

# gokaldas exports ltd

GEL/SEC/2019-20

4<sup>th</sup> February, 2020

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 - 4<sup>th</sup> February 2020**

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

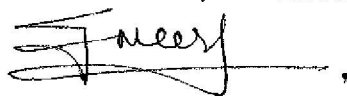
Reference to the captioned subject and pursuant to Regulation 33 read with Regulation 30, Schedule III, Part A (4) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a statement of the Un-audited Financial Results for the quarter ended 31<sup>st</sup> December 2019 as per IND AS which was taken on record by the Board of Directors at their meeting held today, 4<sup>th</sup> February 2020.

The Board of Directors have approved the Limited Review Report at their meeting held on 4<sup>th</sup> February 2020 for the quarter ended 31<sup>st</sup> December 2019. We enclose a copy of the Limited Review Report issued by the Statutory Auditors M/S. MSKA & Associates, Chartered Accountants.

The meeting commenced at 1:00PM and concluded at 6:15 PM

Kindly acknowledge the receipt and take note.

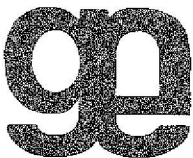
Thanking you,  
Yours Truly  
For Gokaldas Exports Limited,



Sameer Sudarshan R.V.  
Company Secretary and Compliance Officer



Encl: As detailed above and Press release



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# 16/2, Residency Road, Bangalore - 560 025. (INDIA)  
Telephone : 41272200, 41272220  
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CIN : L18101KA2004PLC033475





**MSKA**

**& Associates**

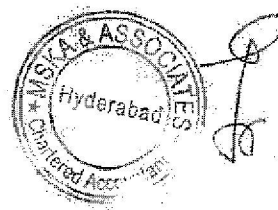
Chartered Accountants

1101/B, Manjeera Trinity Corporate,  
JNTU-Hitech City Road, Kukatpally,  
Hyderabad-500072, Telangana, INDIA  
Tel: +91 40 6814 2999

**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, 2019 and the year to-date results for the period April 1, 2019 to December 31, 2019 ('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. Emphasis of matter

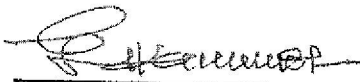
We draw attention to Note 5 to the unaudited financial results which states that certain foreign customers with an aggregate outstanding balance of Rs. 1,040 lakhs as on December 31, 2019 have filed a plan for reorganization of its business and creditors in the court ('the reorganization plan'). Consequently, based on recommendation of legal counsel, the Company has filed a claim ('the pre-petition claim') of Rs. 441 lakhs with the relevant authorities in relation to the sales made prior to filing of the reorganization plan. The remaining balance pertains to administrative claims from post-petition sales. Based on the expected recovery as per the Administrative Expense Claims Consent Program negotiated under the reorganization plan, the Company has created a cumulative provision on account of expected loss amounting to Rs. 495 lakhs towards claims including Rs. 251 lakhs provided in the current quarter.

Our conclusion is not modified in respect of this matter.

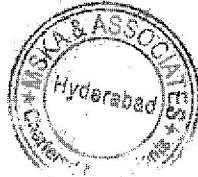
6. The financial information for the quarter ended December 31, 2018, reviewed by us, is as adjusted for accounting adjustments pursuant to the scheme of amalgamation and arrangement between the Company and its subsidiaries as approved by the National Company Law Tribunal (NCLT) vide order dated March 8, 2019, the appointed date being April 1, 2016, which have been reviewed by us.

Our conclusion is not modified in respect of this matter.

