

gokaldas exports ltd

GEL/SEC/2018-19

24th April, 2018

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

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

SCRIP CODE: 532630

GOKEX

Dear Sir,

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

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

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

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

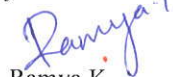
In accordance with IND AS 109, the effective portion of the gain or loss on the hedging instruments in a cash flow hedge has been recognised in Other Comprehensive Income (OCI). This disclosure was inadvertently omitted while preparing the statement of unaudited standalone financial results for the periods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

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

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

This is for your information and record.

Thanking you,
Yours truly,
for GOKALDAS EXPORTS LIMITED


Ramya K
Company Secretary



Encl: As stated above.

Regd. Office :

16/2, Residency Road, Bangalore - 560 025. (INDIA)

Telephone : 41272200, 41272220

Fax No. 91 - (080) - 33477491, E-mail : gokex@vsnl.com

CIN : L18101KA2004PLC033475



gokaldas exports ltd

GOKALDAS EXPORTS LIMITED

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

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

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

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

Notes

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

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CIN : L18101KA2004PLC033475



gokaldas exports ltd

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

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

5 The Company had applied for a scheme of amalgamation of 9 wholly owned subsidiary companies with the Holding Company. The appointed date of amalgamation is April 01, 2016. The application was filed with the Hon'ble National Company Law tribunal ("NCLT") on February 23, 2017. The Hon'ble NCLT has passed an order dated September 25, 2017 instructing the Company to conduct Secured Creditors Meeting and shareholders meeting in November 2017. Necessary approval has been obtained from the Secured Creditors (Canara Bank and Corporation Bank) on November 24, 2017 and shareholders of the Company on November 29, 2017 and the Report of the Chairman along with necessary petition has been filed with the NCLT and awaits the NCLT order.

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

7 In accordance with IND AS 109, the effective portion of the gain or loss on the hedging instruments in a cash flow hedge has been recognised in Other Comprehensive Income (OCI). This disclosure was inadvertently omitted while preparing the statement of unaudited standalone financial results for the periods up to December 31, 2017 filed with the Stock exchanges as per the requirements of Regulation 33 of the Listing Agreement and had recognised such gain or loss directly in equity. However there is no change in the net profit/loss after tax or the reserves of the Company for any of the periods up to December 31, 2017. The Company has accordingly revised the aforesaid disclosure in the statement of unaudited standalone financial result for the quarter and nine months period ended December 31, 2017 and the same has been approved by the board in its meeting held on April 24, 2018.

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

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



For and on behalf of the Board

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Date: April 24, 2018

Place: Bengaluru

Regd. Office :

16/2, Residency Road, Bangalore - 560 025. (INDIA)

Telephone : 41272200, 41272220

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CIN : L18101KA2004PLC033475



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

To
The Board of Directors of Gokaldas Exports Limited

Introduction

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

Scope of Review

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

Conclusion

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

Emphasis of Matter

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



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

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

Other matters

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

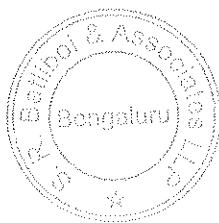
For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004


per Sandeep Karnani
Partner

Membership number: 061207



Place: Bengaluru, India

Date: April 24, 2018

Gokaldas Exports Limited

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

All amounts in Indian Rupees in lakhs, except stated otherwise

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



Gokaldas Exports Limited

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

All amounts in Indian Rupees in lakhs, except stated otherwise

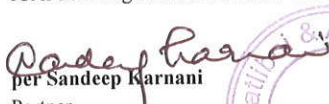
	As at December 31, 2017	As at March 31, 2017	As at April 1, 2016
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	1,747.64	1,746.38	1,739.47
Other equity	11,749.70	15,488.65	19,585.20
Total equity	13,497.34	17,235.03	21,324.67
LIABILITIES			
Non-current liabilities			
Long term provisions	863.32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

Refer note 2.1 for summary of significant accounting policies.

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

As per our report of even date

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


Sandeep Karnani
Partner
Membership No.: 061207

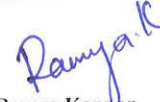

**For and on behalf of the Board of Directors of
Gokaldas Exports Limited**


Arun K Thiagarajan
Director
DIN: 00292757


Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 24, 2018


Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560


Ramya Kannan
Company Secretary

Place: Bengaluru
Date: April 24, 2018



Gokaldas Exports Limited

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

All amounts in Indian Rupees in lakhs, except stated otherwise

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

Refer note 2.1 for summary of significant accounting policies.

