

# gokaldas exports ltd

GEL/SEC/2021-22

October 04, 2021

The Manager-Listing  
The Corporate Relation Department  
Bombay Stock Exchange Limited  
Floor 25, P.J Towers,  
Dalal Street,  
MUMBAI - 400 001

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

SCRIP CODE: 532630

GOKEX

Dear Sir/Madam,

**Sub: Approval of the Unaudited Condensed Consolidated Interim Financial Statements**  
**RE: Intimation under Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("SEBI LODR Regulations") and in furtherance to our intimation dated July 30, 2021 in relation to the announcement of the un-audited standalone and consolidated financial results for the quarter ended June 30, 2021 of the Company, we wish to inform you that the Board of Directors of the Company vide a Circular resolution passed today i.e., October 4, 2021, have approved the Unaudited Condensed Consolidated Interim Financial Statements ("Interim Financials") of the Company, prepared in accordance with the Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other relevant provisions of the Act along with report on review of Interim Financials issued by the Statutory Auditors of the Company, M/S. MSKA & Associates, Chartered Accountants for the three months ended on June 30, 2021. A Copy of the same is attached herewith as Annexure A. Further, these financial statements will be uploaded on the Company's Website [www.gokaldasexports.com](http://www.gokaldasexports.com).

We request you to take the above on record, and the same be treated as compliance under Regulation 29 and 30 and other applicable regulations of the Listing Regulations.

Kindly acknowledge the receipt and take note.

Thanking you,

Yours truly,

For Gokaldas Exports Limited



Shrithee M S  
Company Secretary and Compliance Officer



Regd. Office : # 25, 2nd Cross, 3rd Main,  
Industrial Suburb, Yeshwanthpur, Bangalore 560 022.  
Tel : +91 80 68951000, Fax : +91 80 68951001  
E-Mail : [info@gokaldasexports.com](mailto:info@gokaldasexports.com) CIN : L18101KA2004PLC033475



**Report on Review of the Unaudited Condensed Consolidated Interim Financial Statements****To the Board of Directors of Gokaldas Exports Limited**

We have reviewed the accompanying Unaudited Condensed Consolidated Interim Financial Statements of Gokaldas Exports Limited (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as the “the Group”), which comprise the Unaudited Condensed Consolidated Interim Balance Sheet as at June 30, 2021 and the Unaudited Condensed Consolidated Interim Statement of Profit and Loss, including other comprehensive income, Unaudited Condensed Interim Consolidated Cash Flow Statement and the Unaudited Condensed Consolidated Interim Statement of Changes in Equity for the three-month period then ended and a summary of select explanatory notes (together hereinafter referred to as the “Unaudited Condensed Consolidated Interim Financial Statements”). The Unaudited Condensed Consolidated Interim Financial Statements have been prepared by the Company solely in connection with a proposed fund-raising transaction in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

**Responsibilities of Management for the Unaudited Condensed Consolidated Interim Financial Statement**

The Holding Company’s Board of Directors is responsible for the preparation of these Unaudited Condensed Consolidated Interim Financial Statements in accordance with the recognition and measurement principles laid down as per the requirements of Indian Accounting Standard (Ind AS 34) “Interim Financial Reporting” specified under section 133 of the Companies Act, 2013 (the “Act”), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Unaudited Condensed Consolidated Interim Financial Statements that are free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibilities for the Unaudited Condensed Consolidated Interim Financial Statement**

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditors of the Entity”, issued by the Institute of Chartered Accountants of India. This standard require that we plan and perform the review to obtain moderate assurance as to whether the Unaudited Condensed Consolidated Interim Financial Statements are free from material misstatement. A review is limited to primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion. Our responsibility is to express a conclusion on the Unaudited Condensed Consolidated Interim Financial Statements based on our review.



**Emphasis of Matter**

We draw attention to Note 11 to the Unaudited Condensed Consolidated Interim 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 quarter ended June 30, 2021 and has concluded that there is no impact which is required to be recognized in the consolidated financial results. Accordingly, no adjustments have been made to the consolidated financial results.

Our conclusion, as mentioned below, on the Unaudited Condensed Consolidated Interim Financial Statements is not modified in respect of the above matter.

**Conclusion**

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Consolidated Interim Financial Statements are not prepared, in all material respects, in accordance with the recognition and measurement principles of Ind AS 34 as specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

**Other matters**

- (i) We did not review Unaudited Condensed Interim Financial Statements and other financial information, in respect of three subsidiaries, whose unaudited interim Ind AS financial statements include total assets (after considering elimination) of Rs. 410.08 lakhs as at June 30, 2021, total revenues (after considering elimination) of Rs. 12.90 lakhs and net cash outflows (after considering elimination) amounting to Rs. 25.83 lakhs for the three months period then ended. These Unaudited Condensed Interim Financial Statements and other financial information have not been reviewed by the subsidiary auditors, which financial statements and other financial information have been furnished to us by the management. According to the information and explanations given to us by the Management, these unaudited interim financial statements are not material to the Group.
- (ii) We have neither audited nor reviewed the comparative interim financial information relating to the period ended June 30, 2020, included in the Unaudited Condensed Interim Financial Statements, which were approved by the Board.
- (iii) The Group had prepared separate Statement of Unaudited Consolidated Financial Results (the 'Consolidated Financial Results') for the quarter ended June 30, 2021, in accordance with the principles laid down in India Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting", on which we had issued a separate auditor's review report dated July 30, 2021. These Unaudited Consolidated Financial Results were prepared for submission by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Our conclusion on the Unaudited Condensed Consolidated Interim Financial Statements is not modified in respect of the above matters.



