

gokaldas exports Ltd

GEL/SEC/2018-19

12th November, 2018

BSE Limited
Floor 25, P.J Towers,
Dalal Street,
MUMBAI - 400 001

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

SCRIP CODE: 532630

GOKEX

Dear Sir,

Sub: Outcome of the Board Meeting held today - 12th November, 2018

Ref: Regulation 33 & read with Regulation 30, Schedule III, Part A (4) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 33 read with Regulation 30, Schedule III, Part A (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed a statement of Un-audited Financial Results for the quarter and half year ended 30th September, 2018 as per IndAS which was taken on record by the Board of Directors at their meeting held today (on 12th November, 2018).

The Board of Directors have approved the limited review report at their meeting held on 12th November, 2018 for the quarter and half year ended 30th September, 2018. We enclose a copy of the limited review report issued by Statutory Auditor M/s. MSKA & Associates, Chartered Accountants.

Further, the Board had considered and approved Followings items:

1. The Board approved the appointment of Mr. Prabhat Kumar Singh (Holding DIN 08275987) as an Additional Director and Executive Director of the Company effective 12th November, 2018, subject to the approval of the members
2. The Board approved the appointment of Mr. Gautham Madhavan (Holding DIN 02826558) as an Additional Director and Non - Executive Director of the Company effective 12th November, 2018, subject to the approval of the members.
3. The Board approved the resignation of Mr. Palaniappan Chidambaram - Non-Executive Director of the Company effect from the close of working hours of 12th November, 2018.

The Meeting Commenced at 14.00 PM and concluded at 18.00 P.M.

Enclosures:

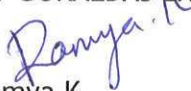
1. Brief Profile of Appointment of Mr. Prabhat Kumar Singh
2. Brief Profile of Appointment of Mr. Gautham Madhavan

Kindly acknowledge the receipt

Thanking you,

Yours truly,

for GOKALDAS EXPORTS LIMITED


Ramya K
Company Secretary



Regd. Office :

#16/2, Residency Road, BANGALORE - 560 025 (INDIA)

Telephone : 22223600 - 1- 2, 41272200

Fax No. 91 - (080) - 22274869, 22277497, E-mail : gokex@vsnl.com



Intertek



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gokaldas exports ltd

GOKALDAS EXPORTS LIMITED

Corporate Identity Number (CIN) : L18101KA2004PLC033475

Regd. Off: No.16/2, Residency Road, Bengaluru - 560 025

E-mail : gokex@gokaldasexports.com WEBSITE : www.gokaldasexports.com

Statement of unaudited standalone Ind AS financial results for the quarter and half year ended September 30, 2018

(in Rs. lakh, except earnings per share)