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



Ananthakrishnan G  
Partner  
Membership No.: 205226  
UDIN: 20205226AAAADR8594



Place: Hyderabad  
Date: February 04, 2020



**MSKA**  
& Associates

Chartered Accountants

1101/B, Manjeera Trinity Corporate,  
JNTU-Hitech City Road, Kukatpally,  
Hyderabad-500072, Telangana, INDIA  
Tel: +91 40 6814 2999

**Independent Auditor's Review Report on Consolidated Unaudited Quarterly and year to date financial results of the Group, its Associate and Joint Venture 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, 2019 and the year to-date results for the period from April 1, 2019 to December 31, 2019 ('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'). Attention is drawn to the fact that the figures for the corresponding quarter and nine months ended December 31, 2018, as reported in the consolidated unaudited financial results have been approved by the Holding Company's Board of Directors but have not been subject to review.
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:

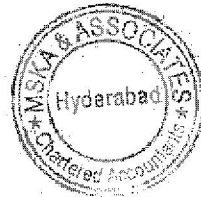
Sr. No	Name of the Company	Relationship with the Holding Company
1	All Colour Garments Private Limited	Subsidiary
2	SNS Clothing Private Limited	Subsidiary
3	Vignesh Apparels Private Limited	Subsidiary

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. **Emphasis of matter**

We draw attention to Note 4 to the unaudited financial results which states that certain foreign customers with an aggregate outstanding balance of Rs. 1,040 Lakhs as on December 31, 2019 have 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 has filed a claim ('the pre-petition claim') of Rs. 441 lakhs with the relevant authorities in relation to the sales made prior to filing of the reorganization plan. The remaining balance pertains to administrative claims from post-petition sales. Based on the expected recovery as per the Administrative Expense Claims Consent Program negotiated under the reorganization plan, the Group has created a cumulative provision on account of expected loss amounting to Rs. 495 lakhs towards these claims including Rs. 251 lakhs provided in the current quarter.

Our conclusion is not modified in respect of this matter.



7. The consolidated unaudited financial results includes the interim financial results of three subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 209.54 lakhs and Rs. 436.18 lakhs, total net profit/(loss) after tax of Rs. 99.29 lakhs and Rs. (95.72) lakhs and total comprehensive income / (loss) of Rs 99.30 lakhs and Rs. (95.72) lakhs for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 2019, respectively, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

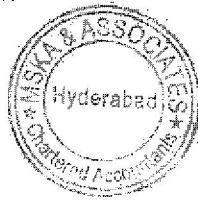
Our conclusion on the Statement is not modified in respect of the above matter.

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



Ananthakrishnan G  
Partner

Membership No.: 205226  
UDIN: 20205226AAAADT8062



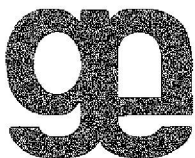
Place: Hyderabad  
Date: February 04, 2020

# gokaldas exports ltd

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Statement of unaudited standalone Ind AS financial results for the quarter and nine months ended December 31, 2019

