Gokaldas Exports Limited
Annual Report, 2018-19



contents

2	Corporate snapshot
3	Our marquee global customers
6	The Chairman's message
7	Business Model
10	The Managing Director's overview
13	Board of Directors
16	Growth over the last few years
18	Our numbers
22	Enabler
24	Transformation Journey
27	Corporate social responsibility
28	Board's Report
51	Corporate Governance Report
68	Management Discussion and Analysis
75	Financial section



Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise


YOU ONLY KNOW YOURSELF WHEN YOU GO BEYOND YOUR LIMITS.
Paulo Coelho

10 THINGS YOU NEED TO KNOW ABOUT GOKALDAS EXPORTS LIMITED

Ethos

Vision
To be a globally reputed apparel manufacturer, evoking distinctive recognition for product, performance, process and people.

Mission
Achieve profitable growth through innovation, quality, consistency and commitment.

Global presence

Gokaldas Exports Limited has been a leading apparel exporter of the country since 1985. The Company caters to international customers of eminence in US, Europe, Canada, Japan, Russia, Middle East, South Africa and South America. It exports to more than 30 countries where; all its customers are prominent players in the international apparel market.

Functions

The Company executes orders ranging from the simple to the complex. Its functions comprise laying, cutting, sewing, embroidery, quilting and printing.

Locations

The Company's operations are spread across 21 factories supplemented by six value-adding service units, out of which 20 of our manufacturing facilities are located in Karnataka and one in Andhra Pradesh. Nearly 50% of the Company's revenue was derived from non-metro urban locations in India.

People

The Company's employee strength was ~25,000 (as of March 31, 2019) across 21 manufacturing units.

Products

The Company is engaged in the manufacture of a wide range of apparel including outerwear, sportswear, casual wear and formal wear for women, men and children.

Manufacturing efficiency

The Company is one of the largest organised apparel manufacturers in India with a manufacturing capacity of 13,500+ machines that can produce 30 million apparel pieces per annum.

Performance

The Company's total income grew by 11% to ₹1196.2 cr in 2018-19; correspondingly, profit after tax improved from a loss of ₹ 31.0 cr to profit of ₹25.6 cr

Listing

The Company is listed on the Bombay Stock Exchange (BSE) Limited and National Stock Exchange (NSE) Limited. The Company's market capitalisation was ₹ 401.4 cr as on March 31, 2019.

OUR MARQUEE GLOBAL CUSTOMERS

GAP

Headquartered in San Francisco, United States, GAP is one of the world's largest specialty retailers operating in more than 90 countries with more than 3,300 company-operated and franchised retail stores around the world. It recorded a topline of US$ 16.6 billion in 2018.

Adidas

Headquartered in Herzogenaurach, Germany, Adidas is one of the biggest athletic apparel companies in the world. It is the largest sportswear manufacturer in Europe and the second largest globally, with a brand value of, around US$ 16.7 billion.

Bestseller

Based in Denmark, with brands like Vero Moda and Jack & Jones , it has emerged as one of Europe's leading retailers catering to the individual tastes and personal styles of the brand's loyal customer base, selling more than 45 million styles annually.

Carhartt

In 1889, Carhartt Inc. was established in Detroit, Michigan by Hamilton Carhartt.

For 125 years, Carhartt had delivered best-in-class apparel, respected for rugged construction, innovative design and exceptional standards of quality, durability and comfort.

H&M

Headquartered in Stockholm, Sweden, H&M is a multinational clothing retail company operating in more than 60 geographies with more than 4500 stores. Also, it has an online presence in 35 countries. The Company's product range comprises clothing, including underwear and sportswear for men, women and children, as well as cosmetic products, accessories, footwear and home textiles.

Zara

Headquartered in Arteixo, Spain, ZARA is one of the world's largest apparel retailers. It has a footprint spread across 96 countries comprising more than 10,000 stores globally. The brand produces more than 450 million items a year.

Columbia

Headquartered in Oregon, United States, Columbia Sportswear is one of the global leaders in designing, sourcing, marketing and distribution of outdoor and active lifestyle apparel, footwear, accessories and equipment.

Puma

A German multinational company that designs and manufactures athletic and casual footwear, apparel and accessories. Headquartered in Herzogenaurach, Bavaria, Germany; Puma is the third largest sportswear manufacturer in the world.

Our company in numbers

171
Revenue in US$ mn, 2018-19

2.8
Peak monthly production capacity in mn

21
Production units

25,579
Direct employees

13,500+
Machines

55
Countries exported to

NO LIMITS!
PHILOSOPHY IN ACTION

ADDRESSING THE CUSTOMERS' NEED ON TIME AND IN FULL.





THE PRINCIPAL CHALLENGE FOR THE COMPANY WAS TO GAIN CUSTOMER CONFIDENCE.

At Gokaldas, we focused on making this our biggest priority: we would deliver on-time and in full. The challenges were many.

The Company responded with various initiatives: strengthened the weakest links in the supply and process chain; made 'on-time and in-full' an organisational priority with corresponding communication. It also strengthened the perspective that 'quality' was not just a product attribute but comprised timeliness and complete delivery from function-to-function.

The wheel moved. Internal processes began to accelerate. Every improvement, even nominal, was recognised and celebrated. The result was that during the course of the year, customers began to receive just what they had ordered on the appointed date and in the desired quantity.

The pleasant upside is that the Company eliminated dead inventory (that had not been delivered), increased revenues (to the extent of additional delivery), strengthened its credentials among customers (existing and prospective), saved around 1.5% of the topline that immediately became the bottomline, and most importantly, reinforced organisational pride – *there are no limits to customer service.*

The Chairman's strategic overview



WE HAD MODEST EXPECTATIONS FOR THE YEAR WHEN WE STARTED, AS THE NEW MANAGEMENT HAD JUST ABOUT COME IN AND THERE WERE SEVERAL HEADWINDS IN THE BUSINESS TO DEAL WITH. WITH INDUSTRY REVENUE ON A DECLINING TREND, THERE WAS A GENERAL FEELING THAT THE HEADROOM FOR GROWTH WOULD BE LIMITED AND ANY IMPROVEMENTS WOULD AT BEST BE MARGINAL.

I am pleased to inform you that the team at Gokaldas Exports proved sceptics wrong in 2018-19.

There were a number of reasons that made this an exceptional year for the Company.

The Company reported a substantial swing in net profit from a loss of ₹31.0 cr. to a profit of ₹25.6 cr. during the year. The Company generated an EBITDA of ₹77.2 cr. that is three times that of 2017-18. What is most important is that the Company's performance was consistent across all quarters and there was a steady improvement through the year. This gives us the confidence to state that the organisation has been transformed and the performance improvement is sustainable.

The Company needed access to precious capital for sustainable growth. However, the past track record of weak general business sentiment resulted in tightening of bank credit, because of which the Company was faced with two stark choices: shrink or innovate. The management team resolved to make the most of the situation by strengthening terms of trade, reducing costs and reducing the working capital cycle. The Company raised capital through a QIP to the tune of almost ~₹70 cr. in a weak market and deployed it wisely in upgrading its business infrastructure and working capital. The Company also reduced its working capital cycle from 121 to 102 days, freeing resources for growth.

The Company strengthened its operational performance across all factories and business units. The improvement in key performance metrics is heartening to see and will ensure that the Company continues its journey of operational excellence.

The team at Gokaldas Exports systematically developed trustworthy relationships with all stakeholders by consistently delivering superior performance and results.

This is evident from the improved business flows from its key customers. Adding seven new marquee customers also indicates that the market sees Gokaldas Exports as a transformed entity and is now willing to restore its faith in the Company.

Lastly, the organisation is far stronger now with the induction of new talent. This makes it more resilient and endows it with the capability to take up bigger challenges.

We are more confident than ever that the Company is strongly positioned. The Company's margins are on the rise, performance metrics are better, working capital management is stronger and customer confidence is higher. We believe that during the year under review, we laid the foundation for a reinvigorated Gokaldas Exports that is now poised to unlock growth, create long-term value and secure its future.

On behalf of the Board of Directors, I thank our customers for their support. I would also like to acknowledge the counsel of the Board that helped steer the Company through the year. I wish to thank our leadership team and employees, led by Managing Director Sivaramakrishnan Ganapathi for their commitment to create a world-class company.

Mr. Richard B. Saldanha,
Chairman and Non-executive Independent Director

OUR COMPETITIVE BUSINESS MODEL

Global context

- Shorter fashion cycles
- Need to introduce new designs with increasing speed
- Growing integration of fitness-related designs into wardrobes
- Online purchases enhancing offtake, affordability and market size
- Need for stronger and reliable supply chains
- Global apparel brands seeking ecologically-compatible apparel vendors
- Greater premium on the need to increase recycled material and reduce harmful dyestuffs

Indian context

- The fragmented Indian apparel sector holds out scope for growth
- The Indian apparel sector is marked by low entry barriers
- The business puts a premium on manufacturing and supply chain efficiency.
- The global apparel sector is marked by import tariffs on exports
- India enjoys a strong cotton and rayon base, a business advantage
- The business is labour-intensive marked by a need to moderate people and related costs. Manufacturing competitiveness is influenced by a labour wage arbitrage.

Gokaldas' credentials

- The Company is positioned as a responsible partner of the customer
- The Company provides the customer with trend forecasting, product engineering, fashion designing, optimised manufacturing and innovation.
- The Company is a dependable partner, providing on-time delivery and high product quality
- The Company's practices are marked by complete compliance and environment responsibility
- The Company is focused on the manufacture of complex products and designs
- The Company possesses world-class design capability (manufacturing to consulting / implementation)

- The business is positioned around long-term relationships with marquee global clients
- The Company exports (84% of revenues) to demanding geographies (USA, Europe and Japan)
- The Company focuses on growing revenues from non-top 10 customers
- The Company is looking at capacity expansion in low-cost non-metro locations
- The Company had no long-term debt on the books
- The Company's wide range of manufacturing capability comprises laundry, embroidery, printing and poly wadding as well.

How we are transforming

- Strengthening customer accretion
- Improving delivery capability
- Superior management of working capital
- Increasing capacity in lower-cost manufacturing locations
- Increasing worker training
- Enhancing capacity utilisation
- Investing in modernising manufacturing capability



NO LIMITS!
PHILOSOPHY IN ACTION

HOW WE ADDRESSED A WORKING CAPITAL CRUNCH WITH RESOURCES FROM WITHIN

IN 2018-19, THE BIGGEST AGENDA AT OUR COMPANY WAS GROWTH.

GROWTH NEEDED A HIGHER WORKING CAPITAL OUTLAY.

This posed a challenge: one of the Company's principal bankers was unable to increase lending on account of operational restrictions. The result was that instead of Gokaldas' working capital sanction was being raised to generate revenue growth, the Company was challenged with a lower working capital availability

In most cases, a lower working capital outlay would have moderated revenue growth. However, the management at Gokaldas responded differently.

The Company decided to generate additional working capital resources from within. The Company negotiated quicker receivables and extended payables. It focused deeper on cost moderation. It emphasised value-addition.

The result is that what appeared impossible for a company seeking to turn around began to generate green shoots. Gradually, as more employees began to believe that the improvement was real, the effort took root.

The result: the Company moderated its working capital cycle from a 121 days of turnover equivalent in 2017-18 to an average 102 days during the year under review, leading to the possibility of an even shorter cycle in 2019-20.

The Company emphasised that when it comes down to taking up a large challenge, the two words that make all the difference are 'No limits!'





ONE EXTENDS ONE'S LIMITS ONLY BY EXCEEDING THEM.

M. SCOTT PECK

THE COMPANY HAS THE OPTIMISM AND RESOLVE TO TAKE THE PERFORMANCE TO THE NEXT LEVEL AND IS CONFIDENT OF ITS ABILITY TO BE COUNTED AS A LEADING PLAYER IN THE APPAREL MANUFACTURING BUSINESS IN INDIA.

Overview

In our last annual report, we unveiled our business theme of 'No limits', which captured the Company's resolve to outperform across every business dimension. I state with pleasure that we were successful in assimilating the spirit of the theme and living up to it through the challenging financial year of 2018-19.

The effectiveness of our performance is reflected in our superior numbers. The Company reported a net profit of ₹25.6 cr. (after a one time provision of ₹6.3 cr.), a remarkable turnaround from a loss of ₹31.0 cr. in 2017-18. Our financial performance was considerably better than what we had budgeted at the start of the

year. While our total income grew by only 11% despite reduction in Government incentives and lower growth of our domestic business, exports, the mainstay of our business, grew by almost 20%.

Our EBITDA more than trebled during the year to ₹77.2 cr. from ₹23.8 cr. in 2017-18, which is creditable considering that the Company operated almost the entire year with lower export incentives. We entered a virtuous cycle of customer confidence, superior performance, higher revenue, increased operating margin, stronger return on investment and shareholder value creation.

This represented a validation of our business strategy, organisational alignment and advancement in operational performance. Clearly, our effort in all these areas has paid off and was reflected in our financial performance in 2018-19.



THE COMPANY REPORTED A NET PROFIT OF ₹25.6 CR. (AFTER A ONE TIME PROVISION OF ₹6.3 CR.), A REMARKABLE TURNAROUND FROM A LOSS OF ₹31.0 CR. IN 2017-18. OUR FINANCIAL PERFORMANCE WAS CONSIDERABLY BETTER THAN WHAT WE HAD BUDGETED AT THE START OF THE YEAR.

How we strengthened the business

Through the year we relentlessly focused on operational excellence, strengthening customer relationships, improving business infrastructure and low-cost capacity addition.

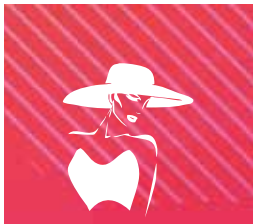
We worked hard on improving our on-time delivery performance for our customers through a deep focus on operational excellence. This improvement was achieved through a deeper understanding of the interplay of various processes. We harmonised our process flows, augmented our supply chain and made strides in controlling raw material consumption. Besides, we focused on process effectiveness by getting a number of sub-processes and functions right, reducing product rejections.

Getting an organisation of more than 25,000 people aligned to a common goal is a huge task. Change needs to percolate all the way down the organisation for it to work effectively. Knowing that people management is a critical success factor, we ushered several initiatives at factory and management levels.

We stepped up operator training, started new initiatives like onboarding management to reduce early stage attrition, commenced engagement activities to improve and sustain a positive performance-oriented work culture, imparting life skills to operators to help them manage their finances and family better, and so on. We also conducted regular surveys to understand and tackle factory issues. For the factory staff, we launched several initiatives to address supervisor and manager training. Our employee morale improved distinctively and manifested in reduced absenteeism and higher productivity.

On the overall, a coherent 360 degree approach to operational excellence paid off in the form of a superior performance leading to financial gain. Our supply chain efficiency improved considerably over the year – from a low ~50% of orders with raw material coming on time to over 75% by the end of the year. Investments in superior industrial engineering, people practice and automation led to 3% improvement in productivity. Our attrition is improved by 0.8%. A lower attrition improves productivity and reduces training cost. A relentless focus on product quality helped reduce rejections by 1.7%.

Our efforts in operational excellence significantly improved our product quality and on-time delivery performance, considerably strengthening customer perception. Better performance metrics and improved customer satisfaction helped business growth. We brought in seven new customers, diversifying and de-risking our revenue base. Our investments in design and product development deepened our customer engagement. All of this allowed us to grow our export business by about 20% during the



IN THE YEAR UNDER CONSIDERATION, WE RAISED ₹69.4 CR. THROUGH A QUALIFIED INSTITUTIONAL PLACEMENT. WE BROUGHT IN SEVERAL MARQUEE INVESTORS INTO THE COMPANY THEREBY STRENGTHENING IT. WE DEPLOYED THE FUNDS IN UPGRADING OUR INFRASTRUCTURE, ADDING INCREMENTAL CAPACITY AND AUGMENTING OUR WORKING CAPITAL TO MANAGE GROWTH.

financial year. I am pleased to report that customer confidence in our capabilities and performance is strong setting the stage for sustainable growth.

In 2018-19, we invested ₹33.9 cr. in upgrading our infrastructure. We addressed some of the manufacturing gaps by investing in new single needle and specialised machines that delivered quality and productivity improvements. These selective investments should enhance our overall productivity in 2019-20. We added 16 lines in our existing facilities, increasing our capacity. Further, we recalled machines from our warehouse, refurbished them and redeployed them for productive use. We expanded our laundry capability and capacity. We now have superior wet and dry process capabilities, increasing our manufacturing value-additism, yielding superior price realisation. From an environment perspective, the zero liquid discharge plant that we commissioned during the year to recycle waste water reduced our fresh water requirement and brought down wastage. The full benefits of this upgradation initiatives will be visible during the current financial year.

During the year under review, the Company embarked on upgrading its ERP with the objective of strengthening its business processes. This is still work in progress as the scope of the project is vast. A moderate improvement in our operational effectiveness could have a substantial impact on our overall profitability. The ERP will ensure a data rich environment for effectively managing the large number of functions, factories and customers, facilitating informed decision-making and superior outcomes.

Superior financial efficiency

During the year under consideration, we raised ₹69.4 cr. through a Qualified Institutional Placement. We brought several marquee investors into the Company, strengthening our financial foundation. We deployed the funds in upgrading our infrastructure, adding incremental capacity and augmenting our working capital outlay to manage growth.

We also reduced our working capital cycle by 19 days, freeing precious capital. This, coupled with internal cash generation, brought down our net debt to ₹183.6 cr., while increasing our business volumes.

Outlook

The overall business outlook is bolstered by several favourable macro-economic factors. The US-China trade war is compelling customers to diversify their supply base. As a major apparel exporting location, India is generating strong traction along with competing countries like Bangladesh and Vietnam. Critical investments in factory and business infrastructure have helped us stay ahead of the compliance curve, endearing the Company to customers. This has helped the Company emerge on the radar of new customers.

We expect to continue our successful journey in the near term. The current financial year appears promising and the Company remains confident of growth. The Company has the optimism and resolve to take the performance to the next level and is confident of its ability to be counted as a leading player in the apparel manufacturing business in India.

Mr. Sivaramakrishnan Ganapathi,
Managing Director

BOARD OF DIRECTORS



Mr. Richard B Saldanha,
Chairman & Non-Executive Independent Director



Ms. Anuradha Sharma,
Non- Executive Independent Director



Mr. Gautham Madhavan,
Non- Executive Director



Mr. Mathew Cyriac,
Non- Executive Director



Mr. Prabhat Kumar Singh,
Executive Director



Mr. Sivaramakrishnan Ganapathi,
Managing Director



NO LIMITS!
PHILOSOPHY IN ACTION

HOW WE ADDRESSED WASTE AND COSTS TO KICK-START A VIRTUOUS PROFITABILITY CYCLE

AS WE BEGAN OUR JOURNEY OF GROWTH AND PROFITABILITY, THE CHALLENGE LAY IN ENHANCING EBITDA MARGIN.

The management prioritised cost moderation as an important agenda.

The Company encouraged employees to locate process inefficiencies. To find better ways of doing routine things. To replace products with equivalent lower cost substitutes. To generate disproportionately superior value out of moderate investments. To save process time.

The result was a broad-based improvement: the Company generated a 12% increase in throughput from existing equipment; fabric utilisation improved, rejects and wastage declined 1.7% as a proportion of production.

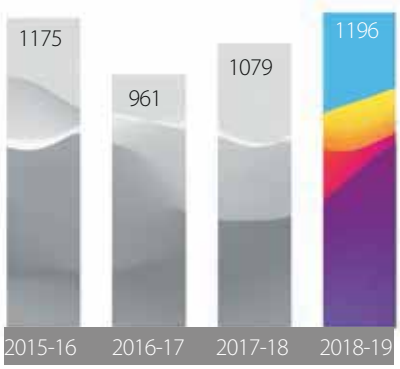
The result is that raw material costs as a proportion of revenues from operations declined 7.5% to 44.6%; EBITDA margin improved 4.3% to 6.5% in 2018-19.

That this significant improvement was realised within a short period emphasised the mindset of the Management:

That when it comes to single-minded passion there are really no limits on what can be achieved.



THIS IS HOW WE HAVE GROWN



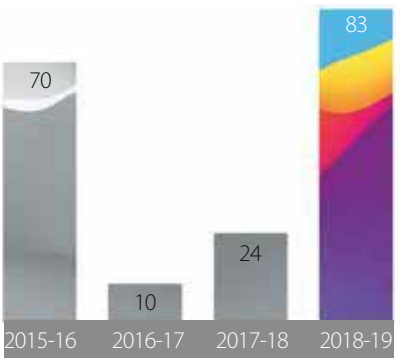
Revenues (₹ crore)

Definition
Growth in sales net of taxes.

Why this is measured
It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the Company's success can be compared with sectoral peers.

What this means
Aggregate revenue increased 11% to ₹1196 cr. in FY2018-19 due to increased product offtake and operational streamlining.

Value impact
Improved product offtake enhanced the Company's respect and provided an increased room to cover fixed costs.



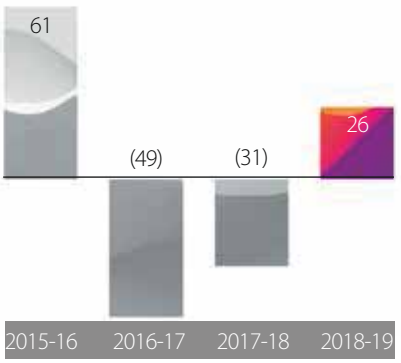
EBITDA* (₹ crore)

Definition
Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why this is measured
It is an index that showcases the Company's ability to generate a surplus after optimising operating costs, providing a base for comparison with sectoral peers.

What this means
Helps create a robust growth surplus-generating engine that enhances reinvestment.

Value impact
The Company reported around 300% increase in EBITDA in FY2018-19, an outcome of painstaking initiatives in improving operational efficiency.



Net profit/loss (₹ crore)

Definition
Profit earned during the year after deducting all expenses and provisions

Why this is measured
It highlights the strength of the business model in enhancing value for shareholders.

What this means
This ensures that adequate cash is available for reinvestment, leading to business sustainability.

Value impact
The Company reported a 5.0% increase in net margin in FY2018-19, reflecting the growing attractiveness of the business model.



EBITDA margin* (%)

Definition
EBITDA margin is a profitability measure to ascertain a company's operating efficiency

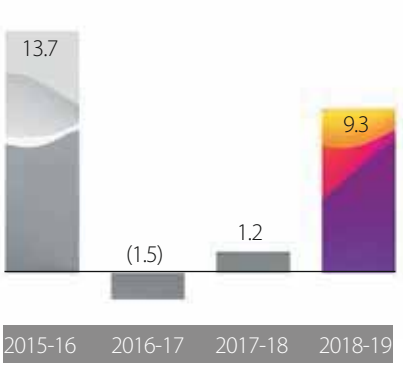
Why this is measured
The EBITDA margin provides an idea of how much a company earns (before accounting for interest, depreciation and taxes) on each rupee of sales.

What this means
This measure demonstrates the buffer in the business, which when multiplied by scale, can potentially enhance the surplus.

Value impact
The Company reported a 4.3% increase in EBITDA margin in FY2018-19.

*Excluding exceptional items

IN THE LAST FEW YEARS



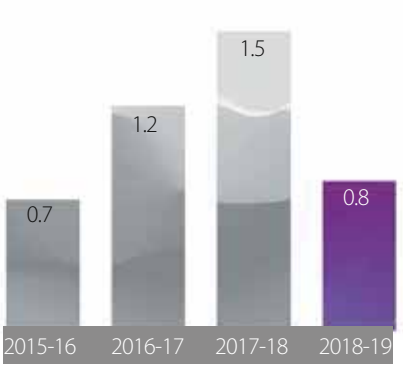
ROCE (%)

Definition
This is a financial ratio that measures efficiency with which capital is employed in the Company's business

Why this is measured
ROCE is an insightful metric to compare profitability across companies based on their respective capital efficiency

What this means
Enhanced ROCE can potentially drive valuations and market perception.

Value impact
The Company reported a 7.9% increase in ROCE in FY2018-19.



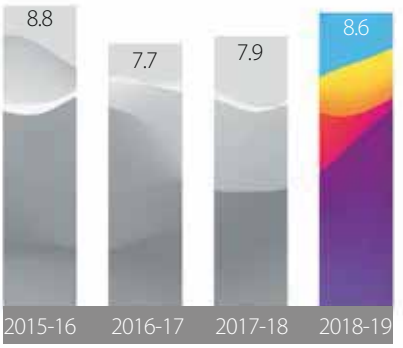
Gearing (x)

Definition
This is the ratio of net debt to net worth (less revaluation reserves)

Why this is measured
This is one of the defining measures of a company's financial solvency. This indicates the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better).

What this means
This indicates whether the Company enhances shareholder value by keeping the equity side constant and progressively moderating debt.

Value impact
The Company's gearing stood at 0.8 in FY2018-19 compared to 1.5 in FY2017-18. This ratio should ideally be read in conjunction with net debt/ operating profit (a reduction indicating greater ease in terms of servicing debt).



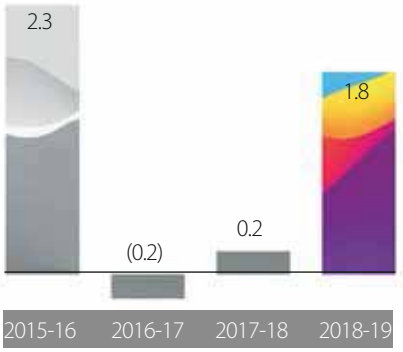
Debt cost (%)

Definition
This is derived through the computation of the average cost of the consolidated debt on the Company's books.

Why this is measured
This indicates the Company's ability in convincing debt providers of the robustness of our business model and negotiating a lower debt cost (leading to higher margins).

What this means
This translates into enhanced cash flows and strengthens credit rating leading to successive declines in debt cost

Value impact
The Company's debt cost increased marginally from 7.9% in 2017-18 to 8.6% in FY2018-19. This ratio should ideally be read in conjunction with net debt/ operating profit (an increase indicating higher liquidity).



Interest cover (x)

Definition
This is derived through the division of EBITDA by interest outflow

Why this is measured
Interest cover indicates the profit buffer available within the Company to service interest – the higher the better.

What it means
A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important measures in assuring shareholder returns.

Value impact
The Company strengthened its interest cover from 0.2 in FY2017-18 to 1.8 in FY2018-19.

