

gokaldas exports ltd

GEL/SEC/2020-21

26th June, 2020

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

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

SCRIP CODE: 532630

GOKEX

Dear Sir,

Sub: Outcome of the Board Meeting held today – 26th June 2020

Regulation 33 of (Listing Obligations and Disclosure Requirements),2015 -Audited Financial Results for the Quarter and year ended 31st March, 2020.

1. Reference to the captioned subject and pursuant to Regulation 33 of the Listing Agreement 2015, we enclose herewith the Standalone and Consolidated Audited Financial Results and Statement of Assets and Liabilities for the quarter and year ended 31st March, 2020 along with Independent Auditors Report issued by the Statutory Auditors, M/s. MSKA & Associates (Firm Registration number: 105047W), approved by the Board of Directors' in the meeting held today.
2. We declare that the Auditor's Report is issued with unmodified/unqualified opinion on Annual Audited Results of the Company (Standalone and Consolidated) for year ended March 31, 2020 and the same was approved by the Board of Directors' in the meeting held today.
3. The Board appointed Mr. G Balu and Associates, Chartered Accountants, (Firm Registration number:000376S/S200073), having their office at Jammi Building, No.123, Royapettah High Road, Mylapore, Chennai – 600 004 as the Internal Auditor of the Company for the financial year 2020-21. Brief profile is enclosed below as Annexure 1.
4. The Board appointed Mr. Nagendra D Rao, Practising Company Secretary as the Secretarial Auditor of the Company for the financial year 2020-21. Brief profile is enclosed below as Annexure 2.
5. Mr. Gautham Madhavan, Non-executive Director has been co-opted as a Member in the Nomination and Remuneration Committee.

The reconstituted Nomination and Remuneration Committee is as follows:

| Sl No. | Name of the Members | Designation |
|--------|------------------------|-------------|
| 1. | Ms. Anuradha Sharma | Chairperson |
| 2. | Mr. Richard B Saldanha | Member |
| 3. | Mr. Mathew Cyriac | Member |
| 4. | Mr. Gautham Madhavan | Member |

The meeting commenced at 1:30 PM and concluded at 8:15 PM



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In accordance with the Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 granting relaxation from the provisions of Regulation 47 of the SEBI Regulations, the above financials results will not be advertised in the newspapers. However, the same will be available on the Company's website: www.gokaldasexports.com

Kindly acknowledge the receipt

Thanking you,

Yours truly,
for GOKALDAS EXPORTS LIMITED



Sameer Sudarshan RV
Company Secretary
Encl: as above



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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 to 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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| 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 | (564.58) |
| 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

(in Rs. lakhs, except earnings per share)

| S. No. | Particulars | Quarter ended | | | | |
|-------------|---|-------------------|-------------------|------------------|--------------------|--------------------|
| | | Mar 31, 2020 | | | Year ended | |
| | | (Refer note 10) | Unaudited | (Refer note 10) | Audited | 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 | 39,495.32 |
| | (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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gokaldas exports ltd

| Statement of consolidated assets and liabilities as at March 31, 2020 | | |
|--|------------------|------------------|
| (in Rs. Lakhs) | | |
| Particulars | March 31, 2020 | March 31, 2019 |
| | Audited | Audited |
| I. ASSETS | | |
| (1) Non- current assets | | |
| (a) Property, plant and equipment | 12,713.18 | 10,553.92 |
| (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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gokaldas exports ltd

| 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 | 322.73 |
| 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 | (1,93,973.11) | (1,82,795.97) |
| Payment of lease liabilities | (3,860.41) | - |
| Finance costs paid | (2,860.35) | (3,430.04) |
| 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.

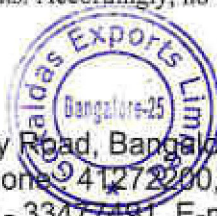
The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that the impact is primarily the operational aspects of the business and as the lock down was for a substantial period 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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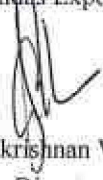


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Considering the dynamic nature of the issue, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to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

Chartered Accountants

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Independent Auditor's Report on Quarterly Standalone Financial Results and Year to Date Standalone Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

To the Board of Directors of Gokaldas Exports Limited

Report on the Audit of Standalone Financial Results

Opinion

We have audited the accompanying standalone annual financial results of **Gokaldas Exports Limited** (hereinafter referred to as 'the Company') for the quarter and year ended March 31, 2020 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



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Emphasis of Matter

We draw attention to:

- i) Note 4 to the audited financial statements which states that certain foreign customers with an aggregate outstanding balance of Rs 357 lakhs as on March 31, 2020 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 has filed a claim with the relevant authorities. Based on the settlement by the Administrative Expense Claims Consent Program negotiated under the reorganization plan, subsequent realisation and expected recovery the Company has created a provision on account of expected loss amounting to Rs. 523 lakhs towards these claims. Further, subsequent to the year-ended March 31, 2020, another foreign customer has filed for a plan for reorganisation of its business and creditors in the court. The Company has filed a creditor claim and based on assessment of recovery, has consequently created a provision on account of expected loss amounting to Rs. 125 lakhs.
- ii) Note 8 to the financial statements 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 year ended March 31, 2020 and has concluded that primarily the operational aspects of the business have been affected substantially only subsequent to year end. Management has 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 recognised in the financial statements.

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

Board of Directors' Responsibilities for the Standalone Financial Results

This Statement have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net profit and other comprehensive income in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Company, as aforesaid.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going



& Associates

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concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

- i) The Statement include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.
- ii) Due to the Covid-19 related lockdown we were not able to participate in the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we have performed alternate procedures to the audit of existence of inventory as per the guidance provided in SA 501 - "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Standalone Financial Results.

Our opinion is not modified in respect of these matters.

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

Deepak
Kumar Rao

Chartered Accountant (Firm No. 105047W)
ICAI Firm Registration No. 105047W
Member of ICAI since 1988
Member of ICAI since 1988
UDIN: 20113292AAAALD7409

Deepak Rao
Partner
Membership No. 113292
UDIN: 20113292AAAALD7409

Place: Bengaluru
Date: June 26, 2020



MSKA
Associates

Chartered Accountants

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Tel: +91 80 6815 0000

Independent Auditor's Report on Quarterly Consolidated Financial Results and Year to Date Consolidated Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

To the Board of Directors of Gokaldas Exports Limited [Holding Company]

Report on the Audit of Consolidated Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Gokaldas Exports Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") for the year ended March 31, 2020, ('the Statement') attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements, the aforesaid Statement:

(i) include the annual financial results of the following entities

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

(ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(iii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2020.



MSKA
& Associates

Chartered Accountants

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to:

- i) Note 4 to the audited financial statements which states that certain foreign customers with an aggregate outstanding balance of Rs 357 lakhs as on March 31, 2020 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 has filed a claim with the relevant authorities. Based on the settlement by the Administrative Expense Claims Consent Program negotiated under the reorganization plan, subsequent realisation and expected recovery the Company has created a provision on account of expected loss amounting to Rs. 523 lakhs towards these claims. Further, subsequent to the year-ended March 31, 2020, another foreign customer has filed for a plan for reorganisation of its business and creditors in the court. The Company, has filed a creditor claim and based on assessment of recovery has consequently created a provision on account of expected loss amounting to Rs. 125 lakhs.
- ii) Note 8 to the financial statements 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 year ended March 31, 2020 and has concluded that primarily the operational aspects of the business have been affected substantially only subsequent to year end. Management has 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 recognised in the financial statements.

Our opinion is not modified in respect of the above matter.

Board of Directors' Responsibilities for the Consolidated Financial Results

These Statement have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under