### Restriction of use

The accompanying Unaudited Condensed Consolidated Interim Financial Statements have been prepared solely in connection with a proposed fund-raising transaction in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. Accordingly, this report should not be used, referred to or distributed for any other purpose.

### For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No: 105047W



Deepak Rao

Partner

Membership No. 113292

UDIN: 21113292AAAAOD6771

Date: October 4, 2021

Place: Bengaluru

**Gokaldas Exports Limited****Unaudited Condensed Consolidated Interim Balance Sheet as at June 30, 2021***All amounts in Indian Rupees in lakhs, except stated otherwise*

	As at June 30, 2021	As at March 31, 2021
<b>ASSETS</b>		
<b>Non- current assets</b>		
Property, plant and equipment	12,814.24	12,531.40
Capital work-in-progress	0.20	-
Right-of-use assets	11,104.19	11,016.15
Other intangible assets	187.39	190.11
Financial assets		
Investments	0.29	0.29
Other financial assets	17,813.82	17,594.34
Deferred tax assets	680.90	680.90
Income tax assets (net)	769.34	664.62
Other non-current assets	635.81	336.21
<b>Total non-current assets</b>	<b>44,006.18</b>	<b>43,014.02</b>
<b>Current assets</b>		
Inventories	33,234.45	25,920.02
Financial assets		
Investments	3,710.40	3,680.89
Trade receivables	7,301.24	17,983.76
Cash and cash equivalents	427.04	1,526.19
Other financial assets	1,113.60	1,464.14
Other current assets	6,378.00	5,402.89
<b>Total current assets</b>	<b>52,164.73</b>	<b>55,977.89</b>
<b>Total assets</b>	<b>96,170.91</b>	<b>98,991.91</b>





**Gokaldas Exports Limited****Unaudited Condensed Consolidated Interim Balance Sheet as at June 30, 2021***All amounts in Indian Rupees in lakhs, except stated otherwise*

	As at June 30, 2021	As at March 31, 2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	2,144.78	2,144.78
Other equity	26,055.66	26,861.99
<b>Total equity</b>	<b>28,200.44</b>	<b>29,006.77</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	3,031.72	1,884.27
Lease liabilities	8,636.45	8,555.17
Provision for employee benefits	527.12	527.00
<b>Total non-current liabilities</b>	<b>12,195.29</b>	<b>10,966.44</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	29,396.42	34,637.43
Trade payables		
Total outstanding dues of micro, small and medium enterprises	87.87	51.71
Total outstanding dues of creditors other than micro, small and medium enterprises	12,443.89	11,119.99
Lease liabilities	2,916.64	2,773.56
Other current financial liabilities	7,139.26	6,405.42
Other current liabilities	769.43	906.94
Provision for employee benefits	3,021.67	2,785.86
Current tax liability (net)	-	337.79
<b>Total current liabilities</b>	<b>55,775.18</b>	<b>59,018.70</b>
<b>Total equity and liabilities</b>	<b>96,170.91</b>	<b>98,991.91</b>

The accompanying explanatory notes are an integral part of these Unaudited Condensed Consolidated Interim financial statements.

As per our report of even date

**For MSKA & Associates**

Chartered Accountants

ICAI Firm registration number: 105047W


**Deepak Rao**

Partner

Membership No.: 113292

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

CIN: L18101KA2004PLC033475

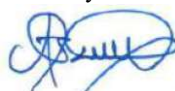

**Richard B Saldanha**

Chairman of Board

of Directors

DIN: 00189029

Place: Hyderabad


**Sathyamurthy A**

Chief Financial Officer

Place: Bengaluru

Date: October 04, 2021


**Sivaramakrishnan****Ganapathi**

Managing Director

DIN: 07954560


**Shrithee MS**

Company Secretary

Membership No: A56563

Place: Bengaluru

Date: October 04, 2021



Place: Bengaluru

Date: October 04, 2021

**Gokaldas Exports Limited****Unaudited Condensed Consolidated Interim Statement of Profit and Loss for three months period ended June 30, 2021***All amounts in Indian Rupees in lakhs, except stated otherwise*