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

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm registration number: 101049W/E300004

Chartered Accountants

Sandeep Karnani
per Sandeep Karnani

Partner
Membership No.: 061207



Place: Bengaluru
Date: April 24, 2018

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

Arun K Thiagarajan
Arun K Thiagarajan

Director
DIN: 00292757

Sathyamurthy A
Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 24, 2018

Sivaramakrishnan
Sivaramakrishnan
Vilayur Ganapathi

Managing Director
DIN: 07954560

Ramya Kannan
Ramya Kannan
Company Secretary

Place: Bengaluru
Date: April 24, 2018



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

a. Equity share capital

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

b. Other equity

For the period ended December 31, 2017

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

For the period ended December 31, 2016

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

Refer note 2.1 for summary of significant accounting policies.

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

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


Sandeep Kannan
Partner
Membership No.: 061207


Place: Bengaluru
Date: April 24, 2018

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


Arun K. Phadgarn
Director
DIN: 00292757

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 24, 2018


Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Ranya Kannan
Company Secretary

Place: Bengaluru
Date: April 24, 2018



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

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

Components of cash and cash equivalents

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

Refer note 2.1 for summary of significant accounting policies.

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

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm registration number: 101049W/E300004

Chartered Accountants



per Sandeep Karnani

Partner
Membership No.: 061207

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


Arun K. Thiagarajan

Director
DIN: 00292757

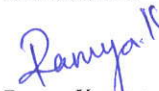


Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 24, 2018



Sivaramakrishnan
Vilayur Ganapathi
Managing Director
DIN: 07954560



Ramya Kannan
Company Secretary

Place: Bengaluru
Date: April 24, 2018

Place: Bengaluru
Date: April 24, 2018



Gokaldas Exports Limited

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

1. Corporate information

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

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

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

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

i. Basis of preparation of financial information

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

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

ii. Significant accounting policies

a. Functional and presentation currency

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



b. Use of estimates and judgements

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

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

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

2.1 Summary of significant accounting policies

a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Advance tax paid is classified as non-current assets.

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



Gokaldas Exports Limited

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

b. Fair value measurement of financial instruments

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

c. Foreign currencies

In preparing the financial statements, transactions in the currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.



Gokaldas Exports Limited

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

However, sales tax/ value added tax (VAT)/ goods and service tax is not received by the Company on its own account. Rather, it is tax collected on value added to the goods by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts.

Revenues from job work contract are recognized as and when services are rendered.

Dividend income on investments is accounted when the right to receive the dividend is established, which is generally when shareholders approve the dividend.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Insurance / other claims are recognized on acceptance basis.

Export incentives are recognized on accrual basis in accordance with the applicable schemes formulated, by the Government of India and where there is reasonable assurance that the enterprise will comply with the conditions attached to them.

e. Government grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as income in the statement of profit and loss upon fulfilment of the conditions attached to the grant received. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

f. TaxesCurrent income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction (either in OCI or directly in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.



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The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

g. Property, plant and equipment (PPE) and Intangible assets and Depreciation / amortization

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at March 31, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on April 1, 2016.

Capital work in progress, property, plant and equipment is stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are de-recognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component / part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Depreciation is provided using the written down value method as per the useful lives of the assets estimated by the management with residual value at 5%, which is equal to the corresponding rates prescribed under schedule II of the Companies Act, 2013.

<u>Category of assets</u>	<u>Estimated useful life (in years)</u>
Buildings	30 years
Plant and Machinery	15 years
Electrical Equipment	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years
Computer software	2.5 years

Leasehold improvements are capitalized at cost and amortized over the lesser of their expected useful life or the non-cancellable term of the lease, whichever is less.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer software	Definite (3 years)	Straight-line basis	Acquired

h. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, at the present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs..



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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- a. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

j. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packing materials, stores, spares and consumables: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis. These are valued at lower of cost and net realisable value after considering provision for obsolescence and other anticipated loss, wherever considered necessary.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

k. Provisions and contingent liability

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the controls of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

l. Retirement and other employee benefits

Retirement benefit in the form of provident fund, pension fund and superannuation fund are defined contribution scheme. The Company has no obligation, other than the contribution payable. The Company recognises contribution payable to provident fund, pension fund and superannuation fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.



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

The Company presents the leave as a current liability in the standalone balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the standalone balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- a. The date of the plan amendment or curtailment, and
- b. The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b. Net interest expense or income

m. Share-based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the service / performance conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and / or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (except in anti-dilution cases).



n. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to subsidiaries and associates, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by subsidiaries and associates are measured at cost less impairment.

