

gokaldas exports ltd

GEL/SEC/2018-19

24th April, 2018

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

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

SCRIP CODE: 532630

GOKEX

Dear Sir,

Sub: Submission of condensed interim unaudited unconsolidated special purpose financial information for nine months ended December 31, 2017 and statement of unaudited standalone financial result for the quarter and nine months period ended December 31, 2017 under regulation 33 of the SEBI (LODR) Regulations, 2015.

As known to you, the company had proposed to raise further capital as intimated to your esteemed office vide our letter dated 29th December, 2017.

In this connection, the Audit Committee and the Board of Directors of the Company have approved the condensed interim unaudited unconsolidated special purpose financial information for nine months ended December 31, 2017, which have also been reviewed by the Statutory Auditors of the Company M/s S.R.Batliboi & Associates LLP.

We enclose herewith the condensed interim unaudited unconsolidated special purpose financial information for nine months ended December 31, 2017 for your record.

In accordance with IND AS 109, the effective portion of the gain or loss on the hedging instruments in a cash flow hedge has been recognised in Other Comprehensive Income (OCI). This disclosure was inadvertently omitted while preparing the statement of unaudited standalone financial results for the periods up to December 31, 2017 filed with the Stock exchanges as per the requirements of Regulation 33 of the Listing Agreement and had recognised such gain or loss directly in equity. However there is no change in the net profit/loss after tax or the reserves of the Company for any of the periods up to December 31, 2017.

The Company has accordingly revised the aforesaid disclosure in the statement of unaudited standalone financial result for the quarter and nine months period ended December 31, 2017 and same has been approved by the Board of Directors at their meetings held on April 24, 2018.

We enclose herewith the revised statement of unaudited standalone financial result for the quarter and nine months period ended December 31, 2017 for your record.

This is for your information and record.

Thanking you,
Yours truly,
for GOKALDAS EXPORTS LIMITED


Ramya K
Company Secretary



Encl: As stated above.

Regd. Office :

16/2, Residency Road, Bangalore - 560 025. (INDIA)
Telephone : 41272200, 41272220
Fax No. 91 - (080) - 33477491, E-mail : gokex@vsnl.com
CIN : L18101KA2004PLC033475



gokaldas exports ltd

GOKALDAS EXPORTS LIMITED

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

CIN : L18101KA2004PLC033475 E-MAIL : gokex@gokaldasexports.com WEBSITE : www.gokaldasexports.com

Statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2017

PART I	(Rs. In Lakhs except EPS)				
	3 Months Ended			9 Months Ended	
	31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16
Particulars	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Revenue from operations					
Revenue from operations (inclusive of excise duty)	23,745.01	26,069.15	19,881.05	73,587.70	60,903.63
Other income	996.12	1,367.25	950.48	3,718.81	3,161.22
Total income	24,741.13	27,436.40	20,831.53	77,306.51	64,064.85
Expenses					
Cost of materials consumed	13,651.13	12,707.46	14,363.11	38,895.23	35,010.05
Excise duty	-	-	79.84	48.50	308.81
Changes in inventories of work-in-progress and finished goods	(1,786.72)	1,736.02	(4,793.94)	(69.86)	(3,737.47)
Employee benefits expenses	8,378.58	8,537.92	3,078.20	19,542.99	8,176.36
Finance costs	949.18	892.34	860.34	2,781.47	2,610.94
Depreciation and amortisation expenses	394.46	388.85	458.88	1,157.84	1,270.05
Other expenses	4,869.81	4,139.63	8,927.50	18,482.58	26,429.49
Total expenses	26,456.44	28,402.22	22,973.93	80,838.75	70,068.23
Loss before tax	(1,715.31)	(965.82)	(2,142.40)	(3,532.24)	(6,003.38)
Tax expenses					
Deferred Tax credit	(36.67)	(38.40)	(5.85)	(81.26)	(17.55)
Total tax expense	(36.67)	(38.40)	(5.85)	(81.26)	(17.55)
Net loss	(1,678.64)	(927.42)	(2,136.55)	(3,450.98)	(5,985.83)
Other comprehensive income					
(A) (i) Items that will not be reclassified to profit or loss					
Re-measurement gains/ (losses) on defined benefit plans	105.95	110.94	16.90	234.77	50.70
(ii) Income tax effect	(36.67)	(38.40)	(5.85)	(81.26)	(17.55)
(B) (i) Items that will be reclassified to profit or loss	539.76	(576.87)	(268.65)	(533.36)	(342.86)
(ii) Income tax effect	-	-	-	-	-
Other comprehensive income for the period, net of tax	609.04	(504.33)	(257.60)	(379.85)	(309.71)
Total comprehensive income	(1,069.60)	(1,431.75)	(2,394.15)	(3,830.83)	(6,295.54)
Paid-up share capital (par value Rs 5 each fully paid up)	1,747.64	1,746.97	1,746.38	1,747.64	1,746.38
Earnings per equity share (EPS) (not annualised)					
Basic	(4.80)	(2.65)	(6.13)	(9.88)	(17.17)
Diluted	(4.80)	(2.65)	(6.13)	(9.88)	(17.17)