	<b>Three months ended</b>	
	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>I Income</b>		
Revenue from operations	24,096.66	23,391.08
Other income	202.07	338.55
<b>Total income</b>	<b>24,298.73</b>	<b>23,729.63</b>
<b>II Expenses</b>		
Cost of raw materials and components consumed	13,539.88	11,186.40
Purchases of stock-in-trade	171.90	-
Changes in inventories of finished goods and work-in-progress	(2,320.23)	(113.04)
Employee benefits expense	8,571.00	7,402.46
Finance costs	1,006.54	979.43
Depreciation and amortization expenses	1,242.46	1,296.62
Job work charges	146.20	402.32
(Gain)/loss on account of foreign exchange fluctuations (net)	(635.87)	688.35
Other expenses	2,832.07	2,313.06
<b>Total expenses</b>	<b>24,553.95</b>	<b>24,155.60</b>
<b>III Profit/(Loss) before tax (I-II)</b>	<b>(255.22)</b>	<b>(425.97)</b>
<b>IV Tax expenses</b>	-	-
<b>V Profit/(Loss) after tax for the period (III-IV)</b>	<b>(255.22)</b>	<b>(425.97)</b>
<b>VI Other comprehensive income/ (loss) (net of tax)</b>		
Items that will not be reclassified to profit or loss in subsequent periods:		
Re-measurement gains/ (losses) on defined benefit plan	75.75	75.75
Income tax effect	-	-
Items that will be reclassified to profit or loss in subsequent periods:		
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	(650.18)	1,015.34
Total other comprehensive income/ (loss) for the year, net of tax	<b>(574.43)</b>	<b>1,091.09</b>
<b>IX Total comprehensive income for the period attributable to equity holders (VII+VIII)</b>	<b>(829.65)</b>	<b>665.12</b>
<b>X Earnings per equity share (EPS) [nominal value of Rs. 5 ( June 30, 2020- Rs. 5)]</b>		
Basic EPS	(0.59)	(0.99)
Diluted EPS	(0.59)	(0.99)

The accompanying explanatory notes are an integral part of these Unaudited Condensed Consolidated Interim financial statements.  
As per our report of even date

**For MSKA & Associates**

Chartered Accountants

ICAI Firm registration number: 105047W


**Deepak Rao**

Partner

Membership No.: 113292

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

CIN: L18101KA2004PLC033475


**Richard B Saldanha**

Chairman of Board

of Directors

DIN: 00189029

Place: Hyderabad


**Sathyamurthy A**

Chief Financial Officer

Place: Bengaluru

Date: October 04, 2021


**Sivaramakrishnan****Ganapathi**

Managing Director

DIN: 07954560


**Shrithee MS**

Company Secretary

Membership No: A56563

Place: Bengaluru

Date: October 04, 2021



Place: Bengaluru

Date: October 04, 2021

**Gokaldas Exports Limited**
**Unaudited Condensed Consolidated Interim statement of changes in equity for three months period ended June 30, 2021**

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		
At April 1, 2020	42,825,663	2,141.28
Add: Issued during the year	70,000	3.50
<b>At March 31, 2021</b>	<b>42,895,663</b>	<b>2,144.78</b>
At April 1, 2021	42,895,663	2,144.78
Add: Issued during the period	-	-
<b>At June 30, 2021</b>	<b>42,895,663</b>	<b>2,144.78</b>

**b. Other equity**

For the period ended June 30, 2021

	Share application money pending	Attributable to equity holders of the Company						Items of OCI	Total
		Securities premium	General reserve	Capital reserve on amalgamation	Share based payments reserve	Retained earnings	Cashflow hedge reserve		
<b>As at April 1, 2021</b>	-	20,509.74	2,192.09	9,769.12	1,601.53	(8,191.50)	981.01		26,861.99
Profit for the period	-	-	-	-	-	(255.22)	-		(255.22)
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	-	(650.18)		(650.18)
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	-	75.75	-		75.75
<b>Total comprehensive income</b>	-	<b>20,509.74</b>	<b>2,192.09</b>	<b>9,769.12</b>	<b>1,601.53</b>	<b>(8,370.97)</b>	<b>330.83</b>		<b>26,032.34</b>
Share application money received	5.13	-	-	-	-	-	-		5.13
Transfer to securities premium on exercise of equity stock options	-	-	-	-	-	-	-		-
Share based payment expense	-	-	-	-	18.19	-	-		18.19
<b>At June 30, 2021</b>	<b>5.13</b>	<b>20,509.74</b>	<b>2,192.09</b>	<b>9,769.12</b>	<b>1,619.72</b>	<b>(8,370.97)</b>	<b>330.83</b>		<b>26,055.66</b>

For the period ended June 30, 2020

	Share application money pending	Attributable to equity holders of the Company						Items of OCI	Total
		Securities premium	General reserve	Capital Reserve on Amalgamation	Share based payments reserve	Retained earnings	Cashflow hedge reserve		
<b>As at April 1, 2020</b>	-	20,459.15	2,192.09	9,769.12	1,131.81	(11,006.35)	(2,025.77)		20,520.05
Profit for the year	-	-	-	-	-	(425.97)	-		(425.97)
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	-	1,015.34		1,015.34
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	-	75.75	-		75.75
<b>Total comprehensive income</b>	-	<b>20,459.15</b>	<b>2,192.09</b>	<b>9,769.12</b>	<b>1,131.81</b>	<b>(11,356.57)</b>	<b>(1,010.43)</b>		<b>21,185.17</b>
Share application money received	-	-	-	-	-	-	-		-
Transfer to securities premium on exercise of equity stock options	-	51.97	-	-	(51.97)	-	-		-
Share based payment expense	-	-	-	-	179.49	-	-		179.49
<b>At June 30, 2020</b>	<b>-</b>	<b>20,511.12</b>	<b>2,192.09</b>	<b>9,769.12</b>	<b>1,259.33</b>	<b>(11,356.57)</b>	<b>(1,010.43)</b>		<b>21,364.66</b>

The accompanying explanatory notes are an integral part of these Unaudited Condensed Consolidated Interim financial statements.