S. No.	Particulars	Quarter ended			(in Rs. lakhs, except earnings per share)		
		9 months ended		Year ended	9 months ended		Year ended
		Dec 31, 2019	Sep 30, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018	Mar 31, 2019
	Unaudited	Unaudited	Unaudited (Refer note 11)	Unaudited	Unaudited (Refer note 11)	Audited	
I	<b>Income</b>						
	(a) Revenue from operations	32,095.97	36,163.81	26,607.74	102,385.28	84,711.20	117,337.17
	(b) Other income						
	Gain on account of foreign exchange fluctuations (net)	153.89	748.37	-	1,413.98	-	-
	Income from bank deposits and investment in mutual funds	272.10	297.09	325.07	839.93	766.89	1,981.61
	Government grant and other income	376.11	198.36	625.99	754.85	1,012.70	1,077.75
	<b>Total Income</b>	<b>32,898.07</b>	<b>37,407.63</b>	<b>27,558.80</b>	<b>105,394.04</b>	<b>86,490.79</b>	<b>119,496.53</b>
II	<b>Expenses</b>						
	(a) Cost of materials consumed	18,585.31	15,409.88	14,323.94	51,153.14	41,752.18	58,964.68
	(b) Changes in inventories of work-in-progress and finished goods	(4,356.73)	3,844.43	(3,854.60)	(659.70)	(4,300.34)	(6,700.01)
	(c) Employee benefit expenses	11,885.45	12,157.78	10,057.61	35,537.45	29,032.87	39,447.97
	(d) Finance costs	967.59	904.77	765.57	2,761.97	2,553.82	3,289.59
	(e) Depreciation and amortisation expenses	1,414.71	1,254.32	455.36	3,931.45	1,251.83	1,918.94
	(f) Job work charges	272.59	182.99	397.27	873.35	1,399.19	1,549.87
	(g) Other expenses						
	Loss on account of foreign exchange fluctuations (net)	-	-	628.74	-	1,640.91	1,565.53
	Others	3,273.22	3,244.12	3,915.45	9,571.53	11,730.11	16,333.83
	<b>Total expenses</b>	<b>32,042.14</b>	<b>36,998.29</b>	<b>26,689.34</b>	<b>103,169.19</b>	<b>85,060.57</b>	<b>116,370.40</b>
III	<b>Profit / (loss) before tax and exceptional items (I - II)</b>	<b>855.93</b>	<b>409.34</b>	<b>869.46</b>	<b>2,224.85</b>	<b>1,430.22</b>	<b>3,126.13</b>
IV	<b>Exceptional items- (gain)/ loss (Refer note 6)</b>	<b>2,292.06</b>	<b>-</b>	<b>-</b>	<b>(312.72)</b>	<b>-</b>	<b>626.56</b>
V	<b>Profit / (loss) before tax (III - IV)</b>	<b>(1,436.13)</b>	<b>409.34</b>	<b>869.46</b>	<b>2,537.57</b>	<b>1,430.22</b>	<b>2,499.57</b>
VI	<b>Tax expenses</b>						
	Current tax	(187.43)	21.62	-	141.51	-	-
	Adjustment of tax relating to earlier years	-	-	-	-	-	(63.33)
	Deferred tax (credit)/charge	187.43	(21.62)	-	(141.51)	-	-
	<b>Total tax expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(63.33)</b>
VII	<b>Net profit / (loss) for the period / year (V-VI)</b>	<b>(1,436.13)</b>	<b>409.34</b>	<b>869.46</b>	<b>2,537.57</b>	<b>1,430.22</b>	<b>2,562.90</b>
VIII	<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	60.00	60.00	3.64	180.00	10.47	(176.44)
	(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)	(28.96)	(1,288.09)	3,524.95	(1,359.49)	923.31	1,450.71
	<b>Total Other Comprehensive Income / (loss) for the period / year</b>	<b>31.04</b>	<b>(1,228.09)</b>	<b>3,528.59</b>	<b>(1,179.49)</b>	<b>933.78</b>	<b>1,274.27</b>
IX	<b>Total Comprehensive Income for the period / year (VII+VIII)</b> (Comprising profit/(loss) and Other Comprehensive Income/(loss) (net of tax) for the period/year	<b>(1,405.09)</b>	<b>(818.75)</b>	<b>4,398.05</b>	<b>1,358.08</b>	<b>2,364.00</b>	<b>3,837.17</b>
X	<b>Paid-up equity share capital</b> (face value Rs 5 each, fully paid up)	<b>2,141.03</b>	<b>2,141.03</b>	<b>2,140.78</b>	<b>2,141.03</b>	<b>2,140.78</b>	<b>2,140.78</b>
XI	<b>Earnings per equity share (EPS)</b>						
	(a) Basic (Rs.)	(3.35)	0.95	2.03	5.93	3.41	6.09
	(b) Diluted (Rs.)	(3.35)	0.93	2.00	5.57	3.36	5.93



