

gokaldas exports ltd

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

Statement of audited standalone Ind AS financial results for the quarter and year ended March 31, 2020

(in Rs. lakhs, except earnings per share)

S. No.	Particulars	Quarter ended			Year ended	
		Mar 31, 2020	Dec 31, 2019	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
		(Refer note 11)	Unaudited	(Refer note 11)	Audited	Audited
I	Income					
	(a) Revenue from operations	35,516.43	32,095.97	32,625.96	1,36,220.49	1,17,337.17
	(b) Other income					
	Gain on account of foreign exchange fluctuations (net)	-	153.89	75.38	1,292.81	-
	Income from bank deposits and investment in mutual funds	263.78	272.10	231.09	1,103.71	1,081.61
	Government grant and other income	331.72	376.11	148.68	1,086.57	1,077.75
	Total Income	36,111.93	32,898.07	33,081.11	1,39,703.58	1,19,496.53
II	Expenses					
	(a) Cost of materials consumed	18,352.42	18,585.31	17,178.41	69,505.56	58,964.68
	(b) Changes in inventories of work-in-progress and finished goods	40.76	(4,356.73)	(2,399.67)	(618.94)	(6,700.01)
	(c) Employee benefit expenses	11,161.30	11,885.45	10,414.53	46,698.75	39,447.97
	(d) Finance costs	892.58	967.59	735.76	3,654.55	3,289.59
	(e) Depreciation and amortisation expenses	1,503.00	1,414.71	667.11	5,434.45	1,918.94
	(f) Job work charges	189.44	272.59	289.37	1,062.79	1,549.87
	(g) Other expenses					
	Loss on account of foreign exchange fluctuations (net)	121.17	-	-	-	1,565.53
	Others	3,152.89	3,273.22	4,499.68	12,724.42	16,333.83
	Total expenses	35,413.56	32,042.14	31,385.19	1,38,461.58	1,16,370.40
III	Profit / (loss) before tax and exceptional items (I - II)	698.37	855.93	1,695.92	1,242.00	3,126.13
IV	Exceptional items- (gain)/ loss (Refer note 6)	-	2,292.06	626.56	(1,993.94)	626.56
V	Profit / (loss) before tax (III - IV)	698.37	(1,436.13)	1,069.36	3,235.94	2,499.57
VI	Tax expenses					
	Current tax	(67.32)	(187.43)	-	74.19	-
	Adjustment of tax relating to earlier years	-	-	(63.33)	-	(63.33)
	Deferred tax (credit)/charge	67.32	187.43	-	(74.19)	-
	Total tax expenses	-	-	(63.33)	-	(63.33)
VII	Net profit / (loss) for the period / year (V-VI)	698.37	(1,436.13)	1,132.69	3,235.94	2,562.90
VIII	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	(378.89)	60.00	(186.91)	(198.89)	(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)	(2,042.46)	(28.96)	527.40	(3,401.95)	1,450.71
	Total Other Comprehensive Income / (loss) for the period / year	(2,421.35)	31.04	340.49	(3,600.84)	1,274.27
IX	Total Comprehensive Income for the period / year (VII+VIII) (Comprising profit/(loss) and Other Comprehensive Income/(loss) (net of tax) for the period/year)	(1,722.98)	(1,405.09)	1,473.18	(364.90)	3,837.17
X	Paid-up equity share capital (face value Rs 5 each, fully paid up)	2,141.28	2,141.03	2,140.78	2,141.28	2,140.78
XI	Earnings per equity share (EPS)					
	(a) Basic (Rs.)	1.63	(3.35)	2.65	7.56	6.09
	(b) Diluted (Rs.)	1.53	(3.35)	2.50	7.11	5.93