Notes

- In terms of Regulation 33 of the SEBI Regulations 2015, the aforesaid statement of unaudited standalone financial results of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on April 24, 2018. The aforesaid results for the quarter and nine months period ended December 31, 2017 have been subjected to a limited review by the statutory auditors.
- The Company operates in a single business segment of manufacture and sale of garments. As such no further segment disclosures are required.
- The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") 34 on Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Company has opted to avail relaxation provided by Securities and Exchange Board of India ("SEBI") vide the aforesaid circular dated July 5, 2016 in respect of disclosure requirements for figures of earlier periods. Accordingly, the figures for the year ended March 31, 2017 have not been presented. The reserves (excluding revaluation reserve, if any), as per the balance sheet of the previous accounting year not being mandatory, have not been presented. There is a possibility that these financial results along with the comparative financial results for the quarter and nine months ended December 31, 2016 may require adjustment before constituting the final Ind AS financial statements as of and for the year ending March 31, 2018.

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CIN : L18101KA2004PLC033475



gokaldas exports ltd

4 Reconciliation of Net Profit after tax as previously reported under Indian GAAP (IGAAP) and the total comprehensive income as per IND AS is as per the table below.

Particulars	3-Months Ended 31/12/2016
	Rs. In Lakhs
Net profit / (loss) after tax as per IGAAP	(2,184.38)
Add / (Less) IND AS Adjustments:	
Duty benefit on EPCG licences	100.60
Fair value accounting for ESOP	(34.46)
Reclassification of net actuarial gain on defined benefit obligation to other comprehensive income	(16.90)
Other items (Discounting of non current financial assets, expected credit loss, etc)	(7.26)
Deferred tax on above (net)	5.85
Net profit after tax as per IND AS	(2,136.55)
Other comprehensive income (net of deferred tax)	(257.60)
Total comprehensive income as per IND AS	(2,394.15)

5 The Company had applied for a scheme of amalgamation of 9 wholly owned subsidiary companies with the Holding 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 Hon'ble 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 and awaits the NCLT order.

6 In view of the on-going merger as detailed in note 5 and to facilitate ease of business operations, majority of the employees have been transferred from the subsidiary companies to the Company with effect from July 01, 2017.

7 In accordance with IND AS 109, the effective portion of the gain or loss on the hedging instruments in a cash flow hedge has been recognised in Other Comprehensive Income (OCI). This disclosure was inadvertently omitted while preparing the statement of unaudited standalone financial results for the periods up to December 31, 2017 filed with the Stock exchanges as per the requirements of Regulation 33 of the Listing Agreement and had recognised such gain or loss directly in equity. However there is no change in the net profit/loss after tax or the reserves of the Company for any of the periods up to December 31, 2017.

The Company has accordingly revised the aforesaid disclosure in the statement of unaudited standalone financial result for the quarter and nine months period ended December 31, 2017 and the same has been approved by the board in its meeting held on April 24, 2018.

8 The Board of Directors of the Company has appointed Mr. Sivaramkrishnan Vilayur Ganapathi (DIN 07954560) as the Managing Director of the Company with effect from October 03, 2017 and re-designated Mr. P Ramababu (DIN 00149649) as Vice Chairman of the Company. Mr. P Ramababu (DIN 00149649) has resigned from the Company on 31 January 2018.

9 Previous period's figures have been regrouped/ rearranged wherever necessary to conform to the current period's presentation.

