

gokaldas exports ltd

GEL/SEC/2024-25/22

June 19, 2024

BSE Limited
Phiroze Jeejeebhoy Towers
25th 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,

Subject: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”)

Pursuant to Regulation 30 (read with Part A of Schedule III) of the Listing Regulations, we hereby inform that the Board of Directors of Gokaldas Exports Limited (the “**Company**”), at its meeting held today i.e. on June 19, 2024, has approved the execution of the Securities Subscription Agreement (“**SSA**”) and the Investment Agreement (“**IA**” and collectively with “**SSA**” “**Transaction Documents**”) with relevant parties in connection with the Company’s proposed investment in BRFL Textiles Private Limited, a private limited company incorporated in accordance with Indian laws (“**Target Company**”).

Pursuant to the SSA, the Company will initially subscribe to 5,00,000 optionally convertible debentures of the Target Company each having a face value of INR 1,000 (Indian Rupees One Thousand), bearing a coupon of 20.35% per annum (“**OCDs**”) for a consideration of INR 50,00,00,000 (Indian Rupees Fifty Crore) in the first tranche (“**First Tranche**”). The Company may further subscribe to up to 30,00,000 OCDs in multiple subsequent tranches depending on the funding requirements of the Target Company for a remaining consideration of INR 300,00,00,000 (Indian Rupees Three Hundred Crore) (collectively with the First Tranche, the “**Investment**”).

Furthermore, amongst other things, the IA contemplates that: (a) after April 01, 2025, but not later than June 30, 2025 (or other mutually agreed date), the Company, the Target Company and the existing shareholders of the Target Company (“**Existing Shareholders**”) shall endeavor to agree to undertake a merger of the Target Company with the Company subject to fulfilment of certain conditions. It is clarified that at this stage, the merger is not certain and there can be no assurance that it will be undertaken; and (b) the Company has an option and/ or an obligation to acquire all of the securities of the Target Company held by the Existing Shareholders at agreed time period (“**Potential Acquisition**”).

The Transaction Documents have been executed by the relevant parties.



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Further, please note that the aforementioned transactions are subject to fulfilment of certain closing conditions as well as receipt of certain statutory, regulatory or other approvals, as the case may be.

The relevant details as required under the Regulation 30 of the Listing Regulations read with SEBI master circular dated July 11, 2023, bearing no. SEBI/HO/CFD/PoD2/CIR/P/2023/120, and SEBI circular dated July 13, 2023, bearing reference no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, are enclosed as **Annexure A**.

The meeting commenced at 6.00 PM and concluded at 10.15 PM.

This is for your information and records

Thanking you,

Yours truly,

For Gokaldas Exports Limited

Gourish Hegde
Company Secretary & Compliance Officer

Encl: as above



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ANNEXURE-A

Sr. No	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc.	<p>1. <u>Name</u>: BRFL Textiles Private Limited</p> <p>2. <u>Details</u>: The Target Company is engaged in the business of manufacture and sale of textiles and operates a dyeing, printing and fabric processing facility at plot No C-6, C-7, Tarapur Industrial Area, MIDC Tarapur, Village – Salwad Palghar, Palghar, Maharashtra, 401506. It is primarily engaged in the production and sale of fabric in the Indian domestic market under the brand names ‘LinenVogue-La Classe’, ‘Giza Classe’ and ‘Bombay Rayon’ through distributors, traders and garment manufacturers.</p> <p>3. <u>Turnover</u>: The revenue from operations of the Target Company for FY 2023-2024 is approximately INR 473.88 crore (as per provisional accounts).</p>
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms length”	<p>No, the proposed transaction would not fall within related party transactions.</p> <p>No promoter/ promoter group/ group companies of the Company have any interest in the Target Company.</p>
3.	Industry to which the entity being acquired belongs	Textile and apparel
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The Target Company is engaged in the business of manufacturing of wide range of fabrics. This investment allows the Company to integrate backwards into sourcing high-quality fabric at competitive prices by which the Company expects to garner a significant competitive advantage.
5.	Brief details of any governmental or regulatory approvals required for the acquisition.	<p>1. The Investment would be subject to the approval from shareholders and the existing lenders of the Target Company.</p> <p>2. Depending on the manner in which the Potential Acquisition is implemented, various statutory, regulatory or other approvals may be required including necessary corporate authorisations.</p>



