

# gokaldas exports ltd

GEL/SEC/2020-21

29<sup>th</sup> January, 2021

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

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

SCRIP CODE: 532630

GOKEX

Dear Sir,

**Sub: Outcome of the Board Meeting held today - 29<sup>th</sup> January 2021**

**Ref: Regulation 33 read with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Reference to the captioned subject, the Board of Directors at their meeting held today i.e. 29<sup>th</sup> January, 2021 have inter-alia approved the Un-audited Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 2020 as per IND AS along with the Limited Review Report.

Copy of the Un-audited Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 2020 along with Limited Review Report issued by the Statutory Auditors M/S. MSKA & Associates, Chartered Accountants is enclosed for your information and record.

The meeting commenced at 1:00 PM and concluded at 5:30 PM

Kindly acknowledge the receipt and take note.

Thanking you,

Yours Truly,

For Gokaldas Exports Limited,

*M S Shrithee*

Shrithee M S  
Company Secretary and Compliance Officer



Encl: As detailed above and Press release



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**Independent Auditor's Review Report on unaudited quarterly and year to date financial results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**The Board of Directors  
Gokaldas Exports Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Gokaldas Exports Limited ('the Company') for the quarter ended December 31, 2020 and the year to-date results for the period April 01, 2020 to December 31, 2020 ('the Statement') attached herewith, 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 amended ('the Regulation').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in 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 principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. 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 prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. **We draw attention to**
  - i) Note 4 to the unaudited standalone financial results which states that one of their foreign customers had filed a plan for reorganization of its business and creditors in the court ('the reorganization plan'). Consequently, based on the recommendation of legal counsel, the Company had filed a claim with the relevant authorities. Based on the settlement by the Administrative Expense Claims Consent Program negotiated under the reorganization plan and considering the expected recovery, the Company has provided for Rs. 523 lakhs against the outstanding balance of Rs. 880 lakhs as at December 31, 2020, after adjusting the realization of Rs. 220 lakhs. No additional provision is considered necessary for the quarter ended December 31, 2020.

Additionally, during the quarter ended June 30, 2020, another foreign customer with an aggregate outstanding balance of Rs. 250 Lakhs as at June 30, 2020, had filed for a plan for bankruptcy and reorganization of its business and creditors in the court. The Company had filed a creditor claim and based on assessment of recovery, had created a provision on account of expected credit loss amounting to Rs. 125 Lakhs against the outstanding balance as at June 30, 2020, of Rs. 250 lakhs. Further, for the dispatches made during the period July 2020 to December 2020, which are considered as post-petition with priority status, no additional provision is considered necessary.

- ii) Note 6 to the unaudited standalone financial results which states that the Management has made an assessment of the impact of COVID -19 on the Company's operations, financial performance and position as at and for the quarter ended December 31, 2020 and has concluded that primarily the operational aspects of the business have been affected. Management has also considered the mitigating actions taken and results of its assessment on subsequent events and concluded that there is no significant impact which is required to be recognized in the unaudited standalone financial results.

Our conclusion is not modified in respect of these matters.

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

**Deepak  
Kumar Rao**

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**Deepak Rao**  
Partner  
Membership No.: 113292  
UDIN: 21113292AAAABT1419

**Place: Bengaluru**  
**Date: January 29, 2021**



# gokaldas exports ltd

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## Statement of unaudited standalone Ind AS financial results for the quarter and nine months ended December 31, 2020