For and on behalf of the Board

Sivaramkrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560



Date: April 24, 2018

Place: Bengaluru

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Report on Review of Unaudited Condensed Interim Unconsolidated Special Purpose Financial Information of Gokaldas Exports Limited

To
The Board of Directors of Gokaldas Exports Limited

Introduction

We have reviewed the accompanying unaudited condensed interim unconsolidated special purpose balance sheet of Gokaldas Exports Limited ('GEL' or 'the Company') as at December 31, 2017 and the related statement of unaudited condensed interim unconsolidated special purpose profit and loss, unaudited condensed interim unconsolidated special purpose statement of changes in equity and unaudited condensed interim unconsolidated special purpose statement of cash flows for the nine-month period then ended and other explanatory notes (together hereinafter referred to as Unaudited Condensed Interim Unconsolidated Special Purpose Financial Information). The management of the Company is responsible for the preparation of this financial information in accordance with the recognition and measurement principles on Interim Financial Reporting laid down in Indian Accounting Standards (IND AS -34) as specified under Section 133 of the Companies Act, 2013 ('Act') read with relevant Rules thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on this condensed interim unconsolidated special purpose financial information based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Interim Unconsolidated Special Purpose Financial Information is not prepared, in all material respects in accordance with the recognition and measurement principles on Interim Financial Reporting laid down in Indian Accounting Standards (IND AS -34) as specified under Section 133 of the Companies Act, 2013 ('Act') read with the relevant rules issued thereunder and other accounting principles generally accepted in India.

Emphasis of Matter

- a. We draw attention to Note 13 to the accompanying Unaudited Condensed Interim Unconsolidated Special Purpose Financial Information as regards the change in the amount of Other Comprehensive Income (OCI) for the nine month period ended December 31, 2017 from the amount as stated in the unaudited statement of financial results for the quarter and nine month ended December 31, 2017 and filed with the Stock exchanges as per the requirements of regulation




33 of the Listing agreement on account of disclosure of the effective portion of the gain or loss on the hedging instruments in a cash flow hedge in Other Comprehensive Income (OCI) as per the requirements of IND AS 109. The aforesaid change did not have any impact on the profit after tax, or the reserves of the Company. Our conclusion is not qualified in respect of this matter.

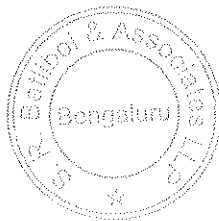
- b. We draw attention to Note 2.(i) to the accompanying Unaudited Condensed Interim Unconsolidated Special Purpose Financial Information which a) states that these are not a complete set of financial statements and only a complete set of unconsolidated financial statements together with comparative financial information can provide a fair presentation of the state of affairs (financial position) of the Company, profit or loss (financial performance including other comprehensive income), cash flows and the changes in equity of the Company. b) explains the rationale why there is a possibility that these may require adjustments before constituting the final IndAS Unconsolidated Financial Statements. Our conclusion is not qualified in respect of this matter.

Other matters

- a. The accompanying Unaudited Condensed Interim Unconsolidated Special Purpose Financial Information for the period ended December 31, 2016 have been presented based on the information compiled by the Company's management and has not been subject to our review.
- b. The accompanying Unaudited Condensed Interim Unconsolidated Special Purpose Financial Information have been prepared by the management for the purpose of its inclusion in the Placement Documents in connection with the proposed issue of equity shares through a qualified institutions placement by the Company and should not be used or referred to for any other purpose, or distributed to any other person, without our prior written consent in writing.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004


per Sandeep Karnani
Partner
Membership number: 061207



Place: Bengaluru, India
Date: April 24, 2018

Gokaldas Exports Limited

Condensed interim unaudited consolidated special purpose balance sheet as at December 31, 2017

All amounts in Indian Rupees in lakhs, except stated otherwise

	As at December 31, 2017	As at March 31, 2017	As at April 1, 2016
ASSETS			
Non-current assets			
Property, plant and equipment	8,713.62	9,280.95	9,128.96
Capital work-in-progress	33.24	90.04	247.64
Other intangible assets	69.30	98.59	85.47
Financial assets			
Investments	3,517.02	2,890.46	2,890.62
Loans	1,465.46	1,421.34	2,097.13
Other financial assets	765.26	753.64	762.70
Non current tax assets (net)	628.39	594.12	544.49
Deferred tax assets (net)	685.15	685.15	959.42
Other non current assets	415.76	409.47	569.49
Total non-current assets	16,293.20	16,223.76	17,285.92
Current assets			
Inventories	17,911.44	18,658.40	19,384.11
Financial assets			
Trade receivables	21,332.11	21,164.16	21,896.69
Cash and cash equivalents	1,807.93	4,479.59	5,463.54
Bank balances other than cash and cash equivalents	13,318.58	12,915.69	15,454.00
Other financial assets	2,393.98	1,896.98	1,727.37
Other current assets	6,554.08	4,766.37	5,205.07
Total current assets	63,318.12	63,881.19	69,130.78
Total assets	79,611.32	80,104.95	86,416.70