As per our report of even date

**For MSKA & Associates**

Chartered Accountants

ICAI Firm registration number: 105047W



**Deepak Rao**

Partner

Membership No.: 113292


**For and on behalf of the Board of Directors of**

**Gokaldas Exports Limited**

CIN: L18101KA2004PLC033475



**Richard B Saldanha**

Chairman of Board of Directors

DIN: 00189029

Place: Hyderabad



**Sathyamurthy A**

Chief Financial Officer

Place: Bengaluru

Date: October 04, 2021



**Sivaramakrishnan Ganapathi**

Managing Director

DIN: 07954560



**Shrithee MS**

Company Secretary

Membership No: A56563

Place: Bengaluru

Date: October 04, 2021



Place: Bengaluru

Date: October 04, 2021



**Gokaldas Exports Limited****Unaudited Condensed Consolidated Interim cash flow statement as at June 30, 2021***All amounts in Indian Rupees in lakhs, except stated otherwise*

	Three months ended	
	June 30, 2021	June 30, 2020
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>(255.22)</b>	<b>(425.97)</b>
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	1,242.46	1,296.62
Net loss/(gain) on disposal of property, plant and equipment	-	(4.96)
Foreign exchange loss/(gain), net unrealised	70.95	(11.90)
Gain on sale of investments in mutual fund units	(29.51)	(42.27)
Income from government grants	(115.72)	-
Share based payment expenses	18.19	179.49
Provision for doubtful debts	203.47	350.75
Interest income	(134.13)	(252.78)
Finance costs	1,006.54	979.43
<b>Operating profit/(loss) before working capital changes</b>	<b>2,007.03</b>	<b>2,068.41</b>
<i>Changes in operating assets and liabilities:</i>		
(Increase)/ decrease in other financial assets	(469.31)	(43.06)
(Increase)/ decrease in other assets	(964.47)	410.35
(Increase)/ decrease in inventories	(7,314.43)	667.29
(Increase)/ decrease in trade receivables	10,380.71	2,256.13
Increase/ (decrease) in provisions for employee benefits	311.68	226.29
Increase/ (decrease) in trade payables	1,360.06	(447.49)
Increase/ (decrease) in other financial liabilities	91.20	(526.31)
Increase/ (decrease) in other liabilities	(137.51)	(329.15)
	5,264.96	4,282.46
Direct taxes refunded/ (paid) (net of refund/payments)	(442.51)	312.26
<b>Net cash flows from/ (used in) operating activities (A)</b>	<b>4,822.45</b>	<b>4,594.72</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)	(538.76)	(2,530.59)
Proceeds from sale of property, plant and equipment	-	8.91
Investments in bank deposits	(3,650.32)	(3,588.72)
Redemption of bank deposits	3,492.61	3,550.88
Interest income received	210.93	335.59
<b>Net cash flows from/ (used in) investing activities (B)</b>	<b>(485.54)</b>	<b>(2,223.93)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares/exercise of share options	5.13	-
Proceeds of short-term borrowings	44,373.14	34,120.69
Repayment of short-term borrowings	(47,261.83)	(34,754.33)
Payment of lease liabilities	(752.69)	(788.53)
Finance costs paid	(622.33)	(324.24)
<b>Net cash flows from/ (used in) financing activities (C)</b>	<b>(4,258.58)</b>	<b>(1,746.41)</b>
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	78.33	624.38
Cash and cash equivalents at the beginning of the year	(920.62)	(946.04)
<b>Cash and cash equivalents at the end of the year</b>	<b>(842.29)</b>	<b>(321.66)</b>



**Gokaldas Exports Limited****Unaudited Condensed Consolidated Interim cash flow statement as at June 30, 2021***All amounts in Indian Rupees in lakhs, except stated otherwise*

	Three months ended	
	June 30, 2021	June 30, 2020
<b>Reconciliation of cash and cash equivalents as per the cash flow statement:</b>		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	427.04	2,461.86
Bank overdraft	(1,269.33)	(2,783.52)
<b>Balances per statement of cash flows</b>	<b>(842.29)</b>	<b>(321.66)</b>

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

The accompanying explanatory notes are an integral part of these Unaudited Condensed Consolidated Interim financial statements.

As per our report of even date

**For MSKA & Associates**

Chartered Accountants

ICAI Firm registration number: 105047W


**Deepak Rao**

Partner

Membership No.: 113292

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

CIN: L18101KA2004PLC033475


**Richard B Saldanha**Chairman of Board  
of Directors

DIN: 00189029

Place: Hyderabad


**Sivaramakrishnan****Ganapathi**

Managing Director

DIN: 07954560


**Sathyamurthy A**

Chief Financial Officer


**Shrithee MS**

Company Secretary

Membership No: A56563

Place: Bengaluru

Date: October 04, 2021

Place: Bengaluru

Date: October 04, 2021

Place: Bengaluru

Date: October 04, 2021

**Gokaldas Exports Limited****Explanatory notes to the Unaudited Condensed Consolidated Interim financial statements for the three months period ended June 30, 2021**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

**1 Basis of preparation of Unaudited Condensed Consolidated Interim financial statements****i) Compliance with Ind AS**

These Unaudited Condensed Consolidated Interim financial statements ("condensed consolidated financial statements") of the Group have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) 34, Interim Financial Reporting specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time, read with relevant rules issued thereunder and other accounting principles generally accepted in India. The Unaudited Condensed Consolidated Interim financial statements are presented in Indian Rupee (Rs), which is the Company's functional and the Group's presentation currency. The accounting policies adopted in the preparation of these Unaudited Condensed Consolidated Interim financial statements are consistent with those followed in preparation of the audited annual financial statements as at and for the year ended March 31, 2021.

The Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are effective from April 1, 2021. These amendments require certain regroupings in the Schedule III format of Balance Sheet. The Group has given effect of such regroupings in its financial statements including figures for the corresponding previous period wherein:

a) Current maturities of long-term debt has been regrouped from 'Other financial liabilities' in the Audited Financial Statements to 'Current Borrowings' in the Unaudited Condensed Consolidated Interim financial statements.

b) Security Deposits has been regrouped from "Loans" in the Audited Financial Statements to "Other financial assets" in the Unaudited Condensed Consolidated Interim financial statements .

**ii) Purpose of the Condensed Interim Unaudited Consolidated financial statements**

These Unaudited Condensed Consolidated Interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the company's latest audited annual Ind AS financial statements. These Unaudited Condensed Consolidated Interim financial statements have been prepared solely in connection with the proposed offering of equity shares of face value of Rs. 5 each by the company in a Qualified Institutions Placement in accordance with provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI ICDR Regulations"), as amended. The comparative financial informations for the corresponding previous three months ended June 30, 2020, appearing in the Unaudited Condensed Consolidated Interim financial statements is based solely on management certified accounts of the Group.

These Unaudited Condensed Consolidated Interim financial statements for the three months period ended June 30, 2021 of the Group were approved in accordance with the resolution passed by the Fund Raise Committee of Board of Directors of the Company on October 04, 2021.

**iii) The subsidiary companies considered in the Unaudited Condensed Consolidated Interim financial statements are as follows:**

Name	All Colour Garments Private Limited	SNS Clothing Private Limited	Vignesh Apparels Private Limited
Country of incorporation	India	India	India
Relationship	Subsidiary	Subsidiary	Subsidiary
% of ownership interest as on 30 June 2021	100	100	100
% of ownership interest as on 31 March 2021	100	100	100
% of ownership interest as on 30 June 2020	100	100	100



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All amounts in Indian Rupees in lakhs, except stated otherwise

**2 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the data used in the basic and diluted EPS computations:

	June 30, 2021	June 30, 2020
Face value of equity shares (Rs. per share)	5.00	5.00
Profit / (Loss) attributable to equity holders of the Group	(255.22)	(425.97)
Weighted average number of equity shares used for computing earning per share (basic)	42,895,663	42,825,663
Weighted average number of equity shares used for computing earning per share (diluted) *	42,895,663	42,825,663
EPS - basic (Rs.)	(0.59)	(0.99)
EPS - diluted (Rs.) *	(0.59)	(0.99)

\* Employee stock options are not included in the calculation of diluted earnings per share as they are antidilutive for the quarter ended June 30, 2021 and for the quarter ended June 30, 2020

**3 Segment information- Disclosure pursuant to Ind AS 108 'Operating Segment'****(a) Basis of identifying operating segments:**

Operating segments are identified as those components of the Group (a) that engage in business activities to earn revenues and incur expenses; (b) whose operating results are regularly reviewed by the Group's Chief Executive Officer to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably.

(b) The Group is engaged in a single business segment of sale of garment and hence no additional disclosures are required.

**(c) Geographic information**

The Group mainly operates in two geographical areas of the world, i.e., India and Rest of World, the details of which are as below:

	Segment revenue*		Non current assets**	
	June 30, 2021	June 30, 2020	June 30, 2021	March 31, 2021
India	4,594.79	8,030.45	24,741.83	24,073.87
Rest of world	19,501.87	15,360.63	-	-
<b>Total</b>	<b>24,096.66</b>	<b>23,391.08</b>	<b>24,741.83</b>	<b>24,073.87</b>

The revenue information above is based on the locations of the customers and includes other operating revenues.

\*Total Revenue from operations by geographical area are based on the geographical location of the client.

\*\*Non-current assets excludes non current financial assets and non current tax assets.



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**4 Commitments and contingencies****I. Leases**

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses judgement in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed. The judgement involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and nonlease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed or variable or a combination of both. The Group records the lease liability at the present value of the lease payments discounted at the incremental borrowing rate.

The movement in lease liabilities is as follows:

	<b>June 30, 2021</b>
Opening balance	11,328.73
Additions	672.51
Deletions	-
Finance cost accrued	304.54
Payment of lease liabilities	(752.69)
<b>Closing balance</b>	<b>11,553.09</b>
Current lease liabilities	2,916.64
Non-current lease liabilities	8,636.45
<b>Total</b>	<b>11,553.09</b>

**II. Contingencies**

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

	<b>June 30, 2021</b>	<b>March 31, 2021</b>
<b>(a) Performance Bank Guarantees</b>		
Sanctioned	263.00	263.00
Outstanding	171.68	171.68
<b>(b) Outstanding letters of credit</b>		
Sanctioned	5,249.00	4,249.00
Outstanding	3,966.00	3,167.32
<b>(c) Litigations</b>		
(i) Matters relating to direct taxes under dispute *	278.43	278.43
(ii) Matters relating to other taxes under dispute	132.15	132.15

\* Certain demands from income tax authorities have been set off against the brought forward business loss and unabsorbed depreciation of previous years and accordingly amount disclosed as contingent liabilities represent the demands after setting off such brought forward loss and depreciation.