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CIN : L18101KA2004PLC033475



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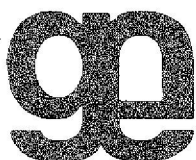
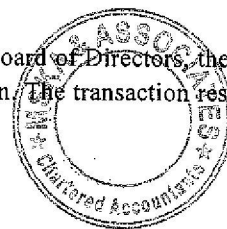
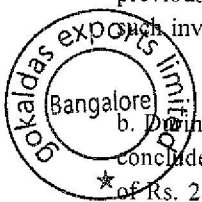
## Notes to the unaudited standalone Ind AS financial results of Gokaldas Exports Limited for the period ended December 31, 2019

- 1 The standalone unaudited Ind AS financial results of the Company for the quarter and nine months ended December 31, 2019 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 The Company had applied for a scheme of amalgamation ("the Scheme") 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 was received by the Company during the quarter ended March 31, 2019. The financial results comply with the accounting treatment described in the Scheme. This resulted in restatement of financial statements with effect from the appointed date i.e. April 01, 2016. Consequently, the numbers relating to quarter and nine months ended December 31, 2018 have been restated.
- 5 Certain foreign customers with an aggregate outstanding balance of Rs 1,040 lakhs as on December 31, 2019 have filed a plan for reorganisation of its business and creditors in the court (' the reorganisation plan'). Consequently, based on recommendation of legal counsel, the Company has filed a claim ('the pre-petition claim') of Rs 441 lakhs with the relevant authorities in relation to the sales made prior to filing of the reorganisation plan. The remaining balance pertains to administrative claims from post-petition sales. Based on the expected recovery as per the Administrative Expense Claims Consent Program negotiated under the reorganization plan, the Company has created a cumulative provision on account of expected loss amounting to Rs. 495 lakhs towards these claims which includes Rs 251 lakhs provided in the current quarter.

### 6 Exceptional items:

- a. The Company assessed the fair value less cost of sale of the investment in an associate held for sale as at March 31, 2019. Change in the regulatory environment and the market conditions effecting the associate has adversely affected the fair value of the Company's investment. The Company had written down the carrying value of the asset by recognizing an impairment loss of Rs. 626.56 Lakhs as an exceptional charge during the previous quarter ended March 31, 2019. The Company continues to make efforts to mitigate the loss by selling such investment in the near future, which could result in a partial or full reversal of the impairment loss.

- b. During the quarter ended June 30, 2019, pursuant to the approval of the Board of Directors, the Company has concluded the sale of one of its lands, alongwith building constructed thereon. The transaction resulted in a gain of Rs. 2,604.78 lakhs, which has been recognised as an exceptional item.



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c. During the current quarter, 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 current quarter in the standalone financial results.

7 Effective April 1, 2019, the Company has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise Right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value. The Company has used the 'modified retrospective approach' for transition from Ind AS 17, 'Leases'. Therefore, the comparative information for the prior periods have not been restated. On transition date (April 1, 2019), the Company has recorded the lease liabilities at the present value of future lease payments discounted using the incremental borrowing rate. The adoption of Ind AS 116 has resulted in recognition of Right-of-use assets of Rs. 6,352.02 lakhs and lease liabilities of Rs. 7,192.02 lakhs on the transition date. Cumulative effect of adoption of Ind AS 116 has been recognised by debiting retained earnings by Rs. 1,431.24 lakhs [net of prepaid rent (which was previously recognised in accordance with Ind AS 17) as on transition date]. In the financial results for the quarter and nine months ended December 31, 2019, the nature of expense for leasing arrangements has changed from lease rent in previous periods to amortization on the Right-of-use assets and finance cost on the corresponding lease liabilities.

Adoption of Ind AS 116 did not have a significant impact on the financial results for the quarter and nine months ended December 31, 2019.

8 The statement of unaudited standalone Ind AS financial results for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee in their meeting on February 4, 2020 and approved by the Board of Directors in their meeting held on February 4, 2020.

9 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, 2019 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

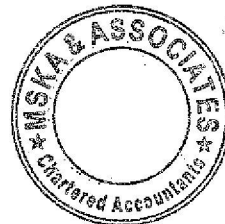
10 Previous period/ year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current period/ year's classification.