(in Rs. lakhs, except earnings per share)							
S. No.	Particulars	Quarter ended			9 months ended		Year ended
		Dec 31, 2020	Sep 30, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	Mar 31, 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>I</b>	<b>Income</b>						
	(a) Revenue from operations	26,448.72	34,033.50	32,095.97	83,864.80	102,385.28	136,220.49
	(b) Other income						
	Income from bank deposits and investment in mutual funds	167.26	221.32	272.10	646.84	839.93	1,103.71
	Others including government grant	403.68	212.98	376.11	694.56	754.85	1,086.57
	<b>Total Income</b>	<b>27,019.66</b>	<b>34,467.80</b>	<b>32,744.18</b>	<b>85,206.20</b>	<b>103,980.06</b>	<b>138,410.77</b>
<b>II</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	13,295.12	14,686.16	18,585.31	39,157.32	51,153.14	69,505.56
	(b) Changes in inventories of work-in-progress and finished goods	(1,519.96)	2,513.69	(4,356.73)	835.93	(659.70)	(618.94)
	(c) Employee benefit expenses	9,791.40	10,122.25	11,885.45	27,307.06	35,537.45	46,698.75
	(d) Finance costs	810.56	984.65	967.59	2,770.55	2,761.97	3,654.55
	(e) Depreciation and amortisation expenses	1,246.32	1,444.13	1,414.71	3,975.32	3,931.45	5,434.45
	(f) Job work charges	21.76	372.00	272.59	796.08	873.35	1,062.79
	(g) (Gain)/loss on account of foreign exchange fluctuations (net)	(137.55)	340.46	(153.89)	891.26	(1,413.98)	(1,292.81)
	(h) Other expenses	2,918.71	3,153.29	3,273.22	8,417.53	9,571.53	12,724.42
	<b>Total expenses</b>	<b>26,426.36</b>	<b>33,616.63</b>	<b>31,888.25</b>	<b>84,151.05</b>	<b>101,755.21</b>	<b>137,168.77</b>
<b>III</b>	<b>Profit/(loss) before tax and exceptional items(I-II)</b>	<b>593.30</b>	<b>851.17</b>	<b>855.93</b>	<b>1,055.15</b>	<b>2,224.85</b>	<b>1,242.00</b>
<b>IV</b>	<b>Exceptional items- (gain)/ loss (Refer note 5)</b>	-	-	2,292.06	-	(312.72)	(1,993.94)
<b>V</b>	<b>Profit / (loss) before tax (III - IV)</b>	<b>593.30</b>	<b>851.17</b>	<b>(1,436.13)</b>	<b>1,055.15</b>	<b>2,537.57</b>	<b>3,235.94</b>
<b>VI</b>	<b>Tax expenses</b>						
	Current tax	113.78	97.27	(187.43)	211.05	141.51	74.19
	Deferred tax (credit)/charge	(113.78)	(97.27)	187.43	(211.05)	(141.51)	(74.19)
	<b>Total tax expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII</b>	<b>Net profit / (loss) for the period / year (V-VI)</b>	<b>593.30</b>	<b>851.17</b>	<b>(1,436.13)</b>	<b>1,055.15</b>	<b>2,537.57</b>	<b>3,235.94</b>
<b>VIII</b>	<b>Other Comprehensive Income / (loss) (net of tax)</b>						
	(A) (i) Items that will not to be reclassified to profit or loss						
	Re-measurement gains/ (losses) on defined benefit plans	75.00	75.00	60.00	225.00	180.00	(198.89)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	(B) Items that will be reclassified to profit or loss:						
	The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	911.22	1,249.81	(28.96)	3,176.37	(1,359.49)	(3,401.95)
	<b>Total Other Comprehensive Income / (loss) for the period / year</b>	<b>986.22</b>	<b>1,324.81</b>	<b>31.04</b>	<b>3,401.37</b>	<b>(1,179.49)</b>	<b>(3,600.84)</b>
<b>IX</b>	<b>Total Comprehensive Income for the period / year (VII+VIII)</b>	<b>1,579.52</b>	<b>2,175.98</b>	<b>(1,405.09)</b>	<b>4,456.52</b>	<b>1,358.08</b>	<b>(364.90)</b>
	(Comprising profit/(loss) and Other Comprehensive Income/(loss) (net of tax) for the period/year						
<b>X</b>	<b>Paid-up equity share capital</b>	<b>2,144.78</b>	<b>2,141.28</b>	<b>2,141.03</b>	<b>2,144.78</b>	<b>2,141.03</b>	<b>2,141.28</b>
	(face value Rs 5 each, fully paid up)						
<b>XI</b>	<b>Earnings per equity share (EPS)</b>						
	(a) Basic (Rs.)	1.38	1.99	(3.35)	2.46	5.93	7.56
	(b) Diluted (Rs.)*	1.30	1.87	(3.35)	2.32	5.57	7.11

\* Employee stock options are not included in the calculation of diluted earnings per share as they are antidilutive for the quarter ended December 31, 2019.