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CIN : L18101KA2004PLC033475



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Statement of standalone assets and liabilities as at March 31, 2020		
Particulars	(in Rs. Lakhs)	
	March 31, 2020	March 31, 2019
	Audited	Audited
I. ASSETS		
(1) Non- current assets		
(a) Property, plant and equipment	12,694.46	10,532.89
(b) Right-of-use assets	4,206.45	-
(c) Capital work-in-progress	78.98	144.76
(d) Other intangible assets	220.06	184.69
(e) Financial assets		
(i) Investments	1,987.75	1,987.75
(ii) Loans and advances	3,398.32	2,236.98
(iii) Other financial assets	13,907.58	13,246.57
(f) Deferred tax assets	74.19	-
(g) Non-current tax assets (net)	1,162.92	1,270.68
(h) Other non-current assets	204.01	428.56
	37,934.72	30,032.88
(2) Current assets		
(a) Inventories	28,630.46	25,770.90
(b) Financial assets		
(i) Investments	3,551.45	-
(ii) Trade receivables	14,352.92	16,167.47
(iii) Cash and cash equivalents	1,223.45	1,110.23
(iv) Other financial assets	671.65	2,122.01
(c) Other current assets	7,556.89	6,457.32
	55,986.82	51,627.93
(3) Assets classified as held for sale	-	595.22
Total assets (1+2+3)	93,921.54	82,256.03
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	2,141.28	2,140.78
(b) Other equity	20,725.05	21,814.56
Total equity	22,866.33	23,955.34
Liabilities		
(2) Non-current liabilities		
(a) Financial liabilities		
Lease liability	2,865.95	-
(b) Provision for employee benefits	450.81	406.65
	3,316.76	406.65
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	39,095.07	38,070.07
(ii) Trade payables		
Total outstanding dues of micro, small and medium enterprises	24.39	18.62
Total outstanding dues of creditors other than micro, small and medium enterprises	11,352.49	8,530.04
(iii) Lease liability	2,031.94	-
(iv) Other current financial liabilities	11,188.09	7,469.90
(b) Other current liabilities	1,003.89	894.52
(c) Provision for employee benefits	3,042.58	2,590.89
	67,738.45	57,574.04
(4) Liabilities directly associated with assets classified as held for sale	-	320.00
Total equity and liabilities (1+2+3+4)	93,921.54	82,256.03



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Statement of standalone cash flows for the year March 31, 2020		
(in Rs. Lakhs)		
	Apr to Mar 20	Apr to Mar 19
Cash flow from operating activities		
Profit before exceptional items and tax	1,242.00	3,126.13
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation / amortization expense	5,434.45	1,918.94
Net (gain) / loss on disposal of property, plant and equipment	(43.47)	(59.27)
Unrealised foreign exchange (gain)/loss, (net)	232.37	(74.19)
Gain on sale of investments in mutual fund units	(168.24)	(173.18)
Income from government grant	(570.37)	(300.18)
Share based payments to employees	703.91	285.05
Interest income	(1,167.68)	(1,131.05)
Finance costs	3,654.55	3,289.59
Irrecoverable balances written off	-	565.93
Provision for doubtful deposits and advances	-	30.00
Provision for doubtful debts	514.01	327.73
Export Incentives Receivables written off	(610.84)	-
Excess provision of earlier years written back	(5.17)	(173.10)
Operating profit/(loss) before working capital changes	9,215.52	7,632.40
<i>Working capital adjustments:</i>		
(Increase)/ decrease in loans	(1,131.76)	314.67
(Increase)/ decrease in other financial assets	0.48	14.95
(Increase)/ decrease in other assets	(1,397.98)	124.15
(Increase)/ decrease in inventories	(2,859.56)	(8,438.75)
(Increase)/ decrease in trade receivables	1,663.90	5,020.41
Increase/ (decrease) in provisions for employee benefits	296.96	382.94
Increase/ (decrease) in trade payables	2,819.33	(1,021.45)
Increase/ (decrease) in other financial liabilities	858.12	675.39
Increase/ (decrease) in other liabilities	89.95	23.44
	9,554.96	4,728.15
Direct taxes refunded/ (paid) (net of refund/payments)	33.57	397.66
Net cash flows from/ (used in) operating activities (A)	9,588.53	5,125.81
Cash flow from investing activities		
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)	(3,775.39)	(2,442.06)
Proceeds from sale of property, plant and equipment	2,994.88	209.71
Investments in bank deposits	(13,684.42)	(13,220.78)
Redemption of bank deposits	13,022.50	14,093.84
Investment in mutual fund units	(8,800.00)	(6,700.00)
Proceeds from sale of investment in mutual fund units	5,416.79	6,873.18
Finance income received	1,160.61	1,186.19
Net cash flows from/ (used in) investing activities (B)	(3,665.03)	0.08
Cash flow from financing activities		
Proceeds from issue of shares / exercise of share options including share application money	3.22	6,829.47
Proceeds of short-term borrowings	1,98,223.23	1,73,724.71
Repayment of short-term borrowings	(1,95,973.11)	(1,82,795.97)
Payment of lease liabilities	(3,786.57)	-
Finance costs paid	(2,854.13)	(3,448.69)
Net cash flows from/ (used in) financing activities (C)	(4,387.36)	(5,690.48)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	1,536.14	(564.59)
Cash and cash equivalents at the beginning of the year	(2,488.01)	(1,923.42)
Cash and cash equivalents at the end of the year	(951.87)	(2,488.01)
Components of cash and cash equivalents		
Cash and cash equivalents	1,223.45	1,110.23
Bank overdraft	(2,175.32)	(3,598.24)
Total cash and cash equivalents	(951.87)	(2,488.01)