(i) The aforementioned demand amounts under dispute are as per the demands from various authorities for the respective periods and have not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.





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(ii) The Group is also involved in various other litigations and claims other than as tabulated above, the impact of which is not quantifiable. These cases are pending with various courts/forums and are scheduled for hearings. After considering the circumstances and legal evaluation thereon, the Group's management believes that these cases are not tenable/material and accordingly have not made any further adjustments, other than amount already provided in the consolidated financial statements.

**III. Capital and other commitments**

	<b>June 30, 2021</b>	<b>March 31, 2021</b>
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	986.51	937.39
Commitments relating to forward contract- hedge of highly probable forecast sales	82,280.27	80,141.46

**5 Related party transactions****a. Names of related parties and description of relationships:**

<b>Description of relationship</b>	<b>Name of related parties</b>
Key management personnel and their relatives	Mr. Richard B Saldanha, (Chairman and Independent Director) Mr. Sivaramakrishnan Ganapathi, Managing Director Mr. Mathew Cyriac (Non Executive Director) Ms. Anuradha Sharma (Independent Director) Mr. Gautham Madhavan (Non Executive Director) Mr. Prabhat Kumar Singh (Director) Mr. Sathyamurthy A, (Chief Financial Officer) Ms. Shrithee MS (Company Secretary) (appointed w.e.f November 11, 2020) Mr. Sameer Sudarshan R V, (Company Secretary) (appointed w.e.f April 24, 2019) (resigned w.e.f November 10, 2020)

**b. Summary of transactions during the year with the above related parties are as follows:**

<b>Particulars</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>i) Managerial remuneration to</b>		
<b>a) Key managerial personnel</b>		
Sivaramakrishnan Ganapathi	47.68	44.05
Sathyamurthy A	27.03	24.69
Prabhat Kumar Singh	12.00	9.00
Shrithee MS	2.68	-
Sameer Sudarshan R V	-	1.73
	<b>89.39</b>	<b>79.47</b>
<b>b) Sitting fees paid to directors (independent and non-executive directors)</b>		
Richard B. Saldanha	1.60	3.20
Mathew Cyriac	1.60	3.20
Anuradha Sharma	1.60	3.20
Gautham Madhavan	1.60	2.40
	<b>6.40</b>	<b>12.00</b>
<b>c) Summary of compensation of key managerial personnel of the Company</b>		
Managerial remuneration	89.39	79.47
Sitting fees	6.40	12.00
Share based payment expenses	18.19	94.25
	<b>113.98</b>	<b>185.72</b>

**c. Summary of outstanding balances with the above related parties are as follows:**

<b>Particulars</b>	<b>June 30, 2021</b>	<b>March 31, 2021</b>
<b>i) Remuneration payable to Key managerial personnel</b>		
Mr. Sivaramakrishnan Ganapathi	150.00	150.00
Mr. Sathyamurthy A	40.00	40.00
	<b>190.00</b>	<b>190.00</b>



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**6 Disclosures on Financial instruments**

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

**(a) Financial assets and liabilities**

The following tables presents the carrying value and fair value of each category of financial assets and liabilities:

**As at June 30, 2021**

Particulars	Amortised cost	Fair value through OCI	Total
<b>Financial assets</b>			
Investments	3,710.69	-	3,710.69
Trade receivables	7,301.24	-	7,301.24
Cash and cash equivalents	427.04	-	427.04
Other financial assets	18,596.59	-	18,596.59
Foreign exchange forward contracts	-	330.83	330.83
<b>Total assets</b>	<b>30,035.56</b>	<b>330.83</b>	<b>30,366.39</b>
<b>Financial liabilities</b>			
Lease liabilities	11,553.09	-	11,553.09
Borrowings	32,428.14	-	32,428.14
Trade payables	12,531.76	-	12,531.76
Other financial liabilities	7,139.26	-	7,139.26
<b>Total liabilities</b>	<b>63,652.25</b>	<b>-</b>	<b>63,652.25</b>

**As at March 31, 2021**

Particulars	Amortised cost	Fair value through OCI	Total
<b>Financial assets</b>			
Investments	3,681.18	-	3,681.18
Trade receivables	17,983.76	-	17,983.76
Cash and cash equivalents	1,526.19	-	1,526.19
Other financial assets	18,077.47	-	18,077.47
Foreign exchange forward contracts	-	981.01	981.01
<b>Total assets</b>	<b>41,268.60</b>	<b>981.01</b>	<b>42,249.61</b>
<b>Financial liabilities</b>			
Lease liabilities	11,328.73	-	11,328.73
Borrowings	36,521.70	-	36,521.70
Trade payables	11,171.70	-	11,171.70
Other financial liabilities	6,405.42	-	6,405.42
<b>Total liabilities</b>	<b>65,427.55</b>	<b>-</b>	<b>65,427.55</b>

The carrying amount of cash and cash equivalents, trade receivables, trade payables, other payables and short-term borrowings are considered to be the same as their fair values. The fair values of borrowings and security deposits were calculated based on cash flows discounted using a current lending rate.



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**(b) Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Particulars	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
<b>June 30, 2021</b>				
Financial assets				
Foreign exchange forward contracts	-	330.83	-	330.83
<b>March 31, 2021</b>				
Financial assets				
Foreign exchange forward contracts	-	981.01	-	981.01

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Foreign exchange forward contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iv) There have been no transfers between Level 1, Level 2 and Level 3 during the period/year.

