gokaldas exports ltd

GEL/SEC/2019-20

Date: 29th July, 2019

Bombay Stock Exchange Limited

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

SCRIP CODE: 532630

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

GOKEX

Dear Sir,

Sub: Outcome of the Board Meeting held today – 29th July 2019

We wish to inform you that the Board of Directors ("the Board") of the Company met at 10:30 am to reconstitute the committees and adjourned the meeting for the purpose of audit committee.
The Board has approved the following:
Reconstitution of following Committees:

Sl.No	Name of the Committee	Name of the Members
1.	Audit Committee	Mr. Richard B Saldanha - Chairman
		Mr. Mathew Cyriac – Member
		Ms. Anuradha Sharma – Member
2.	Nomination & Remuneration committee	Ms. Anuradha Sharma – Chairman
		Mr. Richard B Saldanha – Member
		Mr. Mathew Cyriac - Member
3.	Stakeholders Relationship Committee	Mr. Mathew Cyriac – Chairman
		Mr. Richard B Saldanha – Member
		Mr. Sivaramakrishnan Ganapathi - Member
4.	Corporate Social Responsibility Committee	Mr. Richard B Saldanha – Chairman
		Ms. Anuradha Sharma – Member
		Mr. Sivaramakrishnan Ganapathi – Member
		Mr. Mathew Cyriac - Member

Gokaldas Exports Limited Bangalore-25

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16/2, Residency Road, Bangalore - 560 025. (INDIA)
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CIN : L18101KA2004PLC033475

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Further, the Board of Directors met at 2:00 PM to take up the remaining agenda items and approved the Statement of Un-audited Financial Results for the quarter ended 30th June 2019 as per IndAS along with Limited Review Report issued by the Statutory Auditors, M/s MSKA & Associates, Chartered Accountants, (FRN 105047W). The same was approved by the Board of Directors at the meeting held today.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, we enclose herewith the statement of Un-audited Financial Results for the quarter ended 30th June 2019 as per IndAS along with Limited Review Report issued by the Statutory Auditors, M/s MSKA & Associates.

The meeting commenced at 10:30 am and concluded at 7:30 pm.

Kindly acknowledge the receipt and take note.

Thanking you,

Yours Truly.

Gokaldas Exports Limited Bangalore-25

Sameer Sudarshan R.V.
(Company Secretary)
Encl : As above

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

Statement of unaudited standalone Ind AS financial results of Gokaldas Exports Limited for the period ended June 30, 2019

(in Rs. lakh, except earnings per share)