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Notes to the standalone Ind AS financial results of Gokaldas Exports Limited for the quarter and year ended March 31, 2020

- 1 The standalone audited Ind AS financial results of the Gokaldas Exports Limited ('the Company') for the year ended March 31, 2020 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).
- 2 The above financial results of 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 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.
- 5 During the previous year certain foreign customers had 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 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 and also realisations made during the year, the Company carries an aggregate provision on account of expected credit loss towards this customer amounting to Rs. 523 lakhs (including provision recognised in the current year Rs 390 lakhs) towards these claims. The aggregate outstanding balance as at March 31, 2020 from this customer is Rs. 357 lakhs (March 31, 2019: 308 lakhs) after adjusting the aforementioned provision and realisations of Rs 220 lakhs received during the year.

Subsequent to the year ended March 31, 2020 another foreign customer with an outstanding receivable balance of Rs 815 lakhs as at March 31, 2020, has filed for a plan for reorganisation of its business and creditors in the court, the Company has filed a creditor claim for the balances outstanding for Rs 250 lakhs as at the date of such filing (after considering subsequent realisations to March 31, 2020). Based on the assessment of expected recovery the Company has created a provision on account of expected credit loss amounting to Rs.125 lakhs.

The Company is confident of recovery of the balance amounts.



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6 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 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'.

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.

c. In view of Ministry of Textiles, Government of India's Gazette Notification number CG-DL-E 15012020-215423 dated January 14, 2020, the Company had, during the previous quarter (December 31, 2019) reversed the Merchandise Export from India Scheme (MEIS) benefit of Rs. 2,292.06 Lakhs for the period from March 07, 2019 to September 30, 2019 in the financial results, and to the extent it relates current year, reduced the same from the amount of revenue from operations which was shown under exceptional items in the results for the quarter ended December 31, 2019. Balance amount relating to prior year is continued to be disclosed as an exceptional item.

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 year ended March 31, 2020, 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 year ended March 31, 2020.

8 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 year ended March 31, 2020 and has concluded that the impact is primarily the operational aspects of the business and as the lock down was for a substantial period only subsequent to year end. Management has been able to address and counter the potential impact on the financial statements as at March 31, 2020 such as enhancing borrowing limits, strengthening liquidity, optimisation of resource utilisation, etc.



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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 statements. Accordingly, no further adjustments have been made to the financial statements.

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.