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# gokaldas exports ltd

## Notes to the standalone Ind AS financial results of Gokaldas Exports Limited for the quarter and nine months ended December 31, 2020

- 1 The standalone unaudited Ind AS financial results of the Company for the quarter and nine months ended December 31, 2020 can be viewed on the Company's website [www.gokaldasexports.com](http://www.gokaldasexports.com) or on the website of NSE ([www.nse-india.com](http://www.nse-india.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)).
- 2 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.
- 3 Gokaldas Exports Limited ('the Company') operates in a single business segment of manufacture and sale of garments. Accordingly, no further segment disclosures are required.
- 4 During the previous year ended March 31, 2019, a foreign customer had filed a plan for reorganization of its business and creditors in the court ('the reorganization plan'). Consequently, based on recommendation of legal counsel, the Group had filed a claim for the balances outstanding with the relevant authorities, including for some claims which were eligible for preferential payment. Based on final negotiation and settlement under the reorganization plan by the court appointed administrative claims manager, the Group carries an aggregate provision on account of expected credit loss towards this customer amounting to Rs. 523 Lakhs towards these claims against the total outstanding as at December 31, 2020 of Rs. 880 lakhs.

During the quarter ended June 30, 2020 another foreign customer of the Company had filed for bankruptcy and for a plan for reorganization of its business and creditors in the court. The customer has filed a creditor claim for the outstanding for Rs. 250 Lakhs as at the date of such filing. Based on the assessment of expected recovery the Company had created a provision on account of expected credit loss amounting to Rs. 125 Lakhs. Further, subsequent to the said filing, the Company has made additional despatches of goods against fresh purchase orders from the said customer. These transactions are in the nature of post-petition sales and categorised as priority claim status and are court administered. Accordingly, no additional provision is considered necessary. The balance outstanding as at December 31, 2020 is Rs. 880.21 lakhs (including the aforementioned outstanding of Rs. 250 Lakhs as at the date of pre-petition filing) against which the Company had provided for expected credit loss amounting to Rs. 125 lakhs, as stated above. The Company has further realised an amount of Rs. 614.36 lakhs post December 31, 2020 till the date of financial results.

The Company is confident of recovery of the balance amounts.

### 5 Exceptional items:

a. During the year ended March 31, 2019, the Company had written down the carrying value of the Investment in Yepme UK Limited by recognizing an impairment loss of Rs. 626.56 Lakhs as an exceptional charge. Further to related developments during the previous year on this matter, including claims filed by the Company for the recovery, the Company has reassessed that it is appropriate to reclassify the Investment from 'Associate' to 'Others'.



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6 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been/was further extended till May 3, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the quarter and nine months ended December 31, 2020 and has concluded that the impact is primarily on the operational aspects of the business. Management has been able to address and counter the potential impact on the financial results as at December 31, 2020 such as enhancing borrowing limits, strengthening liquidity, optimisation of resource utilisation, etc.

In assessing the recoverability of receivables including receivables, investments, and other assets, the Company has considered internal and external information up to the date of approval of these financial results including status of existing and future customer orders, cash flow forecasts, commitments with suppliers, etc. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, the Company has also considered the impact of subsequent events in its assessment and concluded that there is no significant impact which is required to be recognised in the financial results. Accordingly, no further adjustments have been made to the financial results.

Considering the dynamic nature of the issue, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

7 During the quarter December 31, 2019, in view of Ministry of Textiles, Government of India's Gazette Notification number CG-DL-E-15012020-215423 dated January 14, 2020, the Company has reversed total export incentives of Rs. 2,292.06 lakhs (net) for the period from March 07, 2019 to September 30, 2019 (of which Rs. 528.60 lakhs pertains to financial year 2018-19) in the standalone financial results and has disclosed the same as an exceptional item. Further, the Company has not accrued export incentives of Rs. 771.87 lakhs for the quarter ended December 31, 2019 in the standalone financial results.

8 For the period/ days of the respective lockdowns imposed by the government, the Company has evaluated the various directions, circulars and orders issued by government authorities regarding payment of wages to employees, and accordingly has paid certain ex-gratia amount to eligible employees for the period of lockdown where they have not worked.

The matter relating to validity of government orders relating to payment of wages during lockdown is pending conclusion with the Honourable Supreme Court of India (SC).

Pending conclusion of such matter, management based on the interim order of SC and advise obtained from external legal expert, has concluded that the Company is in compliance with the relevant requirement on this matter.

The Company will reassess, if necessary, any further actions, based on the final conclusion by the SC in this regard.

Additionally, Employee benefit expenses is lower during the current nine months period compared to the corresponding nine months period on account of optimization including structuring of compensation and manpower due to impact on Company's operations on account of COVID-19.