Investment in preference shares/ debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares/ debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries and associates) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss.

The company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Impairment loss on investments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.



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De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

(b) Financial liabilities and equity instruments**Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

i. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

ii. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously



o. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

a. Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting gains or losses are included in the statement of profit and loss.

b. Cash flow hedge accounting

The Company designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

p. Impairment of non-financial assets

As at the end of each accounting year, the company reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary and associate companies to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss



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q. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

r. Corporate social responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss.

s. Cash and Cash equivalent

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



3 First-time adoption of Ind AS

The condensed interim unaudited unconsolidated special purpose financial information for nine months ended December 31, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 ("Previous Indian GAAP").

Accordingly, the Company has prepared these financial information which comply with Ind AS applicable for periods ending on December 31, 2017, together with the comparative period data, as described in the summary of significant accounting policies. In preparing these financial information, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Previous Indian GAAP financial statements, including the balance sheets as at March 31, 2017 and April 1, 2016 and the statement of profit and loss for the period ended December 31, 2016.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following material exemptions:

- a) The Company has elected to avail exemption under Ind AS 101 to use Previous Indian GAAP carrying value as deemed cost at the date of transition for all items of Property, plant and equipment ('PPE'), Capital work in progress ('CWIP') and Intangible assets as per the balance sheet prepared in accordance with Previous Indian GAAP.
- b) Ind AS 101 provides an option in case the Company decides to measure investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or Previous Indian GAAP carrying amount) in its separate opening Ind AS balance sheet. The Company has elected to apply Previous Indian GAAP carrying amount of its investment in subsidiaries as deemed cost on the date of transition to Ind AS.
- c) Ind AS 101 permits a first time adopter to not consider the employee stock options, that have already vested as on or before the date of transition, for fair valuation. Accordingly, the Company has elected to measure only those employee stock options that have vested after the date of transition.
- d) **Estimates**
The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Previous Indian GAAP except for the items where application of Previous Indian GAAP did not require similar estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS, as of March 31, 2017 and December 31, 2017.
- e) **De-recognition of financial assets and liabilities**
The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.
- f) **Classification and measurement of Financial assets**
The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

4 Reconciliation of equity between Previous Indian GAAP and Ind AS.

	Notes	March 31, 2017	April 1, 2016
Equity as reported under Previous Indian GAAP		16,906.09	21,283.10
<i>Adjustments</i>			
Recognition of income on government grant (net of depreciation)	a	356.24	58.13
Impact of accretion of security deposit (net of rent expense and interest income)	b	(27.30)	(16.56)
Equity as per Ind AS		17,235.03	21,324.67

Total comprehensive income reconciliation for the period ended December 31, 2016

	Notes	9 months ended December 31, 2016
Profit / (loss) for the period after tax as per Previous Indian GAAP		(6,141.92)
<i>Adjustments</i>		
Recognition of income on government grant (net of depreciation)	a	287.94
Impact of accretion of security deposit (net of rent expense and interest income)	b	(15.40)
Impact of expense on Employee Stock Option Plan	c	(83.30)
Remeasurement of post employment benefit obligation, net of tax	d	(33.15)
Profit / (loss) after tax as per Ind AS		
Other comprehensive income / (expenses), net of tax	e	(309.71)
Total comprehensive income/(loss) for the period under Ind AS		(6,295.54)

Notes to reconciliations between Previous Indian GAAP and Ind AS

- a) Under Previous Indian GAAP benefit received from the government in the form of waiver of import duty on import of capital assets was not recognised as cost of plant and machinery. Under Ind AS, the same is treated as a government grant provided by government on capital assets. The amount of grant is added to the cost of plant and machinery and depreciated over the remaining life of the asset. The amount of grant is recognised as income once the conditions for the grant are satisfied.



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- b Under Previous Indian GAAP, interest free security deposit that are refundable in cash on completion of its term were recorded at their transaction value. The Company has fair valued these financial liabilities/assets i.e. security deposits taken under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as deferred revenue/prepaid rent. Interest accredited to the security deposit balance is included in other income.
- c Under Previous Indian GAAP, the Company accounted for Employee Stock Option Plan expense based on the intrinsic value method. Under Ind AS, these share based payments have been accounted for using fair value method.
- d In accordance with Ind AS 19, "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in other comprehensive income as compared to the statement of profit and loss under the Previous Indian GAAP.
- e Under Previous Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Previous Indian GAAP profit or loss to Ind AS profit or loss. Further, Previous Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.
- f Previous Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous Indian GAAP.



