

# gokaldas exports ltd

GEL/SEC/2020-21

29<sup>th</sup> July, 2020

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

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

SCRIP CODE: 532630

GOKEX

Dear Sir,

Sub: Outcome of the Board Meeting held today - 29<sup>th</sup> July, 2020

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

1. Reference to the captioned subject and pursuant to Regulation 33 read with Regulation 30, Schedule III, Part A (4) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a statement of the Un-audited Financial Results for the quarter ended 30<sup>th</sup> June 2020 as per IND AS which was taken on record by the Board of Directors at their meeting held today, 29<sup>th</sup> July 2020.

The Board of Directors have approved the Limited Review Report at their meeting held on 29<sup>th</sup> July 2020 for the quarter ended 30<sup>th</sup> June 2020.

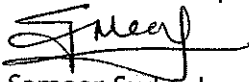
We enclose a copy of the Limited Review Report issued by the Statutory Auditors M/S. MSKA & Associates, Chartered Accountants.

2. Subject to the approval by members at the ensuing Annual General Meeting, the Board approved the re-appointment of Mr. Sivaramakrishnan Vilayur Ganapathi (holding DIN 07954560) as the Managing Director of the Company who's term of appointment ceases on 2<sup>nd</sup> October 2020, for a period of three years, effective from October 3<sup>rd</sup> 2020 until October 2<sup>nd</sup> 2023.  
Brief profile is enclosed below as Annexure 1.

The meeting commenced at 12:00 Noon and concluded at 6:45 PM

Kindly acknowledge the receipt and take note.

Thanking you,  
Yours Truly  
For Gokaldas Exports Limited,



Sameer Sudarshan R.V.  
Company Secretary and Compliance Officer



Encl: As detailed above and Press release



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CIN : L18101KA2004PLC033475



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## Annexure-1

### **Brief profile of Mr. Sivaramakrishnan Vilayur Ganapathi**

After a long career spanning 27 years leading several high growth businesses in diverse industries across several countries in Asia, North America and Europe, Mr. Sivaramakrishnan Ganapathi (Siva) joined Gokaldas Exports Ltd. as its Managing Director and CEO in October 2017.

Prior to this, Siva worked with the Aditya Birla Group for 21 years. He was the COO of Idea Cellular, responsible for their business based in Delhi. He has also worked with DSP Merrill Lynch, ICICI, and Uhde India, before joining the Aditya Birla Group.

Siva is a PG Diploma in management from IIM, Bangalore and a B.Tech from NIT.



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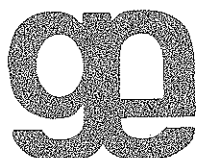
E-mail : gokex@gokaldasexports.com      WEBSITE : www.gokaldasexports.com

**Statement of unaudited standalone Ind AS financial results of Gokaldas Exports Limited for the quarter ended June 30, 2020**

(in Rs. lakh, except earnings per share)