OUR 'NO LIMITS!' COMMITMENT WAS VISIBLE IN A TRANSFORMING 2018-19

THE SEQUENCE OF VARIOUS INITIATIVES THAT HELPED US BECOME PROFITABLE IN 2018-19

CUSTOMERS

2017-18	2018-19
36	43

Fresh customer-accretion after years

INCREASED REVENUES (₹ CR)

2017-18	2018-19
1079	1196

11% increase in revenues

RAW MATERIAL COSTS AS % OF REVENUES

2017-18	2018-19
52	45

Moderated costs through enhanced savings

PAT (₹ CR)

2017-18	2018-19
(31.0)	25.6

Vigorous turnaround

CASH PROFIT (₹ CR)

2017-18	2018-19
(14.5)	44.8

Sizable swing back in accruals

INTEREST COVER

2017-18	2018-19
0.2	1.8

Greater financial liquidity

EBITDA MARGIN%

2017-18	2018-19
2.2	6.5

Peaked at 9.5% in last quarter

INVENTORY TURNS (X)

2017-18	2018-19
5.1	4.9

Inventory turns were largely maintained

RECEIVABLES CYCLE (DAYS)

2017-18	2018-19
81	62

Enhanced liquidity

WORKING CAPITAL CYCLE (DAYS)

2017-18	2018-19
121	102

More productive resource use

BORROWINGS (₹ CR)

2017-18	2018-19
472	381

Decreased borrowings

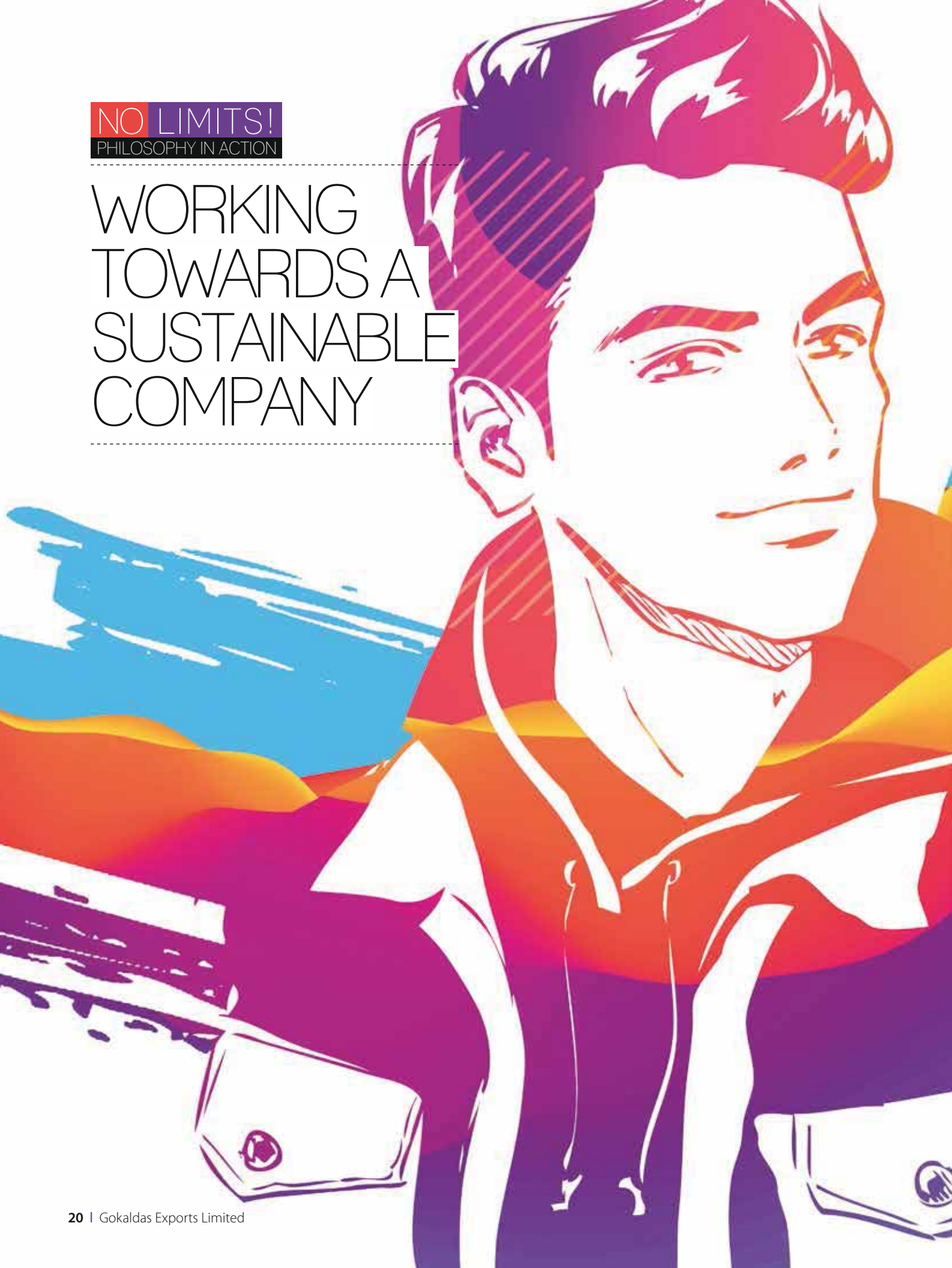
ROCE%

2017-18	2018-19
1.2	9.3

Sharp improvement in capital efficiency

NO LIMITS!
PHILOSOPHY IN ACTION

WORKING TOWARDS A SUSTAINABLE COMPANY





The Company intended to make sure that it was thinking long-term, that its operations were sustainable and that it stood for a better environment.

The Company took several steps towards sustainability. A major initiative was to complete recycling of liquid effluents being generated from its laundry operations.

At a time when cash flows were only beginning to turn positive, the Company made a proactive decision to invest in a sustainable process.

During the course of the year, invested in a Zero Liquid Discharge plant which allows it to recycle the effluents of the laundry and recover water completely. The residual solid waste is then safely disposed following the pollution control norms.

This development has established the Company's respect as a responsible forward-looking player in the global apparel sector.

Underlining the reality that for sustainable and responsible companies, there are no limits to growth.

Enabler

SUCCESSFUL PEOPLE MANAGEMENT

IN THE PEOPLE-INTENSIVE BUSINESS OF APPAREL MANUFACTURE, THERE IS A PREMIUM ON OPERATIONAL DISCIPLINE, PRODUCTIVITY AND RETENTION. DURING THE YEAR UNDER REVIEW, THE COMPANY EMBARKED ON THE OBJECTIVE TO ENHANCE WORKPLACE PRIDE, PROCESS DISCIPLINE AND PRODUCTIVITY.

Challenges

- The Company encountered challenges related to absenteeism and employee retention
- The Company was required to produce more; more orders meant a greater pressure on its human resource
- To improve retention, the Company was required to enhance the attractiveness of each job role
- The Company was also required to respond to increasing compliance requirements (ethical, social, business and legal)

Initiatives

- The Company implemented the Sakhi programme that made use of the 'buddy' concept to facilitate the induction and socialisation of new hires
- The Sakhi program delivered early success in the units where it was piloted and reduced new hire attrition significantly. In the current year, this program will be implemented across all locations and levels to support employee retention.
- The Company strengthened the structure for Learning & Development, launching a number of learning initiatives to enhance supervisory and managerial capability
- 90% of employees were trained in the current year on Prevention of Sexual Harassment.
- The Company instituted an Internal Committee (IC) specific to each unit that met on a monthly basis to create

awareness and promote an employee friendly culture

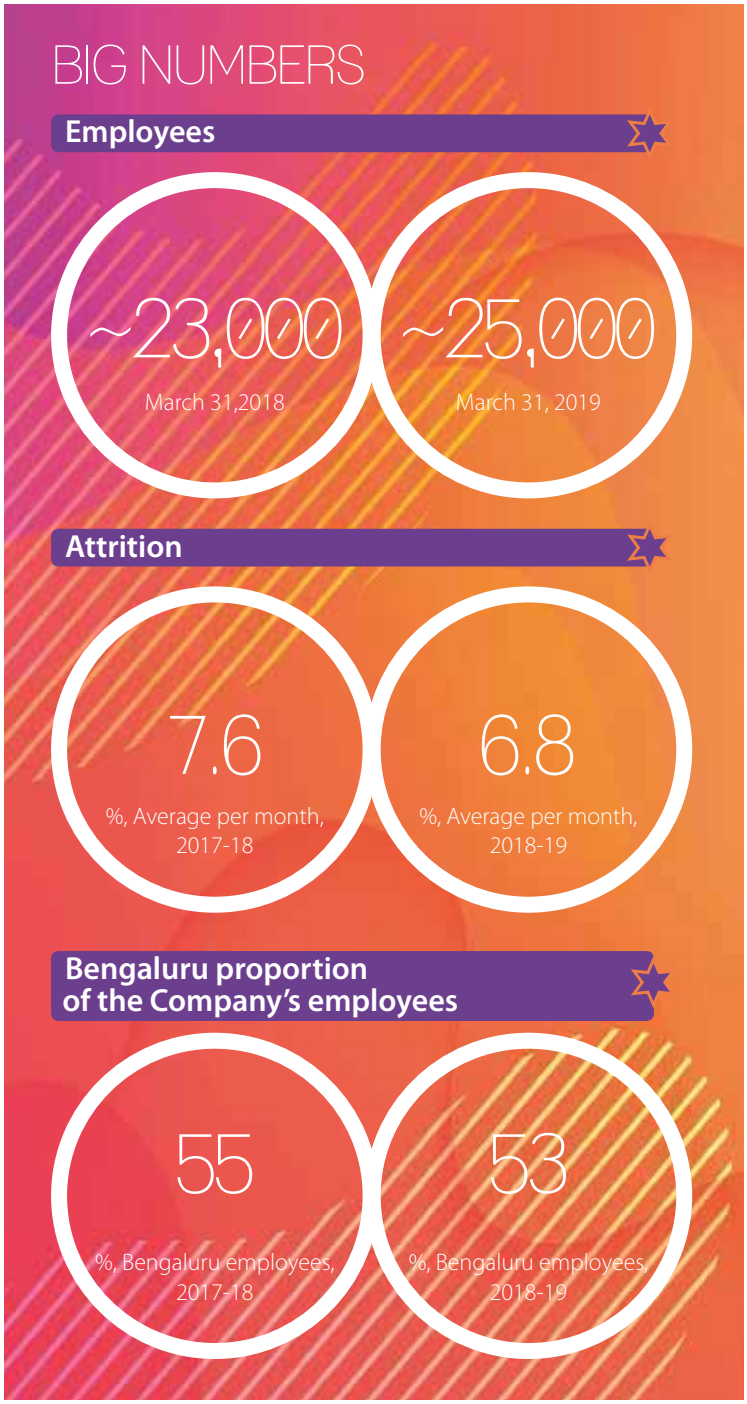
- The Company implemented HRMS to aid performance management and decision making, to improve employee experience and enhance HR service delivery.

Achievements, 2018-19

- People deployed increased from 23,003 in 2017-18 to 25,579
- Average employee age remained at 34 years
- Attrition has reduced by 0.8% per month.
- Average worker remuneration increased 5.46% to ₹1,04,064 per annum

Outlook

- The Company intends to commission factories outside Karnataka.
- The Company intends to intensify training and workplace pride with the objective to reduce absenteeism and attrition
- The Company intends to commission touch-based kiosks across factories to empower employees and improve the employee experience through basic employee self-service in the vernacular language.



10 WAYS IN WHICH WE ACCELERATED OUR TRANSFORMATION JOURNEY IN 2018-19

1. Transformation mindset

THERE WAS A NEED TO SEND OUT A STRONG SIGNAL OF CHANGE

- The Company focused on transforming mindsets
- Every practice was questioned; every function examined
- No limits was the philosophy
- The result: healthier organisation, better financial outcome.

2. Profit swing-back

THE COMPANY'S PROFITABILITY WAS UNDER STRESS

- The new management chalked out transformation initiatives
- The initiatives started with a new mindset
- This mindset addressed cost and revenue maximisation
- The successful combination of the two kick-started a turnaround starting 2018-19

3. Plugged manufacturing gaps

THE COMPANY SET OUT TO IDENTIFY GAPS IN ITS MANUFACTURING BUSINESS

- These gaps did not entail large financial outlays
- The plugged areas were directed at enhancing manufacturing value
- The initiatives addressed workflows, speed and automation
- The aggregate result: increased output, value-addition and cost reduction

4. Redeployed equipment

THE MANAGEMENT RECOGNISED THE NEED TO DO MORE WITH LESS

- It located pre-used machinery in the warehouse
- The machinery was refurbished and redeployed
- The redeployment sent out a strong message: everything was valuable
- Reduced avoidable capital expenditure and helped better utilization of funds

5. Reduced wastages and rejects

THE MANAGEMENT RECOGNISED THE NEED TO GET PROCESSES RIGHT THE FIRST TIME

- It introduced stronger controls, checks and balances
- It empowered shopfloor operators to identify the smallest waste
- When aggregated, the savings became meaningful
- The result: wastages and rejects declined 170 bps

6. Increased productivity

THE MANAGEMENT FOCUSED ON MAXIMISING VALUE FROM EXISTING OPERATIONS

- The focus: get more output from the same machines, people and space
- A culture of functional specialisation was deepened
- Workflows were examined and improved
- The Company reported an 11% revenue improvement

7. On-time delivery

IN THE PAST, DELIVERY WAS GENERALLY 200 BPS LOWER THAN OPTIMUM

- Under-delivery affected stock / working capital efficiency
- The Company focused on increasing delivery reliability to 100%
- Teams began to work on one target: on-time and in-full
- Delivery integrity increased to 100%, enhancing customer delight

8. Added customers

THERE WAS A NEED TO ADD CUSTOMERS TO KICKSTART REVENUE GROWTH

- The management reached out to new marquee customers
- It showcased delivery competence and dependability
- It added seven new customers
- This accretion is likely to add 25% revenues in a full year

9. QIP deployment

THE NEW MANAGEMENT NEEDED GROWTH CAPITAL TO KICKSTART A VIRTUOUS CYCLE

- It mobilised ₹ 69.4 cr through a QIP issue in May 2018
- This corrected the gearing
- The QIP was utilised to invest in new equipment and working capital
- The result: the Company reported an improved profit margin in 2018-19

10. Shorter working capital cycle

THE COMPANY HAD A WORKING CAPITAL CYCLE OF 121 DAYS IN 2017-18

- There was a priority to reduce this cycle and liberate cash from within
- The Company worked across various stakeholders, functions and initiatives
- The Company negotiated better to make improvements at every point
- The Company moderated its working capital cycle by 19 days to 108 (2018-19)

CORPORATE SOCIAL RESPONSIBILITY

AT GOKALDAS, WE PLAY THE ROLE OF A RESPONSIBLE CORPORATE CITIZEN. OUR ROLE IS DEFINED BY A NUMBER OF PRIORITIES.

One, we are committed to make the world a better place

Two, our engagement in corporate social responsibility projects is aligned with national and regional priorities.

Three, we have extended beyond mere 'cheque-writing' to a deeper engagement with the objective to make a lasting positive difference.

Four, we are partnering with specialised agencies who possess a deeper experience and understanding.

Five, we believe in making initial investments where a moderate engagement from our side can translate into disproportionately larger societal impact.

Six, we focus on responsible engagement where we empower beneficiaries to assume control of their lives.

Environment-related initiatives



- Installed solar-powered lighting in the peripheral areas of six factories.
- Obtained Global Organic Textile Standards (GOTS) certification for 7 units, including HO
- Replaced aluminum chokes with electronic variants to reduce power consumption
- Replaced coal and diesel as boiler fuel with agro-based briquettes
- De-centralised shopfloor power switches for power savings
- In partnership with Columbia, planted 1000 saplings in and around its Hassan Factory.
- Continuously recycled machine oil
- Commissioned the Zero Liquid Discharge (ZLD) plant with enhanced reverse osmosis capacity from September 2018
- Installed condensate recovery systems to reduce fuel consumption
- Replaced exhaust fans with turbo-ventilators to increase power savings.
- Completed the first rainwater-harvesting project in Indigo Blue Factory

Environment, health and safety-related initiatives



- Followed all requirements pertaining to occupational health and safety; strengthened employee health and safety.
- Organised free blood donation camps, healthcare camps, eye camps and dental camps for employees, families and local residents
- Organised Health Enabled Returns (HER) for women employees in partnership with brands.
- Organised employee awareness sessions on menstrual myths and installed sanitary napkin vending machines in our units
- Offered child care facilities and organised summer vacation camps to emphasise the importance of education.

Workplace-related initiatives



- Leadership Talks and CEO Connect were held every month to improve employee motivation, to support career development and enhance an outside-in view.
- The company launched an Employee Engagement Policy to support year-round celebration of festivals and small unit-level victories. This increased organizational communication and employee connect.
- Skip level meetings were conducted with randomly picked employees from all the units to promote an open culture, drive equity and fairness and enhance work-place improvement based on employee feedback.
- In conjunction with the brands, the Company started its second batch for Personal Advancement and Career Enhancement (PACE) program where 450 employees from three units underwent training. We started training the Works Committee of our units under the Workplace Co-operation Program (WCP).

Board's Report

Dear Members,

Your Directors take pleasure in presenting the 16th Annual Report of the Company, together with the Audited Financial Statements for the financial year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

Your Company's financial highlights for the year ended March 31, 2019 are summarized below.

(₹ In lakhs)

	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations	1,17,337	1,03,143	1,17,452	1,03,176
Other Income	2,159	4,709	2,168	4,709
Profit before interest, tax and depreciation	7,708	2,386	7,721	2,380
Profit before tax	2,500	(3,000)	2,508	(3,012)

COMPANY'S PERFORMANCE

Your company's financial performance showed a remarkable improvement in the current year. The revenue from operations grew by 13.8% over the previous year compared to a growth of 10.3% over the same period a year ago. Your company reported a total income of ₹1196.2 Crores (YOY growth of ~11%) and net profit after tax of ₹25.6 Crores after taking a one-time provision of ₹6.3 Crores (i.e. 55.2 Crores increase in the net profit over the previous year). This achievement can be attributed to the key strategic initiatives, strong leadership, and persistent drive on operational metrics to deliver superior results month on month by our committed team. The Company added 7 new marquee customers during the year and has shown improvement in all operating parameters like production efficiency, material consumption, wastages and on-time production and delivery. The Company has made an investment of ₹ 34 Crores in capacity augmentation and modernization. Further, your company's growth was admirable given the fact that income from export incentive benefits were reduced in the current year that let go a substantial portion of revenue, although a small portion of it was compensated under Remission of State and Central Tax Levies (ROSCTL) i.e. a new export benefit introduced in March 2019. A significant portion of the profitability of the Company has been realized through strong operational fundamentals and strategic initiatives undertaken during the year. The rupee depreciation has also benefited the Company. Your company achieved an impressive growth in operational profitability, EBITDA margin grew by 4.3% over the previous year from 2.2% in FY 2017-18 to 6.5% in the current year. This was the outcome of improved efficiency, wastage reduction, order to shipment improvement and capacity expansion.

Your company's long-term strategic objective is to create value for its shareholders, employees and business partners through delivering quality products to our customers and deliver higher customer satisfaction. Your company will continue to focus upon the strategic initiatives of strengthening customer relationship, driving operational excellence, cost-effective capacity expansion and upgrading business infrastructure during the coming financial year to deliver a sustainable business performance and profitable growth.

BUSINESS ENVIRONMENT

Textile and apparel exports from India are expected to increase to US$ 82 billion by 2021. The apparel manufacturing industries took some time to adjust to the challenges of goods and services tax systems, downward revision of export incentives, and a credit congestion and this has strained the growth downward. Overall, business environment continued to be challenging, however, with faster GST refunds, increase in export benefits under ROSCTL, some of the industry issues are eased out. Another challenge for the industry is continuance of MEIS in India, after being challenged by the US at the World Trade Organization (WTO).

DIVIDEND

No dividend has been recommended by the Board of Directors for the year.

TRANSFER TO RESERVES

No amount is transferred to the Reserves.

LIST OF SUBSIDIARIES

Your Company has 3 subsidiary companies. The names of these companies are as follows:

i. All Colour Garments Private Limited,

ii. SNS Clothing Private Limited and

iii. Vignesh Apparels Private Limited.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 a statement containing salient features of the financial statements of the Subsidiary Companies in Form AOC-1 is given in Annexure to this report, In view of the above the Audited Financial Statements along with the reports of the Board of Directors and the Auditors pertaining to the above subsidiaries have not been attached to this Report. The Financial Statements of the said subsidiaries will be kept for inspection at the registered office of your Company. Investors who want to have a copy of the above may write to the Company Secretary at the registered office.

MATERIAL CHANGES

No Material Changes or commitments have occurred between the end of the Financial Year and the date of this Report which affect the financial statements of the Company in respect of the reporting year.

INDIAN ACCOUNTING STANDARDS

Pursuant to the Companies (Indian Accounting Standards) Rules, 2015, your Company has to comply with Indian Accounting Standards (IndAS) from April 01, 2017. Accordingly, the financial statements of the Company for the financial year 2018-19 have been prepared as per IndAS.

MERGER

The Company had applied for a Scheme of Amalgamation of 9 wholly owned subsidiary companies with the Company. The appointed date of amalgamation is April 1st, 2016. The Application was filed with Hon'ble National Company Law Tribunal on February 23rd, 2017. The Company has completed all the required process with the Hon'ble National Company Law Tribunal and Company received the final merger order on 11th March, 2019.

QUALIFIED INSTITUTIONAL PLACEMENT

As on this date of report, the Company had issued 77,08,000 equity shares of ₹5/- each fully paid at ₹90/- per share (including securities premium of ₹85/- per share) to qualified institutional buyers on May 3, 2018 pursuant to Qualified Institutional Placement (QIP) document dated April 27, 2018, as per provision of Section 42 of Companies Act, 2013 read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014, and Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 which have been listed in the respective stock Exchanges on May 4, 2018.

UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONAL PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A):

Pursuant to Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Statement of Deviation or Variation reviewed by the Audit Committee at their meeting held on 29th July, 2019,as below.

a. Deviation in the use of proceeds from the objects stated in the offer document or explanatory statement to the notice for the general meeting:

   Status - There is no deviation observed in the use of proceeds from the objects stated in the explanatory statement to the notice for the general meeting

b. Category wise variation:

   Status - The application money received towards allotment of equity shares raised through qualified institutional placement of ₹69.37 Crores. As of the balance sheet date 31-Mar-2019, the Company has utilized ₹33.87 Crores towards modernization and automation of business infrastructures and the remaining ₹35.50 Crores was utilized for working capital finance of the Company.

CREDIT RATING:

The credit rating agency ICRA has upgraded the credit ratings of the Company from BBB minus(Outlook : Stable) to BBB (Outlook : Positive) for long term debt and from A3 (A Three) to A3+ (A Three Plus) for short term borrowings as on date of this report.

CHANGES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES:

Your Company is holding 99.94% stake in the following subsidiary companies. All the subsidiaries are wholly owned Subsidiary Companies:

All Colour Garments Private Limited

SNS Clothing Private Limited

Vignesh Apparels Private Limited

DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from the public under section 76 of the Companies Act, 2013 and Rules made there under.

EMPLOYEE STOCK OPTION PLAN- 2010

Your Company has introduced the Employee Stock Option Scheme – 2010 in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999. During the year 1,54,834 employee stock options were converted into equivalent number of equity shares. As required under SEBI (Share Based Employee Benefits Regulations, 2014), a disclosure is annexed herewith.

RESTRICTED STOCK UNIT - 2018

At the General Meeting via Postal Ballot held on 27th August, 2018, the shareholders approved the Restricted Stock Unit – 2018 Scheme ('RSU'). Pursuant to the approval, the Board has been authorized to offer, issue and allot stock options to eligible employees of the Company and its subsidiary Companies under RSU 2018. The maximum number of shares under the RSU 2018 shall not exceed 21,33,040 equity shares. Out of this, during the year under review your company has granted 21,33,040 stock options to the identified employees of the Company such as Key Managerial Personnel and other eligible employees under RSU 2018.

The relevant disclosures pursuant to Rule 12(9) of the Companies (share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 is forming part of Annual Report.

SHARE CAPITAL

Consequent to conversion of stock options into equity shares, your Company's Paid Up equity share capital has gone up to ₹21,40,78,315 as on March 31, 2019 from ₹174,764,145 as on March 31, 2018.

DIRECTORS & KEY MANAGEMENT PERSONNEL

During the year, Mr. Gautham Madhavan (DIN: 02826558) was appointed as Non-executive Director and Mr. Prabhat Kumar Singh (DIN: 08275987) was appointed as Whole time Director of the Company. Such appointment was made based on the Nomination and Remuneration Committee recommendation and with the approval of the Board, at its meeting held on 12th November, 2018 and also approval of the shareholders received via Postal Ballot on 3rd January 2019.

Mr. Jitendra Kumar H Mehta, Independent Director, resigned from Directorship with effect from July 18th, 2019.

Mr. Arun K Thiagarajan resigned as Independent Director w.e.f 29th July 2019.

Mr. Mathew Cyriac, Director retires by rotation at forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The brief resume and other details as required under the Listing Regulations are provided in the Notice of the 16th Annual General Meeting of the Company.

In terms of Section 203 of the said Act, the following were designated as Key Managerial Personnel of your company by the Board:

- Mr. Sivaramakrishnan Ganapathi – Managing Director
- Mr. Sathyamurthy A – Chief Financial Officer
- Mr. Sameer Sudarshan R. V. – Company Secretary

Ms. Ramya K – Company Secretary and Compliance Officer has resigned the office w.e.f. 14th January, 2019 and Mr. Sameer Sudarshan R. V. has been appointed as the Company Secretary and Compliance Officer on 24th April, 2019.

Mr. Sathyamurthy A – Chief Financial Officer of the Company was acting as the Compliance Officer from 14th January, 2019 until 24th April, 2019.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declarations from each Independent Directors under section 149(7) of the Companies Act, 2013 that he/she meets the criteria of Independence laid down under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

EVALUATION OF THE BOARD'S PERFORMANCE:

Pursuant to the provisions of the Companies Act, 2013 and Regulations 25 of the Listing Regulations, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committee. Each Board member completed a questionnaire providing feedback on the functioning and overall engagement of the Board and its committees on various parameters such as composition, execution of specific duties, quality, quantity and timeliness of flow of information, deliberations at the meeting etc. The Directors were also asked to provide their valuable feedback and suggestions about the over all functioning of the Board and its committees.

NUMBER OF MEETINGS OF THE BOARD

During the year, Seven Board Meetings were held on 24th April, 2018, 18th May, 2018, 24th May, 2018, 8th August, 2018, 18th September, 2018, 12th November, 2018 and 8th February, 2019. The Particulars of Directors & their attendance during the financial year 2018-19 has been disclosed in the Corporate Governance Report forming part of this Annual Report.