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6.	Indicative time period for completion of the acquisition	<ol style="list-style-type: none"> 1. Subject to fulfilment of closing conditions as agreed between the parties and receipt of relevant approvals/ consents, (a) the First Tranche is expected to be completed within thirty [30] days from the execution of the SSA; and (b) all other tranches regarding subscription of a portion or all of the remaining OCDs may be completed by June 30, 2025. 2. The Potential Acquisition is subject to fulfilment of certain conditions and receipt of applicable regulatory, statutory or other approvals/ consents including necessary corporate authorisations (depending on the manner of its implementation). The Potential Acquisition is expected to be completed by December 31, 2026, or such other mutually agreed date.
7.	Nature of consideration - whether cash consideration or share swap and details of the same	<ol style="list-style-type: none"> 1. The Investment is being undertaken vide cash consideration in tranches. 2. The nature of consideration would depend on the mode adopted for implementing the Potential Acquisition. If a merger is undertaken (which at this stage is not certain), then the Existing Shareholders would receive the securities of the Company. However, if the Company acquires all the securities of the Target Company from its Existing Shareholders, then the consideration would be paid in cash.
8.	Cost of acquisition and/or the price at which the shares are acquired	<p>The aggregate consideration for the Investment is upto INR 350,00,00,000 (Indian Rupees Three Hundred Fifty Crore). It comprises of the following:</p> <ol style="list-style-type: none"> 1. INR 50,00,00,000 (Indian Rupees Fifty Crore) in the first tranche; and 2. Upto INR 300,00,00,000 (Indian Rupees Three Hundred Crore) in subsequent multiple tranches, subject to the funding requirements of the Target Company. <p>The aggregate consideration for the Potential Acquisition is INR 587.50 Crores (subject to valuation adjustments as set out under the Transaction Documents).</p>



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9.	Percentage of shareholding/ control acquired and / or number of shares acquired	<ol style="list-style-type: none"> The Investment is being undertaken through subscription of OCDs (in multiple tranches). The Company would not acquire control over the Target Company pursuant to the Investment. For completeness, should the Company decide to convert all OCDs into equity shares of the Target Company, then such OCDs will be converted into equity shares of the Target Company based on its fair market value at the time of such conversion. Pursuant to the Potential Acquisition (and depending on its manner of implementation), the Target Company may either be merged with the Company, or the Target Company will become a subsidiary of the Company. It is clarified that at this stage, merger is not certain and there can be no assurance that it will be undertaken. 												
10.	Brief background about the entity acquired in terms of products/ line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<ol style="list-style-type: none"> <u>Name</u>: The Target Company was incorporated as 'BRFL Textiles Private Limited' on August 20, 2020, as private limited company under Indian laws. <u>Details</u>: The Target Company is engaged in the business of manufacture and sale of textiles and operates a dyeing, printing and fabric processing facility at plot No C-6, C-7, Tarapur Industrial Area, MIDC Tarapur, Village – Salwad Palghar, Palghar, Maharashtra, 401506. It is primarily engaged in the production and sale of fabric in the Indian domestic market under the brand names 'LinenVogue-La Classe', 'Giza Classe' and 'Bombay Rayon' through distributors, traders and garment manufacturers. <u>Turnover</u>: The Target Company's revenue from operations for FY 2021-2022, FY 2022-2023 and FY 2023-2024 (as per provisional accounts) is as follows: <table border="1" data-bbox="792 1535 1385 1646"> <thead> <tr> <th colspan="4" style="text-align: right;">INR mn</th> </tr> <tr> <th>Particulars</th> <th>FY 2021-22</th> <th>FY 2022-23</th> <th>FY 2023-24</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>7,318.30</td> <td>6,359.00</td> <td>4,738.77</td> </tr> </tbody> </table> <u>Country</u>: The Target Company's business is undertaken in India. 	INR mn				Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Turnover	7,318.30	6,359.00	4,738.77
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