S. No.	Particulars	Quarter ended			Half year ended		Year ended
		Sep 30, 2018	June 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017	March 31, 2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Income						
	(a) Revenue from operations (inclusive of excise duty)	29,407.69	28,490.67	26,069.15	57,898.36	49,842.69	102,626.18
	(b) Other income	487.00	276.90	1,367.25	763.90	2,722.69	4,688.11
	Total Income	29,894.69	28,767.57	27,436.40	58,662.26	52,565.38	107,314.29
II	Expenses						
	(a) Cost of materials consumed	12,362.75	15,016.23	12,707.46	27,378.98	25,244.10	52,698.75
	(b) Excise duty	-	-	-	-	48.50	48.50
	(c) Changes in inventories of work-in-progress and finished goods	1,849.89	(2,305.41)	1,736.02	(455.52)	1,716.86	1,034.58
	(d) Employee benefit expenses	9,513.88	9,174.76	8,537.92	18,688.64	11,164.41	28,150.56
	(e) Finance costs	882.49	905.76	892.34	1,788.25	1,832.29	3,742.31
	(f) Depreciation and amortisation expenses	398.32	378.76	388.85	777.08	763.38	1,598.87
	(g) Job work charges	449.74	552.18	137.24	1,001.92	6,659.36	7,300.31
	(h) Other expenses	4,286.10	4,639.81	4,002.39	8,925.91	6,953.41	15,615.39
	Total expenses	29,743.17	28,362.09	28,402.22	58,105.26	54,382.31	110,189.27
III	Profit / (loss) before tax (I + II)	151.52	405.48	(965.82)	557.00	(1,816.93)	(2,874.98)
IV	Tax expenses						
	Income tax	-	-	(38.40)	-	(44.59)	-
	Deferred tax	-	-	(38.40)	-	(44.59)	-
	Total tax expenses	-	-	(38.40)	-	(44.59)	-
V	Net profit / (loss) for the period / year (III ± IV)	151.52	405.48	(927.42)	557.00	(1,772.34)	(2,874.98)
VI	Other Comprehensive Income / (loss) (net of tax)						
	(A) (i) Items that will not be reclassified to profit or loss						
	Re-measurement gains/ (losses) on defined benefit plans	3.51	3.32	110.94	6.83	128.82	10.64
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	(38.40)	-	(44.59)	-
	(B) (i) Items that will be reclassified to profit or loss	(2,067.83)	(533.81)	(576.87)	(2,601.64)	(1,073.12)	(1,123.80)
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income / (loss) for the period / year	(2,064.32)	(530.49)	(504.33)	(2,594.81)	(988.89)	(1,113.16)
VII	Total Comprehensive Income for the period / year (Comprising profit/(loss) and Other Comprehensive Income/(loss) (net of tax) for the period/year (V ± VI))	(1,912.80)	(125.01)	(1,431.75)	(2,037.81)	(2,761.23)	(3,988.14)
VIII	Paid-up equity share capital (face value Rs 5 each, fully paid up)	2,140.78	2,138.16	1,746.97	2,140.78	1,746.97	1,747.64
IX	Earnings per equity share (EPS)						
	(a) Basic	0.35	1.01	(2.45)	1.35	(4.83)	(8.23)
	(b) Diluted	0.35	0.99	(2.45)	1.32	(4.83)	(8.23)



Regd. Office :

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Fax No. 91 - (080) - 33477491, E-mail : gokex@vsnl.com

CIN : L18101KA2004PLC033475



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Particulars	Rs. In Lakhs	
	Sep 30, 2018	March 31, 2018
	Unaudited	Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	9,062.15	9,119.35
(b) Capital work-in-progress	66.70	7.00
(c) Other intangible assets	147.76	125.71
(d) Financial assets		
(i) Investments	2,890.46	2,890.46
(ii) Loans and advances	1,544.27	1,471.51
(iii) Other financial assets	13,450.89	14,096.23
(e) Non-current tax assets (net)	504.74	435.28
(f) Other non-current assets	608.73	375.52
	28,275.70	28,521.06
(2) Current assets		
(a) Inventories	17,684.65	17,297.79
(b) Financial assets		
(i) Investments	4,783.89	-
(ii) Trade receivables	15,864.63	21,486.84
(iii) Cash and cash equivalents	1,946.00	1,642.78
(iv) Other financial assets	1,106.56	2,301.03
(c) Other current assets	4,871.48	6,806.71
	46,257.21	49,535.15
(3) Assets classified as held for sale	626.56	626.56
Total assets (1+2+3)	75,159.47	78,682.77
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	2,140.78	1,747.64
(b) Other equity	15,397.17	10,938.71
Total equity	17,537.95	12,686.35
Liabilities		
(2) Non-current liabilities		
(a) Provision for employee benefits	441.96	369.81
	441.96	369.81
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	38,911.08	47,244.96
(ii) Trade payables	5,534.11	9,535.75
(iii) Other current financial liabilities	9,781.56	5,983.15
(b) Other current liabilities		
(c) Provision for employee benefits	800.37	805.95
	2,152.44	2,056.80
	57,179.56	65,626.61
Total equity and liabilities (1+2+3)	75,159.47	78,682.77