Gokaldas Exports Limited

Condensed interim unaudited unconsolidated special purpose balance sheet as at December 31, 2017

All amounts in Indian Rupees in lakhs, except stated otherwise

	As at December 31, 2017	As at March 31, 2017	As at April 1, 2016
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	1,747.64	1,746.38	1,739.47
Other equity	11,749.70	15,488.65	19,585.20
Total equity	13,497.34	17,235.03	21,324.67
LIABILITIES			
Non-current liabilities			
Long term provisions	863.32	454.06	271.99
Total non-current liabilities	863.32	454.06	271.99
Current liabilities			
Financial liabilities			
Current Borrowings	48,860.80	47,421.80	45,216.96
Trade payables	8,275.66	8,065.24	9,106.66
Other current financial liabilities	5,771.86	5,829.73	8,799.87
Other current liabilities	954.06	525.70	510.46
Short term provisions	1,388.28	573.39	1,186.09
Total current liabilities	65,250.66	62,415.86	64,820.04
Total liabilities	66,113.98	62,869.92	65,092.03
Total equity and liabilities	79,611.32	80,104.95	86,416.70

Refer note 2.1 for summary of significant accounting policies.

The explanatory notes form an integral part of these condensed interim unaudited unconsolidated special purpose financial information.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm Registration Number : 101049W/E30004



per Sandeep Karnani
Partner
Membership No.: 061207


For and on behalf of the Board of Directors of
Gokaldas Exports Limited


Arun K Thiagarajan
Director
DIN: 00292757


Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 24, 2018


Sivaramakrishnan Velayur Ganapathi
Managing Director
DIN: 07954560


Ramya Kannan
Company Secretary

Place: Bengaluru
Date: April 24, 2018

Place: Bengaluru
Date: April 24, 2018



Gokaldas Exports Limited

Condensed interim unaudited unconsolidated special purpose statement of profit and loss for nine months ended December 31, 2017

All amounts in Indian Rupees in lakhs, except stated otherwise

	December 31, 2017	December 31, 2016
I Income		
Revenue from operations	73,587.70	60,903.63
Other income	3,718.81	3,161.22
Total income	77,306.51	64,064.85
II Expenses		
Cost of materials consumed	38,895.23	35,010.05
Excise duty	48.50	308.81
Changes in inventories of finished goods and work-in-progress	(69.86)	(3,737.47)
Employee benefits expenses	19,542.99	8,176.36
Finance costs	2,781.47	2,610.94
Depreciation and amortization expenses	1,157.84	1,270.05
Other expenses	18,482.58	26,429.49
Total expenses	80,838.75	70,068.23
III Profit/(Loss) before tax for the period (I-II)	(3,532.24)	(6,003.38)
IV Tax expenses		
Deferred tax (credit)/charge	(81.26)	(17.55)
	(81.26)	(17.55)
V Profit/(Loss) after tax for the period (III-IV)	(3,450.98)	(5,985.83)
VI Other comprehensive income/ (loss) (net of tax)		
Items that will not be reclassified to profit or loss in subsequent periods:		
Re-measurement gains/ (losses) on defined benefit plan	234.77	50.70
Income tax effect	(81.26)	(17.55)
Items that will be reclassified to profit or loss in subsequent periods:		
Net movement on cash flow hedges	(533.36)	(342.86)
Total other comprehensive income/ (loss) for the year, net of tax	(379.85)	(309.71)
VII Total comprehensive income for the period attributable to equity holders (V+VI)	(3,830.83)	(6,295.54)
VIII Earnings per equity share [nominal value of Rs. 5 (December 31, 2016- Rs. 5)]		
Basic	(9.88)	(17.17)
Diluted	(9.88)	(17.17)

Refer note 2.1 for summary of significant accounting policies.