For details of the Committees of the Board, please refer to the Corporate Governance Report.

BOARD COMMITTEE

The Company has the following committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The Composition of each of the above Committees, their respective roles and responsibilities are as detailed in the report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Management states that:

I) In the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

II) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for that period;

III) They have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of this Act, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;

IV) They have laid down Internal Financial Controls to be followed by the Company and the Audit Committee of the Board of Directors shall ensure that the Internal Control is adequate and robust;

V) The annual accounts are prepared on a going concern basis

VI) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SAFETY, HEALTH, ENVIRONMENT

We, as a responsible manufacturer, are committed to take adequate measures related to environment, employee health and safety in developing, manufacturing, storing, handling and distribution of our products. It is our responsibility to provide a workplace free from accidents, injuries and exposure to hazardous substances, conserve natural resources and prevent pollution to protect the environment.

Besides, as a constructive partner in the communities in which it operates, the Company has been taking concrete actions to realize its social responsibility objectives, thereby building value for its various stakeholders. We respect human rights, value our employees, and invest in innovative technologies. In the past the Company has supported innumerable social and community initiatives and continues to do the same.

Some of the key initiatives taken by the Company are:

- Regular fire safety audits along with mock drills at all locations
- Identification and implementation for additional fire safety measures for high rising buildings (beyond 15 Mtrs)
- Up-gradation of existing fire control and safety systems including training on fire prevention for employees
- Enhanced focus on product safety and safe working practices through training programs
- Implementation of a Zero Liquid Discharge (ZLD) project with enhanced capacity of Reverse Osmosis Plant in Denim Laundry for recycling of waste water is in progress.
- Installation of CCTV Cameras for improved surveillance system in order to capture any untoward incidents and to prevent thefts.

- Projects such as P.A.C.E (Personal Advancement and Career Enhancement) and WCP (Workplace Co-operation program) for the benefit of employees.

CORPORATE GOVERNANCE

Your Company is committed to maintaining the highest standards of Corporate Governance. Your Directors adhere to the standards set out by the Securities and Exchange Board of India's (SEBI) Corporate Governance practices. Your Company's Corporate Governance Compliance Certificate is in line with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is given along with the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report is given separately, forming part of this Annual Report and is in accordance with the requirements laid out in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

LISTING

The equity shares of the Company are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the listing fees to the respective stock exchanges till date. The Company's shares are tradable compulsorily in the dematerialized form and the Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) for trading in electronic form.

AUDITORS

A. STATUTORY AUDITOR

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. The Audit committee of the Company has proposed on 8th August, 2018, the Board of Directors of the Company has recommended the appointment of MSKA & Associates (ICAI Firm Registration No. 105047W) as statutory auditors of the Company. MSKA & Associates will hold office for a period of five consecutive years from the conclusion of 15th Annual General Meeting of the Company till the conclusion of 20th Annual General Meeting to be held in the year 2023, subject to the approval of shareholders of the Company.

Pursuant to the amendment to Section 139 of the Companies Act, 2013 effective from May 07, 2018, ratification by shareholders every year for the appointment of statutory Auditors is no longer required and accordingly, the Notice of ensuing 16th Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment.

No qualification, adverse remarks or disclaimer made by the Statutory Auditors with regards to the financial statements for the financial year 2018-19.

The statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

B. SECRETARIAL AUDITOR

Pursuant to the Provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Nagendra D Rao, Practicing Company Secretary (CP NO:7731, FCS: 5553) to undertake the secretarial audit of the Company. Your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

The Secretarial Audit Report is given in Annexure to this Report. The Report does not contain any qualification, reservation or adverse remark.

Also the Secretarial Audit Report issued under Regulation 24A of SEBI Listing Regulations is given in Annexure to this Report.

As required under SEBI Listing Regulations, your company has obtained a certificate from the Practising Company Secretary that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors by MCA/Statutory Authorities. The said certificate is forming part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In pursuance of the Conservation of Energy, Technology Absorption, Foreign Exchange Earnings in such manner as prescribed under Rule 8 (3) of the Companies (Accounts) Rules, 2014, the particulars of the same are given below.

A. CONSERVATION OF ENERGY

The operations of the Company are not energy intensive. However, the Company takes continuous initiatives to curtail consumption of energy on an ongoing basis.

B. TECHNOLOGY ABSORPTION, ADAPTATIONS AND INNOVATION

Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned	:	₹95,825.77 Lakhs
Out go	:	₹18,836.50 Lakhs

RELATED PARTY TRANSACTIONS

All related party transactions, that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. The Company presents a statement of all related party transactions before the Audit Committee. Prior omnibus approval of the Audit Committee has been obtained for the transactions which are of foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted along with a statement giving details of all related party transactions is placed before the Audit Committee. Further there are no materially significant related party transactions during the year under review made by the Company with promoters, Directors, Key Managerial Personnel or designated persons which may have a potential conflict of interest with the Company at large.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENT

In terms of Section 134 of the Companies Act, 2013, the particulars of Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013 is detailed in Notes to Accounts of the Financial Statements.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has in place a policy on prevention, prohibition and Redressal of Sexual Harassment and Non-discrimination at work place in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual temporary, trainees) are covered under this policy.

An Internal Complaints Committee (ICC) was set up to redress complaints received regarding sexual harassment and discrimination at work place.

During the year, 1 complaint of sexual harassment was received and resolved, The Last year case which was under resolution was also disposed off during the current year.

EXTRACT OF THE ANNUAL RETURN

Relevant extract of annual return in Form MGT-9 as required under Section 92(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014 (as amended) to be filed with the Registrar of Companies for the financial year 2018-19 is given in Annexure to this Report.

INTERNAL CONTROL SYSTEMS

The Company has adequate systems of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. Internal Audit is carried out in a programmed way and follow up actions were taken for all audit observations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company has constituted a Corporate Social Responsibility Committee.

The Corporate Social Responsibility Policy, as formulated by the Corporate Social Responsibility Committee and approved by the Board of Directors is available on the website of the Company at http://www.gokaldasexports.com

REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee is responsible for formulating criteria for determining qualifications, positive attributes and independence of a Director. The Nomination & Remuneration Committee is also responsible for recommending to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other senior employees.

In line with this, Board has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other senior employees of the Company. The copy of the policy is available on the Company's website www.gokaldasexports.com

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

Your Company has adopted a Risk Management Policy for addressing the requirements of risk identification, risk assessment, risk mitigation plans etc., of the Company.

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have formulated a policy on Risk Management which can be accessed from the Website of the Company at www.gokaldasexports.com.

STATEMENT OF EMPLOYEE REMUNERATION

The information required pursuant to Section 136(1) of the Companies Act, 2013, the Report of the Board of Directors is being sent to all the shareholders of the Company excluding statement prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Statement is available for inspection by the shareholders at the registered office of the Company.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company has a Vigil mechanism established Whistle Blower Policy, as per the requirement of the Companies Act, 2013 and the Listing Regulations, to enable all employees and the directors to report in good faith any violation of the policy. The Audit Committee of the Board oversees the functioning of Whistle Blower Policy. Your Company has disclosed the details of revised Whistle Blower Policy on its website www.gokaldasexports.com

PREVENTION OF INSIDER TRADING

Your Company has adopted a code of conduct for prevention of "Insider Trading" as mandated by the SEBI and same is available on the website of the Company which can be accessed at www.gokaldasexports.com. The said policy has been revised effective from April 1, 2019 in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

CODE OF CONDUCT

Your Company has laid down a Code of Conduct Policy which can be accessed on the Company's Website: www.gokaldasexports.com

ACKNOWLEDGEMENTS AND APPRECIATION

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners and associates, financial institutions and the Central and State Governments for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company for their hard work and commitment.

On behalf of the Board of Directors
For Gokaldas Exports Limited

Sd/-
Richard B. Saldanha (Chairman)

Place: Bengaluru
Date: 29th July, 2019

Sd/-
Sivaramakrishnan Ganapathi - MD

FORM AOC - I

Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 Statement containing salient features of the Financial Statement of Subsidiaries / Associates Companies / Joint Ventures, Part A- Subsidiaries.

(Information in respect of each Subsidiary to be presented with amounts in ₹ Lakhs)

Amount in ₹ Lakhs.

Sl. No	Name of the Company	All Colour Garments Pvt., Ltd.	SNS Clothing Pvt., Ltd.	Vignesh Apparels Pvt., Ltd.
1	Reporting period for the subsidiary concerned, if different from holding Company's reporting period	31st March, 2019	31st March, 2019	31st March, 2019
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR
3	Share Capital	2.00	2.00	2.00
4	Reserves & Surplus	369.06	1,592.00	96.02
5	Total Assets	371.31	1,645.88	98.27
6	Total Liabilities	0.25	51.88	0.25
7	Investments	-	-	-
8	Turnover	-	358.45	-
9	Profit before taxation	(0.48)	9.23	(0.40)
10	Provision for taxation	13.02	1.82	(1.56)
11	Profit after taxation	(13.50)	7.40	1.16
12	Proposed Dividend	0.00	0.00	0.00
13	% of Shareholding	100%	100%	100%

Note: Names of Subsidiaries which are yet to commence operations - Not Applicable

ANNEXURE TO THE DIRECTORS' REPORT

Section 197 (12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

1) Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year

Sl. No	Name	Designation	Remuneration Paid FY 2018-19(₹ lakhs)	Remuneration Paid FY 2017-18 (₹ lakhs)	Increase in remuneration over previous year(₹ lakhs)	Ratio/times per Median of employee remuneration
1	Mr. Sivaramakrishnan Ganapathi	Managing Director	171.60	69.07 **	51.60	74.11
2	Mr. Prabhat Kumar Singh*	Whole time Director	38.27	NA	NA	17.52

Includes fixed, does not include ESOP/Bonus and Perquisite value

**Mr. Prabhat Kumar Singh (Executive Director) (appointed w.e.f November 12, 2018 as additional director) (appointed as Executive Director w.e.f January 03, 2019)*

*** Salary paid for the period 3rd October, 2017 to 31st March,2018*

1) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, in the financial year:

   Mr. Sivaramakrishnan Ganapathi – Managing Director – 43%

   Mr. Prabhat Kumar Singh – Whole Time Director (Appointed w.e.f 12th November, 2018) - Nil

   Mr. Sathyamurthy. A, Chief Financial officer – 35%

   Ms. Ramya Kannan, Company Secretary (resigned on 14th January, 2019) - NA

   Mr. Sameer Sudarshan R. V., Company Secretary (Appointed on 24th April, 2019) – Nil

2) The percentage increase in the median remuneration of employees in the financial year: 7 %

3) The number of permanent employees on the rolls of Company as of 31 March 2019: 25579

4) The explanation on the relationship between average increase in remuneration and Company performance: in line with Industry Practice

5) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.

   In line with the Industry and market, the KMPs salary was revised.

7) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the Current financial year and previous financial year:

Particulars	March 31, 2019	March 31, 2018	% Change
Market Capitalization (₹ Crores)	401	303	32.53
P/E Ratio	15.39	(10.53)	(246.21)

8) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   Increase in non-managerial salaries were in line with industry practice and market conditions.

9) Comparison of remuneration of each of the Key Managerial personnel against the performance of the Company (as % of revenue)

Particulars	% Change
Mr. Sivaramakrishnan Ganapathi – Managing Director	0.185%
Mr.Prabhat Kumar Singh –Whole Time Director (Appointed w e f 12th November, 2018)	0.032%
Mr. Sathyamurthy A – CFO	0.107%
Ms. Ramya Kannan – CS (resigned on 14th January, 2019)	0.009%
Mr.Sameer Sudarshan R. V.– CS (Appointed w e f 24th April, 2019)	NA

10) Key parameters for any variable component of remuneration availed by the directors – revenue and operational profitability

11) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director during the year – None

12) Affirmation that the remuneration is as per the remuneration policy of the Company - The Company affirms that the remuneration is as per the remuneration policy of the Company.

DETAILS OF STOCK OPTIONS PURSUANT TO SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATION, 2014

	Description	ESOP Scheme- 2010	RSU -2018 Plan
	No. of Options available under Scheme	17,18,800	21,33,040
A)	No. of Options Granted during FY 2018-19	Nil	21,33,040
B)	The Pricing Formula	The exercise price for the purposes of the grant of options as decided by the ESOP Compensation Committee is ₹32.25, 60.95, 80.20, 72.55 and 85.96, the price being not less than the Par value of the equity share of the Company and not more than the market price as on 20th May, 2013, 1st Feb, 2014, 13th Aug, 2014, 30th May 2016 and 3rd Oct, 2017 respectively being relevant date subject to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.	
C)	Options vested during FY 2018-19	1,80,001	Nil
D)	Options Exercised during FY 2018-19	1,54,834	Nil
E)	The total number of shares arising as a result of exercise of option	7,31,663	Nil
F)	Options lapsed FY 2018-19	80,000	Nil
G)	Variation Terms of Options	Nil	Nil
H)	Money Realized by exercise of options	₹88,21,897	Nil
I)	Total Number of Options in Force as on March 31,2019	4,02,136	Nil
J)	Employee-wise details of options granted to	Details as under :	Details as under:

	Description	ESOP Scheme- 2010	RSU -2018 Plan
	a) Senior Managerial Personnel	Yes 1. Mr. Sivaramakrishnan Ganapathi – MD 2. Mr. Sathyamurthy A – CFO 3. Mr.Poorana Seenivasan - President	Yes 1. Mr. Sivaramakrishnan Ganapathi – MD 2. Mr. Sathyamurthy A – CFO 3. Mr.Poorana Seenivasan - President 4. Mr. Lal Sudharkaran – President
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year	Nil	As above
	iii) Identified employees who were granted option , during any one year , equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	1. Mr. Sivaramakrishnan Ganapathi – MD
K)	Diluted Earnings Per share (DPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (IndAS) 33 "Earnings Per Share"	₹5.92	₹5.92
L)	i) the Method of calculation of Employee Compensation Cost	Fair valuation by using Black Scholes Merton Model	Fair valuation by using Black Scholes Merton Model
	ii) Difference between the employee compensation cost so computed at (i) above and the employee Compensation Cost that shall have been recognized if it had used the fair value of options	Not Applicable	Not Applicable
	iii) The impact of the difference on profits and on EPS of the Company	Not Applicable	Not Applicable
M)	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price	Weighted average Exercise Price ₹56.98 Weighted average Fair Value ₹44.06	Not Applicable
N)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information :	Fair Value Method of accounting	Fair Value Method of accounting
	1) Risk-free interest rate	1. Nil	1. 7.29% to 7.36%
	2) Expected life	2. Nil	2. 7 to 8 years
	3) Expected volatility	3. Nil	3. 60.40% to 60.47%
	4) Expected dividends	4. 0.00 yield	4. 0.00 yield
	5) Price of underlying share in market at the time of option grant	5. Nil	5. ₹75.75

To,
The Members,
Gokaldas Exports Limited,
No. 16/2, Residency Road
Bengaluru– 560025.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the further viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature:

Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731

543/A, 7th Main,
3rd Cross, S.L.Byrappa Road,
Hanumanthnagar,
Bengaluru – 560 019.

Place: Bengaluru
Date: 13th May, 2019.

ANNEXURE TO THE DIRECTORS' REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Gokaldas Exports Limited,
No. 16/2, Residency Road
Bengaluru– 560025.

I have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Gokaldas Exports Limited (hereinafter called the Company). Secretarial Audit was conducted in the manner that provided mea reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Gokaldas Exports Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Gokaldas Exports Limited ("the Company") for the financial year ended on 31st March 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings [provisions of Overseas Direct Investment and External Commercial Borrowings are not applicable];

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not Applicable as the Company has not issued any debt securities during the financial year under review];

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients [Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not Applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the financial year under review]; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. [Not Applicable as the Company has not bought back / propose to buyback any of its securities during the financial year under review];

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

The Laws as are applicable specifically to the Company are as under:

a) The Central Excise Act, 1944,
b) The Customs Act, 1962,
c) The Karnataka Value Added Tax,
d) The Central Sales Tax Act, 1956
e) The Payment of Bonus Act, 1965,
f) The Environment Protection Act, 1986,
g) The Maternity Benefit Act, 1961
h) The Factories Act, 1948,
i) The Minimum Wages Act, 1948,
j) The Payment of Wages Act, 1936,
k) The Employees Provident Funds and Miscellaneous Provisions Act, 1952,
l) The Employees State Insurance Act, 1948
m) The Payment of Gratuity Act, 1972,
n) The Industrial Disputes Act, 1947,
o) The Employees Compensation Act, 1923,
p) The Equal Remuneration Act, 1976 and
q) Karnataka Shops and Establishment Act, 1961
r) The Goods and Service Tax Act, 2017

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following:

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Board of Directors duly recorded and signed by the Chairman, the decisions were unanimous and no dissenting views were required to be recorded.

I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Managing Director and taken on record by the Board of Directors at their meeting(s), I am of the opinion that the management of the Company has adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has passed following Special resolutions which are having major bearing on the Company's Affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.:

1. Approval of Gokaldas Exports Employee Restricted Stock unit plan 2018.
2. To approve grant of employee stock options to the employees of Subsidiary Companies of the Company under Gokaldas Exports Employee Restricted Stock Unit Plan 2018.
3. To Increase the Remuneration of Mr. Sivaramakrishnan Ganapathi – Managing Director with effect from April 1, 2018
4. Increase in the limit of shareholding by registered Foreign Portfolio Investors (FPIs) from 24% to 49% of the paid up capital of the Company.
5. Grant of Stock Options 1% or more of the issue of the share capital of the Company.

6. Appointment of Mr. Prabhat Kumar Singh (DIN 08275987) as Whole time Director of the Company.

I further report that,

1. The Hon'ble National Company Law Tribunal, Bengaluru Bench has vide its order no. CP(CAA)No. 14/BB/2018 dated 8th March 2019 (received by the Company on March 11, 2019), approved the scheme of Amalgamation of Deejay Trading Private Limited, GlamourWear Apparels Private Limited, Madhin Trading Private Limited, Magenta Trading Private Limited, Rafter Trading Private Limited, Rajdin Apparels Private Limited, Reflexion Trading Private Limited, Rishikesh Apparels Private Limited and Seven Hills Clothing Private Limited with the Company.
2. The Company had issued 77,08,000 equity shares of ₹5/- each fully paid at ₹90/- per share (including securities premium of ₹85/- per share) to qualified institutional buyers on May 3, 2018 pursuant to Qualified Institutional Placement (QIP) document dated April 27, 2018, as per provision of Section 42 of Companies Act, 2013 read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014, and Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 which have been listed in the respective stock Exchanges on May 4, 2018.
3. The Ministry of Corporate Affairs have published the List of Disqualified Director under section 164(2) of the Companies Act, 2013. Mr. Jitendra Kumar H Mehta, Independent Director, name appeared in the said list due to non-filing of annual returns and annual financial statements of another company. The said Director has filed a writ petition with the Hon'ble High Court of Karnataka and has obtained an interim stay.

Signature:

Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731

543/A, 7th Main,
3rd Cross, S.L.Byrappa Road,
Hanumanthnagar,
Bengaluru – 560 019.

Place: Bengaluru
Date: 13th May, 2019.

Form No. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L18101KA2004PLC033475
2.	Registration Date	01/03/2004
3.	Name of the Company	GOKALDAS EXPORTS LTD
4.	Category/Sub-category of the Company	PUBLIC, LISTED
5.	Address of the Registered office & contact details	NO, 16/2, RESIDENCY ROAD, BENGALURU - 560025
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MS. SHOBHA ANAND KARVY COMPUTESHARE PVT LTD KARVY SELENIUM TOWER B, PLOT NO. 31-32, GACHIBOWLI, FINANCIAL DISTRICT, NANAKRAMGUDA, HYDERABAD - 500032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Apparel and Clothing	14101	100%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	All Colour Garments Pvt Ltd No. 16/2, Residency Road, Bengaluru - 560025	U17111KA2004PTC034055	Subsidiary	100%	2(87)
2.	SNS Clothing Pvt Ltd No. 16/2, Residency Road, Bengaluru - 560025	U17115KA2004PTC034457	Subsidiary	100%	2(87)
3.	Vignesh Apparels Pvt Ltd No. 16/2, Residency Road, Bengaluru - 560025	U18101KA2004PTC033759	Subsidiary	100%	2(87)

VI. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

A) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter Group									
(1) Indian									
a) Individual/ HUF	0	0	0	-	143,233	0	143,233	0.33	0.33
b) Central Govt/ State Govt(s)	0	0	0	-	0	0	0	-	-
c) Bodies Corp.	13,955,957	0	13,955,957	39.93	13,955,957	0	13,955,957	32.60	7.33
d) Financial Institutions/Banks	0	0	0	-	0	0	0	-	-
e) Others	0	0	0	-	0	0	0	-	-
Sub-total (A) (1) :-	**13,955,957**	**0**	**13,955,957**	**39.93**	**14,099,190**	**0**	**14,099,190**	**32.93**	**7.00**
(2) FOREIGN									
a) Individuals (NRIs/Foreign Individuals)	0	0	0	-	0	0	0	-	
b) Bodies Corporate	0	0	0	0	0	0	0	0	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e) Others	0	0	0	-	0	0	0	-	-
Sub-total (A) (2) :-	**0**	**0**	**0**	**-**	**0**	**0**	**0**	**-**	**-**
Total A=A(1)+A(2)	**13,955,957**	**0**	**13,955,957**	**39.93**	**14,099,190**	**0**	**14,099,190**	**32.93**	**7.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	0	0	0	-	1,742,500	0	1,742,500	4.07	-
b) Financial Institutions/Banks	369,669	0	369,669	1.06	340,912	0	340,912	0.80	-0.26
c) Cental Govt./State Govt(s),	0	0	0	0	0	0	0	0	0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
e) Insurance Companies	0	0	0	0	0	0	0	0	0
f) Foreign Institutional Investors	267,971	0	267,971	0.77	4,418,408	0	4,418,408	10.32	9.55
g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
h) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	**637,640**	**0**	**637,640**	**1.83**	**6,501,820**	**0**	**6,501,820**	**15.19**	**13.83**
2. Non-Institutions									
a) Bodies Corporate	4,872,115	0	4,872,115	13.94	4,648,608	0	4,648,608	10.86	-43.01
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	8,209,775	619	8,210,394	23.49	9,109,498	618	9,110,116	21.28	-5.45
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	6,905,416	0	6,905,416	19.76	7,726,894	0	7,726,894	18.05	1.53
c) Others									
Clearing Members	110,688	0	110,688	0.32	70,546	0	70,546	0.16	-0.15
Non Resident Indians	171,242	0	171,242	0.49	307,412	0	307,412	0.72	0.23
NRI Non- Repatriation	89,377	0	89,377	0.26	151,354	0	151,354	0.35	0.10

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	**20,358,613**	**619**	**20,359,232**	**58.26**	**22,214,035**	**618**	**22,214,653**	**51.42**	**-46.76**
Total (B)=(B)(1)+ (B)(2)	**20,996,253**	**619**	**20,996,872**	**60.07**	**28,715,855**	**618**	**28,716,473**	**67.07**	**-32.93**
Total (A+B):	**34,952,210**	**619**	**34,952,829**	**100.00**	**42,815,045**	**618**	**42,815,663**	**100.00**	**0.00**
Shares held by custodians, against which Depository Receipts have been issued									
i) Promoter	0	0	0	0	0	0	0	0	0
ii) Public	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**34,952,210**	**619**	**34,952,829**	**100.00**	**42,815,045**	**618**	**42,815,663**	**100.00**	**0.00**

B) SHAREHOLDING OF PROMOTER

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	Clear Wealth Consultancy Services LLP	13955957	39.93	Nil	13955957	32.60	Nil	7.33
2	Mr. Gautham Madhavan	0	0	0	143233	0.33	Nil	100

C) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

S. No.	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	CLEAR WEALTH CONSULTANCY SERVICES LLP	13955957	39.93	13955957	32.60
2	GAUTHAM MADHAVAN	0	0	143233	0.33

D) TOP TEN SHAREHOLDERS

GOKALDAS EXPORTS LIMITED
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2018 AND 31/03/2019

S. No.	Folio/DP ID-Client ID	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the Company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the Company
1	AAMFC1103G	LTD	Opening Balance	CLEAR WEALTH CONSULTANCY SERVICES LLP	13955957	39.93	31/03/2018			13955957	39.93
			Closing Balance				31/03/2019			13955957	32.60
2	AACCT8123E	LTD	Opening Balance	TEESTA RETAIL PRIVATE LIMITED	2280513	6.52	31/03/2018			2280513	6.52
			Closing Balance				31/03/2019			2280513	5.33
3	AAHCP1682K	FPI	Opening Balance	POLUS GLOBAL FUND	240124	0.69	31/03/2018			240124	0.69

S. No.	Folio/DP ID-Client ID	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the Company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the Company
			Purchase				11/05/2018	1654493	Transfer	1894617	4.44
			Sale				15/06/2018	-11190	Transfer	1883427	4.41
			Sale				10/08/2018	-15322	Transfer	1868105	4.37
			Sale				21/09/2018	-19544	Transfer	1848561	4.32
			Closing Balance				31/03/2019			1848561	4.32
4	AAECH6224L	FPC	Opening Balance	CAN LAH INVESTMENTS PTE. LTD.	0	0.00	31/03/2018			0	0.00
			Purchase				08/03/2019	1260000	Transfer	1260000	2.94
			Purchase				15/03/2019	580000	Transfer	1840000	4.30
			Closing Balance				31/03/2019			1840000	4.30
5	AAATC4460E	MF	Opening Balance	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSIN	0	0.00	31/03/2018			0	0.00
			Purchase				11/05/2018	1733000	Transfer	1733000	4.06
			Closing Balance				31/03/2019			1733000	4.05
6	AAOPS8375A	PUB	Opening Balance	SANKARANARAYANAN SANGAMESWARAN	239633	0.69	31/03/2018			239633	0.69
			Purchase				12/10/2018	3174	Transfer	242807	0.57
			Purchase				19/10/2018	82813	Transfer	325620	0.76
			Purchase				26/10/2018	111855	Transfer	437475	1.02
			Purchase				02/11/2018	108480	Transfer	545955	1.28
			Purchase				15/03/2019	215900	Transfer	761855	1.78
			Purchase				22/03/2019	42650	Transfer	804505	1.88
			Purchase				29/03/2019	47826	Transfer	852331	1.99
			Closing Balance				31/03/2019			852331	1.99
7	AACCI5037L	FPI	Opening Balance	INDIA OPPORTUNITIES GROWTH FUND LTD - PINEWOOD STR	0	0.00	31/03/2018			0	0.00
			Purchase				11/05/2018	1298000	Transfer	1298000	3.04
			Sale				18/05/2018	-10000	Transfer	1288000	3.02
			Sale				25/05/2018	-16000	Transfer	1272000	2.98
			Sale				15/03/2019	-472000	Transfer	800000	1.87
			Sale				29/03/2019	-100000	Transfer	700000	1.63
			Closing Balance				31/03/2019			700000	1.63
8	ABPPG9918B	PUB	Opening Balance	PATHIK GANDOTRA	280000	0.80	31/03/2018			280000	0.80
			Purchase				27/04/2018	40000	Transfer	320000	0.92
			Purchase				11/05/2018	160000	Transfer	480000	1.13
			Purchase				03/08/2018	160000	Transfer	640000	1.50
			Purchase				31/12/2018	8000	Transfer	648000	1.51
			Purchase				01/02/2019	640000	Transfer	1288000	3.01
			Sale				01/02/2019	-640000	Transfer	648000	1.51

S. No.	Folio/DP ID-Client ID	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the Company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the Company
			Closing Balance				31/03/2019			648000	1.51
9	ABXPG9138R	PUB	Opening Balance	PARVESH GANDOTRA	0	0.00	31/03/2018			0	0.00
			Purchase				31/12/2018	8000	Transfer	8000	0.02
			Purchase				01/02/2019	639999	Transfer	647999	1.51
			Closing Balance				30/03/2019			647999	1.51
10	AABPS3713M	PUB	Opening Balance	CHETAN JAYANTILAL SHAH	480000	1.37	31/03/2018			480000	1.37
			Closing Balance				31/03/2019			480000	1.12

1. The Shares of the Company are substantially held in dematerialized form, and are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated.
2. Common Top 10 shareholders as on April 1, 2018 and March 31, 2019.