- 9 The statement of audited standalone Ind AS financial results for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee in their meeting on June 26, 2020 and approved by the Board of Directors in their meeting held on June 26, 2020.
- 10 The Statutory Auditors have carried out an audit of audited standalone Ind AS financial results for the quarter and year ended March 31, 2020 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 11 The figures for quarter ended March 31 of current and the previous years in the standalone Ind AS financial results are the balancing figures between the audited figures in respect of the full financial years and the unaudited published year-to-date figures for nine months ended December 31 for respective years.
- 12 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: June 26, 2020
Place: Bengaluru



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Statement of audited consolidated Ind AS financial results for the quarter and year ended March 31, 2020

S. No.	Particulars	(in Rs. lakhs, except earnings per share)				
		Quarter ended			Year ended	
		Mar 31, 2020 (Refer note 10)	Dec 31, 2019 Unaudited	Mar 31, 2019 (Refer note 10)	Mar 31, 2020 Audited	Mar 31, 2019 Audited
I	Income					
	(a) Revenue from operations	35,591.51	32,202.97	32,798.41	1,36,524.48	1,17,451.91
	(b) Other income					
	Gain on account of foreign exchange fluctuations (net)	-	153.89	75.38	1,292.81	-
	Income from bank deposits and investment in mutual funds	263.78	272.10	231.09	1,103.71	1,081.61
	Government grant and other income	334.82	377.21	157.03	1,094.43	1,086.10
	Total Income	36,190.11	33,006.17	33,261.91	1,40,015.43	1,19,619.62
II	Expenses					
	(a) Cost of materials consumed	18,332.68	18,651.99	17,324.93	69,609.75	59,053.49
	(b) Changes in inventories of work-in-progress and finished goods	242.09	(4,393.30)	(2,427.27)	(414.71)	(6,727.61)
	(c) Employee benefit expenses	11,170.43	11,897.07	10,463.21	46,742.44	39,495.52
	(d) Finance costs	899.71	975.97	737.11	3,682.47	3,290.94
	(e) Depreciation and amortisation expenses	1,514.93	1,426.56	670.53	5,481.92	1,922.36
	(f) Job work charges	189.44	272.59	289.37	1,063.87	1,549.87
	(g) Other expenses					
	Loss on account of foreign exchange fluctuations (net)	121.17	-	-	-	1,565.53
	Others	3,122.79	3,220.10	4,500.57	12,804.92	16,335.05
	Total expenses	35,593.24	32,050.98	31,558.45	1,38,970.66	1,16,485.15
III	Profit / (loss) before tax and exceptional items (I - II)	596.87	955.19	1,703.46	1,044.77	3,134.47
IV	Exceptional items- (gain)/ loss (Refer note 5)	-	2,292.06	626.56	(1,993.94)	626.56
V	Profit / (loss) before tax (III - IV)	596.87	(1,336.87)	1,076.90	3,038.71	2,507.91
VI	Tax expenses					
	Current tax	(67.32)	(187.43)	-	74.19	-
	Adjustment of tax relating to earlier years	-	-	(48.49)	-	(50.05)
	Deferred tax (credit)/charge	67.32	187.43	-	(74.19)	-
	Total tax expenses	-	-	(48.49)	-	(50.05)
VII	Net profit / (loss) for the period / year (V-VI)	596.87	(1,336.87)	1,125.39	3,038.71	2,557.96
VIII	Other Comprehensive Income / (loss) (net of tax)					
	(A) (i) Items that will not to be reclassified to profit or loss					
	Re-measurement gains/ (losses) on defined benefit plans	(376.65)	60.00	(185.78)	(196.65)	(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)	(2,042.46)	(28.96)	527.40	(3,401.95)	1,450.71
	Total Other Comprehensive Income / (loss) for the period / year	(2,419.11)	31.04	341.62	(3,598.60)	1,275.40
IX	Total Comprehensive Income for the period / year (VII+VIII) (Comprising profit/(loss) and Other Comprehensive Income/(loss) (net of tax) for the period/year	(1,822.24)	(1,305.83)	1,467.01	(559.89)	3,833.36
X	Paid-up equity share capital (face value Rs 5 each, fully paid up)	2,141.28	2,141.03	2,140.78	2,141.28	2,140.78
XI	Earnings per equity share (EPS)					
	(a) Basic (Rs.)	1.39	(3.12)	2.63	7.10	6.08
	(b) Diluted (Rs.)	1.31	(3.12)	2.48	6.67	5.92