The explanatory notes form an integral part of these condensed interim unaudited unconsolidated special purpose financial information.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants


per Sandeep Karnani

Partner
Membership No.: 061207

Place: Bengaluru
Date: April 24, 2018

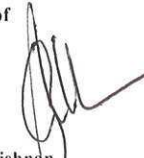
For and on behalf of the Board of Directors of
Gokaldas Exports Limited


Arun K Thiagarajan

Director
DIN: 00292757


Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 24, 2018


Sivaramakrishnan
Vilayur Ganapathi

Managing Director
DIN: 07954560


Ramya Kannan
Company Secretary

Place: Bengaluru
Date: April 24, 2018



Gokaldas Exports Limited
Condensed interim unaudited unconsolidated special purpose statement of changes in equity for nine months ended December 31, 2017
All amounts in Indian Rupees in lakhs, except stated otherwise

a. Equity share capital

	No of Shares	Amount
Equity shares of Rs. 5 each issued, subscribed and fully paid As at April 1, 2016	34,789,326	1,739.47
Shared issued pursuant to exercise of Employee stock options As at December 31, 2016	138,336	6.91
	<u>34,927,662</u>	<u>1,746.38</u>
As at April 1, 2017	34,927,662	1,746.38
Shared issued pursuant to exercise of Employee stock options As at December 31, 2017	25,167	1.26
	<u>34,952,829</u>	<u>1,747.64</u>

b. Other equity

For the period ended December 31, 2017

	Share application money pending allotment	Reserves and Surplus					Items of OCI	Total
		Securities premium reserve	General reserve	Capital Reserve on Amalgamation	Share based payments reserve	Retained earnings	Hedge reserve	
At April 1, 2017	1.61	13,873.55	2,192.09	9,751.19	164.42	(11,543.48)	1,049.27	15,488.65
Profit / (loss) for the period	-	-	-	-	-	(3,450.98)	-	(3,450.98)
Other comprehensive income ('OCI')	-	-	-	-	-	153.51	(533.36)	(379.85)
Total comprehensive income						(3,297.47)		(3,830.83)
Shares issued during the period	(1.61)	-	-	-	-	-	-	(1.61)
Additions on account of shares allotted to employees	-	6.85	-	-	-	-	-	6.85
Share based payment expense	-	-	-	-	86.64	-	-	86.64
At December 31, 2017		13,880.40	2,192.09	9,751.19	251.06	(14,840.95)	515.91	11,749.70

For the period ended December 31, 2016

	Share application money pending allotment	Reserves and Surplus					Items of OCI	Total
		Securities premium reserve	General reserve	Capital Reserve on Amalgamation	Share based payments reserve	Retained earnings	Hedge reserve	
As at April 1, 2016	-	13,835.86	2,192.09	9,751.19	47.28	(6,715.82)	474.60	19,585.20
Profit / (loss) for the period	-	-	-	-	-	(5,985.83)	-	(5,985.83)
Other comprehensive income	-	-	-	-	-	33.15	(342.86)	(309.71)
Total comprehensive income						(5,952.68)		(6,295.54)
Additions on account of shares allotted to employees	-	37.69	-	-	-	-	-	37.69
Share based payment expense	-	-	-	-	83.30	-	-	83.30
At December 31, 2016		13,873.55	2,192.09	9,751.19	130.58	(12,668.50)	131.74	13,410.65

Refer note 2.1 for summary of significant accounting policies.

The explanatory notes form an integral part of these condensed interim unaudited unconsolidated special purpose financial information.
As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Sandeep Karnani
Sandeep Karnani
Partner
Membership No.: 061207



Place: Bengaluru
Date: April 24, 2018

For and on behalf of the Board of Directors of
Gokaldas Exports Limited

Arjun K. Phaganjan
Arjun K. Phaganjan
Director
DIN: 00292757

Sathyamurthy A
Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 24, 2018

Sivaramakrishnan Vilayur Ganapathi
Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Kanya Kannan
Kanya Kannan
Company Secretary

Place: Bengaluru
Date: April 24, 2018



Gokaldas Exports Limited

Condensed interim unaudited unconsolidated special purpose statement of cash flows for nine months ended December 31, 2017

All amounts in Indian Rupees in lakhs, except stated otherwise

Notes	December 31, 2017	December 31, 2016
Net cash flows (used in)/ from operating activities (A)	(645.36)	20.56
Net cash flows (used in)/from investing activities (B)	(771.83)	2,511.18
Net cash flows (used in)/ from financing activities (C)	(1,147.23)	(5,405.12)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(2,564.42)	(2,873.38)
Cash and cash equivalents at the beginning of the period	806.72	2,449.32
Cash and cash equivalents at the end of the period	(1,757.70)	(424.06)

Components of cash and cash equivalents

Cash on hand	10.04	5.92
Balance with banks		
- on current account	1,797.89	2,371.15
Less - Bank overdraft	(3,565.63)	(2,801.13)
Total cash and cash equivalents	(1,757.70)	(424.06)

Refer note 2.1 for summary of significant accounting policies.