S. No.	Particulars	Standalone Quarter ended			Standalone Year ended
		June 30, 2019	Mar 31, 2019	June 30, 2018	Mar 31, 2019
		Unaudited	(Refer note 10)	Unaudited (Refer note 12)	Audited
I	**Income**				
	(a) Revenue from operations	34,125.50	32,625.96	28,589.79	117,337.17
	(b) Other income				
	Gain on account of foreign exchange fluctuations (net)	511.72	75.38	-	-
	Income from bank deposits and investment in mutual funds	270.74	231.09	225.56	1,081.61
	Government grant and other income	180.38	148.68	51.34	1,077.75
	Total Income	**35,088.34**	**33,081.11**	**28,866.69**	**119,496.53**
II	**Expenses**				
	(a) Cost of materials consumed	17,157.95	17,178.41	15,075.39	58,964.68
	(b) Changes in inventories of work-in-progress and finished goods	(147.40)	(2,399.67)	(2,305.41)	(6,700.01)
	(c) Employee benefit expenses	11,494.22	10,414.53	9,312.37	39,447.97
	(d) Finance costs	889.61	735.76	905.76	3,289.59
	(e) Depreciation and amortisation expenses	1,262.42	667.11	388.33	1,918.94
	(f) Job work charges	417.77	289.37	499.61	1,549.87
	(g) Other expenses				
	Loss on account of foreign exchange fluctuations (net)	-	-	456.20	1,565.53
	Others	3,054.19	4,499.68	4,138.64	16,333.83
	Total expenses	**34,128.76**	**31,385.19**	**28,470.89**	**116,370.40**
III	**Profit / (loss) before tax and exceptional items (I - II)**	**959.58**	**1,695.92**	**395.80**	**3,126.13**
IV	**Exceptional items- (gain)/ loss (Refer note 6)**	(2,604.78)	626.56	-	626.56
V	**Profit / (loss) before tax (III - IV)**	3,564.36	1,069.36	395.80	2,499.57
VI	**Tax expenses**				
	Current tax	307.32	-	-	-
	Adjustment of tax relating to earlier years	-	(63.33)	-	(63.33)
	Deferred tax (credit)/charge	(307.32)	-	-	-
	Total tax expenses	-	**(63.33)**	-	**(63.33)**
VII	**Net profit / (loss) for the period / year (V-VI)**	3,564.36	1,132.69	395.80	2,562.90
VIII	**Other Comprehensive Income / (loss) (net of tax)**				
	(A) (i) Items that will not to be reclassified to profit or loss				
	Re-measurement gains/ (losses) on defined benefit plans	60.00	(186.91)	3.32	(176.44)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	(B) Items that will be reclassified to profit or loss:				
	The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	(42.44)	527.40	(533.81)	1,450.71
	Total Other Comprehensive Income / (loss) for the period / year	**17.56**	**340.49**	**(530.49)**	**1,274.27**
IX	**Total Comprehensive Income for the period / year (VII+VIII)** (Comprising profit/(loss) and Other Comprehensive Income/(loss) (net of tax) for the period/year	**3,581.92**	**1,473.18**	**(134.69)**	**3,837.17**
X	**Paid-up equity share capital** (face value Rs 5 each, fully paid up)	2,140.78	2,140.78	2,138.16	2,140.78
XI	**Earnings per equity share (EPS)**				
	(a) Basic	8.32	2.65	0.99	6.09
	(b) Diluted	7.85	2.50	0.97	5.93

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Notes to the standalone Ind AS financial results of Gokaldas Exports Limited for the period ended June 30, 2019

1 The standalone unaudited Ind AS financial results of the Company for the quarter ended June 30, 2019 can be viewed on the Company's website www.gokaldasexports.com or on the website of NSE (www.nse-india.com) and BSE (www.bseindia.com).

2 The above financial results of Gokaldas Exports Limited ('the Company') have been prepared in accordance with Indian Accounting Standards - Ind AS 34 on 'Interim Financial Reporting' as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016.

3 Gokaldas Exports Limited ('the Company') operates in a single business segment of manufacture and sale of garments. Accordingly, no further segment disclosures are required.

4 The Company had applied for a scheme of amalgamation ("the Scheme") of 9 wholly owned subsidiary companies with the Company. The appointed date of amalgamation is April 01, 2016. The application was filed with the Hon'ble National Company Law Tribunal ("NCLT") on February 23, 2017. The NCLT has passed an order dated September 25, 2017 instructing the Company to conduct Secured Creditors Meeting and shareholders meeting in November 2017. Necessary approval has been obtained from the Secured Creditors (Canara Bank and Corporation Bank) on November 24, 2017 and shareholders of the Company on November 29, 2017 and the Report of the Chairman along with necessary petition has been filed with the NCLT. The approval from NCLT was received by the Company during the quarter ended March 31, 2019. The financial results comply with the accounting treatment described in the Scheme. This resulted in restatement of financial statements with effect from the appointed date i.e. April 01, 2016. Consequently, the numbers relating to quarter ended June 30, 2018 have been restated.

5 Certain foreign customers with an aggregate outstanding balance of Rs 1,257 lakhs as on June 30, 2019 have filed a plan for reorganisation of its business and creditors in the court (' the reorganisation plan'). Consequently, based on recommendation of legal counsel, the Company has filed a claim ('the pre-petition claim') of Rs 441 lakhs with the relevant authorities in relation to the sales made prior to filing of the reorganisation plan. Further, the Company had created a provision on account of expected loss amounting to Rs. 133 lakhs towards this pre-petition claim. The Company is confident of recovery of the pre-petition claim amount from the relevant authorities. Further, on the sales of Rs. 816 lakhs made post filing of the reorganisation plan, the Company has started receiving its dues.