11 The comparative standalone Ind AS financial information of the Company for the quarter and nine months ended December 31, 2018 were adjusted for accounting adjustments pursuant to the scheme of amalgamation and arrangement between the Company and its subsidiary as approved by the National Company Law Tribunal (NCLT) vide order dated March 08, 2019, the appointed date being April 01, 2016, which have been reviewed by the statutory auditors.

For Gokaldas Exports Limited



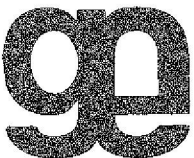
Sivaramakrishnan Vilayur Ganapathi  
Managing Director  
DIN: 07954560



Date: February 4, 2020

Place: Bengaluru

Regd. Office :



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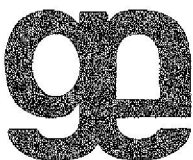
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Statement of unaudited consolidated Ind AS financial results for the quarter and nine months ended December 31, 2019

(in Rs. lakhs, except earnings per share)

S. No.	Particulars	Quarter ended			9 months ended		Year ended
		Dec 31, 2019	Sep 30, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018	Mar 31, 2019
		Unaudited	Unaudited	Unaudited (Refer note 10)	Unaudited	Unaudited (Refer note 10)	Audited
<b>I</b>	<b>Income</b>						
	(a) Revenue from operations	32,202.97	36,187.50	26,652.60	102,614.19	84,809.88	117,451.91
	(b) Other income						
	Gain on account of foreign exchange fluctuations (net)	153.89	748.37	-	1,413.98	-	-
	Income from bank deposits and investment in mutual funds	272.10	297.09	325.07	839.93	850.52	1,081.61
	Government grant and other income	377.21	199.46	625.99	759.61	938.01	1,086.10
	<b>Total Income</b>	<b>33,006.17</b>	<b>37,432.42</b>	<b>27,603.66</b>	<b>105,627.71</b>	<b>86,598.41</b>	<b>119,619.62</b>
<b>II</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	18,651.99	15,453.93	14,414.69	51,277.07	41,902.00	59,053.49
	(b) Changes in inventories of work-in-progress and finished goods	(4,393.30)	3,815.20	(3,824.42)	(656.80)	(4,356.47)	(6,727.61)
	(c) Employee benefit expenses	11,897.07	12,169.46	10,969.64	35,572.01	29,070.10	39,495.52
	(d) Finance costs	975.97	911.06	766.48	2,782.76	2,554.74	3,290.94
	(e) Depreciation and amortisation expenses	1,426.56	1,266.56	456.21	3,966.99	1,254.52	1,922.36
	(f) Job work charges	272.59	182.99	397.28	874.43	1,260.50	1,549.87
	(g) Other expenses						
	Loss on account of foreign exchange fluctuations (net)	-	-	628.74	-	1,640.91	1,565.53
	Others	3,220.10	3,222.80	3,841.84	9,682.13	11,839.53	16,335.05
	<b>Total expenses</b>	<b>32,050.98</b>	<b>37,022.00</b>	<b>26,750.46</b>	<b>103,498.59</b>	<b>85,165.83</b>	<b>116,485.15</b>
<b>III</b>	<b>Profit / (loss) before tax and exceptional items (I - II)</b>	<b>955.19</b>	<b>410.42</b>	<b>853.20</b>	<b>2,129.12</b>	<b>1,432.58</b>	<b>3,134.47</b>
<b>IV</b>	<b>Exceptional items- (gain)/ loss (Refer note 5)</b>	<b>2,292.06</b>	<b>-</b>	<b>-</b>	<b>(312.72)</b>	<b>-</b>	<b>626.56</b>
<b>V</b>	<b>Profit / (loss) before tax (III - IV)</b>	<b>(1,336.87)</b>	<b>410.42</b>	<b>853.20</b>	<b>2,441.84</b>	<b>1,432.58</b>	<b>2,507.91</b>
<b>VI</b>	<b>Tax expenses</b>						
	Current tax	(187.43)	21.62	-	141.51	-	-
	Adjustment of tax relating to earlier years	-	-	-	-	-	(50.05)
	Deferred tax (credit)/charge	187.43	(21.62)	-	(141.51)	-	-
	<b>Total tax expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50.05)</b>
<b>VII</b>	<b>Net profit / (loss) for the period / year (V-VI)</b>	<b>(1,336.87)</b>	<b>410.42</b>	<b>853.20</b>	<b>2,441.84</b>	<b>1,432.58</b>	<b>2,557.96</b>
<b>VIII</b>	<b>Other Comprehensive Income / (loss) (net of tax)</b>						
	(A) (i) Items that will not be reclassified to profit or loss						
	Re-measurement gains/ (losses) on defined benefit plans	60.00	60.00	2.51	180.00	10.47	(175.31)
	(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)	(28.96)	(1,288.09)	3,524.95	(1,359.49)	923.31	1,450.71
	<b>Total Other Comprehensive Income / (loss) for the period / year</b>	<b>31.04</b>	<b>(1,228.09)</b>	<b>3,527.46</b>	<b>(1,179.49)</b>	<b>933.78</b>	<b>1,275.40</b>
<b>IX</b>	<b>Total Comprehensive Income for the period / year (VII+VIII)</b> (Comprising profit/(loss) and Other Comprehensive Income/(loss) (net of tax) for the period/year)	<b>(1,305.83)</b>	<b>(817.67)</b>	<b>4,380.66</b>	<b>1,262.35</b>	<b>2,366.36</b>	<b>3,833.36</b>
<b>X</b>	<b>Paid-up equity share capital</b> (face value Rs 5 each, fully paid up)	<b>2,141.03</b>	<b>2,141.03</b>	<b>2,140.78</b>	<b>2,141.03</b>	<b>2,140.78</b>	<b>2,140.78</b>
<b>XI</b>	<b>Earnings per equity share (EPS)</b>						
	(a) Basic (Rs.)	(3.12)	0.95	1.99	5.70	3.42	6.08
	(b) Diluted (Rs.)	(3.12)	0.93	1.96	5.36	3.37	5.92