E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S. No.	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Mr. Sivaramakrishnan Vilayur Ganapathi** Managing Director (W.e.f 3rd Oct, 2017)				
	At the beginning of the year – 31st March 2018	0	0	0	0
	At the end of the year – 31st March 2019	0	0	0	0
2.	**Mr. Prabhat Kumar Singh** Whole time Director Appointed w e f 12th November, 2018	0	0	0	0
	At the end of the year -31st March 2019	0	0	0	0
3.	**Arun K Thiagarajan** Independent Director				
	At the beginning of the year	10,000	0	10,000	0
	At the end of the year	10,000	0	10,000	0
4.	**Anuradha Sharma,** Independent Director				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
5.	**Gautham Madhavan,** Non-executive Director	0	0	0	0
	At the beginning of the year	0	0	0	0
	At the end of the year -31st March 2019	0	0	143,233	0.33
6.	**Mathew Cyriac,** Non-executive Director				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
7.	**Richard B Saldanha** Independent Director				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0

S. No.	Name of the Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Mr. Sivaramakrishnan Vilayur Ganapathi** - MD	0	0	0	0
2.	**Mr. Sathyamurthy A** - CFO	0	0	0	0
3.	**Mr. Sameer Sudarshan R. V.**- CS	0	0	0	0
	At the end of the year				
4.	**Mr. Sivaramakrishnan Vilayur Ganapathi** - MD	0	0	0	0
5.	**Mr. Sathyamurthy A** - CFO	0	0	0	0
6.	**Mr. Sameer Sudarshan R. V.**- CS	0	0	0	0

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

In Crores

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	472.45	0	0	472.45
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	1.93	0	0	1.93
Total (i+ii+iii)	**474.38**	**0**	**0**	**474.38**
Change in Indebtedness during the financial year				
* Addition	0	0	0	0
* Reduction	93.34	0	0	93.34
Net Change	**93.34**	**0**	**0**	**93.34**
Indebtedness at the end of the financial year				
i) Principal Amount	380.70	0	0	380.70
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0.34	0	0	0.34
Total (i+ii+iii)	**381.04**	**0**	**0**	**381.04**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Amount in ₹

S. No.	Particulars of Remuneration	Managing Director, Mr. Sivaramakrishnan Vilayur Ganapathi	Whole time Director – Mr. Prabhat Kumar Singh
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	171,60,000	38,26,608
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission -as % of profit - others, specify…	0	0
5	Others, please specify		
	Leave Encashment	0	0
	Variable Pay	50,00,000	0
	Total (A)	221,60,000	38,26,608

B. REMUNERATION TO OTHER DIRECTORS

S. No.	Particulars of Remuneration	Name of Directors								Total Amount in ₹
		Arun K Thiagarajan, Non – executive Independent Director	J H Mehta, Non – executive Independent Director	Smita Aggarwal, Non – executive Independent Director	Richard B Saldanh, Non-Executive Independent Director	Palaniappan Chidambaram – Non-Executive Director	Anuradha Sharma – Non-Executive Independent Director	Mathew Cyriac, Non-Executive Director	Gautham Madhavan	
1	Independent Directors									0
	Fee for attending board committee meetings	13,60,000	10,40,000	4,80,000	15,20,000	0	12,80,000	0	0	56,80,000
	Commission**	0	0	0		0	0	0	0	0
	Others, please specify	0	0	0		0	0	0	0	0
	Total (1)	**13,60,000**	**10,40,000**	**4,80,000**	**15,20,000**	**0**	**12,80,000**	**0**	**0**	**56,80,000**
2	Other Non-Executive Directors									
	Fee for attending board committee meetings	0	0	0	0	8,00,000	0	15,20,000	1,60,000	24,80,000
	Commission**	0	0	0	0	0	0	0		0
	Others, please specify	0	0	0	0	0	0	0		0
	Total (2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**		**24,80,000**
	Total (B)=(1+2)	**13,60,000**	**10,40,000**	**4,80,000**	**15,20,000**	**8,00,000**	**12,80,000**	**15,20,000**	**1,60,000**	**81,60,000**
	Total Managerial Remuneration	**13,60,000**	**10,40,000**	**4,80,000**	**15,20,000**	**8,00,000**	**12,80,000**	**15,20,000**	**1,60,000**	**81,60,000**
	Overall Ceiling as per the Act	1,00,000 per meeting	1,00,000 per meeting	1,00,000 per meeting	1,00,000 per meeting	1,00,000 per meeting	1,00,000 per meeting	1,00,000 per meeting	1,00,000 per	1,00,000 per meeting

*** Commission for the year 2018-19 - not paid.*

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount in ₹
		Sathyamurthy A Chief Financial Officer	Ramya K, Company Secretary Resigned w e f 14th January, 2019	
1	Gross salary	-	-	
	(a) Salary and allowances	1,07,92,900	10,13,350	118,06,250
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Bonus paid in fiscal 2017	5,00,000	57,154	5,57,154
	(d) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	others, specify…	0	0	0
5	Incentive**	15,00,000	0	15,00,000
	Total	127,92,900	10,70,504	1,38,63,404

*** Incentive as above pertains to year 2017-18 but paid out in 2018-19*

Mr. Sameer Sudarshan R. V. appointed as Company Secretary w e f 24th April, 2019. Hence his salary details is not part of this annexure

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a system by which companies are directed and controlled. The Board of Directors are responsible for the governance of the Company. The core principles that underpins the corporate governance of Gokaldas Exports Limited are enterprise, transparency and accountability. The responsibilities of the Board include setting the Company's strategic objectives, providing the leadership and making them operational, and supervise the management of the Company and reporting to shareholders on their stewardship.

Good Corporate Governance leads to long-term shareholder value creation. It brings into focus the fiduciary and trustee role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

The Securities and Exchange Board of India (SEBI) amended the equity listing agreement to bring in additional corporate governance norms for listed entities. These norms provide for stricter disclosures and protection of investor rights, including equitable treatment for minority and foreign shareholders. The amended norms are aligned with the provisions of the companies Act, 2013, and are aimed to encourage companies to adopt best practices on corporate governance.

Your Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and presents the following Corporate Governance Report for the year 2018-19, based on the said disclosure requirements.

BOARD OF DIRECTORS

The Board is headed by an Independent and Non-Executive Chairman, Mr. Richard B. Saldanha, and is composed of eminent persons with considerable professional experience in diverse fields viz, manufacturing, marketing, finance, banking, legal, management and commercial administration and comprises of a majority of Non-Executive & Independent Directors. The Gokaldas Exports Board is a balanced Board, comprising of Executive and Non-Executive Directors. As on this date of report, the Board consists of 7 members, 2 of whom are Non- executive, out of which 3 are Independent Directors.

The composition of the Board and category of Directors as on this date of Report:

Sl. No.	Name of Directors	Category
1.	Mr. Richard B. Saldanha	Non- Executive & Independent Director & Chairman
2.	Mr. Sivaramakrishnan Ganapathi	Executive Director –Managing Director
3.	Mr. Mathew Cyriac	Non –Executive Director
4.	Ms. Anuradha Sharma	Non -Executive & Independent Director
5.	Mr. Gautham Madhavan	Non –Executive Director
6.	Mr. Prabhat Kumar Singh	Executive Director

MEETINGS

The meetings of the Board of Directors are normally held at the Company's Registered Office in Bengaluru. During the year under review, 7 (seven) meetings were held on 24th April. 2018, 18th May, 2018, 24th May, 2018, 8th August, 2018, 18th September, 2018, 12th November, 2018 and 8th February, 2019.

The Company Secretary prepares the agenda and explanatory notes, in consultation with the Chairman and Managing Director and circulates the same well in advance to the Directors. Every Director is free to suggest inclusion of items on the agenda. The Board is provided with the relevant information as stipulated in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Meetings are governed by a structured agenda.

The details of the Board meetings for the financial year 2018-2019 are as under:

Sl. No.	Date of the Board Meeting	Board Strength	No of Directors Present
1.	April 24, 2018	8	8
2.	May 18, 2018	8	7
3.	May 24, 2018	8	7
4.	August 8, 2018	7	6
5.	September 18, 2018	7	5
6.	November 12, 2018	9	8
7.	February 8, 2019	8	8

The last Annual General Meeting (AGM) was held on Tuesday, September 18th, 2018 at 2.30 PM

Particulars of the directorship of the Board, membership and office of the Chairman of Board Committees across all Companies as on March 31, 2019 and attendance at the Board Meetings of the Company are given below:

Sl. No.	Name	Category	Attendance Particulars			No. of Directorships and Committee Memberships/ Chairmanships as on report date		
			No. of Board Meetings		Whether present at last AGM	Directorships*	Committee Memberships**	Committee Chairmanships
			Held	Attended				
1	Mr. Richard B. Saldanha	Chairman & Non-Executive Independent Director	7	7	Yes	7	8	1
2	Mr. Sivaramakrishnan Ganapathi	Executive Director – Managing Director	7	6	Yes	1	1	0
3	Mr. Prabhat Kumar Singh[1]	Executive Director	1	1	NA	1	0	0
4	Mr. Mathew Cyriac	Non-Executive Director	7	6	NO	16	3	0
5	Mr. Arun K. Thiagarajan[6]	Non-Executive and Independent Director	7	6	NO	8	4	3
6	Mr. Jitendrakumar H Mehta[5]	Non-Executive and Independent Director	7	7	Yes	2	1	1
7	Ms. Smita Aggarwal[3]	Non-Executive and Independent Director	3	2	NA	NA	NA	NA
8	Ms. Anuradha Sharma	Non-Executive and Independent Director	7	7	Yes	5	1	0
9	Mr. Palaniappan Chidambaram[4]	Non-Executive Director	6	5	Yes	NA	NA	NA
10	Mr. Gautham Madhavan[2]	Non-Executive Director	1	1	NA	6	0	0

* Directorship Excludes Foreign Companies (includes only listed, unlisted and private limited companies)

** As required by Regulation 26 of the Listing Regulations, the disclosure includes membership/chairpersonship of the Audit Committee and Stakeholders Relationship Committee.(in listed, unlisted and private limited companies)

*** Directorship includes Gokaldas Exports Limited and its subsidiaries

NOTE:

1. Mr. Prabhat Kumar Singh (Executive Director) (appointed w.e.f November 12, 2018 as additional director) (appointed as Executive Director w.e.f January 03, 2019)
2. Mr. Gautham Madhavan (Non-Executive Director) (appointed w.e.f November 12, 2018 as additional director) (appointed as Non-Executive Director w.e.f January 03, 2019)
3. Ms. Smita Aggarwal resigned as Independent Director on 9th June, 2018
4. Mr. Palaniappan Chidambaram resigned as Non-Executive Director on 12th November,2018
5. Mr. Jitendrakumar Mehta resigned as Independent Director w e f 18th July, 2019
6. Mr. Arun K Thiagarajan resigned as Independent Director w e f 29th July 2019

REMUNERATION TO EXECUTIVE DIRECTOR

(₹ in Lakhs)

Name of the Director	Designation	Total
Mr. Sivaramakrishnan Ganapathi	Managing Director	221.60
Mr.Prabhat Kumar Singh	Whole-time Director	38.27

The terms and conditions of the executive director's appointment and remuneration are governed by the resolution passed by the shareholders of his appointment. The Company has entered into separate agreement for the contract of services with the executive director.

Independent Directors are entitled to sitting fee only and are not entitled to any remuneration. The Board of Directors have proposed to pay commission of 1% of the net profits of the Company for a period not exceeding 5 (five) financial years, commencing from financial year ending 31st March, 2016.

No Commission is paid for the financial year 2018-19.

KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

The Gokaldas Board comprises qualified members who bring in their required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the GEX Board is in compliance with the highest standards of corporate governance

THE TABLE BELOW SUMMARIZES THE KEY QUALIFICATIONS, SKILLS AND ATTRIBUTES WHICH ARE TAKEN INTO CONSIDERATION WHILE NOMINATING CANDIDATES TO SERVE ON THE BOARD.

Definitions of director qualifications	
Executive & International Leadership	Senior Executive experience, International Leadership experience
Financial Acumen	Senior executive experience in financial accounting and reporting, Corporate Finance, Risk and Internal Controls
Strategy	Experience in developing, implementing and challenging a plan of action designed to achieve the long term goals of an organization, mergers and acquisitions and implementation
Governance and Board	Prior experience as a Board member, industry or membership of Governance Bodies
Work, Health, Safety and sustainability	Experience related to health, safety, environment, Social Responsibility and Sustainability
Textile Industry/Manufacturing Sector	Senior Executive Experience in Textile industry/Manufacturing industry with an understanding of Group strategy, markets, competitors operational issues, technology and Regulatory concerns.
Remuneration & Selection of Board Members	Board remuneration committee membership or management experience in relation to selection remuneration of senior management, incentive programs, legislation contractual frame work governing remuneration.
Learning & Development	Experience relating to education and growth of knowledge base
Regulatory and Public Policy	Legal Background or experience in regulatory and public policy
Global Experiences	Senior Management experience in Global markets exposed to a range of political, Cultural, regulatory and business environments.

IN THE TABLE BELOW, THE SPECIFIC AREAS OF FOCUS OR EXPERTISE OF INDIVIDUAL BOARD MEMBERS HAVE BEEN HIGHLIGHTED. HOWEVER, THE ABSENCE OF A MARK AGAINST A MEMBERS NAME DOES NOT NECESSARILY MEAN THE MEMBER DOES NOT POSSESS THE CORRESPONDING QUALIFICATION OR SKILL.

KEY BOARD QUALIFICATIONS

Directors	Areas of expertise									
	Executive & International Leadership	Financial Acumen	Strategy	Governance and Board	Work, Health, Safety and sustainability	Textile Industry/ Manufacturing Sector	Remuneration & Selection of Board Members	Learning & Development	Regulatory and Public Policy	Global Experiences
Mr. Richard B Saldanha – Chairman	√	√	√	√	√	√	√	√	√	√
Mr. Sivaramakrishnan Ganapathi – Managing Director	√	√	√	√	√	-	√	√	√	√
Mr. Prabhat Kumar Singh – Exective Director	√	√	√	√	√	√	-	√	√	√

Directors	Areas of expertise									
	Executive & International Leadership	Financial Acumen	Strategy	Governance and Board	Work, Health, Safety and sustainability	Textile Industry/ Manufacturing Sector	Remuneration & Selection of Board Members	Learning & Development	Regulatory and Public Policy	Global Experiences
Mr. Arun K Thiagarajan – Independent Director	√	√	√	√	√	√	√	√	√	√
Mr. Jitendra Kumar H Mehta – Independent Director	√	√	√	√	√	√	√	√	√	√
Mr. Anuradha Sharma – Independent Director	√	√	√	√	√	-	-	√	√	√
Mr. Mathew Cyriac – Non-Executive Director	√	√	√	√	√	√	√	√	√	√
Mr. Gautham Madhavan – Non-Executive Director	√	√	√	√	√	-	-	√	√	√

SELECTION OF NEW DIRECTORS

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process to the nomination and remuneration committee, which majority consists of independent Directors. The Committee, based on defined criteria, makes recommendations to the Board on the induction of new directors.

CODE OF CONDUCT

In compliance with the Listing Regulations 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct and ethics ("the Code). The Code is applicable to members of the Board, the executive officers and all the employees of the Company and its subsidiaries. The Code is available on our website: http://www.gokaldasexports.com.

All members of the Board, the executive officers and senior officers have affirmed compliance to the Code as on March 31, 2019.

DECLARATION ON CODE OF CONDUCT

To,
The Members
Gokaldas Exports Limited,
No. 16/2, Residency Road,
Bengaluru- 560 025.

This is to confirm that the Company has adopted "Gokaldas Exports Group Code of Conduct and Ethics" herein after referred as "Code of Conduct" for its employees including the officers and Board Members. In addition, the Company has adopted the Code of Conduct and Ethics for its Subsidiaries and Associate Companies.

The Code of Conduct is posted on the Company's website, http://www.gokaldasexports.com.

I hereby confirm that all the directors, officers and employees of the Company have affirmed compliance to their respective Codes of Conduct and Ethics, as applicable to them for the financial year ended March 31, 2019.

Richard B Saldanha
Chairman
Place: Bengaluru
Date: 29th July, 2019

COMMITTEES OF THE BOARD

In compliance with the Companies Act, 2013, Listing Agreements and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has constituted a set of committees with specific terms of reference and scope to deal with specified matters expediently. Presently, the Board has four committees:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination & Remuneration Committee and
4. Corporate Social Responsibility Committee

1. AUDIT COMMITTEE

1.1 The Audit Committee of the Company is constituted in line with the requirements of the Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Section 177(1) of the Companies Act, 2013("Act").

Constitution of Audit Committee:

During the period under review, the Audit Committee of the Company consisted of three members out of which two are Independent Directors with vast experience in Financial Management. The Committee has been reconstituted w e f 29th July 2019 and the following members of the Committee is as under:

Sl. No.	Name of the Members	Category
1.	Mr. Jitendrakumar H Mehta*	Chairman till 18th July 2019
2.	Mr. Richard B Saldanha	Chairman from 29th July, 2019
3.	Mr. Mathew Cyriac	Member
4.	Ms. Anuradha Sharma	Member
5.	Mr. Arun K Thiagarajan**	Member

*Note: *Mr. Jitendrakumar H Mehta was elected as a chairman of Audit Committee with effect from 18th May, 2018, subsequent to his resignation he has been relieved from the post of Chairmanship of the Audit Committee w e f 18th July, 2019.*

*** Mr. Arun K Thiagarajan resigned as a member of Audit Committee w e f 29th July 2019*

Meetings and attendance of Audit Committee Members during the financial year:

During the financial year ended March 31, 2019, 5 (Five) Meetings of the Audit Committee were held on April 24, 2018, May 24, 2018, August 8, 2018, November 12, 2018 and February 8, 2019. The composition of the Audit Committee and the number of meetings attended during the year under review are as under:

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Mr. Jitendrakumar H Mehta**	4	4
Mr. Richard B Saldanha	5	5
Mr. Mathew Cyriac	5	5
Ms. Anuradha Sharma	4	4
Mr. Arun K Thiagarajan***	5	5
Ms. Smita Aggarwal*	2	1

*Note: *Ms. Smita Aggarwal resigned as a Member of Audit Committee on 18th May 2018.*

*** Mr. Jitendrakumar H Mehta was elected as a member of Audit Committee with effect from 18th May 2018 and subsequent to his resignation he has been relieved from the post of Chairmanship of the Audit Committee w e f 18th July, 2019.*

**** Mr. Arun K Thiagarajan resigned as a member of Audit Committee w e f 29th July 2019*

Terms of Reference of the Audit Committee

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information are disclosed.
- Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with the statutory auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report, including the quarterly/half-yearly financial information.
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices;
  - Major accounting entries based on exercise of judgment by management;
  - Qualifications in draft audit report;
  - Significant adjustments arising out of audit;
  - Going concern assumption;
  - Compliance with accounting standards;
  - Compliance with stock exchange and legal requirements concerning financial statements;
  - Any related party transactions as per Accounting Standard 18.
- Reviewing the Company's financial and risk management policies.
- Disclosure of contingent liabilities.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, coverage and

frequency of internal audit.

- Discussion with internal auditors of any significant findings and follow-ups thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure or internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

1.2 The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.

1.3 The Audit Committee approved the revised Insider Trading Policy and Whistleblower policy effective April 1, 2019 and recommended the same to the Board for adoption.

1.4 The Audit Committee monitored and reviewed investigations of the whistleblower Complaints received during the year.

2. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company is formed as per the Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. It consists of 3 members. Mr. Arun. K. Thiagarajan, Non-Executive and Independent Director is the Chairman of the Committee.

During the year under review, 1(one) meeting of the Stakeholders' Relationship Committee was held on September 18, 2018 in compliance with the provisions of the Companies Act, 2013.

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Mr. Arun K. Thiagarajan, Chairman*	1	0
Mr. Richard B Saldanha, Member	1	1
Mr. Sivaramakrishnan Ganapathi – Member	1	1
Mr. Mathew Cyriac Chairman**	1	0

* Mr. Arun K Thiagarajan resigned as a member of Stakeholders Relationship Committee w e f 29th July 2019

** Mr. Mathew Cyriac elected as a Chairman of Stakeholders Relationship Committee w e f 29th July 2019

The Stakeholders' Relationship Committee is primarily responsible for Redressal of shareholders'/investors'/ Security holders' grievances including complaints related to transfer of shares, non-receipt of declared dividends, annual reports etc.

The Committee is to examine and redress shareholders' and investors' complaints. The status of complaints and share transfers is reported to the Board.

The Company through its Registrar and Share Transfer Agents has resolved the investors' grievances / correspondence at the earliest from the date of their receipt.

Monitor implementation of the Company's code of Conduct for prohibition of Insider Trading.

The statistics of Shareholders complaints received / redressed, during the year under review is appended below:

No. of Shareholders complaints pending as at April 01, 2018	Nil
No. of Complaints relating to Non-receipt of dividend warrants, redemption / interest warrants, annual reports, share certificates, endorsement stickers, change of address, deletion of name and others received during the year April 01, 2018 to March 31, 2019	7
No. of Shareholders complaints resolved during the year April 01, 2018 to March 31, 2019	7
No. of Shareholders complaints pending as on March 31, 2019	Nil

Secretarial Audit for Reconciliation of Capital

A Secretarial Audit was carried out by Mr. Nagendra D. Rao, Practicing Company Secretary for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the Board of Directors.

3. NOMINATION & REMUNERATION COMMITTEE

Nomination & Remuneration Committee ("the Committee") currently comprises of Four Directors of which three are Independent Directors.

The Nomination & Remuneration Committee met on April 24, 2018, May 18, 2018, May 24, 2018, August 8, 2018 and November 12, 2019 during the year 2018 -19.

Name of the Director	No. of Meetings	No. of Meetings Attended
Mr. Arun K Thiagarajan, Chairman**	5	5
Mr. Richard B Saldanha, Member	5	5

Name of the Director	No. of Meetings	No. of Meetings Attended
Ms. Anuradha Sharma, Chairman*	3	3
Mr. Mathew Cyriac, Member	5	5

*Note: * Ms. Anuradha Sharma elected as a member of Nomination and Remuneration Committee w e f 18th May 2018 and elected as Chairman w.e.f 29th July, 2019*

*** Mr. Arun K Thiagarajan resigned as a Chairman of Nomination and Remuneration Committee w.e.f 29th July 2019*

Terms of Reference:

To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board of their appointment and /or removal.

To carry out evaluation of Directors' performance.

To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

To formulate the criteria for evaluation of Independent Directors and the Board.

To recommend/review remuneration of the Managing Director(s) and Whole-Time Director(s) based on their performance and defined assessment criteria.

To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

To perform such other functions as may be necessary or appropriate for the performance of its duties including carrying out any other functions within its terms of reference as outlined in Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulation's 2015 and section 178 of the Companies Act, 2013.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Currently the Committee consists of (3) three directors chaired by Mr. Richard B Saldanha, an Independent Director.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy'.

5. INDEPENDENT DIRECTORS MEET

In accordance with the provisions of the Companies Act, 2013, the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-Independent Directors and members of management. Directors on the Board to abide by the provisions specified in Schedule IV of the Companies Act, which defines Code for Independent Directors. During the year, separate meeting of the Independent Directors of the Company was held on March 12, 2019.

Name of the Director	No. of Meetings	No. of Meetings Attended
Mr. Jitendrakumar H Mehta*	1	1
Mr. Arun K Thiagarajan**	1	1
Ms. Anuradha Sharma	1	1
Mr. Richard B Saldanha	1	1

*Note: *Mr. Jitendrakumar Mehta resigned as Independent Director w e f 18th July, 2019*

*** Mr. Arun K Thiagarajan resigned as Independent Director w e f 29th July 2019*

Terms of the Meet

Review the performance of the Non-Independent Directors and Board as a whole and also the Chairperson of the Company to assess the quality, quantity and timely flow of information between the Company and management. Board needs to provide effective strategic direction to the Company and to direct on key decisions impacting the performance of the Company. To review the financial performance of the Company and suggest corrective actions.

RISK MANAGEMENT

The Board reviews the Company's risk management practices and policies periodically. This includes comprehensive review of various risks attached to the Company's business for achieving key objectives and actions taken to mitigate them. The Board reviews and advises on risk management aspects inter alia in the areas of leadership development, information security, project management and execution risks, contract management risks, financial risks, forex risks and geopolitical risks.