6 Exceptional items:

a. The Company assessed the fair value less cost of sale of the investment in an associate held for sale as at March 31, 2019. Change in the regulatory environment and the market conditions effecting the associate has adversely affected the fair value of the Company's investment. The Company had written down the carrying value of the asset by recognizing an impairment loss of Rs. 626.56 Lakhs as an exceptional charge during the previous quarter ended March 31, 2019. The Company continues to make efforts to mitigate the loss by selling such investment in the near future, which could result in a partial or full reversal of the impairment loss.

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

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7 Effective April 1, 2019, the Company has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise Right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value. The Company has used the 'modified retrospective approach' for transition from Ind AS 17, 'Leases'. Therefore, the comparative information for the prior periods have not been restated. On transition date (April 1, 2019), the Company has recorded the lease liabilities at the present value of future lease payments discounted using the incremental borrowing rate. The adoption of Ind AS 116 has resulted in recognition of Right-of-use assets of Rs. 6,352.02 lakhs and lease liabilities of Rs. 7,192.02 lakhs on the transition date. Cumulative effect of adoption of Ind AS 116 has been recognised by debiting retained earnings by Rs. 1,431.24 lakhs [net of prepaid rent (which was previously recognised in accordance with Ind AS 17) as on transition date]. In the financial results for the quarter ended June 30, 2019, the nature of expense for leasing arrangements has changed from lease rent in previous periods to amorization on the Right-of-use assets and finance cost on the corresponding lease liabilities.

8 The statement of unaudited standalone Ind AS financial results for the quarter ended June 30, 2019 have been reviewed by the Audit Committee in their meeting on July 29, 2019 and approved by the Board of Directors in their meeting held on July 29, 2019.

9 The Statutory Auditors have carried out a limited review of unaudited standalone Ind AS financial results for the quarter ended June 30, 2019 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10 The figures for quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the standalone Ind AS financial statements for the year ended March 31, 2019 and the published unaudited year-to-date figures for nine months ended December 31, 2018.

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

12 The comparative standalone Ind AS financial information of the Company for the quarter ended June 30, 2018 were reviewed by the predecessor auditor, who expressed an unmodified opinion on those financial information on August 8, 2018 and are adjusted for accounting adjustments pursuant to the scheme of amalgamation and arrangement between the Company and its subsidiary as approved by the National Company Law Tribunal (NCLT) vide order dated March 08, 2019, the appointed date being April 01, 2016, which have been reviewed by the statutory auditors.

For Gokaldas Exports Limited

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Gokaldas exports limited Bangalore

MSKA & ASSOCIATES Chartered Accountants

Date: July 29, 2019
Place: Bengaluru

gokaldas exports ltd

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

Statement of unaudited consolidated Ind AS financial results of Gokaldas Exports Limited for the period ended June 30, 2019

(in Rs. lakh, except earnings per share)