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- 9 The Company has performed a reassessment of its Expected Credit Loss provision for the nine months ended December 31, 2020 and for certain customers with increased credit risk, made an additional provision of Rs. 350 lakhs in the quarter ended June 30, 2020. This will be reassessed periodically.
- 10 The Indian Parliament had approved the Code on Social Security, 2020. The Ministry of Labour and Employment has notified the draft rules under the Code on Social Security, 2020 on November 13, 2020 inviting objections and suggestions, if any, from the stakeholders. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to Employees' Provident Fund, Employees' State Insurance Corporation, Gratuity, Maternity Benefit, Social Security and Cess in respect of Building and Other Construction Workers, Social Security for Unorganised Workers, Gig Workers and Platform Workers.
- The Company is in the process of assessing the impact and will give appropriate accounting treatment in its financial statements in the period in which the Code on Social Security, 2020 (including the related rules framed thereunder) becomes effective.
- 11 The statement of unaudited standalone Ind AS financial results for the quarter and nine months ended December 31, 2020 have been reviewed by the Audit Committee in their meeting on January 29, 2021 and approved by the Board of Directors in their meeting held on January 29, 2021.
- 12 The Statutory Auditors have carried out a limited review of unaudited standalone Ind AS financial results for the quarter and nine months ended December 31, 2020 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 13 Previous period/ year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current period/ year's classification.

For Gokaldas Exports Limited



Sivaramakrishnan Vilayur Ganapathi  
Managing Director  
DIN: 07954560



Date: January 29, 2021  
Place: Bengaluru



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**Independent Auditor's Review Report on Consolidated Unaudited Quarterly and year to date financial results of the Group pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**The Board of Directors  
 Gokaldas Exports Limited**

1. We have reviewed the accompanying statement of consolidated unaudited financial results of Gokaldas Exports Limited ('the Holding Company'), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') for the quarter ended December 31, 2020 and the year to-date results for the period from April 01, 2020 to December 31, 2020 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 financial results are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr. No	Name of the Company	Relationship with the Holding Company
1	All Colour Garments Private Limited	Subsidiary
2	SNS Clothing Private Limited	Subsidiary
3	Vignesh Apparels Private Limited	Subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

**6. We draw attention to**

- i) Note 4 to the unaudited Consolidated financial results which states that one of the foreign customers of the Holding Company had filed a plan for reorganization of its business and creditors in the court ('the reorganization plan'). Consequently, based on the recommendation of legal counsel, the Holding Company had filed a claim with the relevant authorities. Based on the settlement by the Administrative Expense Claims Consent Program negotiated under the reorganization plan and considering the expected recovery, the Group has provided for Rs. 523 lakhs against the outstanding balance of Rs. 880 lakhs as at December 31, 2020. No additional provision is considered necessary for the quarter ended December 31, 2020.

Additionally, during the quarter ended June 30, 2020, another foreign customer of the Holding Company with an aggregate outstanding balance of Rs. 250 Lakhs as at June 30, 2020, had filed for a plan for bankruptcy and reorganization of its business and creditors in the court. The Holding Company had filed a creditor claim and based on assessment of recovery, had created a provision on account of expected credit loss amounting to Rs. 125 Lakhs against the outstanding balance as at June 30, 2020, of Rs. 250 lakhs. Further, for the dispatches made during the period July 2020 to December 2020, which are considered as post-petition with priority status, no additional provision is considered necessary.

- ii) Note 6 to the unaudited consolidated financial results which states that the Management of the Holding Company has made an assessment of the impact of COVID -19 on the Group's operations, financial performance and position as at and for the quarter ended December 31, 2020 and has concluded that primarily the operational aspects of the business have been affected. Management has also considered the mitigating actions taken and results of its assessment on subsequent events and concluded that there is no significant impact which is required to be recognized in the unaudited consolidated financial results.

Our conclusion is not modified in respect of the above matters.