SUBSIDIARY COMPANIES' MONITORING FRAMEWORK:

All the Company's subsidiaries are wholly owned subsidiaries with their Boards having rights and obligations to manage such Companies in the best interest of the stakeholders. The Company does not have any material unlisted subsidiary and hence is not required to nominate an independent Director of the Company on the Board of any subsidiary. The Audit Committee reviews the financial statements in particular investments made by unlisted subsidiary companies, Minutes of the Board meetings of unlisted subsidiary companies are placed and reviewed periodically by the Company's Board. A statement containing all significant

transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

DISCLOSURES

DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

The related party transactions during the year ended March 31, 2019 have been listed in the notes to the accounts. Shareholders may please refer the same. However, these are not in conflict with the interests of the Company at large. There are no material individual transactions which are not in the normal course of business.

The Policy of the Company on Related Party Transaction is available on our website www.gokaldasexports.com

Disclosures regarding Web link of the Company Policy for determining material subsidiaries and RPT Policy on materiality and dealing with related party of the Company are posted on the Company's website (www.gokaldasexports.com).

DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES AND STRICTURES IMPOSED ON THE COMPANY BY THE STOCK EXCHANGES, SEBI OR ANY STATUTORY AUTHORITIES OR ANY MEMBER RELATED TO CAPITAL MARKETS.

Except the below mention, there has been no non-compliance of any legal requirements nor have there been any strictures imposed by any stock exchange, SEBI or any other statutory authorities on any matters relating to the capital markets.

The Company has received Notice VIDE reference no. EAD-2/DSR/PU/RG/12224/2016/1 dated April 28, 2016 under Rule 4(1) of the Securities Contracts (Regulation) (procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 2005 read with Section 231 of Securities Contracts (Regulation) Act, 1956. The Company has appropriately replied to the said notice.

WHISTLE BLOWER POLICY

The Company has established a mechanism for directors and employees to report concerns about unethical behavior actual or suspected fraud, or violation of the Code. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the chairperson of the audit committee in exceptional cases. During the year, the Whistle blower Policy was amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ("the insider Trading regulations"), enabling employees to report any violations under the insider trading regulations and leak of Unpublished Price-Sensitive Information(UPSI).

During the year under review, there are no instances of fraud committed against the Company by its Officers or employees which have been reported to the Audit Committee. Hence there is no requirement for the Company to mention the same in the Board's report.

POLICY FOR PREVENTION, PROHIBITION & REDRESSAL SEXUAL HARASSMENT OF WOMEN AT WORK PLACE :

Pursuant to the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, your Company has a policy and framework for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information.

DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONAL PLACEMENT (QIP) AS SPECIFIED UNDER REGULATION 32(7A) :

The application money received towards allotment of equity shares raised through qualified institutional placement of ₹69.37 Crores. As of the balance sheet date 31-Mar-2019, the Company has utilized ₹33.87 Crores towards modernization and automation of business infrastructures and the remaining ₹35.50 Crores was utilized for working capital finance of the Company.

CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE THAT NONE OF THE DIRECTORS ON THE BOARD OF THE COMPANY HAVE BEEN DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTORS OF THE COMPANY BY THE BOARD/MINISTRY OF CORPORATE AFFAIRS OR ANY SUCH STATUTORY AUTHORITY:

The Company has obtained a certificate from Mr. Nagendra D. Rao, Practicing Company Secretary (Membership No FCS 5553, CP No. 7731), secretarial auditor of the Company, regarding confirmation that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority. Further, the Ministry of Corporate Affairs have published the List of Disqualified Director under section 164(2) of the Companies Act, 2013. Mr. Jitendra Kumar H. Mehta, Independent Director, name appeared in the said list due to non-filing of annual returns and annual financial statements of another company. The said Director has filed a

writ petition with the Hon'ble High Court of Karnataka and has obtained an interim stay.

The requisite certificate from Mr. Nagendra D. Rao, secretarial auditor of the Company is herewith annexed herewith.

SECRETARIAL COMPLIANCE REPORT :

Pursuant to Regulation 24(A) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other provisions as may be applicable, the Company has obtained the Secretarial Compliance Report from Mr. Nagendra D Rao, Practicing Company Secretary (Membership No FCS 5553, CP No. 7731). The report is annexed herewith.

Total Fees for all the services paid by the Company to MSKA & Associates, Statutory Auditor, is included in the financial statement of the Company for the year ended March 31, 2019, is as follows;

Particulars	Amount in ₹ (In Lakhs)
Audit fees (including fees for consolidated financial statements and quaterly limited reviews)	35.00
Out of pocket expenses	1.67
Total payment to statutory auditors (exclusive of GST)	36.67

THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSE (B) TO (I) OF SUBREGULATION (2) OF REGULATION 46 OF THE SEBI (LODR) REGULATIONS, 2015:

The Company is in compliance with corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.

FUNCTIONAL WEBSITE OF THE COMPANY AS PER REGULATION 46 OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Pursuant to the requirement of Regulation 46 of the Listing Regulations, the Company maintains a functional website of the Company and website address of the Company is www.gokaldasexports.com. The Website of the Company provides basic information about the Company e.g, details of its business, financial information, various policies, shareholding pattern & other details relevant to the shareholders and the Company is regularly updating the information provided on its website.

GENERAL BODY MEETING

Details of Annual General Meetings (AGM) of the Company held for the last three years:

Financial Year	Day, Date & Time	Location
2015-16	Monday, September 26, 2016, 3.00 P.M	J N TATA Auditorium, National Science Symposium Complex, Sir C V Raman Avenue, Near Indian Institute of Science, Malleswaram, 18th Cross, Kodandarampura, Bangalore - 560012
2016-17	Tuesday, September 26, 2017, 2.30 P.M	NIMHANS Conventional Hall, Hosur Road, Bangalore - 560 029
2017-18	Tuesday, September 18, 2018, 2.30 P.M	NIMHANS Conventional Hall, Hosur Road, Bangalore - 560 029

Special Resolutions passed during the last 3 Years

Date of AGM	Number of Special Resolutions	Details of Special Resolution passed
Monday, September 26, 2016	1	Increase the remuneration of Mr. P. Ramababu – Vice Chairman & Managing Director with effect from 30th May, 2016.
Tuesday, September 26, 2017	Nil	Nil
Tuesday, September 18, 2018	2	1. To approve continuation of office of Directorship of Mr. Arun K Thiagarajan (DIN: 00292757) as Independent Director. 2. To approve continuation of office of Directorship of Mr. Richard B Saldanha (DIN:00189029) as Independent Director

POSTAL BALLOT

The approval of the shareholders was sought through postal ballot for the below mentioned transactions pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules 2014 as on March 31, 2019

Sl. No.	Type of Resolution	Particulars
1	Special Resolution	Approval of Gokaldas Exports Employee Restricted Stock Unit Plan 2018
2	Special Resolution	To approve grant of employee stock options to the employees of subsidiary companies of the Company under Gokaldas Exports Employee Restricted Stock Unit Plan 2018
3	Special Resolution	To increase the Remuneration of Mr. Sivaramakrishnan Ganapathi – Managing Director with effect from April 1, 2018
4	Special Resolution	Increase in the limit of shareholding by registered Foreign Portfolio Investors (FPIs) from 24% to 49% of the paid up capital of the Company.

PROCEDURE OF POSTAL BALLOT

In compliance with Section 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility to all its members. The Company engages the services of NSDL/ Karvy Computershare Private Limited for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members/ list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/ authorized officer. The results are also displayed on the Company website, www.gokaldasexports.com besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The last date for the receipt of duly completed Postal Ballot Forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

Additional Information

1. The Company has applied for a Scheme of Amalgamation of 9 wholly owned subsidiary companies with the Company. The appointed date of amalgamation is April 1st, 2016. The Application is filed with Hon'ble National Company Law Tribunal on February 23rd, 2017. Further to that, the Hon'ble National Company Law Tribunal has directed the Company to conduct Secured Creditors Meeting (Canara Bank and Corporation Bank) of Gokaldas Exports Limited which was held on Thursday, the 23rd November, 2017 at 2.30 P M at the registered office of the Company situated at No. 16/2, Residency Road, Bengaluru – 560025 and Shareholders Meeting was held on 27th November, 2017 at J N Tata Auditorium along with postal Ballot. Company has completed all the required process with the Hon'ble National Company Law Tribunal and Company has received the final approval order dated 8th March 2019, which was received by the Company on 11th March, 2019. The Company has filed INC 28 with regard to merger for all the companies with the Registrar of Corporate Affairs, Karnataka. Further the Company is under process to complete all the required formalities with different statutory authorities.
2. As on this date of report, the Company had issued 77,08,000 equity shares of ₹5/- each fully paid at ₹90/- per share (including securities premium of ₹85/- per share) to qualified institutional buyers on May 3, 2018 pursuant to Qualified Institutional Placement (QIP) document dated April 27, 2018, as per provision of Section 42 of Companies Act, 2013 read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014, and Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 which have been listed in the respective stock Exchanges on May 4, 2018.

PREVENTION OF INSIDER TRADING

During the year, the Company has amended the Insider Trading Policy in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. This policy includes policy and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI. The Amended policy is available on our website: www.gokaldasexports.com

CERTIFICATE ON CORPORATE GOVERNANCE

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a certificate from the Secretarial Auditor is obtained regarding compliance of conditions of corporate governance and is annexed and forms part of the Board's Report.

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATE

As required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certificate issued by the Managing Director and Chief Financial Officer on financial statements etc., is provided in the Annual Report.

MEANS OF COMMUNICATION

The annual audited financial results, the quarterly / half yearly unaudited financial results are generally published in the Financial Express and Praja Vani (a regional daily published from Bengaluru). These were not sent individually to the shareholders. The quarterly and the annual results of the Company are e-mailed/online filing/ and mailed to the stock exchanges on which the Company's shares are listed immediately of closure of meeting of the Board of Directors.

INVESTOR GRIEVANCES AND SHARE TRANSFER

The Company has a Board level Stakeholders' Relationship Committee to examine and redress shareholders' and investors' complaints. The status on complaints and share transfers is reported to the Board. For matters like dividends, change of address, refunds, demat, remat of shares etc., the shareholders/ investors communicate with Karvy Computershare Private Limited, who are the Registrar and Share Transfer Agent of the Company. Their address is given in the section on General Shareholder Information.

GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	September 13, 2019 at 2.30 P M NIMHANS CONVENTIONAL HALL, Hosur Road, Bangalore – 560 029
Date of Book Closure	September 5th, 2019 (Thursday) to September 13th, 2019 (Friday) (both days inclusive)
Financial Results Calendar (Tentative)	Last week of July, 2019 - Unaudited Results for the quarter and three months ended June 30, 2019. Second week of November, 2019 - Unaudited Results for the quarter and six months ended September 30, 2019 Second week of February, 2020 - Unaudited Results for the quarter and nine months ended December 31, 2019. Fourth week of May, 2020 - Audited Results for the year ended March 31, 2020
Listing on Stock Exchanges	National Stock Exchange of India Limited, Mumbai (Script Code - GOKEX) BSE Ltd, Mumbai (Script Code - 532630)
International Securities Identification Number (ISIN)	INE887G01027
Corporate Identification Number (CIN)	L18101KA2004PLC033475

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

1. The Board: The Company does not maintain a separate office for non-executive Chairman. The independent directors have requisite qualification and experience to act as director on the Board.
2. Shareholders Rights: Quarterly results are published in widely circulating national and local daily newspapers such as the Financial Express and Praja Vani. These were not sent individually to the shareholders.
3. Audit Qualifications: The auditor report does not contain any qualification
4. Separate post of Chairman and Chief Executive Officer: The Company has separate persons to the post of Chairman and Managing Director.
5. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

LISTING FEE

The Company has paid annual listing fees, as prescribed, to the National Stock Exchange of India Limited and BSE Limited, Mumbai for the Financial Year 2019-20.

CUSTODIAL FEE

Pursuant to the Securities and Exchange Board of India (SEBI) Circular No.MRD/DoP/SE/DEP/CIR-4/2005 dated 28th January, 2005 and MRD/DoP/SE/DEP/CIR-2/2009 dated February 10,

2009, Issuer Companies are required to pay custodial fees to the depositories. Accordingly, the Company has paid custodial fee for the year 2019-20 to NSDL and CDSL on the basis of the number of beneficial accounts maintained by them as on 31st March 2019.

REGISTRAR & SHARE TRANSFER AGENTS:

Share registration and other investor related activities are carried out by our Registrar and Transfer Agents, M/s. Karvy Computershare Private Limited for both Physical and Demat securities. Their address is given below:

Karvy Fintech Private Limited
(Formerly known as KCPL Advisory Services P Ltd)
Karvy Selenium Tower B, Plot No.31-32, Gachibowli,
Financial District Nankramguda
Hyderabad – 500 032
Tel: +91 40 67162222/67161653, Fax: + 91 40 23001153
E-mail: einward.ris@karvy.com, www.karvyfintech.com
Contact person: Ms. Shobha Anand / Mr. N Shiva kumar

SHARE TRANSFER SYSTEM:

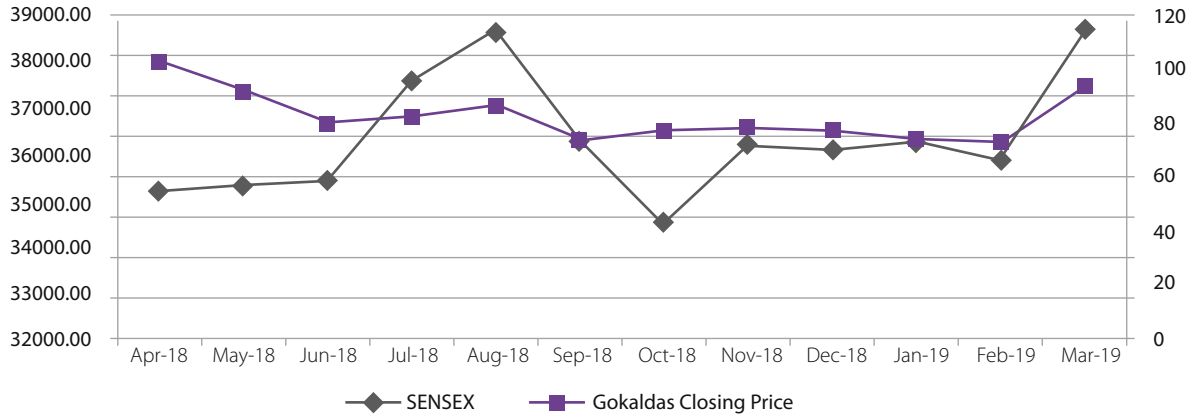
Shares sent for transfer in physical form are registered and dispatched within 15 days of receipt of the documents, if documents are found to be in order. Shares under objection are returned within 15 days. Monitoring of Share Transfers and other investor related matters are dealt with by the Shareholders' Grievance Committee. The Company's Registrars, M/s. Karvy Computershare Private Limited process the share transfers in respect of physical securities on a fortnightly basis and the processed transfers are approved by the authorized Executives of the Company also on a fortnightly basis. All requests for dematerialization of shares, which are in order, are processed within 15 days and the confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

STOCK PRICE DATA:

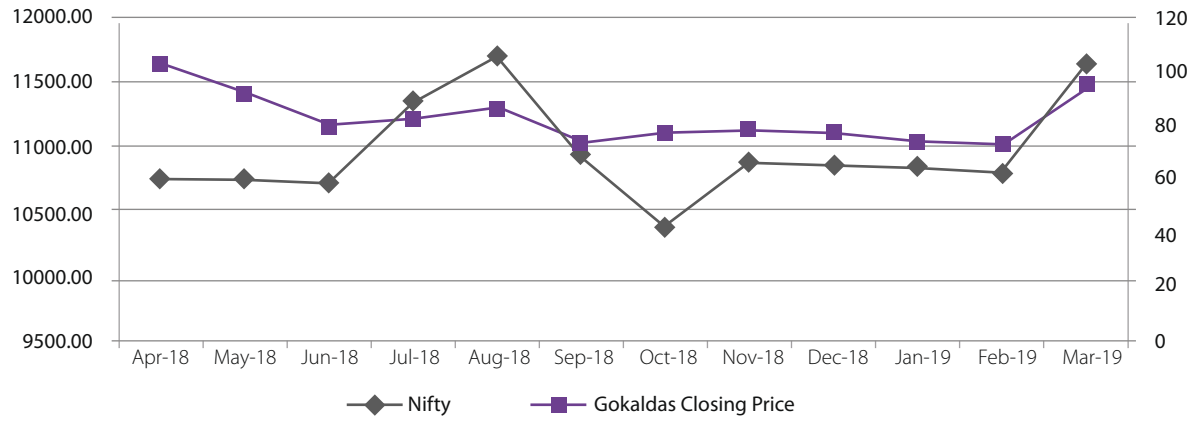
Month	Bombay Stock Exchange(BSE)			National Stock Exchange(NSE)		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
April-18	104.5	101.95	23942	104.95	102.00	118046
May-18	92.5	89.00	20474	92.35	90.40	60851
Jun-18	80.95	78.95	10763	89.90	77.75	29609
Jul-18	84.70	78.00	13566	84.75	78.00	83652
Aug-18	87.00	82.00	28252	86.80	81.90	122741
Sep-18	78.60	72.10	32100	79.00	71.70	148823
Oct-18	77.00	76.20	683	78.00	75.10	11884
Nov-18	81.00	78.00	2267	83.00	78.10	47663
Dec-18	77.70	77.15	1448	77.60	76.80	12361
Jan-19	74.80	72.70	5088	75.80	72.90	13414
Feb-19	72.50	72.00	211535	73.80	70.60	233741
Mar-19	97.35	91.60	3242	94.90	91.70	88432

STOCK PERFORMANCE:

BSE – S & P BSE SENSEX Vs Gokaldas Exports Share Price (Monthly Closing)

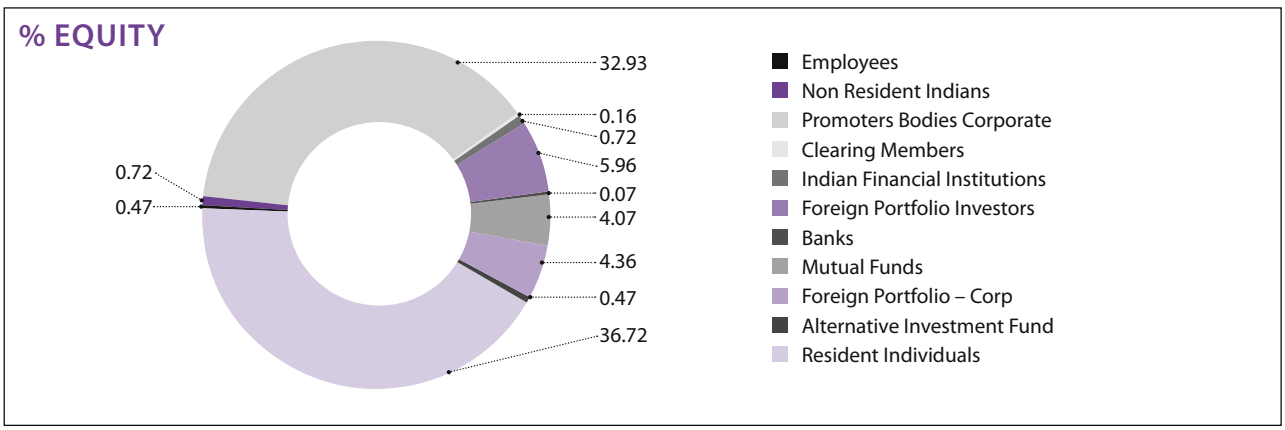


NSE – NIFTY 50 V/s Gokaldas Exports Share Price (Monthly Closing)



SHAREHOLDING PATTERN AS ON 31ST MARCH, 2019:

Sl. No.	Description	Without Grouping			With Grouping		
		No of Shareholders	Total Shares	% Equity	No of Shareholders	Total Shares	% Equity
1	Mutual Funds	2	17,42,500	4.07	2	17,42,500	4.07
2	Foreign Portfolio- Corp	2	18,67,847	4.36	2	18,67,847	4.36
3	Alternative Investment Fund	1	1,99,723	0.47	1	1,99,723	0.47
4	Resident Individuals	16791	1,57,18,905	36.72	16344	15,718,905	36.72
5	Employees	11	1,05,739	0.25	11	105,739	0.25
6	Non Resident Indians	202	3,07,412	0.72	202	307,412	0.72
7	Promoters Bodies Corporate	2	1,40,99,190	32.93	2	1,40,99,190	32.93
8	Clearing Members	65	70,546	0.16	58	70,546	0.16
9	Indian Financial Institutions	2	3,09,353	0.72	2	309,353	0.72
10	Foreign Portfolio Investors	3	25,50,561	5.96	3	25,50,561	5.96
11	Banks	1	31,559	0.07	1	31,559	0.07
12	Non Resident Indian Non Repatriable	143	151,354	0.35	142	151,354	0.35
13	Bodies Corporates	368	46,48,008	10.86	299	46,48,008	10.86
14	NBFC	2	600	0.00	2	600	0.00
15	H U F	703	10,12,366	2.36	693	10,12,366	2.36
	Total:	**18298**	**4,28,15,663**	**100.00**	**17764**	**4,28,15,663**	**100.00**



Top Ten shareholders of the Company as on March 31, 2019

Sl. No.	DP Id	Folio/ Client ID	Name of concern/ person	Shares	% Equity
1	IN303559	10024009	Clear Wealth Consultancy Services LLP	13,955,957	32.60
2	IN302927	10137278	Teesta Retail Pvt Ltd	1,413,513	3.30
	IN302927	10121536	Teesta Retail Pvt Ltd	867,000	2.02
3	IN301348	20032456	Polus Global Fund	1,848,561	4.32
4	IN300054	10101196	Can Lah Investments Pte Ltd	1,840,000	4.30
5	IN300054	10074069	L&T Mutual Fund Trustee Limited – L & T Emerging Business Fund	1,733,000	4.05
6	IN303173	20014641	Sankaranarayanan Sangameswaran	852,331	1.99
7	IN301524	30029831	India Opportunities Growth Fund Ltd – Pinewood Strategy	700,000	1.63
8	IN301549	51263409	Pathik Shyamsunder Gandotra	648,000	1.51
9	IN301549	57550976	Parvesh Gandotra	647,999	1.51
10	IN300476	10545253	Chetan Jayantilal Shah	480,000	1.12

Distribution of Shareholdings as on March 31, 2019:

Sl. No.	Category (Shares)	No. of Holders	% To Holders	Amount	% of Amount
1	IN303559	10024009	Clear Wealth Consultancy Services LLP	1,39,55,957	32.60
1	1 - 5000	16064	90.43	1,37,74,020	6.43
2	5001 - 10000	686	3.86	53,23,400	2.49
3	10001 - 20000	450	2.53	65,44,815	3.06
4	20001 - 30000	193	1.09	48,87,780	2.28
5	30001 - 40000	74	0.42	26,71,585	1.25
6	40001 - 50000	67	0.38	31,92,545	1.49
7	50001 - 100000	99	0.56	69,37,230	3.24
8	100001 and above	131	0.74	17,07,46,940	79.76
	TOTAL:	**17764**	**100.00**	**21,40,78,315**	**100.00**

Dematerialization of shares and Liquidity without grouping as on March 31, 2019:

Sl. no	Description	Without grouping		
		No of Holders	Total Shares	% To Equity
1	PHYSICAL	40	618	0.00
2	NSDL	11057	36,307,269	84.80
3	CDSL	7201	6,507,776	15.20
	Total:	18,298	42,815,663	100.00

No of Shares in Demat form without grouping as on March 31, 2019:

No. of shares	% of shares	No. of Shareholders	% of Shareholders
42815045	100.00	18258	100.00%

Plant Location

Sr. No	Particulars
1.	"Carnival Clothing Co. No.2/A-1,Chikkaveeranna Road Cross, Bannimantap Etn, Mysore – 15, Karnataka GSTIN:29AAECM0513H1ZQ.
2.	Euro Clothing Co - I No.122/1,Doddabidarakallu Village, Yeshwanthpur Hobli, Bangalore North Taluk, Bengaluru 560073. Karnataka GSTIN:29AAICS5775R1Z5.
3.	Euro Clothing Company II Katha No.620-628T.B.Road Srirangapatna, Mandya Dist.,571438 , Karnataka GSTIN:29AAICS5775R1Z5
4.	Gokaldas Exports Ltd, R &D –I No.68, Mission Road, Bengaluru -560 027, Karnataka GSTIN:29AACCG0895N1Z0
5.	Gokaldas Exports Ltd Sez Division, Plot No.6/1, Phase - 2, Mepz - Sez, Tambaram, NH - 45, Chennai - 600 045. Tamil Nadu GSTIN:33AACCG0895N1ZB
6.	Global Garments – Unit II Near Ring Road, Gubbi Gate Tumkur - 572 101, Karnataka GSTIN:29AACCR8718D1Z8
7.	Global Garments-III No.44, 3rd Cross, Industrial Suburb, Yeshwanthpur, Bengaluru -560 022. Karnataka GSTIN:29AACCR8718D1Z8
8.	Gokaldas India No.21C & 21B, SurveyNo.34,35,36 & 37, Nallakadaranahalli, Peenya II Stage, Industrial Area, Peenya, Bengaluru -560 058. Karnataka GSTIN:29AACCG0895N1Z0
9.	Hinduja Processing & Finishing Unit No.2, 5th Cross,Mysore Road, Bengaluru -560 023. Karnataka GSTIN:29AACCR8416Q1ZM
10.	International Clothing Company – I #B2, B3 & B4, Indl Estate, Madanapalli -517 325. Chittoor District, Andhra Pradesh GSTIN: 37AAECN0511F2ZY
11.	Indigo Blues Plot No-2, KIADB Industrial Area, Doddaballapur - 581 203. Karnataka GSTIN:29AACCR8415P1ZP
12.	J.D.Clothing Company No.9, Rajajinagar Industrial Estate, Bengaluru -560 010. Karnataka GSTIN:29AACCG2526L1ZG
13.	Luckytex-III No.19/A, (2&3),Raja Industrial Estate, Industrial Suburb, 2nd Stage, Tumkur Road, Bengaluru -560 022. Karnataka GSTIN:29AACCR8719C1Z9
14.	Sri Krishna Industries No.25/26, 3rd Main Road, Industrial Suburb, Yeshwanthpur, Bengaluru -560 022. Karnataka GSTIN:29AACCR8416Q1ZM
15.	Triangle Apparels – VI # 25/26,3rd Main Road, Industrial Suburb, Yeshwanthpur, Bengaluru – 22, Karnataka GSTIN:29AAICS5775R1Z5
16.	Venkateshwara Clothing Company – II No.10, KHB, Colony Industrial Area, Yelahanka, Bengaluru - 64. Karnataka GSTIN:29AACCR8719C1Z9
17.	Wearcraft Apparels – I No.17/1-38/4-1, Industrial Suburb, Yeshwanthpur, Bengaluru -560 022. Karnataka GSTIN:29AACCD0487F1ZO
18.	The Wearwel I (Unit of SNS Clothing Pvt Ltd) Industrial Estate N.H-206,Hindiskere Gate, Tiptur-572201, Karnataka GSTIN:29AAICS5776NJ1ZC
19.	Gokaldas Exports Ltd – Unit I (Hassan) Plot No.119, KIADB Growth Centre, SH – 57, Hassan – 573201, Karnataka GSTIN:29AACCG0895N1Z0
20.	Luckytex Unit I No. 17/A-34/A-1, Industrial Suburb, Bengaluru, Karnataka GSTIN:29AACCR8719C1Z9
21.	Atlantic Apparels – II Plot No.28D & 28E, Belavadi Industrial Area, Mysore-570018,Karnataka GSTIN:29AACCG0895N1Z0

Address for Correspondence:

Company : Gokaldas Exports Ltd

Registered Office

No. 16/2, Residency road, Bangalore – 560025

Ph: 080- 46191001/46191002

Email: investorcare@gokaldasexports.com

Website : www.gokaldasexports.com

Registrar and Transfer Agent:

Ms. K. Shobha Anand,
Deputy General Manager
Karvy Fintech Private Limited
(Formerly known as KCPL Advisory Services P L)
(Unit: Gokaldas Exports Limited)
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500032.
Phone: 040-6716 2222

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

To,
The Members
Gokaldas Exports Limited,

1) We have reviewed financial statements (standalone and consolidated) and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief:
   - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   - These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2) There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
3) We accept responsibility for establishing and maintaining Internal Controls for Financial Reporting and that they have evaluated the effectiveness of Internal Control Systems of the listed entity pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies if any in the design or operation of such Internal Controls, if any, of which they are aware and the steps they have taken or purpose to take to rectify these deficiencies.
4) We have indicated to the Auditors and the Audit Committee
   - Significant changes in Internal Control over Financial Reporting if any during the year;
   - Significant changes in Accounting Policies if any during the year and that the same have been disclosed in the notes to the financial statements; and
   - Instances of significant fraud if any of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's Internal Control System over Financial Reporting.