S. No.	Particulars	Quarter ended			Year ended
		June 30, 2020	Mar 31, 2020	June 30, 2019	Mar 31, 2020
		Unaudited	(Refer note 12)	Unaudited	Audited
<b>I</b>	<b>Income</b>				
	(a) Revenue from operations	23,382.58	35,516.43	34,125.50	1,36,220.49
	(b) Other income				
	Gain on account of foreign exchange fluctuations (net)	-	-	511.72	1,292.81
	Income from bank deposits and investment in mutual funds	258.26	263.78	270.74	1,103.71
	Others including government grant	77.90	331.72	180.38	1,086.57
	<b>Total Income</b>	<b>23,718.74</b>	<b>36,111.93</b>	<b>35,088.34</b>	<b>1,39,703.58</b>
<b>II</b>	<b>Expenses</b>				
	(a) Cost of materials consumed	11,176.04	18,352.42	17,157.95	69,505.56
	(b) Changes in inventories of work-in-progress and finished goods	(157.80)	40.76	(147.40)	(618.94)
	(c) Employee benefit expenses	7,393.41	11,161.30	11,494.22	46,698.75
	(d) Finance costs	975.34	892.58	889.61	3,654.55
	(e) Depreciation and amortisation expenses	1,284.87	1,503.00	1,262.42	5,434.45
	(f) Job work charges	402.32	189.44	417.77	1,062.79
	(g) Other expenses				
	Loss on account of foreign exchange fluctuations (net)	688.35	121.17	-	-
	Others	2,345.53	3,152.89	3,054.19	12,724.42
	<b>Total expenses</b>	<b>24,108.06</b>	<b>35,413.56</b>	<b>34,128.76</b>	<b>1,38,461.58</b>
<b>III</b>	<b>Profit / (loss) before tax and exceptional items (I - II)</b>	<b>(389.32)</b>	<b>698.37</b>	<b>959.58</b>	<b>1,242.00</b>
<b>IV</b>	<b>Exceptional items- (gain)/ loss (Refer note 5)</b>	-	-	(2,604.78)	(1,993.94)
<b>V</b>	<b>Profit / (loss) before tax (III - IV)</b>	<b>(389.32)</b>	<b>698.37</b>	<b>3,564.36</b>	<b>3,235.94</b>
<b>VI</b>	<b>Tax expenses</b>				
	Current tax	-	(67.32)	307.32	74.19
	Deferred tax (credit)/charge	-	67.32	(307.32)	(74.19)
	<b>Total tax expenses</b>	-	-	-	-
<b>VII</b>	<b>Net profit / (loss) for the period / year (V-VI)</b>	<b>(389.32)</b>	<b>698.37</b>	<b>3,564.36</b>	<b>3,235.94</b>
<b>VIII</b>	<b>Other Comprehensive Income / (loss) (net of tax)</b>				
	(A) (i) Items that will not to be reclassified to profit or loss				
	Re-measurement gains/ (losses) on defined benefit plans	75.00	(378.89)	60.00	(198.89)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	(B) Items that will be reclassified to profit or loss:				
	The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	1,015.34	(2,042.46)	(42.44)	(3,401.95)
	<b>Total Other Comprehensive Income / (loss) for the period / year</b>	<b>1,090.34</b>	<b>(2,421.35)</b>	<b>17.56</b>	<b>(3,600.84)</b>
<b>IX</b>	<b>Total Comprehensive Income for the period / year (VII+VIII)</b>	<b>701.02</b>	<b>(1,722.98)</b>	<b>3,581.92</b>	<b>(364.90)</b>
	(Comprising profit/(loss) and Other Comprehensive Income/(loss) (net of tax) for the period/year				
<b>X</b>	<b>Paid-up equity share capital</b>	2,141.28	2,141.28	2,140.78	2,141.28
	(face value Rs 5 each, fully paid up)				
<b>XI</b>	<b>Earnings per equity share (EPS)</b>				
	(a) Basic (Rs.)	(0.91)	1.63	8.32	7.56
	(b) Diluted (Rs.) *	(0.91)	1.53	7.85	7.11

\* Employee stock options are not included in the calculation of diluted earnings per share as they are antidilutive for the quarter ended June 30, 2020



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## Notes to the standalone Ind AS financial results of Gokaldas Exports Limited for the quarter ended June 30, 2020

- 1 The standalone unaudited Ind AS financial results of the Company for the quarter ended June 30, 2020 can be viewed on the Company's website [www.gokaldasexports.com](http://www.gokaldasexports.com) or on the website of NSE ([www.nse-india.com](http://www.nse-india.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)).
- 2 The above financial results of the Company have been prepared in accordance with Indian Accounting Standards - Ind AS 34 on 'Interim Financial Reporting' as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016.
- 3 Gokaldas Exports Limited ('the Company') operates in a single business segment of manufacture and sale of garments. Accordingly, no further segment disclosures are required.
- 4 During the previous year ended March 31, 2019, 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 towards these claims. The aggregate outstanding balance as at June 30, 2020 from this customer is Rs. 357 lakhs (March 31, 2020: Rs. 357 lakhs) after adjusting the aforementioned provision and realisations of Rs. 220 lakhs made till date of financial statements.