**(c) Financial risk management objectives and policies**

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.



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**Market risk**

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy

**(i) Market risk - Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in basis points	Effect on profit before tax
June 30, 2021	50	162.14
March 31, 2021	50	182.61

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments and cash and cash equivalents.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs.30,366.39 lakhs and Rs. 42,249.61 lakhs, as at June 30, 2021 and March 31, 2021 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments other than investments in subsidiaries and other financial assets.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Group does not hold collateral as security.

With respect to trade receivables, the Group has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Group creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Credit risk from balances with bank and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.



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**Liquidity risk**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and government securities, which carry no or low market risk.

The Group monitors its risk of a shortage of funds on a regular basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank borrowings etc. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Group's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

Particulars	0-1 year	> 1 year	Total
<b>June 30, 2021</b>			
Lease liabilities	2,916.64	8,636.45	11,553.09
Borrowings	29,396.42	3,031.72	32,428.14
Trade payables	12,531.76	-	12,531.76
Other financial liabilities	7,139.26	-	7,139.26
	<b>51,984.08</b>	<b>11,668.17</b>	<b>63,652.25</b>
<b>March 31, 2021</b>			
Lease liabilities	2,773.56	8,555.17	11,328.73
Borrowings	34,637.43	1,884.27	36,521.70
Trade payables	11,171.70	-	11,171.70
Other financial liabilities	6,405.42	-	6,405.42
	<b>54,988.11</b>	<b>10,439.44</b>	<b>65,427.55</b>

**Equity Price risk**

Equity Price Risk is related to the change in fair value of the investments in equity securities. Group's investments in equity securities, including investments held for sale, are subject to changes in fair value of investments. The carrying value of investments represents the maximum equity risk. The maximum exposure to equity price risk was Rs. Nil and Rs. Nil as on June 30, 2021 and March 31, 2021 respectively, being the carrying value (net of provisions) of investments in unquoted equity shares. The risk is arising primarily on account of the Group's investment in a foreign associate.





**Gokaldas Exports Limited**

**Explanatory notes to the Unaudited Condensed Consolidated Interim financial statements for the three months period ended June 30, 2021**

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**7 Ratio Analysis and its elements**

<b>Ratio</b>	<b>Three months ended 30-Jun-21</b>	<b>Twelve months ended 31-Mar-21</b>	<b>Three months ended 30-Jun-20</b>
Current ratio	0.94	0.95	0.80
Debt equity ratio	1.15	1.26	1.66
Debt Service Coverage ratio*	0.06	0.31	0.05
Return on Equity ratio*	-0.91%	9.13%	-1.81%
Inventory turnover ratio*	0.73	4.67	0.83
Trade receivables Turnover Ratio*	3.30	6.73	2.04
Trade Payable Turnover Ratio*	1.92	10.84	2.13
Net Capital Turnover Ratio*	0.85	4.17	1.00
Net Profit ratio*	-1.06%	2.19%	-1.82%
Return on Capital Employed*	1.40%	11.18%	0.66%
Return on Investment*	0.88%	4.54%	1.47%

\* is not annualized for the periods ended Jun 30, 2021 and June 30, 2020.

<b>Elements of Ratio Particulars</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Three months ended 30-Jun-21</b>		<b>Twelve months ended 31-Mar-21</b>		<b>Three months ended 30-Jun-20</b>	
			<b>Numerator</b>	<b>Denominator</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Numerator</b>	<b>Denominator</b>
Current ratio	Current Assets	Current Liabilities	52,164.73	55,775.18	55,977.89	59,018.70	53,513.46	66,601.05
Debt equity ratio	Debt (Borrowing)	Total Equity	32,428.14	28,200.44	36,521.70	29,006.77	38,929.20	23,505.94
Debt Service Coverage ratio	Earnings before interest, depreciation and taxes (Profit Before Tax + Finance cost + Depreciation)	Debt (Borrowing)	1,993.78	32,428.14	11369.53	36,521.70	1,850.08	38,929.20
Return on Equity ratio	Profit for the period/year	Total Equity	(255.22)	28,200.44	2,649.16	29,006.77	(425.97)	23,505.94
Inventory turnover ratio	Revenue from operations	Inventory	24,096.66	33,234.45	121,072.73	25,920.02	23,391.08	28,256.76
Trade receivables Turnover Ratio	Revenue from operations	Trade receivables	24,096.66	7,301.24	121,072.73	17,983.76	23,391.08	11,469.86
Trade Payable Turnover Ratio	Revenue from operations	Trade payables	24,096.66	12,531.76	121,072.73	11,171.70	23,391.08	10,981.49
Net Capital Turnover Ratio	Revenue from operations	Total Equity	24,096.66	28,200.44	121,072.73	29,006.77	23,391.08	23,505.94
Net Profit ratio	Profit for the period/year	Revenue from operations	(255.22)	24,096.66	2,649.16	121,072.73	(425.97)	23,391.08
Return on Capital Employed	Profit Before Tax + Finance cost - Interest Income on fixed deposits - Profit on sale of investments - Profit on fair valuation of investments carried at FVTPL	Equity + Debt (Borrowings) - Current Investments - Non Current Investments - bank balances	587.68	42,068.07	5,274.07	47,155.18	295.20	44,903.45
Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Profit on fair valuation of investments carried at FVTPL	current Investments + Non current Investments + bank balances	163.64	18,560.51	833.96	18,373.29	258.26	17,531.69



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- 8 Under the Remission of Duties and Taxes on Export Products RoDTEP the Group is eligible to claim a government grant in the form of refunds of embedded taxes and duties. The scheme has been effective since January 1, 2021. However, the incentive rates are not notified by the authorities till the last day of the current quarter under review.