The consolidated unaudited financial results include the interim unaudited financial results of three subsidiaries which have not been reviewed by their auditors, whose interim unaudited financial results reflect total revenue of Rs. 64.33 Lakhs and Rs. 103.77 Lakhs, total net profit/(loss) after tax of Rs. 11.38 Lakhs and Rs. (9.93) Lakhs and total comprehensive income / (loss) of Rs. 12.13 Lakhs and Rs. (7.68) Lakhs for the quarter ended December 31, 2020 and for the period from April 1, 2020 to December 31, 2020, respectively as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim unaudited financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

**For MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No.105047W

**Deepak  
Kumar Rao**

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**Deepak Rao**  
Partner

Membership No.: 113292

UDIN: 21113292AAAABU6743

Place: Bengaluru

Date: January 29, 2021



# gokaldas exports ltd

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## Statement of unaudited consolidated Ind AS financial results for the quarter and nine months ended December 31, 2020

(in Rs. lakhs, except earnings per share)

S. No.	Particulars	Quarter ended			9 months ended		Year ended
		Dec 31, 2020	Sep 30, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	Mar 31, 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>I</b>	<b>Income</b>						
	(a) Revenue from operations	26,503.99	34,053.83	32,202.97	83,948.90	102,614.19	136,524.48
	(b) Other income						
	Income from bank deposits and investment in mutual funds	167.26	221.32	272.10	646.84	839.93	1,103.71
	Others including government grant	404.98	214.27	377.21	699.54	759.61	1,094.43
	<b>Total Income</b>	<b>27,076.23</b>	<b>34,489.42</b>	<b>32,852.28</b>	<b>85,295.28</b>	<b>104,213.73</b>	<b>138,722.62</b>
<b>II</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	13,311.98	14,656.35	18,651.99	39,154.73	51,277.07	69,609.75
	(b) Changes in inventories of work-in-progress and finished goods	(1,493.83)	2,567.00	(4,393.30)	960.13	(656.80)	(414.71)
	(c) Employee benefit expenses	9,801.57	10,131.03	11,897.07	27,335.06	35,572.01	46,742.44
	(d) Finance costs	814.96	988.75	975.97	2,783.14	2,782.76	3,682.47
	(e) Depreciation and amortisation expenses	1,258.07	1,455.90	1,426.56	4,010.59	3,966.99	5,481.92
	(f) Job work charges	21.76	372.00	272.59	796.08	874.43	1,063.87
	(g) (Gain)/loss on account of foreign exchange fluctuations (net)	(137.55)	340.46	(153.89)	891.26	(1,413.98)	(1,292.81)
	(h) Other expenses	2,894.59	3,111.42	3,220.10	8,319.07	9,682.13	12,804.92
	<b>Total expenses</b>	<b>26,471.55</b>	<b>33,622.91</b>	<b>31,897.09</b>	<b>84,250.06</b>	<b>102,084.61</b>	<b>137,677.85</b>
<b>III</b>	<b>Profit/(loss) before tax and exceptional items(I-II)</b>	<b>604.68</b>	<b>866.51</b>	<b>955.19</b>	<b>1,045.22</b>	<b>2,129.12</b>	<b>1,044.77</b>
<b>IV</b>	<b>Exceptional items- (gain)/ loss (Refer note 5)</b>	-	-	2,292.06	-	(312.72)	(1,993.94)
<b>V</b>	<b>Profit / (loss) before tax (III - IV)</b>	<b>604.68</b>	<b>866.51</b>	<b>(1,336.87)</b>	<b>1,045.22</b>	<b>2,441.84</b>	<b>3,038.71</b>
<b>VI</b>	<b>Tax expenses</b>						
	Current tax	113.78	97.27	(187.43)	211.05	141.51	74.19
	Deferred tax (credit)/charge	(113.78)	(97.27)	187.43	(211.05)	(141.51)	(74.19)
	<b>Total tax expenses</b>	-	-	-	-	-	-
<b>VII</b>	<b>Net profit / (loss) for the period / year (V-VI)</b>	<b>604.68</b>	<b>866.51</b>	<b>(1,336.87)</b>	<b>1,045.22</b>	<b>2,441.84</b>	<b>3,038.71</b>
<b>VIII</b>	<b>Other Comprehensive Income / (loss) (net of tax)</b>						
	(A) (i) Items that will not to be reclassified to profit or loss						
	Re-measurement gains/ (losses) on defined benefit plans	75.75	75.75	60.00	227.25	180.00	(196.65)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	(B) Items that will be reclassified to profit or loss:						
	The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	911.22	1,249.81	(28.96)	3,176.37	(1,359.49)	(3,401.95)
	<b>Total Other Comprehensive Income / (loss) for the period / year</b>	<b>986.97</b>	<b>1,325.56</b>	<b>31.04</b>	<b>3,403.62</b>	<b>(1,179.49)</b>	<b>(3,598.60)</b>
<b>IX</b>	<b>Total Comprehensive Income for the period / year (VII+VIII)</b>	<b>1,591.65</b>	<b>2,192.07</b>	<b>(1,305.83)</b>	<b>4,448.84</b>	<b>1,262.35</b>	<b>(559.89)</b>
	(Comprising profit/(loss) and Other Comprehensive Income/(loss) (net of tax) for the period/year						
<b>X</b>	<b>Paid-up equity share capital</b>	<b>2,144.78</b>	<b>2,141.28</b>	<b>2,141.03</b>	<b>2,144.78</b>	<b>2,141.03</b>	<b>2,141.28</b>
	(face value Rs 5 each, fully paid up)						
<b>XI</b>	<b>Earnings per equity share (EPS)</b>						
	(a) Basic (Rs.)	1.41	2.02	(3.12)	2.44	5.70	7.10
	(b) Diluted (Rs.)*	1.33	1.91	(3.12)	2.30	5.36	6.67