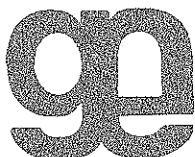
During the quarter ended June 30, 2020 another foreign customer with an outstanding receivable balance of Rs 815 lakhs as at March 31, 2020, has filed for a plan for reorganisation of its business and creditors in the court. The Company has filed a creditor claim for the balances outstanding for Rs 250 lakhs as at the date of such filing (after considering subsequent realisations). Based on the assessment of expected recovery the Company has created a provision on account of expected credit loss amounting to Rs.125 lakhs. Further subsequent to the said filing of creditor claim by the Company, the Company has made additional despatch of goods against fresh purchase order from the said foreign customer. These despatch of goods are considered as goods in transit as at June 30, 2020. The said transaction is in nature of post petition and categorised as priority claims and are court administered. Accordingly, no provision is made towards such despatches of goods.

The Company is confident of recovery of the balance amounts.

### 5 Exceptional items:

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

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



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

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the quarter ended June 30, 2020 and has concluded that the impact is primarily on the operational aspects of the business. Management has been able to address and counter the potential impact on the financial results as at June 30, 2020 such as enhancing borrowing limits, strengthening liquidity, optimisation of resource utilisation, etc.

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

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

7 Revenue from operations for the quarter ended June 30, 2019 includes export incentives income of Rs. 1,063.12 lakhs, this was reversed and adjusted as an exceptional item during the quarter ended December 31, 2019 in view of Ministry of Textiles, Government of India's Gazette Notification number CG-DL-E-15012020-215423 dated January 14, 2020.

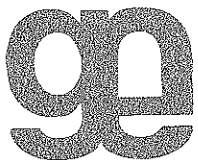
8 For the period/ days of the respective lockdowns imposed by the government, the Company has evaluated the various directions, circulars and orders issued by government authorities regarding payment of wages to employees, and accordingly has paid certain ex-gratia amount to eligible employees for the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

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

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

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

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



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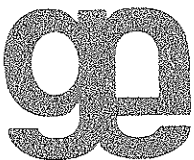
- 9 The Company has performed a reassessment of its Expected Credit Loss provision for the quarter ended June 30, 2020 and for certain customers with increased credit risk, made an additional provision of INR 350 lakhs in the current quarter (Quarter ended March 31, 2020: INR 15 lakhs). This will be reassessed periodically.
- 10 The statement of unaudited standalone Ind AS financial results for the quarter ended June 30, 2020 have been reviewed by the Audit Committee in their meeting on July 29, 2020 and approved by the Board of Directors in their meeting held on July 29, 2020.
- 11 The Statutory Auditors have carried out a limited review of unaudited standalone Ind AS financial results for the quarter ended June 30, 2020 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 12 The figures for quarter ended March 31, 2020 are the balancing figures between the audited figures in respect of the standalone Ind AS financial statements for the year ended March 31, 2020 and the published unaudited year-to-date figures for nine months ended December 31, 2019.
- 13 Previous period/ year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current period/ year's classification.