For the relevant period from January 1, 2021 to March 31, 2021, the Group had recognized Rs. 7.57 Crore of income towards RoDTEP and corresponding receivable basis estimated calculations and pending notification of the rates.

Subsequent to the quarter ended June 30, 2021, the Ministry of Textiles vide press release dated July 14, 2021 has given its approval for continuation of Rebate of State and Central taxes and Levies (RoSCTL) with the same rates as notified by Ministry of Textiles vide Notification dated 8th March 2019, on exports of Apparel/Garments (Chapters-61 & 62) and Made-ups (Chapters-63) in exclusion from Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for these chapters. The Ministry of Textiles has decided to continue the scheme of RoSCTL up to 31 March, 2024.

Pursuant to the notification of the rates and eligibility, the Group has recognised the ROSCTL income for the period from April 1, 2021 to June 30, 2021 in line with the rates notified and additionally also recognised the balance income to the extent previously not recognised during previous quarter ended March 31, 2021.

- 9 For the period/ days of the respective lockdowns imposed by the government during FY 21, 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 Company 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.

- 10 The Indian Parliament had approved the Code on Social Security, 2020. The Ministry of Labour and Employment has notified the draft rules under the Code on Social Security, 2020 on November 13, 2020 inviting objections and suggestions, if any, from the stakeholders. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to Employees' Provident Fund, Employees' State Insurance Corporation, Gratuity, Maternity Benefit, Social Security and Cess in respect of Building and Other Construction Workers, Social Security for Unorganised Workers, Gig Workers and Platform Workers.

The Group will assess the impact and will give appropriate accounting treatment in its financial statements in the period in which the Code on Social Security, 2020 (including the related rules framed thereunder) becomes effective.



**Gokaldas Exports Limited****Explanatory notes to the Unaudited Condensed Consolidated Interim financial statements for the three months period ended June 30, 2021**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

- 11** 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 June 30, 2021 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 statements as at June 30, 2021 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.

- 12** Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the Unaudited Condensed Consolidated Interim financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

**13 Subsequent events:**

The Company has evaluated all the subsequent events through the date on which these Unaudited Condensed Consolidated Interim financial statements were approved to be issued.

(a) Subsequent to June 30, 2021, the Board of Directors in their meetings held, approved:

(i) Approved for incorporation of wholly owned subsidiary, consequently the subsidiary was incorporated on August 26, 2021.

(ii) To Increase the authorised share capital of the Company, from existing Rs.275,000,000 (Rupees Twenty Seven Crores Fifty Lakhs Only) divided into 55,000,000 (Five Crores Fifty Lakhs Only) equity shares of Rs. 5/- each ("Equity Shares") to Rs. 325,000,000/- (Rupees Thirty Two Crores Fifty Lakhs Only) divided into 65,000,000 (Six Crores Fifty Lakhs Only) Equity Shares of Rs. 5/- each ranking pari-passu in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company, and consequent alteration of capital clause V of the Memorandum of Association of the Company.

(iii) Raising of funds for an amount aggregating up to Rs. 3,000,000,000 (Rupees Three Hundred Crores only), by way of issuance of any instrument or security including equity shares, fully or partly convertible debentures, non-convertible debenture warrants, any other equity based instruments or securities or any combination thereof in one or more tranches, including by way of a public issue, preferential allotment or a private placement (including one or more Qualified Institutions Placement ("QIP")) in accordance with the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (each as amended) and any other applicable law, or through any other permissible mode and/or any combination thereof, in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, subject to the receipt of necessary approvals, including the approval of the members of the Company and such other regulatory and statutory approvals as may be required.

In order to give effect to the above, the Board has also constituted and authorized the Fund Raise Committee of the Board to, inter-alia, decide the terms and conditions of the proposed fund raise.

b) Subsequent to June, 30, 2021, the Company has commenced production at two new facilities situated at Tumkur and Bommanahalli in Bangalore respectively.



**Gokaldas Exports Limited**

**Explanatory notes to the Unaudited Condensed Consolidated Interim financial statements for the three months period ended June 30, 2021**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

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

As per our report of even date

**For MSKA & Associates**

Chartered Accountants

ICAI Firm registration number: 105047W



**Deepak Rao**

Partner

Membership No.: 113292



**For and on behalf of the Board of Directors of**

**Gokaldas Exports Limited**

CIN: L18101KA2004PLC033475



**Richard B Saldanha**

Chairman of Board  
of Directors

DIN: 00189029

Place: Hyderabad



**Sathyamurthy A**

Chief Financial Officer

Place: Bengaluru

Date: October 04, 2021



**Sivaramakrishnan Ganapathi**

Managing Director

DIN: 07954560



**Shrithee MS**

Company Secretary

Membership No: A56563

Place: Bengaluru

Date: October 04, 2021

Place: Bengaluru

Date: October 04, 2021