5 Disclosures on Financial instruments

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset and financial liability are disclosed in the accounting policies to the financial statements.

(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 December 31, 2017, March 31, 2017 and April 1, 2016.

As at December 31, 2017

	Amortised cost	Derivative instruments in Hedging relationship	Total carrying/ fair value
Financial assets			
(i) Investments (other than investments in subsidiaries, associates and joint ventures)	0.27	-	0.27
(ii) Loans	1,465.46	-	1,465.46
(iii) Trade receivables	21,332.11	-	21,332.11
(iv) Cash and cash equivalents	1,807.93	-	1,807.93
(v) Bank balances other than cash and cash equivalent	13,318.58	-	13,318.58
(vi) Other financials assets	2,583.11	-	2,583.11
(vii) Foreign exchange forward contracts	-	576.13	576.13
	40,507.46	576.13	41,083.59
Financial liabilities			
(i) Borrowings	48,860.80	-	48,860.80
(ii) Trade payables	8,275.66	-	8,275.66
(iii) Other financial liabilities	5,771.86	-	5,771.86
	62,908.32	-	62,908.32

As at March 31, 2017

	Amortised cost	Derivative instruments in Hedging relationship	Total
Financial assets			
(i) Investments (other than investments in subsidiaries, associates and joint ventures)	0.27	-	0.27
(ii) Loans	1,421.34	-	1,421.34
(iii) Trade receivables	21,164.16	-	21,164.16
(iv) Cash and cash equivalents	4,479.59	-	4,479.59
(v) Bank balances other than cash and cash equivalent	12,915.69	-	12,915.69
(vi) Other financials asset	1,463.71	-	1,463.71
(vii) Foreign exchange forward contracts	-	1,186.91	1,186.91
	41,444.76	1,186.91	42,631.67
Financial liabilities			
(i) Borrowings	47,421.80	-	47,421.80
(ii) Trade payables	8,065.24	-	8,065.24
(iii) Other financial liabilities	5,829.73	-	5,829.73
	61,316.77	-	61,316.77

As at April 1, 2016

	Amortised cost	Derivative instruments in Hedging relationship	Total
Financial assets			
(i) Investments (other than investments in subsidiaries, associates and joint ventures)	0.43	-	0.43
(ii) Loans	2,097.13	-	2,097.13
(iii) Trade receivables	21,896.69	-	21,896.69
(iv) Cash and cash equivalents	5,463.54	-	5,463.54
(v) Bank balances other than cash and cash equivalent	15,454.00	-	15,454.00
(vi) Other financials asset	1,959.97	-	1,959.97
(vii) Foreign exchange forward contracts	-	530.10	530.10
	46,871.76	530.10	47,401.86
Financial liabilities			
(i) Borrowings	45,216.96	-	45,216.96
(ii) Trade payables	9,106.66	-	9,106.66
(iii) Other financial liabilities	8,799.87	-	8,799.87
	63,123.49	-	63,123.49



6 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			
	Total	Level 1	Level 2	Level 3
December 31, 2017				
Financial assets				
Foreign exchange forward contracts	576.13	-	576.13	-
March 31, 2017				
Financial assets				
Foreign exchange forward contracts	1,186.91	-	1,186.91	-
April 1, 2016				
Financial assets				
Foreign exchange forward contracts	530.10	-	530.10	-

(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 Company 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 ended December 31, 2017, March 31, 2017 and April 1, 2016.

7 Segment information**Primary business segment**

The Company is engaged in a single business segment of sale of garment, and hence, no additional disclosures are required, other than those already given in the financial statements.



Gokaldas Exports Limited**Explanatory notes to the condensed interim unaudited unconsolidated special purpose financial information for nine months ended December 31, 2017***All amounts in Indian Rupees in lakhs, except stated otherwise*

- 8 The Company had applied for a scheme of amalgamation of 9 wholly owned subsidiary companies with the Holding Company. The appointed date of amalgamation is April 01, 2016. The application was filed with the Hon'ble National Company Law tribunal ("NCLT") on February 23, 2017. The Hon'ble NCLT has passed an order dated September 25, 2017 instructing the Company to conduct Secured Creditors Meeting and shareholders meeting in November 2017. Necessary approval has been obtained from the Secured Creditors (Canara Bank and Corporation Bank) on November 24, 2017 and shareholders of the Company on November 29, 2017 and the Report of the Chairman along with necessary petition has been filed with the NCLT and the Company awaits the NCLT order.