Notes to Statement of unaudited standalone Ind AS financial results for the quarter and half year ended September 30, 2018:

- The standalone unaudited Ind AS financial results of the Company for the quarter and half year ended September 30, 2018 can be viewed on the Company's website www.gokaldasexports.com or on the website of NSE (www.nse-india.com) and BSE (www.bseindia.com).
- The above financial results of Gokaldas Exports Limited ('the Company') have been prepared in accordance with Indian Accounting Standards - Ind AS 34 on 'Interim Financial Reporting' as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016.
- Gokaldas Exports Limited ('the Company') operates in a single business segment of manufacture and sale of garments. Accordingly, no further segment disclosures are required.



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4 The Company had applied for a scheme of amalgamation of 9 wholly owned subsidiary companies with the Company. The appointed date of amalgamation is April 01, 2016. The application was filed with the Hon'ble National Company Law Tribunal ("NCLT") on February 23, 2017. The NCLT has passed an order dated September 25, 2017 instructing the Company to conduct Secured Creditors Meeting and shareholders meeting in November 2017. Necessary approval has been obtained from the Secured Creditors (Canara Bank and Corporation Bank) on November 24, 2017 and shareholders of the Company on November 29, 2017 and the Report of the Chairman along with necessary petition has been filed with the NCLT. The approval from NCLT is pending receipt. The next hearing with the NCLT is scheduled for November 20, 2018.

In view of the aforesaid matter and to facilitate ease of business operations, majority of the employees have been transferred from the subsidiary companies to the Company with effect from July 1, 2017.

5 During the previous quarter ended June 30, 2018, pursuant to the approval of the committee of the Board of Directors dated May 3, 2018, the Company had issued 77.08 lakh equity shares of Rs. 5 each, at an issue price of Rs. 90.00 per equity share (including Rs. 85.00 per share towards securities premium) aggregating to Rs. 6,937.20 lakh to qualified institutional buyers under chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the "SEBI Regulations") and provisions of all other applicable laws. The Shareholders had approved the aforesaid issue of equity shares by way of special resolution dated February 8, 2018.

6 Subsequent to the quarter ended September 30, 2018, one of the foreign customers with an aggregate outstanding balance of Rs. 478 lakhs has filed a plan for reorganisation of its business and creditors in the respective jurisdictional court. Consequently, based on advice of legal counsel, the Company has filed a claim with the relevant authorities for the aforesaid receivable. The Company is confident that the impact of non-recoverability of these receivables, if any, will not be material to these financial results, therefore no provision has been made in the above results for the quarter and half year ended September 30, 2018.

7 Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results for the quarter and half year ended September 30, 2018.


8 The statement of unaudited standalone Ind AS financial results for the quarter and half year ended September 30, 2018 have been reviewed by the Audit Committee in their meeting on November 12, 2018 and approved by the Board of Directors in their meeting held on November 12, 2018.

9 The Statutory Auditors have carried out a Limited review of unaudited standalone Ind AS financial results for the quarter ended September 30, 2018 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10 Previous period/ year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current period/ year's classification.

11 The comparative Ind AS financial information of the Company for the immediately preceding quarter ended June 30, 2018; corresponding quarter and year to date from April 1, 2017 to September 30, 2017 were reviewed by the predecessor auditor; and the Ind AS financial statements of the Company for the year ended March 31, 2018, were audited by predecessor auditor who expressed an unmodified opinion on those financial information and financial statements on August 8, 2018; October 30, 2017 and May 24, 2018 respectively.

For Gokaldas Exports Limited


Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Date: November 12, 2018
Place: Bengaluru



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Limited Review Report

Review Report to
The Board of Directors
Gokaldas Exports Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results for the quarter ended September 30, 2018 and the year to-date results for the period April 1, 2018 to September 30, 2018 and financial position as on September 30, 2018 ('the Statement') of Gokaldas Exports Limited ('the Company'), being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 (Listing Regulations).

This Statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results and financial position which are prepared in accordance with Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.



4. The comparative Ind AS financial information of the Company for the immediately preceding quarter ended June 30, 2018; corresponding quarter ended September 30, 2017 and year to date from April 1, 2017 to September 30, 2017 were reviewed by the predecessor auditor; and the Ind AS financial statements of the Company for the year ended March 31, 2018, were audited by predecessor auditor who expressed an unmodified opinion on those financial information and financial statements on August 8, 2018; October 30, 2017 and May 24, 2018 respectively.

Our opinion is not modified in respect of this matter.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.105047W



A handwritten signature in black ink, appearing to read "Deepak Rao", written over a white scribble.

Deepak Rao
Partner
Membership No.:113292

Place: Bengaluru
Date: November 12, 2018

gokaldas exports Ltd

PRESS RELEASE

GOKALDAS EXPORTS

Gokaldas Exports Ltd. continued the journey of growth and profitability in a seasonally weak quarter and delivered a net profit after tax of Rs 1.5 crs in Q2FY19. Some of the key business highlights are

- Q2 FY19 revenues of Rs 298.9 crs; grew year on year by 9%
- EBITDA margins of 5% as against 1.2% in Q2FY18
- Net profit of Rs 1.5 crs during the quarter as compared to loss of Rs 9.7 crs in Q2FY18

H1 FY19 was one of best operating first half in past 10 years, with EBITDA margins of 5% and net profits of Rs 5.6 crs as compared to net loss of Rs 18.2 crs in H1 FY18. The company also reduced its total debt during H1FY19.

Based on current order position the company is set to deliver a healthy H2 FY19, both on revenue growth and margins. The company's focus on 4 thrust areas - customer relationship, operational excellence, business infrastructure and technology and cost effective capacity expansion is likely to lead to sustained growth and profitability.

12th November, 2018



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Mr Prabhat Kumar Singh is a graduate in Business Management and a Post Graduate in Business Management from Xavier Labour Relations Institute (XLRI), Jamshedpur

He has more than 35 years of experience in the field of Textiles and manufacturing and held different positions as Development Manager at Synthetic & Rayon Textiles Export Promotion Council, Mumbai, Director at the Apparel Export Promotion Council (AEPC), New Delhi, Executive Director at Union Garments Ltd, Sharjah, UAE and President (Marketing) at Modern Group of Companies at Mumbai.

During his tenure at Apparel Export Promotion Council (AEPC), he had extensively engaged in

- Export promotion, including organizing fairs, exhibitions and buyer-seller meets both in India & abroad.
- Arranging joint ventures and tie-ups for Indian manufacturers with leading international brands for re-export and domestic markets (Pierre Cardin, Levi Strauss)
- Visited several countries for market surveys to identify markets and products for readymade garments, especially for then slow moving items like shirts and developed this business.
- Administrative work of quota, bilateral trade negotiations, formulating recommendations for Governments. Import-export policy for garments, etc. and maintaining extensive contacts with manufacturers/exporters as well as overseas buyers.

He comes with the rich experience in garment manufacturing industry, handled different roles as Head of Projects, Manufacturing Head, Marketing Head & Strategic advisor at different points of time.

Brief Profile of Mr Gautham Madhavan

Annexure 2

Mr. Gautham Madhavan holds a Bachelor's in Business Administration from Symbiosis University, Pune and a Master's in Business Administration from Saïd Business School, Oxford.

Mr. Gautham Madhavan is currently working with the Florintree Advisors Pvt Ltd, an alternate asset management firm based in Mumbai, India. Prior to his MBA he was the Chief of Staff for Hotstar, India's leading digital video streaming service with over 100mm users. He also worked with the Media and Entertainment division at KPMG, in roles across risk and management consulting. He has worked with clients across the Media and Entertainment ecosystem including Bennett Coleman & Company Limited, Sony Entertainment Television and Hungama Digital Media.