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(in Rs. Lakhs)		
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	Audited	Audited
I. ASSETS		
(1) Non- current assets		
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(b) Right of use asset	4,308.06	-
(c) Capital work-in-progress	78.98	144.76
(d) Other intangible assets	220.06	184.69
(e) Financial assets		
(i) Investments	0.29	0.29
(ii) Loans and advances	3,472.76	2,306.59
(iii) Other financial assets	13,907.58	13,246.57
(f) Deferred tax assets	74.19	-
(g) Non-current tax assets (net)	1,206.28	1,315.78
(h) Other non-current assets	204.01	428.56
	36,185.39	28,181.16
(2) Current assets		
(a) Inventories	28,924.05	26,268.72
(b) Financial assets		
(i) Investments	3,551.45	-
(ii) Trade receivables	14,353.04	16,170.02
(iii) Cash and cash equivalents	1,229.28	1,118.75
(iv) Other financial assets	671.65	2,122.01
(c) Other current assets	7,557.00	6,477.05
	56,286.47	52,156.55
(3) Assets classified as held for sale		
	-	595.22
Total assets (1+2+3)	92,471.86	80,932.93
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	2,141.28	2,140.78
(b) Other equity	20,520.05	21,897.49
Total equity	22,661.33	24,038.27
Liabilities		
(2) Non-current liabilities		
(a) Financial liabilities		
Lease liability	2,946.02	-
(b) Provision for employee benefits	455.30	412.32
	3,401.32	412.32
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	39,095.07	38,070.07
(ii) Trade payables		
Total outstanding dues of micro, small and medium enterprises	24.39	18.62
Total outstanding dues of creditors other than micro, small and medium enterprises	11,404.59	8,553.82
(iii) Lease liability	2,120.45	-
(iv) Other current financial liabilities	9,711.83	6,031.16
(b) Other current liabilities	1,008.93	895.89
(c) Provision for employee benefits	3,043.95	2,592.78
	66,409.21	56,162.34
(4) Liabilities directly associated with assets classified as held for sale		
	-	320.00
Total equity and liabilities (1+2+3+4)	92,471.86	80,932.93



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Statement of consolidated cash flows for the year ended March 31, 2020		
(in Rs. Lakhs)		
	Apr to Mar 20	Apr to Mar 19
Cash flow from operating activities		
Profit before exceptional items and tax	1,044.77	3,134.47
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	5,481.92	1,922.36
Net loss/(gain) on disposal of property, plant and equipment	(43.47)	(59.27)
Foreign exchange loss/(gain), net unrealised	232.37	(74.19)
Gain on sale of investments in mutual fund units	(168.24)	(173.18)
Income from government grants	(570.37)	(300.18)
Share based payment expenses	703.91	285.06
Provision no longer required, written back	(5.17)	(173.10)
Irrecoverable balances written off	-	565.93
Provision for doubtful deposits and advances	-	30.00
Provision for doubtful debts	514.01	327.73
Provision For Export Incentives Receivables	(610.84)	-
Interest income	(973.32)	(1,135.29)
Finance costs	3,682.47	3,290.94
Operating profit/(loss) before working capital changes	9,288.04	7,641.28
<i>Working capital adjustments:</i>		
(Increase)/ decrease in loans	(1,136.58)	339.35
(Increase)/ decrease in other financial assets	0.48	15.05
(Increase)/ decrease in other assets	(1,397.36)	121.98
(Increase)/ decrease in inventories	(2,655.33)	(8,466.34)
(Increase)/ decrease in trade receivables	1,666.33	5,018.35
Increase/ (decrease) in provisions for employee benefits	297.50	384.63
Increase/ (decrease) in trade payables	2,847.65	(1,015.68)
Increase/ (decrease) in other financial liabilities	820.60	662.21
Increase/ (decrease) in other liabilities	93.62	20.01
Direct taxes refunded/ (paid) (net of refund/payments)	9,824.95	4,720.84
	35.31	393.15
Net cash flows from/ (used in) operating activities (A)	9,860.26	5,113.99
Cash flow from investing activities		
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)	(3,775.39)	(2,442.06)
Proceeds from sale of property, plant and equipment	2,994.88	209.71
Investments in bank deposits	(13,684.42)	(13,220.78)
Redemption of bank deposits	13,022.50	14,093.84
Investment in mutual funds	(8,800.00)	(6,700.00)
Proceeds from sale of investment in mutual funds	5,416.79	6,873.18
Finance income received	966.25	1,190.44
Net cash flows from/ (used in) investing activities (B)	(3,859.39)	4.33
Cash flow from financing activities		
Proceeds from issue of shares/exercise of share options including share application money	3.22	6,829.47
Proceeds of short-term borrowings	1,98,223.23	1,73,724.71
Repayment of short-term borrowings	(1,95,973.11)	(1,82,795.97)
Payment of lease liabilities	(3,860.41)	-
Finance costs paid	(2,860.35)	(3,450.04)
Net cash flows from/ (used in) financing activities (C)	(4,467.42)	(5,691.83)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	1,533.45	(573.51)
Cash and cash equivalents at the beginning of the year	(2,479.49)	(1,905.98)
Cash and cash equivalents at the end of the year	(946.04)	(2,479.49)
Components of cash and cash equivalents		
Cash and cash equivalents	1,229.28	1,118.75
Bank overdraft	(2,175.32)	(3,598.24)
Balances per statement of cash flows	(946.04)	(2,479.49)