For Gokaldas Exports Limited,

Sivaramakrishnan Ganapathi
Managing Director
(DIN: 07954560)

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: May 17, 2019

CERTIFICATE ON CORPORATE GOVERNANCE BY PRACTICING COMPANY SECRETARY

To the Members of
Gokaldas Exports Limited
No. 16/2, Residency Road
Bangalore – 560 025.

I have examined all the records of Gokaldas Exports Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2019. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in Schedule II of the said SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the following:

The Ministry of Corporate Affairs have published the List of Disqualified Director under section 164(2) of the Companies Act, 2013. Mr. Jitendra Kumar H. Mehta, Independent Director, name appeared in the said list due to non-filing of annual returns and annual financial statements of another company. The said Director has filed a writ petition with the Hon'ble High Court of Karnataka and has obtained an interim stay.

As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with items C, D and E.

Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731

543/A, 7th Main,
3rd Cross, S.L.Byrappa Road,
Hanumanthnagar,
Bengaluru – 560 019.

Place: Bengaluru
Date: 13th May, 2019.

Management Discussion and Analysis

GLOBAL ECONOMIC OVERVIEW

Following a robust growth rate of 3.8% in 2017, global economic growth was placed at 3.6% in 2018. Crude prices remained volatile since August 2018 as a result of multiple factors including the American policy pertaining to Iranian exports and softening global demand. Oil prices dropped from a four-year peak of US$ 81 per barrel in October 2018 to US$ 61 per barrel in February 2019. (Source: World Economic Outlook)

OVERVIEW OF KEY GLOBAL ECONOMIES

Economic confidence and sentiment in the key market of USA, made indicators remain at near-historical highs, despite a wide range of tariff hikes and build-up of trade tensions that intensified during 2018. The impact of ongoing trade disputes on their economy was offset by the fiscal stimulus measures undertaken in 2018, including a 200 bps drop in income tax rates, steep decline in the corporate tax rates and a rise in federal government consumption spending (especially on defence). This was supported by strong employment growth and buoyant economic development. In the first three quarters of 2018, the GDP was 2.8% higher than a year earlier. The expansionary fiscal stance accelerated interest rate increases by the United States Federal Reserve, generating episodes of turbulence in the global financial markets and asset price adjustments. Federal deficit is expected to widen to ~5% of the GDP in 2019, while governmental debt could continue to rise relative to GDP over the next decade.

GLOBAL ECONOMIC GROWTH:

Year	2015	2016	2017	2018	2019 (P)	2020 (P)
Real GDP growth (%)	3.2	3.1	3.8	3.6	3.3	3.6

[Source: World Economic Outlook, January 2019] E: Estimated; P: Projected

INDIAN ECONOMIC OVERVIEW

India is the sixth-largest economy and retained its position as the fastest-growing trillion-dollar economy. After growing 7.2% in 2017-18, the Indian economy grew 6.8% in FY2018-19. The principal developments during the year under review comprised a sustained increase in per capita incomes, decline in national inflation, steadying interest rates, and weakened consumer sentiment starting from the second half of the financial year.

The weaker sentiment was on account of a large non-banking financial company announcing its inability to address liabilities. In 2018, the country attracted more foreign inflows than China - ~US$ 38 billion, higher than China's US$ 32 billion. India witnessed a 23-notch increase to 77th position in the World Bank's report on the ease of doing business. The commencement of the US-China trade war opened a new opportunity for India. Inflation (including food and energy prices) was pegged at 2.6% on an annual basis, one of the lowest in years. The rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44. During the fiscal under review, the Indian Government continued to invest deeper in digitalisation, renewable energy capacity generation and infrastructure building. (Source: CSO)

OUTLOOK

India is expected to grow at 7.4% in FY2019-20 with projected economic rebound following the 2019 general elections, capitalizing on the next round of structural reforms. (Source: CSO, Fitch, Economic Times, Business Standard, IBEF, Business Today, India Today)

GLOBAL APPAREL MARKET

The current global apparel market is estimated at US$ 1.7 trillion which forms nearly 2% of the world GDP of US$ 75.6 trillion. The apparel market is still largely dominated by the EU & USA, with a cumulative share of 40% whereas they are home to only 11% of the world population. The next biggest markets are China, Japan, India and Brazil, in descending order with a cumulative share of approximately 27%.

It is estimated that the global apparel market will become US$ 2.6 trillion by 2025, indicating an addition of market worth US$ 1 trillion in 9 years. It is also projected that China and India will be the fastest growing apparel markets, both growing in double digits. China will become the biggest apparel market adding more than US$ 288 billion in market size by 2025, whereas India will be the second most attractive apparel market adding US$ 97 billion

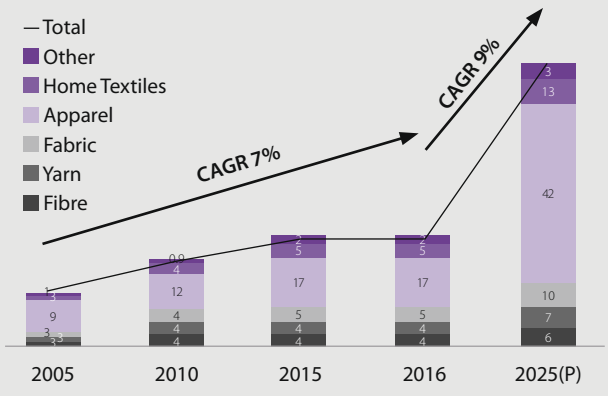
by 2025. The high growth in these markets will be primarily driven by the economic growth and increasing disposable income of a large population base.

GLOBAL TEXTILE AND APPAREL TRADE

In 2016, global textile and apparel trade stood at US$ 743 billion and has grown at a CAGR of 4% since 2005. Apparel is the largest category with a share of 58%, followed by fabric with a share of 19%. However, the share of fabric in global T&A trade has reduced from 23% in 2005 to 19% in 2016. During the same period, share of apparel increased from 53 to 58%. The global textile and apparel trade is expected to grow at a rate of ~6% from the present worth of US$ 743 billion to US$ 1,230 billion by 2025.

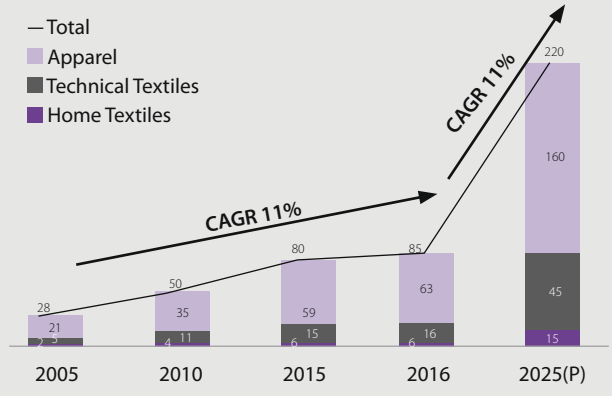
Growth in global trade indicates an attractive opportunity for countries with large manufacturing capacities and competitive manufacturing. India can be one of the gainers in the changing trade landscape.

Indian Textile and Apparel Trade (US$ billion)



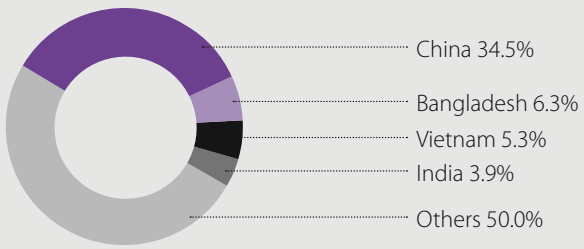
Apparel exports are expected to grow faster than other segments at 11% CAGR and reach US$ 42 billion from the existing US$ 17 billion

Indian Textile and Apparel Market Size (US$ billion)



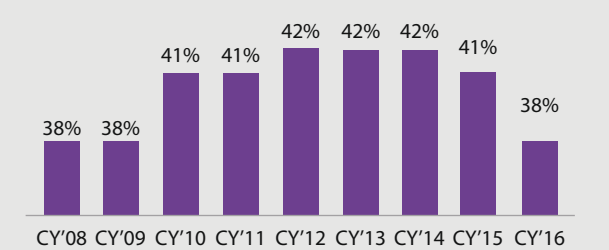
Domestic textile and apparel market is estimated at US$ 85 billion, with apparel having ~75% share. Indian apparel market is expected to grow at ~11% CAGR in the next 10 years.

Top clothing exporting countries, 2016 (% of global share)



Sources: World Trade Statistical Review, World Trade Organisation

China's share of Apparel exports



China share of apparel exports has been declining due to increasing labour costs, declining working age population, improved social security benefits and declining interest in producing low-value exports such as garments, gives a further tailwind to the trend. Also, US China trade war creates significant opportunities for rival countries.

Source: The Economist: US China Trade War Analysis Nov 18

Strong benefits	Mild benefits
Bangladesh	Sri Lanka
Vietnam	Pakistan
India	

Although Vietnam and Bangladesh are already important garment production centres, in the longer term neither will be able to produce at a scale that matches China, both in terms of volume and integration of supply chains. India benefits from its integrated presence in the cotton and rayon textiles sector

CONSOLIDATION OF INDIAN APPAREL EXPORT INDUSTRY

We see an increasing trend towards consolidation of apparel export industry in India due to

- Large players in apparel exports expected to have heathy demand as big fashion brands lay more stress on sustainability, social compliance and regular auditing of their suppliers for safety and treatment of workers. The added overhead costs for all these can be borne relatively by large players
- Stricter banking credit norms, delayed receipt of export incentives and GST, creating liquidity challenges. The small players are affected more severely.

GOVERNMENT INITIATIVES

- Under the Union Budget 2018-19, ₹700 crore (US$ 97.02 million) was allocated for the Technology Upgradation Fund Scheme. Concessional credit is provided for modernisation and upgradation of the textile industry. It is projected to attract investments of >₹950 million (US$ 14.17 billion) by 2020.
- 100% FDI was allowed in the textile sector through the automatic route.
- The Union Ministry of Textiles and Energy Efficiency Services Limited, launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the powerloom sector of India.
- The Government of India announced an initiative to boost exports by US$ 31 billion, along with creating more than 1 crore job opportunities and attracting investments worth ₹800 billion (US$ 11.93 billion) by 2020.
- The Textile Ministry fixed ₹690 crore for the creation of 21 garment manufacturing units in seven states in a bid to promote the development and modernisation of the Indian textile sector.
- The Goods and Services Tax Council doubled the threshold limit of textile players from ₹2 million to ₹4 million starting April 2019. It also increased the composition scheme turnover threshold from ₹1 crore to ₹1.5 crore for FY2020.
- An allocation of ₹1,300 crore was approved under the Scheme for Capacity Building in Textile Sector (SCBTS) to provide employment-based training to >10 lakh people in mutiple segments, including one lakh in the traditional sector by March, 2020. (Source: IBEF, Business Standard)

THE COMPANY'S OVERVIEW

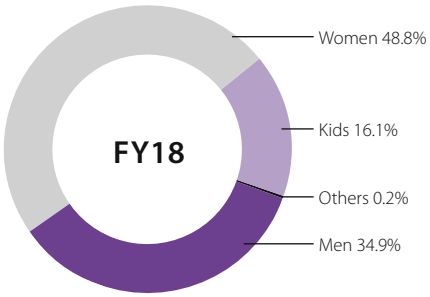
A leading apparel manufacturer and exporter from India, Gokaldas Exports Limited (GEL) is a reputed name in the business of designing, manufacturing and sale of a wide range of apparels for all seasons for men, women and kids. The apparels portfolio of the Company include outerwear, active-wear and fashion-wear which caters to several leading international fashion brands and retailers. Besides manufacturing apparels, GEL runs complementary and integrated ancillary units providing services like laundry, embroidery, printing, quilting and poly-wadding.

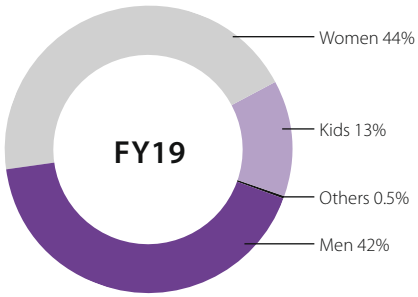
GEL is capable of servicing multiple bulk orders in a timely manner, has [21] operating manufacturing facilities (with a capacity of [30] million pieces of garments in a year). The customers of GEL demand high quality products with stringent standards that GEL successfully meets with its design, testing, fitment and quality inspection laboratories. Over the years, GEL has positioned as a multi-product and multi-market player in the garment manufacturing segment catering to domestic and international markets.

BUSINESS PROFILE

GEL's product portfolio has been enhanced by its ability to produce new designs and execute the designs developed by its customers. As a multi-product global player, GEL's products include a diverse mix of apparels catering to both international and domestic markets.

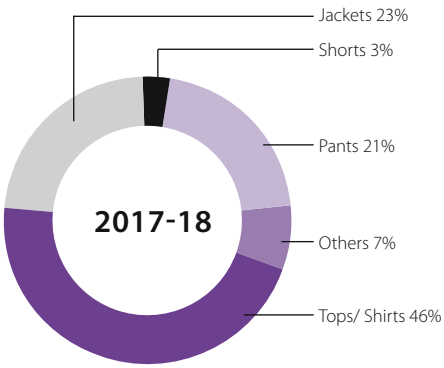
PRODUCT CATEGORY

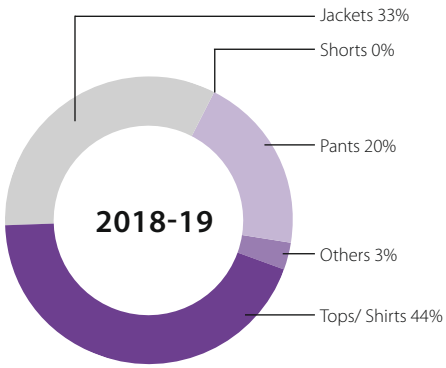




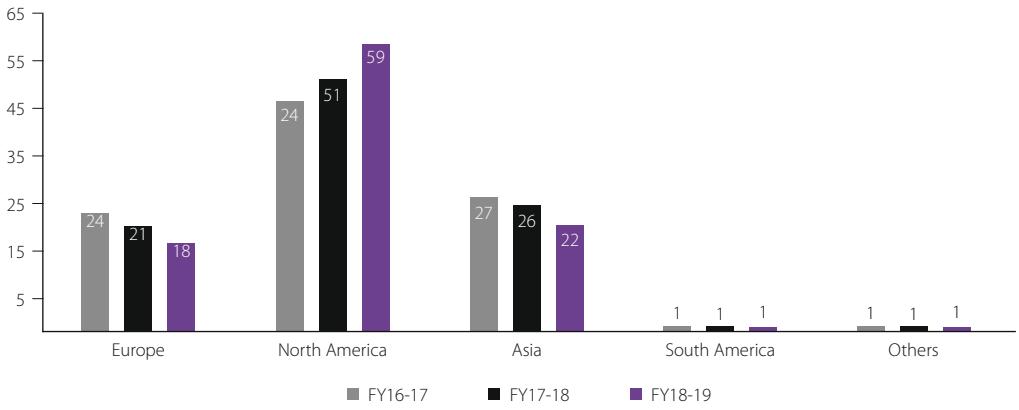
PRODUCT MIX

GEL manufactures a diversified product range. The change in the product range compared to the previous year is depicted below.





Revenue Contribution (%)



CUSTOMER SERVICE AND EXCELLENCE

GEL's formidable reputation and high rate of growth rests on its customer base which consists of reputed international brands from USA, Europe and Asia. It has successfully retained this exemplary customer base with its commitment to quality and high quality customer service.

The same commitments have helped GEL to develop a robust base of international retailers of apparel and have customers come back to them with repeat orders. GEL has serviced 43 customers together with domestic and intentional market covering 55 countries during the year. It has won the confidence of its customers with its ability to offer in-house designs and samples, on-time response and successful delivery of varied order sizes. For its valued customers, it has grown to be a preferred vendor partner.

STRATEGIC FOCUS AREAS

The key focus areas are the foundation stones of our strategy. GEL aims to expand on its vision and create structures around them to achieve its goals. Its strategic objectives

IN THE LONG RUN:

- Creating value for its shareholders, employees and business partners through the delivery of quality products to its customers
- Steadfastness and consistency in customer service excellence
- Sustainable and efficient business operation

IN THE SHORT AND MEDIUM TERM:

- Continue investment in infrastructure and technology
- Setting up factories in low cost locations
- Sustainable improvements in cash flow
- Sustainable improvements in returns to stakeholders

GEL aspires to be among the top players in India in the segment in which it operates.

OPERATIONAL EFFICIENCY

During the year under review, GEL has enhanced its operating efficiency across its value chain. The initiatives by the management has resulted in improved on-time delivery to customers, higher sewing efficiency by 1%, cost savings and lower wastage by 1.7% during the current year

OPPORTUNITIES

GEL has gained significant expertise from its decade-long history of operating in the apparel manufacturing business. This expertise has positioned the Company to emerge as one of the largest exporters of apparel manufacturers from India. Some of the strategic advantages the Company has gained in the course of its history are:

- Reputed international brands from USA, Europe and Asia which have a large and growing market form the key customer base for GEL
- New customers are being added to reduce the burden of revenue concentration from a few
- Japan, which offers duty-free access to apparels from India, is on the Company's list of areas to expand
- The Company intends to leverage its strong in-house design, testing, fitting and quality inspection facilities

RISK MANAGEMENT

EXTERNAL RISK FACTORS

- Since the company derives a significant percentage of its revenue in US dollars, it is exposed to risks related to foreign exchange rate fluctuation. In the event that such risks should arise, the Company has instituted a well-defined foreign currency risk management practice to protect its interests.
- Operations and growth prospects of the Company could be adversely affected by changes in regulations or government incentives. During the year, the Government has provided additional export incentive benefits in the form of Rebate on State and Central Tax Levies (ROSCTL) in lieu of rebate on state levies (ROSL). The New ROSCTL benefit ranges from 0.6% to 6% depending on the product categories, however, based on the GEL's product portfolio and categories, it is expected to get such benefit at a blended rate in the range of 2.6% to 2.9%. This scheme is an alternative to the MEIS scheme that may be withdrawn under WTO rules. MEIS scheme is a major benefit for the company, withdrawal or downward revision will adversely affect the profitability of the company.
- A large number of Asian countries may have a competitive edge over India in exporting to EU because they have free trade agreements with the EU.
- Company's profitability may decline due to increase in wage costs and rising inflation.
- Internal risk factors
- Any reduction in the customer base of the Company's international buyers could affect its profitability as it is heavily dependent on export. Having recognized this risk, the Company has diversified its customer base.
- Any delay in receiving raw materials would adversely affect the delivery timeline of the Company. To mitigate this risk, the Company has built long-lasting relationships with suppliers ensuring better retention of suppliers and their supply along with better credit management and block booking of supplies.

- In a highly dynamic market like apparel manufacturing, success depends on correct anticipation of consumer preferences and industry changes. It is important to be quick on one's feet and address these changes by modifying its products. A successful company thinks on its feet.

HUMAN RESOURCES

A business runs on the back of its people, whose numbers stood at 25,579 as of March 31st, 2019. The Company must be in alignment with the professional and personal goals of its employees, thereby empowering them to achieve a work-life balance and enhancing their pride in their association with the company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has adequate internal control systems for financial reporting and the control systems are working effectively. The company has put internal control frameworks in place and delegation of authorities is clearly spelt out with policies and procedures clearly documented.

The company has appointed an independent internal auditor who monitors and reviews transactions independently and report directly to the audit committee consisting of entirely independent directors, on a quarterly basis. The internal auditors conduct audits on all key business areas as per pre-drawn audit plan. They review and present reports on the systems and procedures at place for internal control at various departments. It performs an independent assessment of functioning of compliance procedures set under various statues. All significant audit observations and follow-up actions are reported to the audit committee along with the internal audit report and management response. The minutes of the audit committee are reviewed by the Board.

FINANCIAL REVIEW

The financial statements have been prepared in compliance with the requirements of the Companies' Act. 2013, and as per generally accepted accounting principle in India including Indian Accounting Standards (IndAS).

ANALYSIS OF THE PROFIT AND LOSS STATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS (FIGURES IN ₹ CRORES, UNLESS OTHERWISE STATED)

- **Revenue:** Revenues from operations reported a 14% growth from ₹1032 crore in 2017-18 to reach ₹1075 crore in FY2018-19 due to growth in business from existing customers and addition of seven new customers besides better operational efficiency during the year. Other incomes of the Company reported a (0.54%) growth compared to the previous year. Other income essentially consists of interest income and gains from foreign exchange fluctuations. During the current year the company incurred loss on foreign exchange fluctions due to steep depreciation of rupee as opposed to gain in the previous year. As a matter of disclosure, loss of foreign exchange fluctuation has been disclosed as an element of other expenses in the profit and loss account. Other incomes accounted for a 1.8% share of the Company's revenues reflecting the Company's dependence on its core business operations.
- **Expenses:** Total expenses of the Company increased/ (decreased) by 5% from ₹1109 crore in 2017-18 to ₹1165 crore due to increase in number of employees thereby employee costs (by 5%) essentially for capacity expansion for the increased business. Raw material costs, accounting for a 48% share of the Company's turnover decreased by 8.8% from 57% in 2017-18. The material consumption has decreased from ₹537 crore in 2017-18 to ₹523 crore in 2018-19 despite increase in revenue owing to an increase in the operational efficiency in material utilisation and reduced waste. Employees expenses accounting for a 34% share of the Company's revenues increased by 1% over the previous year, from ₹336 crore in 2017-18 to ₹394 crore in 2018-19 owing to an increase in the number of employees as well as the yearly revision of remunerations.
- Finance costs of the Company decreased by 12% from ₹37 crore in 2017-18 to ₹33 crore in 2018-19 following the repayment of short term borrowings. The Company's interest cover stood at a comfortable 1.76 x in 2018-19 (0.20 x in 2017-18), reflecting the comfort with which the Company is able to service its interest obligations.

ANALYSIS OF THE BALANCE SHEET

SOURCES OF FUNDS

- The capital employed increased by 3.6% from ₹607 crore as on 31st March 2018 to ₹628 crore as on 31st March 2019 owing to an increase in net worth contributed by equity infusion and profit from operations. Return on capital employed, a measurement of returns derived investment in the business increased by 8.1% from 1.2% in 2017-18 to 9.3% in 2018-19 due to an increase in capital employed.

The net worth of the Company increased by 84% from ₹131crore as on 31st March 2018 to ₹240 crore as on 31st March 2019 owing to increase in equity and retained earnings. The Company's has infused additional equity share capital of 69.4 Crores through Qualified Institutional Placements comprising of 77.08 lakhs equity shares of ₹90 each.

APPLICATIONS OF FUNDS

- Fixed assets (gross) of the Company increased by 23% from ₹130 crore as on 31st March 2018 to ₹160 crore as on 31st March 2019 mainly owing to an increase in plant and machinery for modernisation and automation in factories. Depreciation on

tangible assets increased by 17% from ₹16 crore in 2017-18 to ₹19 crore in 2018-19 owing to an increase in fixed assets during the year under review.

WORKING CAPITAL MANAGEMENT

- Current assets of the Company increased by 6.3% from ₹491 crore as on 31st March 2018 to ₹523 crore as on 31st March 2019 owing to the growing business scale of the Company. The current and quick ratios of the Company stood at 2.9 and 1.4, respectively in 2018-19 compared to 2.8 and 1.8, respectively in 2017-18.
- Inventories including raw materials, work-in-progress and finished goods, among others, increased by 48% from ₹178 crore as on 31st March 2018 to ₹263 crore as on 31st March 2019 owing to increase in material build up for the preponement of delivery schedules for some of the key customers. The inventory cycle improved from 69 days of turnover equivalent in 2017-18 to 88 days of turnover equivalent in 2018-19.
- Despite growing business volumes, trade receivables have decreased by 25% from ₹216 crore as on 31st March 2018 to ₹162 crore as on 31st March 2019. The Company contained its debtor turnover cycle within 55 days of turnover equivalent in 2018-19 compared to 84 days in 2017-18. This improvement has occurred through better realisation process implemented with some of the major customers.

MARGINS

- A robust cost control mechanism helped the Company report better margins during the year under review. The EBITDA margin of the Company improved by 4.25% from 2.2% in 2017-18 to 6.5% while the net profit margin of the Company improved by 5.01%.