The explanatory notes form an integral part of these condensed interim unaudited unconsolidated special purpose financial information.

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm registration number: 101049W/E300004

Chartered Accountants

Sandeep Karnani
per Sandeep Karnani

Partner
Membership No.: 061207



**For and on behalf of the Board of Directors of
Gokaldas Exports Limited**

Arun K Thiagarajan
Arun K Thiagarajan

Director
DIN: 00292757

Sathyamurthy A
Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 24, 2018

Sivaramakrishnan
Sivaramakrishnan
Vilayur Ganapathi
Managing Director
DIN: 07954560

Ramyakannan
Ramyakannan
Company Secretary

Place: Bengaluru
Date: April 24, 2018



Gokaldas Exports Limited

Explanatory notes to the condensed interim unaudited unconsolidated special purpose financial information for nine months ended December 31, 2017

1. Corporate information

- a. Gokaldas Exports Limited ('the Company') was incorporated on March 1, 2004 by converting the erstwhile partnership firm Gokaldas India under Part IX of the Companies Act, 1956 ('the Act'). Pursuant to the order of the Hon'ble High Court of Karnataka dated November 20, 2004, Gokaldas Exports Private Limited and The Unique Creations (Bangalore) Private Limited had been amalgamated with the Company, with April 1, 2004 being the appointed date. The Company currently operates a 100% Export Oriented Unit, a Domestic Tariff Area Unit and a Special Economic Zone Unit.

The Company is a public company domiciled in India and its shares are listed on two stock exchanges in India. The Company is engaged in the business of design, manufacture, and sale of a wide range of garments for men, women, and children and caters to the needs of several leading international fashion brands and retailers. The principal source of revenue for the Company is from export of garments and related products.

- b. These Condensed Interim Unaudited Unconsolidated Financial Information have been prepared by the management for the purpose of its inclusion in the Placement Documents in connection with the proposed issue of equity shares of face value of ₹ 5 each through a qualified institutions placement prepared by the Company.

2. Basis of preparation of financial information and significant accounting policies

i. Basis of preparation of financial information

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company the Company has adopted Indian Accounting Standards ('referred as Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from April 1, 2016. Accordingly, the Company's management has prepared the Condensed Interim Unaudited Unconsolidated Special Purpose Financial Information which comprise the Balance Sheets as at December 31, 2017, March 31, 2016 and the Opening Balance Sheet as at April 1, 2015 (transition date balance sheet), the Statements of Profit and Loss, the Statements of Cash Flows and the Statements of Changes in Equity for the nine-month period ended December 31, 2017 and for nine-month period ended December 31, 2016, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Condensed Interim Unaudited Unconsolidated Special Purpose Financial Information") in accordance with the recognition and measurement principles of Ind AS to the extent applicable and is not a complete set of Ind AS compliant financial statements and accordingly, all the disclosures as required under Ind AS have not been furnished in these Condensed Interim Unaudited Unconsolidated Special Purpose Financial Information. The interim financial information has been prepared under the historical cost basis, except for certain financial assets and liabilities which has been measured at fair value.

These financial statements are prepared for inclusion in the Placement Documents prepared in connection with its proposed issue of equity shares of face value of ₹ 5 each through a qualified institutions placement by the Company. The Company will prepare and issue its first complete Ind AS unconsolidated financial statements as at and for the year ending March 31, 2018. Until the first complete Ind AS consolidated financial statements are issued, the balances in the Condensed Interim Unaudited Unconsolidated Special Purpose Financial Information can change if (a) there are any new Ind AS standards issued (b) there are any amendments/modifications made to existing Ind AS standards or interpretations thereof effecting the Ind AS balances in these Condensed Interim Unaudited Unconsolidated Special Purpose Financial Information and (c) if the Company makes any changes in the elections and/or exemptions selected on adoption of Ind AS at its transition date of April 1, 2016. Only a complete set of consolidated financial statements together with comparative financial information can provide a fair presentation of the state of affairs (financial position) of the Company, profit or loss (financial performance including other comprehensive income), cash flows and the changes in equity.

ii. Significant accounting policies

a. Functional and presentation currency

The functional and presentation currency of the Company is Indian Rupee (Rs.) which is the currency of the primary economic environment in which the Company operates. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.



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b. Use of estimates and judgements

The preparation of the Company's Condensed Interim Unaudited Unconsolidated Special Purpose Financial Information requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include impairment of investments in subsidiaries and associates, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies etc.

2.1 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