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Notes to the consolidated Ind AS financial results of Gokaldas Exports Limited for the quarter and year ended March 31, 2020

- 1 The consolidated audited Ind AS financial results of Gokaldas Exports Limited (the Company) and its subsidiaries (cumulatively referred to as 'Group') for the quarter and year ended March 31, 2020 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).
- 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 certain foreign customers had 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 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 and also realisations made during the year, the Group carries an aggregate provision on account of expected credit loss towards this customer amounting to Rs. 523 lakhs (including provision recognised in the current year Rs 390 lakhs) towards these claims. The aggregate outstanding balance as at March 31, 2020 from this customer is Rs. 357 lakhs (March 31, 2019: 308 lakhs) after adjusting the aforementioned provision and realisations of Rs 220 lakhs received during the year.

Subsequent to the year ended March 31, 2020 another foreign customer with an outstanding receivable balance of Rs 815 lakhs as at March 31, 2020, has filed for a plan for reorganisation of its business and creditors in the court, the Group has filed a creditor claim for the balances outstanding for Rs 250 lakhs as at the date of such filing (after considering subsequent realisations to March 31, 2020). Based on the assessment of expected recovery the Group has created a provision on account of expected credit loss amounting to Rs.125 lakhs.

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 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'.

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.



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c. In view of Ministry of Textiles, Government of India's Gazette Notification number CG-DL-E 15012020-215423 dated January 14, 2020, the Group had, during the previous quarter (December 31, 2019) reversed the Merchandise Export from India Scheme (MEIS) benefit of Rs. 2,292.06 Lakhs for the period from March 07, 2019 to September 30, 2019 in the financial results, and to the extent it relates current year, reduced the same from the amount of revenue from operations which was shown under exceptional items in the results for the quarter ended December 31, 2019. Balance amount relating to prior year is continued to be disclosed as an exceptional item.

6 The statement of audited consolidated Ind AS financial results for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee in their meeting on June 26, 2020 and approved by the Board of Directors in their meeting held on June 26, 2020.

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 year ended March 31, 2020, 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 year ended March 31, 2020.

8 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 year ended March 31, 2020 and has concluded that the impact is primarily the operational aspects of the business and as the lock down was for a substantial period only subsequent to year end. Management has been able to address and counter the potential impact on the financial statements as at March 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 statements. Accordingly, no further adjustments have been made to the financial statements.



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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.

- 9 The Statutory Auditors have carried out an audit of audited consolidated Ind AS financial results for the quarter and year ended March 31, 2020 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 10 The figures for quarter ended March 31 of current and the previous years in the consolidated Ind AS financial results are the balancing figures between the audited figures in respect of the full financial years and the unaudited published year-to-date figures for nine months ended December 31 for respective years.
- 11 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: June 26, 2020
Place: Bengaluru



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