KEY RATIOS

Particulars	2018-19	2017-18
EBITDA/Turnover (%)	7.12	2.53
EBITDA/Net interest ratio	3.24	0.83
Net Debt-equity ratio	0.81	1.58
Return on equity (%)	10.64	(23.68)
Book value per share (₹)	28.83	8.96
Earnings per share (₹)	6.08	(8.87)

CAUTIONARY STATEMENT

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate, intend, will, expect and other similar expressions are intended to identify such forward looking statements. The company assumes no responsibility to amend, modify or revised any forward-looking statements, on the basis of any subsequent developments, information or events. Besides, the Company cannot guarantee that these assumptions and expectations are accurate, or will be realised and actual results, performance or achievements could this differ materially from those projected in any such forward looking statement.

Independent Auditor's Report

To the Members of
Gokaldas Exports Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Gokaldas Exports Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013("the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 50 to the standalone financial statements which states that one of the foreign customers with an aggregate outstanding balance of ₹ 441 lakhs as on March 31, 2019 has filed a plan for reorganisation of its business and creditors in the court. Consequently, based on the recommendation of legal counsel, the Company has filed a claim with the relevant authorities for the amount due from the said customer. Further, the Company has created a provision on account of expected loss amounting to ₹ 133 lakhs on the balance due from the Customer.

Subsequent to the reorganisation plan filed by the customer, the Company has made further dispatch of goods amounting to ₹ 845 lakhs to the said Customer based on updated purchase orders. In accordance with the provisions of 'Ind AS 115 Revenue from Contracts with Customers', the Company has postponed recognition of revenue towards the said goods as there is significant uncertainty with respect to collectability.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. no.	Key Audit Matter (Risk)	How was the Key Audit Matter Addressed in the Audit
1.	Recoverability of Trade receivables, Revenue recognition Refer Note 50 to the standalone Financial Statements During the year ended March 31, 2019, one of the foreign customers with an aggregate outstanding balance of ₹ 441 lakhs has filed a plan for reorganisation of its business and creditors in respective jurisdictional court. Consequently, based on recommendation of its legal counsel, the Company had filed a claim with the relevant authorities for the aforesaid receivable.	Our audit procedures in respect of this area included: 1. Understanding and evaluating process and controls designed and implemented by the Management including testing of relevant controls w.r.t to revenue recognition and impairment 2. Assessing the recoverability of the amounts due, through inquiry with management and verifying corroborative evidence to support the conclusions drawn. 3. Assessing management's estimate and related policies w.r.t expected credit loss provision.

Sr. no.	Key Audit Matter (Risk)	How was the Key Audit Matter Addressed in the Audit
	In this regard the Company has made an expected credit loss provision of ₹ 133 lakhs on these receivables. Subsequent to the reorganisation plan filed by the customer, the Company has made further dispatch of goods to the Customer based on updated purchase orders. The Company has postponed recognition of revenue of ₹ 845 lakhs towards the said goods in accordance with IndAS-115 due to significant uncertainty of collectability. As the supplies post the reorganisation plan are covered by a foreign court administered scheme, which provides certain protections to the vendors of the customers, Management is confident of recovery of the amounts towards the dispatches made. The eventual outcome of the above matter is uncertain and the positions taken by the Company are based on application of significant estimation and judgement, due to which we have determined this to be a key audit matter.	4. Obtaining legal consultation from the Company's legal counsel to understand the legal position of the company in the above matter. 5. Verifying the transactions on test check basis with the underlying supporting documents to evidence dispatch of goods to Customer 6. Inspecting the balance confirmation obtained by the Company from the customer for the balances outstanding 7. Verifying the adequacy of the disclosures made by the Company in the financial statements.
2.	Recognition, Measurement and Presentation as per 'Ind AS 105 -Non-current Assets Held for Sale and Discontinued Operations'. Refer Note 45 to the standalone financial statements During the year ended March 31, 2018, the Company had acquired compulsorily convertible preference shares in Yepme UK Limited ('the investment' or 'Yepme'). This investment was classified as 'held for sale' as on March 31, 2018 pursuant to the approval of Board of Directors for disposal of the investment. Post classification, circumstances arose that were previously considered unlikely and, as a result, the investment was not sold as on March 31, 2019. The Company has continued to classify the investment as 'held for sale' as on March 31, 2019 as the management remains committed to the plan of selling the investment in near future and is taking necessary actions to identify and evaluate potential buyers. Change in the regulatory environment and the market conditions affecting the associate has adversely affected the fair value of the Company's investment and accordingly, the Management has fully provided for the value of investment and has disclosed the same as an exceptional item. Due to significance of the above matter, we have considered this as a key audit matter.	Our audit procedures in respect of this area included: 1. Reviewing the agreement for purchase of compulsorily convertible preference shares in Yepme to assess on the nature of investment. 2. Reviewing supporting evidence w.r.t to managements commitment to the plan of selling the investment in near future and necessary actions taken by them to identify and evaluate potential buyers. 3. Evaluating the conditions stated in 'Ind AS 105 -Non-current Assets Held for Sale and Discontinued Operations' to the said transaction. 4. Discussion with the Management and verification of evidence available to evaluate the Company's actions to obtain the financial statements/ financial information of Yepme. 5. Evaluation of provision for impairment in light of the available information. 6. Review of adequacy of disclosures in respect of the said transaction

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's Message, Board's Report, Management Discussion and Analysis etc., but does not include the standalone financial statements and our auditor's report thereon. The information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Other Matter

(a) The standalone Ind AS financial statements of the Company for the year ended 31st March, 2018, were audited by another auditor whose report dated 24 May 2018 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified

as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

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

Deepak Rao
Partner
Membership No. 113292

Place: Bengaluru
Date: May 17, 2019

Annexure A to the Independent Auditor's Report on even date on the Standalone Financial Statements of Gokaldas Exports Limited

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deepak Rao
Partner
Membership No. 113292

Place: Bengaluru
Date: May 17, 2019

Annexure B to Independent Auditors' Report of even date on the Standalone Financial Statements of Gokaldas Exports Limited for the year ended 31 March 2019

[Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment

(b) All the Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues have been regularly deposited with the appropriate authorities though there has been a delay in few cases.

However, no undisputed statutory dues were in arrears, as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded (₹ In Lakhs)	Amount Paid (₹ In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Various Disallowances	278.43	253.43	AY 1995-96	Income Tax Appellate Tribunal
Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Interest and penalty etc.	122.54	58.61	April 2005-08, June 2008 to August 2008 & July 2008 to July 2015	Employees Provident Fund Tribunal

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year and the requirements of Section 42 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

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

Deepak Rao
Partner
Membership No. 113292

Place: Bengaluru
Date: May 17, 2019

Annexure C to the Independent Auditor's Report of even date on the Standalone Financial Statements of Gokaldas Exports Limited

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Gokaldas Exports Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the

possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Deepak Rao
Partner
Membership No. 113292

Place: Bengaluru
Date: May 17, 2019

Standalone Balance Sheet as at March 31, 2019

Corporate Identity Number (CIN): L18101KA2004PLC033475

All amounts in Indian ₹ in lakhs, except stated otherwise

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non- current assets			
Property, plant and equipment	3	10,532.89	9,412.82
Capital work-in-progress	3	144.76	7.00
Other intangible assets	4	184.69	125.71
Financial assets			
Investments	5	1,987.75	1,987.75
Loans	6	2,236.98	2,551.65
Other financial assets	7	13,246.57	14,096.23
Non-current tax assets (net)	8	1,270.68	1,605.01
Other non-current assets	9	428.56	437.40
Total non-current assets		**30,032.88**	**30,223.57**
Current assets			
Inventories	10	25,770.90	17,332.15
Financial assets			
Trade receivables	11	16,167.47	21,615.96
Cash and cash equivalents	12	1,110.23	1,696.99
Bank balances other than cash and cash equivalents	12	-	27.13
Other financial assets	7	2,122.01	730.51
Other current assets	9	6,457.32	7,165.73
Total current assets		**51,627.93**	**48,568.47**
Assets classified as held for sale		595.22	626.56
Total assets		**82,256.03**	**79,418.60**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	2,140.78	1,747.64
Other equity	14	21,814.56	11,256.01
Total equity		**23,955.34**	**13,003.65**
LIABILITIES			
Non-current liabilities			
Provision for employee benefits	15	406.65	369.81
Total non-current liabilities		**406.65**	**369.81**
Current liabilities			
Financial liabilities			
Borrowings	16	38,070.07	47,244.96
Trade payables	17		
Total outstanding dues of micro, small and medium enterprises		18.62	16.64
Total outstanding dues of creditors other than micro, small and medium enterprises		8,530.04	9,764.61
Other current financial liabilities	18	7,469.90	6,079.50
Other current liabilities	19	894.52	871.08
Provision for employee benefits	15	2,590.89	2,068.35
Total current liabilities		**57,574.04**	**66,045.14**
Liabilities directly associated with assets classified as held for sale		320.00	-
Total liabilities		**58,300.69**	**66,414.95**
Total equity and liabilities		**82,256.03**	**79,418.60**

Summary of significant accounting policies. 2.2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For MSKA & Associates
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 17, 2019

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

Richard B Saldanha
Chairman
DIN: 00189029

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Sameer Sudarshan R V
Company Secretary

Place: Bengaluru
Date: May 17, 2019

Place: Bengaluru
Date: May 17, 2019

Standalone Statement of Profit and Loss for the year ended March 31, 2019

Corporate Identity Number (CIN): L18101KA2004PLC033475

All amounts in Indian ₹ in lakhs, except stated otherwise

Particulars		Notes	March 31, 2019	March 31, 2018
I	**Income**			
	Revenue from operations	20	117,337.17	103,143.25
	Other income	21	2,159.36	4,708.97
	Total income		**119,496.53**	**107,852.22**
II	**Expenses**			
	Cost of raw materials and components consumed	22	58,964.68	52,626.58
	Excise duty on sale of goods		-	48.50
	Changes in inventories of finished goods and work-in-progress	23	(6,700.01)	1,042.60
	Employee benefits expense	24	39,447.97	33,552.90
	Finance costs	25	3,289.59	3,743.99
	Depreciation and amortization expenses	26	1,918.94	1,641.98
	Job work charges		1,549.87	2,140.39
	Other expenses	27	17,899.36	16,055.60
	Total expenses		**116,370.40**	**110,852.54**
III	**Profit/(Loss) before exceptional items and tax (I-II)**		**3,126.13**	**(3,000.32)**
IV	**Exceptional items**	28	626.56	-
V	**Profit/(Loss) after exceptional items and before tax (III-IV)**		**2,499.57**	**(3,000.32)**
VI	**Tax expenses**			
	Current tax		-	22.62
	Adjustment of tax relating to earlier years		(63.33)	64.97
	Deferred tax (credit)/charge		-	-
			(63.33)	**87.59**
VII	**Profit/(Loss) after tax for the year (V-VI)**		**2,562.90**	**(3,087.91)**
VIII	**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		(176.44)	230.86
	Income tax effect		-	-
	Items that will be reclassified to profit or loss in subsequent periods:			
	The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)		1,450.71	(1,123.80)
	Total other comprehensive income/ (loss) for the year, net of tax		**1,274.27**	**(892.94)**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**		**3,837.17**	**(3,980.85)**
X	**Earnings per equity share (EPS) [nominal value of ₹ 5 (March 31, 2018- ₹ 5)]**	**30**		
	Basic EPS		6.09	(8.84)
	Diluted EPS		5.93	(8.84)

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For MSKA & Associates
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 17, 2019

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

Richard B Saldanha
Chairman
DIN: 00189029

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: May 17, 2019

Sameer Sudarshan R V
Company Secretary

Place: Bengaluru
Date: May 17, 2019

Standalone Statement of Changes in Equity for the year ended March 31, 2019

Corporate Identity Number (CIN): L18101KA2004PLC033475

All amounts in Indian ₹ in lakhs, except stated otherwise

a. Equity share capital

Particulars	No of Shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2017	34,927,662	1,746.38
Add: Issued during the year	25,167	1.26
At March 31, 2018	**34,952,829**	**1,747.64**
At April 1, 2018	34,952,829	1,747.64
Add: Issued during the year	7,862,834	393.14
At March 31, 2019	**42,815,663**	**2,140.78**

b. Other equity

For the year ended March 31, 2019

Particulars	Attributable to equity holders of the Company (refer note 14)							Total equity
	Share application money pending allotment	Reserves and Surplus					Items of OCI	
		Securities premium	General reserve	Capital reserve on amalgamation	Share based payments reserve	Retained earnings	Cashflow hedge reserve	
As at April 1, 2018	-	13,899.88	2,192.09	9,754.45	263.05	(14,778.93)	(74.53)	11,256.01
Profit / (loss) for the year	-	-	-	-	-	2,562.90	-	2,562.90
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net) (refer note 34)	-	-	-	-	-	-	1,450.71	1,450.71
Remeasurement of post employment benefits obligations (net of tax effect)	-	-	-	-	-	(176.44)	-	(176.44)
Total comprehensive income	**-**	**13,899.88**	**2,192.09**	**9,754.45**	**263.05**	**(12,392.47)**	**1,376.18**	**15,093.18**
Additions on account of shares issued during the year [1]	-	6,436.33	-	-	-	-	-	6,436.33
Transfer to securities premium reserve on exercise of equity stock options	-	68.23	-	-	(68.23)	-	-	-
Share based payment expense	-	-	-	-	285.05	-	-	285.05
At March 31, 2019	**-**	**20,404.44**	**2,192.09**	**9,754.45**	**479.87**	**(12,392.47)**	**1,376.18**	**21,814.56**

[1] net off of share issue expenses of ₹ 195.96 lakhs

For the year ended March 31, 2018

	Attributable to equity holders of the Company (refer note 14)							Total equity
	Share application money pending allotment	Reserves and Surplus					Items of OCI	
		Securities premium	General reserve	Capital reserve on amalgamation	Share based payments reserve	Retained earnings	Cashflow hedge reserve	
As at April 1, 2017	1.61	13,887.42	2,192.09	9,754.45	150.55	(11,918.21)	1,049.27	15,117.18
Profit / (loss) for the year	-	-	-	-	-	(3,087.91)	-	(3,087.91)
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net) (refer note 34)	-	-	-	-	-	-	(1,123.80)	(1,123.80)
Remeasurement of post employment benefits obligations (net of tax effect)	-	-	-	-	-	227.19		227.19
Total comprehensive income	**1.61**	**13,887.42**	**2,192.09**	**9,754.45**	**150.55**	**(14,778.93)**	**(74.53)**	**11,132.66**
Share application money received	(1.61)	1.36	-	-	-	-	-	(0.25)
Additions on account of ESOP's exercised	-	5.49	-	-	-	-	-	5.49
Transfer to securities premium reserve on exercise of equity stock options	-	5.61	-	-	(5.61)	-	-	-
Share based payment expense	-	-	-	-	118.11	-	-	118.11
At March 31, 2018	**-**	**13,899.88**	**2,192.09**	**9,754.45**	**263.05**	**(14,778.93)**	**(74.53)**	**11,256.01**

Refer note 2.2 for summary of significant accounting policies.

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For MSKA & Associates
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 17, 2019

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

Richard B Saldanha
Chairman
DIN: 00189029

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer
Place: Bengaluru
Date: May 17, 2019

Sameer Sudarshan R V
Company Secretary
Place: Bengaluru
Date: May 17, 2019

Standalone Statement of Cash Flows for the year ended March 31, 2019

Corporate Identity Number (CIN): L18101KA2004PLC033475

All amounts in Indian ₹ in lakhs, except stated otherwise

Particulars	Notes	March 31, 2019	March 31, 2018
Cash flow from operating activities			
Profit/(Loss) before exceptional items and tax		**3,126.13**	**(3,000.32)**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation / amortization		1,918.94	1,641.98
Net (gain) / loss on disposal of property, plant and equipment		(59.27)	1.25
Unrealised foreign exchange (gain)/loss, (net)		(74.19)	110.92
Gain on sale of investments in mutual fund units		(173.18)	-
Income from government grant		(300.18)	(204.68)
Share based payments to employees		285.05	118.11
Interest income		(1,131.05)	(903.68)
Finance costs		3,289.59	3,743.99
Bad debts written off		-	14.35
Irrecoverable balances written off		565.93	38.78
Provision for doubtful deposits and advances		30.00	68.65
Provision for doubtful debts		327.73	-
Excess provision of earlier years written back		(173.10)	(92.72)
Operating profit/(loss) before working capital changes		**7,632.40**	**1,536.63**
Working capital adjustments:			
(Increase)/ decrease in loans		314.67	(48.16)
(Increase)/ decrease in other financial assets		14.95	(33.05)
(Increase)/ decrease in other assets		124.15	(2,390.31)
(Increase)/ decrease in inventories		(8,438.75)	1,384.55
(Increase)/ decrease in trade receivables		5,020.41	(92.69)
Increase/ (decrease) in provisions for employee benefits		382.94	676.88
Increase/ (decrease) in trade payables		(1,021.45)	(918.30)
Increase/ (decrease) in other financial liabilities		675.39	2,528.43
Increase/ (decrease) in other liabilities		23.44	(7.83)
		4,728.15	**2,636.15**
Direct taxes refunded/ (paid) (net of refund/payments)		397.66	(118.58)
Net cash flows from/ (used in) operating activities (A)		**5,125.81**	**2,517.57**
Cash flow from investing activities			
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)		(2,442.06)	(1,306.58)
Proceeds from sale of property, plant and equipment		209.71	63.93
Investments in bank deposits		(13,220.78)	(13,562.07)
Redemption of bank deposits		14,093.84	13,143.91
Purchase of investments classified as assets held for sale		-	(626.56)
Investment in mutual fund units		(6,700.00)	-
Proceeds from sale of investment in mutual fund units		6,873.18	-
Finance income received		1,186.19	918.57
Net cash flows from/ (used in) investing activities (B)		**0.08**	**(1,368.80)**

Standalone Statement of Cash Flows for the year ended March 31, 2019

Corporate Identity Number (CIN): L18101KA2004PLC033475

All amounts in Indian ₹ in lakhs, except stated otherwise

Particulars	Notes	March 31, 2019	March 31, 2018
Cash flow from financing activities			
Proceeds from issue of shares / exercise of share options including share application money		6,829.47	6.52
Proceeds of short-term borrowings		173,724.71	150,523.41
Repayment of short-term borrowings		(182,795.97)	(150,748.54)
Finance costs paid		(3,448.69)	(3,756.15)
Net cash flows from/ (used in) financing activities (C)		**(5,690.48)**	**(3,974.76)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(564.59)	(2,825.99)
Cash and cash equivalents at the beginning of the year		(1,923.42)	902.57
Cash and cash equivalents at the end of the year	12	**(2,488.01)**	**(1,923.42)**
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents (refer note 12)		1,110.23	1,696.99
Bank overdraft		(3,598.24)	(3,620.41)
Balances per statement of cash flows		**(2,488.01)**	**(1,923.42)**

Refer note 2.2 for summary of significant accounting policies.

Explanatory notes to statement of cash flows

1. Changes in liabilities arising from financial activities:

Particulars	March 31, 2019	March 31, 2018
Liabilities arising from financing activities		
Short-term borrowings (Refer note 16)		
Opening balance	**43,624.55**	**43,748.93**
Cash flow changes:		
Proceeds / (repayment of borrowings)	(9,071.26)	(225.13)
Non-cash changes		
Foreign exchange fluctuations	(81.46)	100.75
Closing balance	**34,471.83**	**43,624.55**

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For MSKA & Associates
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 17, 2019

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

Richard B Saldanha
Chairman
DIN: 00189029

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: May 17, 2019

Sameer Sudarshan R V
Company Secretary

Place: Bengaluru
Date: May 17, 2019

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

1 Corporate information

Gokaldas Exports Limited ('the Company') (having Corporate Identity Number(CIN): L18101KA2004PLC033475) was incorporated on March 1, 2004 by converting the erstwhile partnership firm Gokaldas India under Part IX of the Companies Act,1956. 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 effect from 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 National Stock Exchange and Bombay Stock Exchange in India. The registered office of the Company is located in Bengaluru. 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.

These standalone financial statements were approved by the Board of Directors and authorised for issue on May 17, 2019.

2 Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its standalone financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these standalone financial statements.

2.1 Statement of Compliance with Ind AS

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as 'Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016, as amended with effect from April 1, 2016. The standalone financial statements of the Company, have been prepared and presented in accordance with Ind AS.

Effective April 1, 2017, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, *First time adoption of Indian Accounting Standards*, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The standalone financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which are measured at fair value.

These standalone financial statements are presented in Indian Rupees("₹"), which is the functional currency of GEL and all values are rounded to nearest lakhs except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the standalone 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

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

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.

The Company has identified twelve months as its operating cycle.

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 standalone financial statements, transactions in foreign currencies 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

i. Revenue from Contracts with Customers:

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Performance obligations and timing of revenue recognition:
The Company derives its revenue primarily from export of garments and related products, with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer/ agent nominated by the customer.

There is limited judgement needed in identifying the point when control passes:

- once physical delivery of the products has occurred to the location as per agreement,
- the Company no longer has physical possession,
- usually will have a present right to payment (as a single payment on delivery) and
- retains none of the significant risks and rewards of the goods in question

The Company also derives some revenue from job work contracts. In these cases, revenue is recognised as and when services are rendered i.e. the products on which job work is performed is delivered to the customer at agreed location.

Determining the transaction price:
The Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. There is no significant variable consideration involved.

Allocating amounts to performance obligations
For most contracts, there is a fixed unit price for each unit sold, therefore, there is no judgement involved in allocating the contract price to each unit.

Costs of fulfilling contracts:
The costs of fulfilling contracts do not result in the recognition of a separate asset because such costs are included in the carrying amount of inventory for contracts involving the sale of goods.

The Company presents revenues net of indirect taxes in its Statement of Profit and loss.

Advances received from customers are in the nature of contract liability.

iii. Revenue from export incentives:
Export incentives are recognised 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.

iv. Interest income:
For all debt instruments measured either at amortised cost or at fair value through other comprehensive income ('OCI'), 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 Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

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

vi. Others:
Insurance / other claims are recognized on acceptance basis.

e. Non-current assets held for sale
The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset,

b) An active programme to locate a buyer and complete the plan has been initiated,

c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the standalone balance sheet.

f. 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 Standalone Statement of Profit and Loss upon fulfilment of the conditions attached to the grant received. These grants are presented in the Standalone Balance Sheet by deducting the grant in arriving at the carrying amount of the asset.

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.

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.

g. Taxes

Current 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. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. 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 standalone 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 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.

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 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.

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

On transition to Ind AS, the Company had 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.

Freehold land is carried at historical cost and is not depreciated. Capital work in progress and all other property, plant and equipment are stated at historical cost less 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.

Category of asset	Estimated useful life
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

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

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.

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

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 effect 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 Standalone 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 (2.5 years)	WDV	Acquired

i. 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.

j. 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 had determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition to Ind AS (i.e. April 1, 2016)

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.

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.

k. Inventories

Inventories are valued as follows:

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost or net realisable value. 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.

Work in progress and finished goods are valued at lower of cost or net realisable value. 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.

l. Provisions and contingent liabilities

i. Provisions:

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.

ii. Contingent liabilities:

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 control 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 standalone financial statements.

Provisions and contingent liabilities are reviewed at each balance sheet.

m. Retirement and other employee benefits

Retirement benefit in the form of provident fund, Employee State Insurance and pension fund are defined contribution scheme. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to provident fund, pension fund and employee state insurance 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 recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, allowances and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Gratuity liability is a defined benefit obligation which is funded through policy taken from Life Insurance Corporation of India('LIC') and liability (net of fair value of investment in LIC) is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each balance sheet date. Every employee who has completed 4 years 240 days or more of the service gets a gratuity on departure at 15 days' salary (last drawn salary) of each completed year of service. 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.

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.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

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.

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

n. 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 Standalone 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 for anti-dilution).

o. 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, 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, associates and joint ventures are measured at cost less impairment.

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.

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

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

Impairment of financial assets excluding investments in subsidiary

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

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.

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.

p. 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 Standalone 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 Standalone 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 Standalone Statement of Profit and Loss.

q. 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 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.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

(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.

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. Property, plant and equipment and Capital work-in-progress

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and machinery	Electrical equipments	Office equipments	Furniture and fixtures	Computers	Vehicles	Total	Capital work-in-progress	Total
Gross carrying value [1]												
At April 1, 2017	954.01	2,031.59	267.58	7,312.33	201.97	121.31	237.74	225.84	36.43	11,388.80	90.04	90.04
Additions	-	-	70.88	1,096.15	73.37	60.58	58.17	58.77	37.09	1,455.01	7.00	7.00
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(90.04)	(90.04)
Disposals	-	-	-	(72.10)	-	-	-	-	(2.76)	(74.86)	-	-
At March 31, 2018	954.01	2,031.59	338.46	8,336.38	275.34	181.89	295.91	284.61	70.76	12,768.95	7.00	7.00
Additions	37.01	45.24	439.66	2,810.29	110.33	81.01	66.56	88.16	8.67	3,686.93	137.76	137.76
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Classified as held for sale [2]	(256.24)	(480.85)	-	-	-	-	-	-	-	(737.09)	-	-
Disposals	-	-	-	(219.78)	(0.06)	-	-	-	(5.21)	(225.05)	-	-
At March 31, 2019	734.78	1,595.98	778.12	10,926.89	385.61	262.90	362.47	372.77	74.22	15,493.74	144.76	144.76
Depreciation												
At April 1, 2017	-	188.46	51.26	1,272.93	42.81	41.81	66.95	97.36	9.39	1,770.97	-	-
Charge for the year	-	171.13	48.33	1,163.93	25.28	45.23	43.13	88.80	9.01	1,594.84	-	-
Disposals	-	-	-	(9.44)	-	-	-	-	(0.24)	(9.68)	-	-
At March 31, 2018	-	359.59	99.59	2,427.42	68.09	87.04	110.08	186.16	18.16	3,356.13	-	-
Charge for the year	-	157.60	137.29	1,316.96	42.32	50.94	36.69	66.41	12.99	1,821.20	-	-
Classified as held for sale [2]	-	(141.87)	-	-	-	-	-	-	-	(141.87)		
Disposals	-	-	-	(71.75)	-	-	-	-	(2.86)	(74.61)	-	-
At March 31, 2019	-	375.32	236.88	3,672.63	110.41	137.98	146.77	252.57	28.29	4,960.85	-	-
Net book value												
At March 31, 2019	734.78	1,220.66	541.24	7,254.26	275.20	124.92	215.70	120.20	45.93	10,532.89	144.76	144.76
At March 31, 2018	954.01	1,672.00	238.87	5,908.96	207.25	94.85	185.83	98.45	52.60	9,412.82	7.00	7.00

[1] The Company has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

[2] Pursuant to the approval of Board of Directors, during the year ended March 31, 2019, the Company initiated identification and evaluation of potential buyers for one of its land and building. Accordingly these assets have been classified as 'held for sale'. Subsequent to the year end, the Company has entered into an agreement to sell the aforementioned land and building for values higher than the carrying value.