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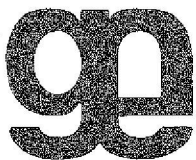
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# gokaldas exports ltd

## Notes to the unaudited consolidated Ind AS financial results of Gokaldas Exports Limited for the period ended December 31, 2019

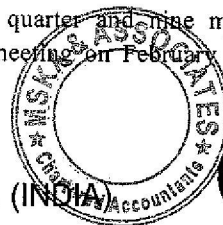
- 1 The consolidated unaudited Ind AS financial results of Gokaldas Exports Limited (the Company) and its subsidiaries (cumulatively referred to as 'Group') for the quarter and nine months ended December 31, 2019 can be viewed on the Company's website [www.gokaldasexports.com](http://www.gokaldasexports.com) 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 Certain foreign customers with an aggregate outstanding balance of Rs 1,040 lakhs as on December 31, 2019 have filed a plan for reorganisation of its business and creditors in the court ('the reorganisation plan'). Consequently, based on recommendation of legal counsel, the Group has filed a claim ('the pre-petition claim') of Rs 441 lakhs with the relevant authorities in relation to the sales made prior to filing of the reorganisation plan. The remaining balance pertains to administrative claims from post-petition sales. Based on the expected recovery as per the Administrative Expense Claims Consent Program negotiated under the reorganization plan, the Group has created a cumulative provision on account of expected loss amounting to Rs. 495 lakhs towards these claims which includes Rs 251 lakhs provided in the current quarter.
- 5 Exceptional items:
  - a. The Group assessed the fair value less cost of sale of the investment in an associate held for sale as at March 31, 2019. Change in the regulatory environment and the market conditions effecting the associate has adversely affected the fair value of the Group's investment. The Group had written down the carrying value of the asset by recognizing an impairment loss of Rs. 626.56 Lakhs as an exceptional charge during the previous quarter ended March 31, 2019. The Group continues to make efforts to mitigate the loss by selling such investment in the near future, which could result in a partial or full reversal of the impairment loss.
  - b. During the quarter ended June 30, 2019, pursuant to the approval of the Board of Directors, the Group has concluded the sale of one of its lands, alongwith building constructed thereon. The transaction resulted in a gain of Rs. 2,604.78 lakhs, which has been recognised as an exceptional item.
  - c. During the current quarter, 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 current quarter in the consolidated financial results.