For Gokaldas Exports Limited

  
Sivaramakrishnan Vilayur Ganapathi  
Managing Director  
DIN: 07954560



Date: July 29, 2020  
Place: Bengaluru



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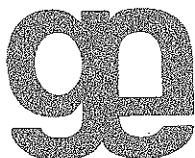
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## Statement of unaudited consolidated Ind AS financial results of Gokaldas Exports Limited for the quarter ended June 30, 2020

(in Rs. lakh, except earnings per share)

S. No.	Particulars	Quarter ended			Year ended
		June 30, 2020	Mar 31, 2020	June 30, 2019	Mar 31, 2020
		Unaudited	(Refer note 12)	Unaudited	Audited
<b>I</b>	<b>Income</b>				
	(a) Revenue from operations	23,391.08	35,591.51	34,223.72	1,36,524.48
	(b) Other income				
	Gain on account of foreign exchange fluctuations (net)	-	-	511.72	1,292.81
	Income from bank deposits and investment in mutual funds	258.26	263.78	270.74	1,103.71
	Others including government grant	80.29	334.82	182.94	1,094.43
	<b>Total Income</b>	<b>23,729.63</b>	<b>36,190.11</b>	<b>35,189.12</b>	<b>1,40,015.43</b>
<b>II</b>	<b>Expenses</b>				
	(a) Cost of materials consumed	11,186.40	18,332.68	17,171.15	69,609.75
	(b) Changes in inventories of work-in-progress and finished goods	(113.04)	242.09	(78.70)	(414.71)
	(c) Employee benefit expenses	7,402.46	11,170.43	11,505.48	46,742.44
	(d) Finance costs	979.43	899.71	895.73	3,682.47
	(e) Depreciation and amortisation expenses	1,296.62	1,514.93	1,273.87	5,481.92
	(f) Job work charges	402.32	189.44	418.85	1,063.87
	(g) Other expenses				
	Loss on account of foreign exchange fluctuations (net)	688.35	121.17	-	-
	Others	2,313.06	3,122.79	3,239.23	12,804.92
	<b>Total expenses</b>	<b>24,155.60</b>	<b>35,593.24</b>	<b>34,425.61</b>	<b>1,38,970.66</b>
<b>III</b>	<b>Profit / (loss) before tax and exceptional items (I - II)</b>	<b>(425.97)</b>	<b>596.87</b>	<b>763.51</b>	<b>1,044.77</b>
<b>IV</b>	<b>Exceptional items- (gain)/ loss (Refer note 5)</b>	-	-	(2,604.78)	(1,993.94)
<b>V</b>	<b>Profit / (loss) before tax (III - IV)</b>	<b>(425.97)</b>	<b>596.87</b>	<b>3,368.29</b>	<b>3,038.71</b>
<b>VI</b>	<b>Tax expenses</b>				
	Current tax	-	(67.32)	307.32	74.19
	Deferred tax (credit)/charge	-	67.32	(307.32)	(74.19)
	<b>Total tax expenses</b>	-	-	-	-
<b>VII</b>	<b>Net profit / (loss) for the period / year (V-VI)</b>	<b>(425.97)</b>	<b>596.87</b>	<b>3,368.29</b>	<b>3,038.71</b>
<b>VIII</b>	<b>Other Comprehensive Income / (loss) (net of tax)</b>				
	(A) (i) Items that will not to be reclassified to profit or loss				
	Re-measurement gains/ (losses) on defined benefit plans	75.75	(376.65)	60.00	(196.65)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	(B) Items that will be reclassified to profit or loss:				
	The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	1,015.34	(2,042.46)	(42.44)	(3,401.95)
	<b>Total Other Comprehensive Income / (loss) for the period / year</b>	<b>1,091.09</b>	<b>(2,419.11)</b>	<b>17.56</b>	<b>(3,598.60)</b>
<b>IX</b>	<b>Total Comprehensive Income for the period / year (VII+VIII)</b>	<b>665.12</b>	<b>(1,822.24)</b>	<b>3,385.85</b>	<b>(559.89)</b>
	(Comprising profit/(loss) and Other Comprehensive Income/(loss) (net of tax) for the period/year				
<b>X</b>	<b>Paid-up equity share capital</b>	2,141.28	2,141.28	2,140.78	2,141.28
	(face value Rs 5 each, fully paid up)				
<b>XI</b>	<b>Earnings per equity share (EPS)</b>				
	(a) Basic (Rs.)	(0.99)	1.39	7.87	7.10
	(b) Diluted (Rs.) *	(0.99)	1.31	7.42	6.67

