icraindia.com](mailto:priyesh.ruparelia@icraindia.com)

**Ramakrishnan G S**

+91 44 4596 4300

[g.ramakrishnan@icraindia.com](mailto:g.ramakrishnan@icraindia.com)

**Geetika Mamtani**

+91 22 6169 3330

[geetika.mamtani@icraindia.com](mailto:geetika.mamtani@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.