S. No.	Particulars	Consolidated Quarter ended			Consolidated Year ended
		June 30, 2019	Mar 31, 2019	June 30, 2018	Mar 31, 2019
		Unaudited	(Refer note 10 and 11)	Unaudited (Refer note 11)	Audited
I	**Income**				
	(a) Revenue from operations	34,223.72	32,798.41	28,616.25	117,451.91
	(b) Other income				
	Gain on account of foreign exchange fluctuations (net)	511.72	75.38	-	-
	Income from bank deposits and investment in mutual funds	270.74	231.09	225.56	1,081.61
	Government grant and other income	182.94	157.03	51.34	1,086.10
	Total Income	**35,189.12**	**33,261.91**	**28,893.15**	**119,619.62**
II	**Expenses**				
	(a) Cost of materials consumed	17,171.15	17,324.93	15,086.27	59,053.49
	(b) Changes in inventories of work-in-progress and finished goods	(78.70)	(2,427.27)	(2,316.29)	(6,727.61)
	(c) Employee benefit expenses	11,505.48	10,463.21	9,325.78	39,495.52
	(d) Finance costs	895.73	737.11	905.76	3,290.94
	(e) Depreciation and amortisation expenses	1,273.87	670.53	389.25	1,922.36
	(f) Job work charges	418.85	289.37	499.61	1,549.87
	(g) Other expenses				
	Loss on account of foreign exchange fluctuations (net)	-	-	456.20	1,565.53
	Others	3,239.23	4,500.57	4,165.50	16,335.05
	Total expenses	**34,425.61**	**31,558.45**	**28,512.08**	**116,485.15**
III	**Profit / (loss) before tax and exceptional items (I - II)**	**763.51**	**1,703.46**	**381.07**	**3,134.47**
IV	**Exceptional items- (gain)/ loss (Refer note 5)**	(2,604.78)	626.56	-	626.56
V	**Profit / (loss) before tax (III - IV)**	3,368.29	1,076.90	381.07	2,507.91
VI	**Tax expenses**				
	Current tax	307.32	-	-	-
	Adjustment of tax relating to earlier years	-	(48.49)	-	(50.05)
	Deferred tax (credit)/charge	(307.32)	-	-	-
	Total tax expenses	-	**(48.49)**	-	**(50.05)**
VII	**Net profit / (loss) for the period / year (V-VI)**	3,368.29	1,125.39	381.07	2,557.96
VIII	**Other Comprehensive Income / (loss) (net of tax)**				
	(A) (i) Items that will not to be reclassified to profit or loss				
	Re-measurement gains/ (losses) on defined benefit plans	60.00	(185.78)	3.32	(175.31)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	(B) Items that will be reclassified to profit or loss:				
	The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	(42.44)	527.40	(533.81)	1,450.71
	Total Other Comprehensive Income / (loss) for the period / year	**17.56**	**341.62**	**(530.49)**	**1,275.40**
IX	**Total Comprehensive Income for the period / year (VII+VIII)** (Comprising profit/(loss) and Other Comprehensive Income/(loss) (net of tax) for the period/year	**3,385.85**	**1,467.01**	**(149.42)**	**3,833.36**
X	**Paid-up equity share capital** (face value Rs 5 each, fully paid up)	2,140.78	2,140.78	2,138.16	2,140.78
XI	**Earnings per equity share (EPS)**				
	(a) Basic	7.87	2.63	0.95	6.08
	(b) Diluted	7.42	2.48	0.93	5.92

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gokaldas exports ltd

Notes to the consolidated Ind AS financial results of Gokaldas Exports Limited for the period ended June 30, 2019

1 The consolidated unaudited Ind AS financial results of Gokaldas Exports Limited (the Company) and its subsidiaries (cumulatively referred to as 'Group') for the quarter ended June 30, 2019 can be viewed on the Company's website www.gokaldasexports.com or on the website of NSE (www.nse-india.com) and BSE (www.bseindia.com).

2 The above financial results of the Group have been prepared in accordance with Indian Accounting Standards - Ind AS 34 on 'Interim Financial Reporting' as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016.

3 The Group operates in a single business segment of manufacture and sale of garments. Accordingly, no further segment disclosures are required.

4 Certain foreign customers with an aggregate outstanding balance of Rs 1,257 lakhs as on June 30, 2019 have filed a plan for reorganisation of its business and creditors in the court (' the reorganisation plan'). Consequently, based on recommendation of legal counsel, the Group has filed a claim ('the pre-petition claim') of Rs 441 lakhs with the relevant authorities in relation to the sales made prior to filing of the reorganisation plan. Further, the Group had created a provision on account of expected loss amounting to Rs. 133 lakhs towards this pre-petition claim. The Group is confident of recovery of the pre-petition claim amount from the relevant authorities. Further, on the sales of Rs. 816 lakhs made post filing of the reorganisation plan, the Company has started receiving its dues.