\* Employee stock options are not included in the calculation of diluted earnings per share as they are antidilutive for the quarter ended June 30, 2020



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- 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.
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During the quarter ended June 30, 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). Based on the assessment of expected recovery the Group has created a provision on account of expected credit loss amounting to Rs. 125 lakhs. Further subsequent to the said filing of creditor claim by the Group, the Group has made additional despatch of goods against fresh purchase order from the said foreign customer. These despatch of goods are considered as goods in transit as at June 30, 2020. The said transaction is in nature of post petition and categorised as priority claims and are court administered. Accordingly, no provision is made towards such despatches of goods.

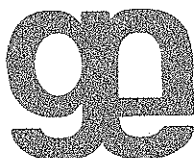
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b. During the quarter ended June 30, 2019, pursuant to the approval of the Board of Directors, the Group has concluded the sale of one of its lands, alongwith building constructed thereon. The transaction resulted in a gain of Rs. 2,604.78 lakhs, which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

- 6 The statement of unaudited consolidated Ind AS financial results for the quarter ended June 30, 2020 have been reviewed by the Audit Committee in their meeting on July 29, 2020 and approved by the Board of Directors in their meeting held on July 29, 2020.



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

The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the quarter ended June 30, 2020 and has concluded that the impact is primarily on the operational aspects of the business. Management has been able to address and counter the potential impact on the financial results as at June 30, 2020 such as enhancing borrowing limits, strengthening liquidity, optimisation of resource utilisation, etc.

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

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

8 Revenue from operations for the quarter ended June 30, 2019 includes export incentives income of Rs. 1,063.12 lakhs, this was reversed and adjusted as an exceptional item during the quarter ended December 31, 2019 in view of Ministry of Textiles, Government of India's Gazette Notification number CG-DL-E-15012020-215423 dated January 14, 2020.

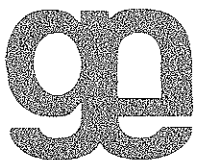
9 For the period/ days of the respective lockdowns imposed by the government, the Group has evaluated the various directions, circulars and orders issued by government authorities regarding payment of wages to employees, and accordingly has paid certain ex-gratia amount to eligible employees for the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

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

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

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

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



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# gokaldas exports ltd

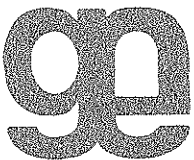
- 10 The Group has performed a reassessment of its Expected Credit Loss provision for the quarter ended June 30, 2020 and for certain customers with increased credit risk, made an additional provision of INR 350 lakhs in the current quarter (Quarter ended March 31, 2020: INR 15 lakhs). This will be reassessed periodically.
- 11 The Statutory Auditors have carried out a limited review of unaudited consolidated Ind AS financial results for the quarter ended June 30, 2020 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 12 The figures for quarter ended March 31, 2020 are the balancing figures between the audited figures in respect of the consolidated Ind AS financial statements for the year ended March 31, 2020 and the published unaudited year-to-date figures for nine months ended December 31, 2019.
- 13 Previous period/ year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current period/ year's classification.

For Gokaldas Exports Limited

  
Sivaramakrishnan Vilayur Ganapathi  
Managing Director  
DIN: 07954560



Date: July 29, 2020  
Place: Bengaluru



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

**The Board of Directors  
Gokaldas Exports Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Gokaldas Exports Limited ('the Company') for the quarter ended June 30, 2020 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to:
  - i) Note 4 to the unaudited financial results which states that certain foreign customers with an aggregate outstanding balance of Rs 357 lakhs as on June 30, 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, and considering subsequent realisation and expected recovery the Company has created a provision on account of expected loss amounting to Rs. 523 lakhs towards these claims.