\* Employee stock options are not included in the calculation of diluted earnings per share as they are antidilutive for the quarter ended December 31, 2019.



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# gokaldas exports ltd

## Notes to the consolidated Ind AS financial results of Gokaldas Exports Limited for the quarter and nine months ended December 31, 2020

- 1 The consolidated unaudited Ind AS financial results of Gokaldas Exports Limited (the Company) and its subsidiaries (cumulatively referred to as 'Group') for the quarter and nine months ended December 31, 2020 can be viewed on the Company's website [www.gokaldasexports.com](http://www.gokaldasexports.com) or on the website of NSE ([www.nse-india.com](http://www.nse-india.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)).
- 2 The above financial results of the Group 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.
- 3 The Group operates in a single business segment of manufacture and sale of garments. Accordingly, no further segment disclosures are required.
- 4 During the previous year ended March 31, 2019, a foreign customer had filed a plan for reorganization of its business and creditors in the court ('the reorganization plan'). Consequently, based on recommendation of legal counsel, the Group had filed a claim for the balances outstanding with the relevant authorities, including for some claims which were eligible for preferential payment. Based on final negotiation and settlement under the reorganization plan by the court appointed administrative claims manager, the Group carries an aggregate provision on account of expected credit loss towards this customer amounting to Rs. 523 Lakhs towards these claims against the total outstanding as at December 31, 2020 of Rs. 880 lakhs.

During the quarter ended June 30, 2020 another foreign customer of the Group had filed for bankruptcy and for a plan for reorganization of its business and creditors in the court. The customer has filed a creditor claim for the outstanding for Rs. 250 Lakhs as at the date of such filing. Based on the assessment of expected recovery the Group had created a provision on account of expected credit loss amounting to Rs. 125 Lakhs. Further, subsequent to the said filing, the Group has made additional despatches of goods against fresh purchase orders from the said customer. These transactions are in the nature of post-petition sales and categorised as priority claim status and are court administered. Accordingly, no additional provision is considered necessary. The balance outstanding as at December 31, 2020 is Rs. 880.21 lakhs (including the aforementioned outstanding of Rs. 250 Lakhs as at the date of pre-petition filing) against which the Group had provided for expected credit loss amounting to Rs. 125 lakhs, as stated above. The Group has further realised an amount of Rs. 614.36 lakhs post December 31, 2020 till the date of financial results.

The Group is confident of recovery of the balance amounts.

### 5 Exceptional items:

- a. During the year ended March 31, 2019, the Group had written down the carrying value of the Investment in Yepme UK Limited by recognizing an impairment loss of Rs. 626.56 Lakhs as an exceptional charge. Further to related developments during the previous year on this matter, including claims filed by the Group for the recovery, the Group has reassessed that it is appropriate to reclassify the Investment from 'Associate' to 'Others'.



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6 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been/was further extended till May 3, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the quarter and nine months ended December 31, 2020 and has concluded that the impact is primarily on the operational aspects of the business. Management has been able to address and counter the potential impact on the financial results as at December 31, 2020 such as enhancing borrowing limits, strengthening liquidity, optimisation of resource utilisation, etc.