5 Exceptional items:

a. The Group assessed the fair value less cost of sale of the investment in an associate held for sale as at March 31, 2019. Change in the regulatory environment and the market conditions effecting the associate has adversely affected the fair value of the Group's investment. The Group had written down the carrying value of the asset by recognizing an impairment loss of Rs. 626.56 Lakhs as an exceptional charge during the previous quarter ended March 31, 2019. The Group continues to make efforts to mitigate the loss by selling such investment in the near future, which could result in a partial or full reversal of the impairment loss.

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

6 The statement of unaudited consolidated Ind AS financial results for the quarter ended June 30, 2019 have been reviewed by the Audit Committee in their meeting on July 29, 2019 and approved by the Board of Directors in their meeting held on July 29, 2019.

gokaldas exports limited Bangalore

Chartered Accountants BSKA & Associates

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LRQA 014

7 Effective April 1, 2019, the Group has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise Right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value. The Group has used the 'modified retrospective approach' for transition from Ind AS 17, 'Leases'. Therefore, the comparative information for the prior periods have not been restated. On transition date (April 1, 2019), the Group has recorded the lease liabilities at the present value of future lease payments discounted using the incremental borrowing rate. The adoption of Ind AS 116 has resulted in recognition of Right-of-use assets of Rs. 6,498.80 lakhs and lease liabilities of Rs. 7,412.73 lakhs on the transition date. Cumulative effect of adoption of Ind AS 116 has been recognised by debiting retained earnings by Rs. 1,524.18 lakhs [net of prepaid rent (which was previously recognised in accordance with Ind AS 17) as on transition date]. In the financial results for the quarter ended June 30, 2019, the nature of expense for leasing arrangements has changed from lease rent in previous periods to amorization on the Right-of-use assets and finance cost on the corresponding lease liabilities.

8 The Statutory Auditors have carried out a limited review of unaudited consolidated Ind AS financial results for the quarter ended June 30, 2019 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

9 The figures for quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the consolidated Ind AS financial statements for the year ended March 31, 2019 and the published unaudited year-to-date figures for nine months ended December 31, 2018.

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

11 The figures for the quarter ended March 31, 2019 and the quarter June 30, 2018, included in the Statement of Consolidated Financial Results for the quarter ended June 30, 2019 have been approved by the Holding Company's Board of Directors, but have not been subjected to review as the mandatory requirement for limited review has been made applicable for periods beginning April 1, 2019, pursuant to Regulation 33(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

For Gokaldas Exports Limited

gokaldas exports limited Bangalore

MSKA & Associates Chartered Accountants

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Date: July 29, 2019
Place: Bengaluru

MSKA
& Associates
Chartered Accountants

Floor 6, No. 5, Prestige Khoday Tower
Raj Bhavan Road
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Independent Auditor's Review Report on unaudited standalone quarterly financial results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors
Gokaldas Exports Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Gokaldas Exports Limited ('the Company') for the quarter ended June 30, 2019 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

MSKA & ASSOCIATES ★ Chartered Accountants ★

MSKA
& Associates
Chartered Accountants

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Bengaluru 560001, INDIA
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5. Emphasis of matter

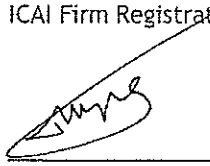
We draw attention to Note 5 to the unaudited financial results which states that certain foreign customers with an aggregate outstanding balance of Rs 1,257 lakhs as on June 30, 2019 have filed a plan for reorganisation of its business and creditors in the court (' the reorganisation plan'). Consequently, based on recommendation of legal counsel, the Company has filed a claim ('the pre-petition claim') of Rs 441 lakhs with the relevant authorities in relation to the sales made prior to filing of the reorganisation plan. Further, the Company has created a provision on account of expected loss amounting to Rs. 133 lakhs towards this pre-petition claim. On the sales of Rs. 816 lakhs made post filing of the reorganisation plan, the Company has started receiving its dues.