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Additionally during the quarter-ended June 30, 2020, another foreign customer has filed for a plan for reorganisation of its business and creditors in the court and the Company has filed a creditor claim and based on assessment of recovery had created a provision on account of expected loss amounting to Rs. 125 lakhs. Additional despatches made during the quarter which are goods in transit, these are categorised as post-petition with priority claim status, accordingly, no additional provision is being made.

- ii) Note 6 to the financial results which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the quarter ended June 30, 2020 and has concluded that primarily the operational aspects of the business have been affected. 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 unaudited financial results.

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

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

Deepak Rao  
Partner  
Membership No.: 113292  
UDIN: 20113292AAAAMG2470

Place: Bengaluru  
Date: June 29, 2020

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

**The Board of Directors  
Gokaldas Exports Limited**

1. We have reviewed the accompanying statement of consolidated unaudited financial results of Gokaldas Exports Limited ('the Holding Company'), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') for the quarter ended June 30, 2020 being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

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

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



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6. We draw attention to:

- i) Note 4 to the unaudited financial results which states that certain foreign customers with an aggregate outstanding balance of Rs 357 lakhs as on June 30, 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, and considering subsequent realisation and expected recovery the Company has created a provision on account of expected loss amounting to Rs. 523 lakhs towards these claims

Additionally during the quarter-ended June 30, 2020, another foreign customer has filed a plan for reorganisation of its business and creditors in the court and the Company has filed a creditor claim and based on assessment of recovery had created a provision on account of expected loss amounting to Rs. 125 lakhs. Additional despatches made during the quarter which are goods in transit, these are categorised as post-petition with priority claim status, accordingly, no additional provision is being made.

- ii) Note 7 to the financial results which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the quarter ended June 30, 2020 and has concluded that primarily the operational aspects of the business have been affected. 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 unaudited financial results.

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

7. The consolidated unaudited financial results includes the interim financial results of three subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 8.50 Lakhs, total net profit/(loss) after tax of Rs. (36.65) Lakhs and total comprehensive income / (loss) of Rs. (35.91) Lakhs for the quarter ended June 30, 2020 as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

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

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

Deepak Rao  
Partner  
Membership No.: 113292

UDIN: 20113292AAAAMH4207

Place: Bengaluru  
Date: July 29, 2020

## **GOKALDAS EXPORTS LIMITED**

### **PRESS RELEASE**

Gokaldas Exports Ltd. reported a total income of Rs. 237.30 Cr and EBITDA of Rs. 18.5 Cr in the first quarter of the FY2021. The current quarter was severely impacted due to nation-wide lockdown and business disruption caused by the outbreak of COVID-19.

The lockdown due to Covid and consequent closure of operation adversely impacted the business during April and May 2020. The company lost almost 50% of its production capacity in Q1 due to the lockdown. The company faced certain deferment of customer orders as a part of the economic shock due to Covid in its key markets of USA and EU. The company has since started ramping up its production capacity to meet the delivery requirements of its customers.

#### **Key Highlights of Q1, FY 2021**

- Total income of Rs. 237.30 Cr, a decline by 33% on YoY basis. The revenue of Q1FY20 includes MEIS income of Rs. 10.63 Cr which was reversed during the quarter ended December 31, 2019 consequent to the notification issued by the Government of India, on 14<sup>th</sup> Jan 2020. Adjusting the same, the decline in revenue is 30%.
- Generated EBITDA of Rs. 18.50 Cr compared to Rs. 18.70 Cr in the previous year Q1. EBITDA margin for the current quarter is 7.8% compared to 5.5% in the previous year Q1 (adjusting the MEIS benefit reversal). The company reported a net loss of Rs. 4.26 Cr.
- Net debt increased by Rs. 9.6 Cr during the quarter.

Amid the pandemic induced challenges, the company had the opportunity to foray into healthcare segment which would be a new product line for the company in the future. The company is closely watching the pandemic situation and will take appropriate steps in the quarters ahead to secure its business.

**Date: 29<sup>th</sup> July 2020**