In assessing the recoverability of receivables including receivables, investments, and other assets, the Group has considered internal and external information up to the date of approval of these financial results including status of existing and future customer orders, cash flow forecasts, commitments with suppliers, etc. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets, the Group has also considered the impact of subsequent events in its assessment and concluded that there is no significant impact which is required to be recognised in the financial results. Accordingly, no further adjustments have been made to the financial results.

Considering the dynamic nature of the issue, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

7 During the quarter ended December 31, 2019, in view of Ministry of Textiles, Government of India's Gazette Notification number CG-DL-E-15012020-215423 dated January 14, 2020, the Group has reversed total export incentives of Rs. 2,292.06 lakhs (net) for the period from March 07, 2019 to September 30, 2019 (of which Rs. 528.60 lakhs pertains to financial year 2018-19) in the consolidated financial results and has disclosed the same as an exceptional item. Further, the Group has not accrued export incentives of Rs. 771.87 lakhs for the quarter ended December 31, 2019 in the consolidated financial results.

8 For the period/ days of the respective lockdowns imposed by the government, the Group has evaluated the various directions, circulars and orders issued by government authorities regarding payment of wages to employees, and accordingly has paid certain ex-gratia amount to eligible employees for the period of lockdown where they have not worked.

The matter relating to validity of government orders relating to payment of wages during lockdown is pending conclusion with the Honourable Supreme Court of India (SC).

Pending conclusion of such matter, management based on the interim order of SC and advise obtained from external legal expert, has concluded that the Group is in compliance with the relevant requirement on this matter.

The Group will reassess, if necessary, any further actions, based on the final conclusion by the SC in this regard.

Additionally, Employee benefit expenses is lower during the current nine months period compared to the corresponding nine months period on account of optimization including structuring of compensation and manpower due to impact on Group's operations on account of COVID-19.



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- 9 The Group has performed a reassessment of its Expected Credit Loss provision for the nine months ended December 31, 2020 and for certain customers with increased credit risk, made an additional provision of Rs. 350 lakhs in the quarter ended June 30, 2020. This will be reassessed periodically.
- 10 The Indian Parliament had approved the Code on Social Security, 2020. The Ministry of Labour and Employment has notified the draft rules under the Code on Social Security, 2020 on November 13, 2020 inviting objections and suggestions, if any, from the stakeholders. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to Employees' Provident Fund, Employees' State Insurance Corporation, Gratuity, Maternity Benefit, Social Security and Cess in respect of Building and Other Construction Workers, Social Security for Unorganised Workers, Gig Workers and Platform Workers.
- The Group is in the process of assessing the impact and will give appropriate accounting treatment in its financial statements in the period in which the Code on Social Security, 2020 (including the related rules framed thereunder) becomes effective.
- 11 The statement of unaudited consolidated Ind AS financial results for the quarter and nine months ended December 31, 2020 have been reviewed by the Audit Committee in their meeting on January 29, 2021 and approved by the Board of Directors in their meeting held on January 29, 2021.
- 12 The Statutory Auditors have carried out a limited review of unaudited consolidated Ind AS financial results for the quarter and nine months ended December 31, 2020 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 13 Previous period/ year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current period/ year's classification.

For Gokaldas Exports Limited



Sivaramakrishnan Vilayur Ganapathi  
Managing Director  
DIN: 07954560



Date: January 29, 2021

Place: Bengaluru



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## **GOKALDAS EXPORTS LIMITED**

### **PRESS RELEASE**

Gokaldas Exports Limited delivered yet another strong quarter in terms of profitability with a total income of Rs. 270.8 Crores, EBITDA of Rs. 26.8 Crores and net profit of Rs. 6.0 Crores in Q3 FY21.

#### **Key Highlights of Q3, FY 2021**

- Total income of Rs. 270.8 Crores, a decline by 17.6% on YoY basis. Export revenue was down by 11% YoY, on account of excess unsold inventory with customers from spring 2020 due to lockdowns in major markets then. Domestic revenue was consciously brought down by 35% YoY to limit exposure to weak market conditions.
- Generated EBITDA of Rs. 26.8 Crores compared to Rs. 33.6 Crores in the previous year Q3.
- Net debt is Rs.150 Crores, a reduction of Rs.54 Crores compared to 31<sup>st</sup> March 2020.

Through this pandemic impacted period, the company ensured on-time delivery, optimised capacity utilisation, adopted cost austerity measures and ensured excellence in customer service enabling the company to deliver a superior performance.

**Date: 29<sup>th</sup> January 2021**