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

- 9 The Board of Directors of the Company has appointed Mr. Sivaramakrishnan Vilayur Ganapathi (DIN 07954560) as the Managing Director of the Company with effect from October 03, 2017 and re-designated Mr. P Ramababu (DIN 00149649) as Vice Chairman of the Company. Mr. P Ramababu (DIN 00149649) has resigned from the Company on January 31, 2018.
- 10 An open offer was proposed by Clear Wealth Consultancy Services LLP ("Acquirer") along with Mathew Cyriac {Person acting in concert ("PAC") I}, Gazania Advisory LLP ("PAC II"), Westex Infotech Private Limited ("PAC III") and Gautham Madhavan ("PAC IV") (PAC I, PAC II, PAC III and PAC IV are collectively referred to as "PACs"). This Open Offer was made pursuant to the execution of share purchase agreement dated March 31, 2017 ("SPA") by the Acquirer with Blackstone FP Capital Partners (Mauritius) VB Subsidiary Ltd, being the erstwhile promoter of the Company. Pursuant to SPA, the Acquirer had agreed to acquire 13,955,742 equity shares representing 39.94% of fully paid-up equity share capital of the Target Company at a price of Rs. 42 per equity share aggregating to Rs. 586,141,164 payable in cash. This Open Offer was made under Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011 to all public shareholders of the Target Company, pursuant to which the Acquirer was to further acquire up to 9,179,993 equity shares representing 26% of expanded voting share capital of the Company at a price of Rs. 63.25 per equity share payable in cash subject to the terms and conditions set out in the detailed public statement and letter of offer that was sent to all public shareholders of the Company. During the period ended December 31, 2017, the Acquirer has completed the acquisition of shares from Blackstone FP Capital Partners (Mauritius) VB Subsidiary Ltd.

11 Contingent liabilities (to the extent not provided for)

	December 31, 2017	March 31, 2017	April 1, 2016
a) Tax / Other demands (under appeal)	308.48	308.48	333.36
b) Guarantees given by banks	1,148.57	1,147.79	645.00
c) Outstanding letters of credit	2,643.96	3,329.13	2,519.84

e) The Company is also involved in certain litigations with third parties, 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 Company's management believes that these cases will not have any adverse impact on these financial statements.

f) 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.

- 12 During the period ended December 31, 2017, the Company had acquired Yepme UK Limited (YKL) by subscribing to 22,577 preference shares at GBP 33.22 each fully paid up aggregating to GBP 75,008 (Rs 6.27 crore). These shares have cumulative dividend rate of 0.1% and have voting rights pari passu with existing equity shares. The Company has an option to acquire additional stake up to maximum of 49% in YKL at the same price per share. These shares are convertible at the option of the Company into equivalent number of equity shares at any time prior to 19 years from the date of allotment viz. June 9, 2017.
- 13 In accordance with IND AS 109, the effective portion of the gain or loss on the hedging instruments in a cash flow hedge has been recognised in Other Comprehensive Income (OCI). This disclosure was inadvertently omitted while preparing the statement of unaudited standalone financial results for the periods up to December 31, 2017 filed with the Stock exchanges as per the requirements of Regulation 33 of the Listing Agreement and had recognised such gain or loss directly in equity. However there is no change in the net profit/loss after tax or the reserves of the Company for any of the periods up to December 31, 2017. The Company has accordingly revised the aforesaid disclosure in the statement of unaudited standalone financial result for the quarter and nine months period ended December 31, 2017 and the same has been approved by the board in its meeting held on April 24, 2018.
- 14 The annual audited unconsolidated financial information for the year ended March 31, 2017 and April 1, 2016 were jointly audited /reviewed by S.R. Batliboi & Associates LLP with another firm of Chartered Accountants under Previous Indian GAAP.
- 15 The special purpose interim unconsolidated unaudited financial information for the period ended December 31, 2016 have been presented based on the information compiled by the Company's management and has not been audited/ reviewed.
- 16 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

As per our report of even date

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

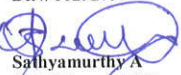

per Sandeep Karmani
Partner
Membership No.: 061207

Place: Bengaluru
Date: April 24, 2018



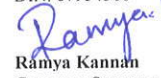
For and on behalf of the Board of Directors of
Gokaldas Exports Limited


Arun K Thiagarajan
Director
DIN: 00292757


Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 24, 2018


Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560


Ramya Kannan
Company Secretary

Place: Bengaluru
Date: April 24, 2018