Our conclusion is not modified in respect of this matter.

6. The comparative financial information of the Company for the quarter ended June 30, 2018, which was reviewed by another auditor whose report dated August 8, 2018 expressed an unmodified opinion on those statements, is as adjusted for accounting adjustments pursuant to the scheme of amalgamation and arrangement between the Company and its subsidiary as approved by the National Company Law Tribunal (NCLT) vide order dated March 08, 2019, the appointed date being April 01, 2016, which have been reviewed by us.

Our conclusion is not modified in respect of this matter.

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



Deepak Rao
Partner
Membership No.: 113292
UDIN: 19113292AAAABV8511

Place: Bengaluru
Date: July 29, 2019

MSKA
& Associates
Chartered Accountants

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Tel: +91 80 6815 0000

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

The Board of Directors
Gokaldas Exports Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results of Gokaldas Exports Limited ('the Holding Company') and its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') for the quarter ended June 30, 2019 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'). Attention is drawn to the fact that the figures for the corresponding quarter ended June 30, 2018 and quarter ended March 31, 2019, as reported in these consolidated unaudited financial results have been approved by the Holding Company's Board of Directors but have not been subjected to review.

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

MSKA & ASSOCIATES Chartered Accountants

MSKA
& Associates
Chartered Accountants

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Raj Bhavan Road
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Tel: +91 80 6815 0000

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

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

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

6. Emphasis of matter

We draw attention to Note 4 to the consolidated unaudited financial results which states that certain foreign customers with an aggregate outstanding balance of Rs 1,257 lakhs as on June 30, 2019 have filed a plan for reorganisation of its business and creditors in the court (' the reorganisation plan'). Consequently, based on recommendation of legal counsel, the Holding Company has filed a claim ('the pre-petition claim') of Rs 441 lakhs with the relevant authorities in relation to the sales made prior to filing of the reorganisation plan. Further, the Holding Company has created a provision on account of expected loss amounting to Rs. 133 lakhs towards this pre-petition claim. On the sales of Rs. 816 lakhs made post filing of the reorganization plan, the Holding Company has started receiving its dues.

Our conclusion is not modified in respect of this matter.

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7. The consolidated unaudited financial results includes the interim financial results of three subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 144.72 lakhs and Rs. 358.45 lakhs, total net profit/(loss) after tax of Rs. (196.07) lakhs and Rs. (7.30) lakhs and total comprehensive income/ (loss) of Rs. (196.07) lakhs and Rs. (6.17) lakhs for the quarter ended June 30, 2019 and for the quarter ended March 31, 2019, respectively, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

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

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

Deepak Rao
Partner
Membership No.: 113292
UDIN: 19113292AAAABW2241

Place: Bengaluru
Date: July 29, 2019

PRESS RELEASE

Gokaldas Exports (GEX) delivers highest ever Q1 revenues in past 10 years

- GEX delivered Total Income of Rs. 3,519 Mn, growth of 22% over the previous year (PY) Q1. This is highest ever Q1 "Total Income" in last 10 years.
- EBITDA of Rs. 554 Mn, 15.7% of total revenue as against 5.8% in PY Q1.
- PAT of Rs. 337 Mn. (vs. Rs. 38 Mn. in the PY Q1) after considering Rs. 260 Mn of one-time gain from sale of property.
- Net debt of Rs. 1632 Mn (excluding bills discounting) at end of quarter as compared to Rs. 1837 Mn at the beginning.
- ICRA upgrades Gokaldas Exports (GEX) to BBB Outlook Positive on consistent improvement in operational and financial performance.

The Q1 FY20 performance is a reflection of the journey of business excellence started almost two years ago. Our focus on strengthening customer relationship, driving operational excellence, upgrading business infrastructure and doing cost-effective capacity expansion is expected to sustain healthy growth in revenue and profitability.

Date: July, 29 2019

Gokaldas Exports Limited Bangalore-25