The statement of unaudited consolidated Ind AS financial results for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee in their meeting on February 4, 2020 and approved by the Board of Directors in their meeting held on February 4, 2020.



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7 Effective April 1, 2019, the Group has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise Right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value. The Group has used the 'modified retrospective approach' for transition from Ind AS 17, 'Leases'. Therefore, the comparative information for the prior periods have not been restated. On transition date (April 1, 2019), the Group has recorded the lease liabilities at the present value of future lease payments discounted using the incremental borrowing rate. The adoption of Ind AS 116 has resulted in recognition of Right-of-use assets of Rs. 6,498.80 lakhs and lease liabilities of Rs. 7,412.73 lakhs on the transition date. Cumulative effect of adoption of Ind AS 116 has been recognised by debiting retained earnings by Rs. 1,524.18 lakhs [net of prepaid rent (which was previously recognised in accordance with Ind AS 17) as on transition date]. In the financial results for the quarter and nine months ended December 31, 2019, the nature of expense for leasing arrangements has changed from lease rent in previous periods to amortization on the Right-of-use assets and finance cost on the corresponding lease liabilities.

Adoption of Ind AS 116 did not have a significant impact on the financial results for the quarter and nine months ended December 31, 2019.

8 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, 2019 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

10 The figures for the quarter and nine months ended December 31, 2018, included in the Statement of Consolidated Financial Results for the quarter and nine months ended December 31, 2019 have been approved by the Holding Company's Board of Directors, but have not been subjected to review as the mandatory requirement for limited review has been made applicable for periods beginning April 1, 2019, pursuant to Regulation 33(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

For Gokaldas Exports Limited

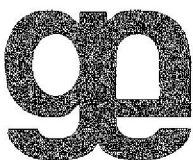


Sivaramakrishnan Vilayur Ganapathi  
Managing Director  
DIN: 07954560



Date: February 4, 2020

Place: Bengaluru



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## PRESS RELEASE

Gokaldas Exports Limited (GEX) declared 20% YoY revenue growth in third consecutive quarter of the current financial year.

Through a recent notification, the Government withdrew MEIS of 4% with effect from 7th Mar, 2019 to 31st Dec, 2019. Net impact of this is:

- 1) Reduction of Revenue and EBITDA of Rs. 77 Mn. for Q3 FY20, and
- 2) Exceptional provision of Rs. 229 Mn. pertaining to 7<sup>th</sup> Mar, 2019 to 30<sup>th</sup> Sep, 2019.

The summary of the Q3 financial results is as follows.

Figures in Rs. Mn.	
Particulars	Reported Results
Revenue	3,301
EBITDA	336
PAT	-134
Adjusted PAT, excluding exceptional provision for prior period (7 <sup>th</sup> Mar 2019 to Sep 2019)	95

The EBITDA margin for Q3 FY20 is 10.2% (after factoring in the reduction of MEIS in Q3) as compared to 7.5% in the previous year. For the nine months period ending Dec 2019, PAT has grown by 70% on YoY basis to Rs. 244 Mn. after considering all exceptional items.

The company is confident of continuing robust revenue growth and steady improvement in operating parameters going forward.

Date: February 04, 2020