Refer note 16(7), for details of charge created on PPE

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

4 Other intangible assets

Particulars	Computer software	Total
Gross carrying value [1]		
At April 1, 2017	152.62	152.62
Additions	74.26	74.26
At March 31, 2018	**226.88**	**226.88**
Additions	156.72	156.72
At March 31, 2019	**383.60**	**383.60**
Amortisation and impairment		
At April 1, 2017	54.03	54.03
Amortisation for the year	47.14	47.14
At March 31, 2018	**101.17**	**101.17**
Amortisation for the year	97.74	97.74
At March 31, 2019	**198.91**	**198.91**
Net book value		
At March 31, 2019	**184.69**	**184.69**
At March 31, 2018	**125.71**	**125.71**

[1] The Company has availed the exemption available under Ind AS 101, wherein the carrying value of intangible assets as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

5 Investments

Particulars	March 31, 2019	March 31, 2018
Investments carried at cost		
*(i) Unquoted equity shares of subsidiary companies (domestic companies)**		
All Colour Garments Private Limited	333.98	333.98
20,000 (31 March 2018 : 20,000) equity shares of ₹ 10 each, fully paid-up		
Vignesh Apparels Private Limited	80.89	80.89
20,000 (31 March 2018 : 20,000) equity shares of ₹ 10 each, fully paid-up		
SNS Clothing Private Limited	1,776.00	1,776.00
20,000 (31 March 2018 : 20,000) equity shares of ₹ 10 each, fully paid-up		
	2,190.87	**2,190.87**
Less: provision for diminution in value of investments	203.39	203.39
Total investment in unquoted equity shares of subsidiary companies (domestic companies)	**1,987.48**	**1,987.48**
(ii) Unquoted equity shares in a body corporate		
Yepme UK Limited (refer note 45)	626.56	626.56
[22,577 (March 31, 2018: Nil) 0.1% preference shares of GBP 1 each fully paid up]		
Less: Investments classified as held for sale (Refer note 1 below)	(626.56)	(626.56)
Total investment in unquoted equity shares in a body corporates	-	-
Investments carried at amortised cost		
(iii) Investment in unquoted Government securities		
Investment in National Savings Certificates	0.27	0.27
Total investment in unquoted government securities	**0.27**	**0.27**
Total (i+ii+iii)	**1,987.75**	**1,987.75**

Note 1:

Particulars	March 31, 2019	March 31, 2018
Investments classified as held for sale	626.56	626.56
Less: Provision for diminution in value of investment (refer note 28)	(626.56)	-
	-	**626.56**

5 Investments (contd.)

Particulars	March 31, 2019	March 31, 2018
Aggregate amount of unquoted investments	2,191.14	2,191.14
Aggregate amount of impairment in value of investments	829.95	203.39
Investments classified as held for sale (net) - Refer note 1 above	-	626.56

*Also refer note 43 as regards scheme of amalgamation of 9 wholly owned subsidiary companies with the Company

6 Financial assets - Loans

Particulars	March 31, 2019	March 31, 2018
Non-current		
Unsecured, considered good		
Security and other deposits	2,236.98	2,551.65
Total Financial assets - Loans	**2,236.98**	**2,551.65**

7 Financial assets - Other financial assets

Particulars		March 31, 2019	March 31, 2018
Carried at amortised cost			
Unsecured, considered good			
(a) **Non-current**			
Bank balance		13,237.92	14,083.85
Loan to employees		8.65	12.38
	(A)	**13,246.57**	**14,096.23**
(b) **Current**			
Derivative instruments at fair value through OCI			
Cash flow hedges - foreign exchange forward contracts (refer note 34)		1,457.86	-
Other financial assets at amortised cost			
Interest accrued on bank deposits		629.60	684.74
Loan to employees		34.55	45.77
	(B)	**2,122.01**	**730.51**
Total other financial assets	(A+B)	**15,368.58**	**14,826.74**

8 Non-current tax assets (net)

Particulars	March 31, 2019	March 31, 2018
Advance income tax (including tax paid under protest)	1,270.68	1,605.01
Total non-current tax assets (net)	**1,270.68**	**1,605.01**

9 Other current / non-current assets

Particulars	March 31, 2019	March 31, 2018
Non current		
Unsecured, considered good		
Capital advances	123.96	121.13
Prepaid expenses	304.60	316.27
	428.56	**437.40**
Unsecured, considered doubtful		
Advance to suppliers	272.63	272.63
Export Incentives receivable	30.00	-
Less: Provision for doubtful advances	(302.63)	(272.63)
	-	-
	428.56	**437.40**

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

9 Other current / non-current assets (contd.)

Particulars	March 31, 2019	March 31, 2018
Current		
Unsecured, considered good		
Prepaid expenses	716.30	475.79
Balances with statutory / government authorities	1,958.28	1,817.29
Advance to suppliers	1,604.13	658.25
Export incentives receivable	2,178.61	3,899.70
Other receivables	-	314.70
	6,457.32	**7,165.73**
Total other current / non-current assets	**6,885.88**	**7,603.13**

10 Inventories

Particulars	March 31, 2019	March 31, 2018
Raw materials (including packing materials) and components	6,214.70	4,592.98
(includes goods in transit ₹ 199.16 lakhs (March 31, 2018 : ₹ 319.44 lakhs)) (refer note 22)		
Work-in-progress (refer note 23)	13,246.64	8,468.90
Finished goods (readymade garments) (refer note 23)	5,866.53	3,944.26
(includes goods in transit ₹ 1,937.87 lakhs (March 31, 2018 : ₹ 213.68 lakhs)) (refer note 23)		
Consumables, stores and spares parts	443.03	326.01
Total inventories*	**25,770.90**	**17,332.15**

* Net of writedowns of inventories amounting to ₹ 5,458.25 lakhs as at March 31, 2019 (March 31, 2018: ₹ 6,174.56 lakhs)

11 Financial assets - Trade receivables

Particulars		March 31, 2019	March 31, 2018
Unsecured, considered good		16,167.47	21,615.96
	(A)	**16,167.47**	**21,615.96**
Unsecured, considered doubtful		1,510.47	868.25
Less : Allowances for doubtful trade receivables	(B)	(1,510.47)	(868.25)
		-	-
Total financial assets - trade receivables	**(A+B)**	**16,167.47**	**21,615.96**

Note:

a. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a member.

b. Trade receivables are non-interest bearing.

12 Financial assets

Particulars	March 31, 2019	March 31, 2018
Non-current		
Financial assets - Bank balances other than cash and cash equivalents		
Deposits with remaining maturity for more than 12 months [1,2,3]	226.00	765.27
Deposits with original maturity of more than 3 months but less than/equal to 12 months [1,2,3]	13,011.92	13,345.71
	13,237.92	**14,110.98**
Amount disclosed under other financial assets (refer note 7)	(13,237.92)	(14,083.85)
Total Bank balances other than cash and cash equivalents	-	**27.13**

12 Financial assets (contd.)

Particulars	March 31, 2019	March 31, 2018
Current		
Financial assets - Cash and cash equivalents		
Balances with banks		
On current accounts [4,5,6]	1,097.82	1,678.44
Cash on hand [6]	12.41	18.55
Total Financial assets - Cash and cash equivalents	**1,110.23**	**1,696.99**

Note:

[1] A charge has been created over the deposits of ₹ 3,083.34 lakhs (March 31, 2018: ₹ 3,083.34 lakhs) for loans against deposits availed by the Company (refer note 16)

[2] A charge has been created over the deposits of ₹ 9,564.22 lakhs (March 31, 2018: ₹ 9,896.23 lakhs) as collateral towards borrowing facility availed by the Company (refer note 16)

[3] A charge has been created over the deposits of ₹ 590.36 lakhs (March 31, 2018: ₹ 1,104.28 lakhs) as collateral towards bank guarantee facility availed by the Company (refer note 33)

[4] Balances with bank on current accounts does not earn interest.

[5] includes balances in Exchange Earner's Foreign Currency Accounts.

[6] For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following:

Particulars	March 31, 2019	March 31, 2018
Balances with banks		
On current accounts	1,097.82	1,678.44
Cash on hand	12.41	18.55
	1,110.23	**1,696.99**
Less : Bank overdraft * (refer note 16)	(3,598.24)	(3,620.41)
Net debt	**(2,488.01)**	**(1,923.42)**

Net debt reconciliation:

Particulars	Cash & Cash equivalents	Bank overdraft	Total
Net debt as at April 1, 2017	**4,479.59**	**(3,672.87)**	**806.72**
Cash flows	(2,782.60)	416.19	(2,366.41)
Interest charge	-	(363.73)	(363.73)
Net debt as at March 31, 2018	**1,696.99**	**(3,620.41)**	**(1,923.42)**
Cash flows	(586.76)	368.27	(218.49)
Interest charge	-	(346.10)	(346.10)
Net debt as at March 31, 2019	**1,110.23**	**(3,598.24)**	**(2,488.01)**

*Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. Accordingly, the Company has considered only such bank overdrafts which fluctuates from being positive to overdrawn.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

13 Share Capital

Particulars	Number of shares	Amount
Authorised share capital		
At April 1, 2017	40,000,000	2,000.00
Increase during the year	15,000,000	750.00
At March 31, 2018	**55,000,000**	**2,750.00**
Increase during the year	-	-
At March 31, 2019	**55,000,000**	**2,750.00**

(a) Issued equity capital

Particulars	Number of shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2017	34,927,662	1,746.38
Add: Issued during the year (refer note 13(d))	25,167	1.26
At March 31, 2018	34,952,829	1,747.64
Add: Equity shares issued during the year (refer note 46)	7,708,000	385.40
Add: ESOP's issued during the year (refer note 13(d))	154,834	7.74
At March 31, 2019	**42,815,663**	**2,140.78**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 5 per share. Each holder of equity is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2019	March 31, 2018
Clear Wealth Consultancy Services LLP, India:		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	13,955,957	13,955,957
% holding in the class	32.60%	39.93%
Teesta Retail Private Limited, India:		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	2,280,513	2,280,513
% holding in the class	5.33%	6.52%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

(d) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option (ESOP) plan and Restricted Stock Units (RSU) of the Company, please refer note 38

14 Other equity

Particulars	March 31, 2019	March 31, 2018
Reserves and Surplus		
(A) **Share application money pending allotment**		
Balance at the beginning of the year	-	1.61
Less: Shares issued during the year	-	(1.61)
Balance at the end of the year	**-**	**-**
(B) **Securities premium reserve**		
Balance at the beginning of the year	13,899.90	13,887.42
Add: received during the year on account of issue of equity shares	6,355.84	-
Add: received during the year on account of issue of ESOP's	80.49	6.87
Add: transfer from share-based payments reserve	68.23	5.61
Balance at the end of the year	**20,404.46**	**13,899.90**

14 Other equity (contd.)

	Particulars	March 31, 2019	March 31, 2018
(C)	**General reserve**		
	Balance at the end of the year	**2,192.09**	**2,192.09**
(D)	**Capital Reserve on Amalgamation**		
	Balance at the end of the year	**9,754.45**	**9,754.45**
(E)	**Share-based payments reserve**		
	Balance at the beginning of the year	263.05	150.55
	Add: addition during the year	285.05	118.11
	Less: transfer to securities premium towards issue of ESOP	(68.23)	(5.61)
	Balance at the end of the year	**479.87**	**263.05**
(F)	**Retained earnings**		
	Balance at the beginning of the year	(14,778.95)	(11,921.90)
	Profit / (Loss) for the year	2,562.90	(3,087.91)
	Add: Remeasurement of post employment benefits obligations	(176.44)	230.86
	Balance at the end of the year	**(12,392.49)**	**(14,778.95)**
(G)	**Cash flow hedge reserve**		
	Balance at the beginning of the year	(74.53)	1,049.27
	Add: Reclassified to the statement of profit and loss	1,450.71	(1,123.80)
	Balance at the end of the year	**1,376.18**	**(74.53)**
	Total other equity (A+B+C+D+E+F+G)	**21,814.56**	**11,256.01**

15 Provision for employee benefits

Particulars		March 31, 2019	March 31, 2018
(a)	**Non-current**		
	Gratuity (refer note 35)	406.65	369.81
		406.65	**369.81**
(b)	**Current**		
	Gratuity (refer note 35)	1,705.12	1,285.24
	Leave benefits	885.77	783.11
		2,590.89	**2,068.35**
Total provision for employee benefits		**2,997.54**	**2,438.16**

16 Financial liabilities - Borrowings

Particulars	March 31, 2019	March 31, 2018
Current borrowings		
Loans repayable on demand from banks (Secured)		
Indian rupee packing credit loan [1,2]	28,623.76	28,921.66
Indian rupee loan from bank [3]	497.63	2,266.75
Bill discounting from banks [4,5]	5,350.44	12,436.14
Bank overdraft [6]	3,598.24	3,620.41
Total financial liabilities - Borrowings	**38,070.07**	**47,244.96**
The above amount includes		
Secured borrowings	38,070.07	47,244.96
Unsecured borrowings	-	-

Notes:

[1] Indian rupee packing credit loan from a bank of ₹ 8,000 lakhs (March 31, 2018:₹ 8,000 lakhs) carries interest @ one year MCLR + 0.60% (March 31, 2018: 6 months MCLR + 0.70%) and interest is payable monthly. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 7,624.67 lakhs is outstanding as at March 31, 2019 (March 31, 2018: ₹ 7,925.08 lakhs). Also refer note 16 [7] and [8] below.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

16 Financial liabilities - Borrowings (contd.)

[2] Indian rupee packing credit loan from a bank of ₹ 21,000 lakhs (March 31, 2018: ₹ 21,000 lakhs) carries interest @Marginal cost of funds based lending rate ('MCLR') plus applicable spread of 0.75% p.a (March 31, 2018: MCLR plus applicable spread of 0.75% p.a) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/ goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 20,999.09 lakhs is outstanding as at March 31, 2019 (March 31, 2018: ₹ 20,996.58 lakhs). Also refer note 16 [7] and [8] below.

[3] Indian rupee loan from a bank of ₹ 2,700 lakhs (March 31, 2018: ₹ 2,700 lakhs) carries interest @pledged fixed deposit interest rate plus applicable spread of 1% p.a. (March 31, 2018:pledged fixed deposit interest rate plus applicable spread of 1 % p.a) and interest is payable monthly. The loan is secured by pledge of fixed deposits. Out of the above, ₹ 497.63 lakhs is outstanding as at March 31, 2019 (March 31, 2018:₹ 2,266.75 lakhs).

[4] Bill discounting from a bank of ₹ 2,000 lakhs (March 31, 2018: ₹ 2,000 lakhs) carries interest @LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and @ one year MCLR plus 0.60% for Indian Rupee bills discounting (March 31, 2018: LIBOR plus applicable spread of 2.00% p.a. for foreign currency bills discounting and @ six months MCLR plus 0.70% for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 855.76 lakhs is outstanding as at March 31, 2019 (March 31, 2018: ₹ 1,765.55 lakhs). Also refer note 16 [7] and [8] below.

[5] Bill discounting from a bank of ₹ 10,850 lakhs carries interest @6 months LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting (March 31, 2018:@6 months LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 4,494.68 lakhs is outstanding as at March 31, 2019 (March 31, 2018: ₹ 10,670.58 lakhs). Also refer note 16 [7] and [8] below.

[6] Bank overdraft from banks carries interest @one year MCLR plus applicable spreads of 4.50% p.a. (March 31, 2018:@one year MCLR plus applicable spreads of 4.50%) and interest is payable on monthly basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/ goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company for a bank and first pari passu charge on current assets of the Company. Out of the above, ₹ 3,598.24 lakhs is outstanding as at March 31, 2019 (March 31, 2018:₹ 3,620 lakhs). Also refer note 16 [7] and [8] below.

[7] The Company has further provided the following as the collateral to the consortium lenders towards the borrowings availed by the Company and as mentioned in the aforesaid note 16.

a) Pari passu charge on certain factory land and building located in Bangalore and Mysore owned by the Company and its subsidiary,

b) Pari passu charge on plant and machinery and certain movable assets of the Company

c) Pari passu charge on certain fixed deposits made by the Company

[8] The Company has availed the interest subvention @3% during the years ended March 31, 2019 and March 31, 2018 under Interest Equalisation Scheme for pre and post shipment rupee export credit of Reserve Bank of India.

17 Financial liabilities - Trade payables

Particulars	March 31, 2019	March 31, 2018
Current		
Total outstanding dues of micro, small and medium enterprises (refer note 37)	18.62	16.64
Total outstanding dues of creditors other than micro, small and medium enterprises	8,530.04	9,764.61
Total financial liabilities - Trade payables	**8,548.66**	**9,781.25**

Terms and conditions of the above financial liabilities:

- Trade payables are non interest bearing.
- For explanations on the Company's credit risk management processes, refer note 39.

18 Financial liabilities - other current financial liabilities

Particulars	March 31, 2019	March 31, 2018
Financial liabilities at fair value through OCI		
Cash flow hedges - foreign exchange forward contracts (refer note 34)	-	47.89
Other financial liabilities at amortised cost		
Interest accrued and not due on loans	33.99	193.09
Payable to related parties (Refer note 36)	1,451.05	1,445.32
Employee related payables (Refer note 36)	4,875.91	4,206.25
Liability for capital assets	1,108.95	186.95
Total financial liabilities - other current financial liabilities	**7,469.90**	**6,079.50**

19 Other current liabilities

Particulars	March 31, 2019	March 31, 2018
Advance from customers	169.54	209.04
Statutory liabilities	724.98	662.04
Total other current liabilities	**894.52**	**871.08**

20 Revenue from operations

Particulars	March 31, 2019	March 31, 2018
(a) Sale of finished goods		
Exports	90,787.79	75,516.09
Domestic (refer note 36)	17,423.75	18,617.16
	108,211.54	**94,133.25**
(b) Other operating revenues		
Sale of accessories, fabrics, etc	1,026.92	1,081.63
Job work income	1,280.99	873.71
Export incentives	6,566.56	6,815.09
Scrap sales and others	251.16	239.57
	9,125.63	**9,010.00**
Total revenue from operations	**117,337.17**	**103,143.25**

21 Other income

Particulars	March 31, 2019	March 31, 2018
Interest income on:		
Bank deposits	908.43	880.73
Security deposits	130.04	67.92
Income tax refunds	221.96	22.95
Others	0.66	-
Other non-operating income :		
Gain on account of foreign exchange fluctuations (net)	-	2,552.22
Freight recovered from customers	-	860.61
Net gain on disposal of property, plant and equipment	59.27	-
Gain on sale of investments in mutual fund units	173.18	-
Government grant *	300.18	204.68
Provision no longer required, written back	173.10	92.72
Miscellaneous income	192.54	27.14
Total other income	**2,159.36**	**4,708.97**

* Government grants in the form of import duty savings have been received upon import of certain property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants as at March 31, 2019 and March 31, 2018.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

22 Cost of raw materials and components consumed

Particulars	March 31, 2019	March 31, 2018
Inventory at the beginning of the year	4,592.98	4,908.84
Add: Purchases	60,586.40	52,310.72
	65,179.38	**57,219.56**
Less: Inventory at the end of the year	6,214.70	4,592.98
Total cost of raw materials and components consumed	**58,964.68**	**52,626.58**

23 Changes in inventories of finished goods and work-in-progress

Particulars	March 31, 2019	March 31, 2018
Inventories at the beginning of the year		
Work-in-progress	8,468.90	9,632.05
Finished goods (Readymade garments)	3,944.26	3,823.71
	12,413.16	**13,455.76**
Inventories at the end of the year		
Work-in-progress	13,246.64	8,468.90
Finished goods (Readymade garments)	5,866.53	3,944.26
	19,113.17	**12,413.16**
Total changes in inventories of finished goods and work-in-progress	**(6,700.01)**	**1,042.60**

24 Employee benefits expense

Particulars	March 31, 2019	March 31, 2018
Salaries and wages (Refer note 36)	33,828.31	28,740.82
Contribution to provident and other funds	3,597.01	3,190.05
Share based payment expenses (Refer note 36 and 38)	285.06	118.11
Gratuity expense (net) (Refer note 35)	653.53	734.38
Staff welfare expense	1,084.06	769.54
Total employee benefit expenses	**39,447.97**	**33,552.90**

25 Finance costs

Particulars	March 31, 2019	March 31, 2018
Interest charge		
on Indian rupee packing credit loan / Indian rupee loan from bank	2,232.20	2,304.67
on bill discounting and others	497.16	733.57
Bank charges	560.23	705.75
Total finance costs	**3,289.59**	**3,743.99**

26 Depreciation and amortization expense

Particulars	March 31, 2019	March 31, 2018
Depreciation of property, plant and equipment (Refer note 3)	1,821.20	1,594.84
Amortisation of other intangible assets (Refer note 4)	97.74	47.14
Total depreciation and amortisation expense	**1,918.94**	**1,641.98**

27 Other expenses

Particulars	March 31, 2019	March 31, 2018
Consumption of consumables, stores and spares	973.40	944.01
Power and fuel	2,407.61	2,256.89
Other manufacturing expenses	189.63	629.72
Rent	4,171.78	3,958.86
Rates and taxes	172.00	458.06
Insurance	409.66	415.09
Repairs and maintenance		
Plant and machinery	516.09	689.85
Buildings	101.85	307.04
Others	642.16	573.66
Legal and professional fees	900.29	1,068.14
Printing and stationery	392.66	117.16
Communication costs	190.04	178.30
Travelling and conveyance	464.39	450.70
Payment to auditors *	36.67	43.00
Sitting fees	81.60	58.40
Clearing, forwarding and freight	2,259.60	2,303.49
Net loss on disposal of property, plant and equipment	-	1.25
Provision for doubtful deposits and advances	30.00	68.65
Irrecoverable balances written off	565.93	38.78
Provision for doubtful debts	327.73	-
Bad debts written off	-	14.35
Exchange differences loss (net)	1,565.53	-
Miscellaneous expenses	1,500.74	1,480.20
Total other expenses	**17,899.36**	**16,055.60**

*** Payment to auditors (exclusive of GST)**

Particulars	March 31, 2019	March 31, 2018
Audit fees (including fees for consolidated financial statements and quarterly limited reviews)	35.00	41.00
Out of pocket expenses	1.67	2.00
Total payment to auditors (exclusive of GST)	**36.67**	**43.00**

28 Exceptional items

Particulars	March 31, 2019	March 31, 2018
Provision for diminution in value of investment (refer note 45)	626.56	-
Total exceptional items	**626.56**	**-**

29 Income tax

The Company is subject to income tax in India on the basis of standalone financial statements. As per the Income Tax Act, the Company is liable to pay income tax which is the higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT).

MAT paid in excess of regular income tax during a year can be carried forward for a period of 15 years and can be offset against future tax liabilities.

Business loss can be carried forward for maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

29 Income tax (contd.)

Income tax expenses in the standalone statement of profit and loss consist of the following:

Particulars	March 31, 2019	March 31, 2018
(a) Current tax	-	22.62
(b) Adjustment of tax relating to earlier periods	(63.33)	64.97
(c) Deferred tax	-	-
Total tax expenses	**(63.33)**	**87.59**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

Particulars	March 31, 2019	March 31, 2018
Profit/(Loss) after exceptional items and before tax	2,499.57	(3,000.32)
Applicable tax rates in India	34.944%	34.608%
Computed tax charge	873.45	(1,038.35)
Tax effect on permanent non deductible expenses	-	30.80
(i) Tax effect of expenses which are disallowed in calculating taxable income:		
Taxable losses	-	713.89
Employee related expenses	94.79	158.71
Depreciation expense	161.21	66.91
Provision for diminution in value of investment	218.95	-
Others	50.07	90.66
(ii) Amount of current tax not payable on account of brought forward losses:	(1,398.47)	-
Total current tax expenses	**-**	**22.62**

The Company has tax losses which arose in India of ₹ 16,347.16 lakhs (March 31, 2018:₹ 20,349.20 lakhs) that are available for offsetting over the period of eight years against future taxable profits of the companies in which the losses arose. Majority of these losses will expire by March 2022.

The Company has unabsorbed depreciation of ₹7,879.49 lakhs (March 31, 2018:₹7,879.49 lakhs) that are available for offsetting for indefinite period.

Deferred tax assets have not been recognised in respect of these losses as the Company has been loss-making for some time.

30 Earnings per share (EPS)

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

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

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

Particulars	March 31, 2019	March 31, 2018
Face value of equity shares (₹ per share)	5.00	5.00
Profit / (Loss) attributable to equity holders of the Company	2,562.90	(3,087.91)
Weighted average number of equity shares used for computing earning per share (basic)	42,071,938	34,944,310
Weighted average number of equity shares used for computing earning per share (diluted)	43,236,986	34,944,310
EPS - basic (₹)	6.09	(8.84)
EPS - diluted (₹)	5.93	(8.84)

Notes:

Employee stock options are not included in the calculation of diluted earnings per share as they are antidilutive for the year ended March 31, 2018.

31 Significant accounting estimates and assumptions

The preparation of the Company's standalone financial statements 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 provision for obsolete inventory, impairment of investments, impairment of non current assets, provision for employee benefits and other provisions, fair value measurement of financial assets and liabilities, commitments and contingencies.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. **Impairment of non-current asset including investments**

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units ('CGU'). The value in use calculation is based on DCF model over the estimated useful life of the CGU's. Further, the cash flow projections are based on estimates and assumptions relating to sale price/customer orders on hand, efficiency in opertaions, etc.

b. **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 39 for further disclosures.

c. **Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

In respect of bank guarantees provided by the Company to third parties, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided. Refer note 33 for further disclosure.

d. **Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

31 Significant accounting estimates and assumptions (contd.)

Further details about gratuity obligations are given in note 35.

e. Provision for obsolete inventory

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. These write downs are recognised as an expense and are included in "(Increase)/decrease in inventories of finished goods and work-in-progress" in the statement of profit and loss. Also refer note 10.

f. Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

g. Non current assets held for sale

Non current assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. Determination of fair value involves management estimate. Fair value of assets held for sale is determined using valuation technique involving unobservable inputs. Judgement is involved in estimating future cash flow, determining discount rate etc.

h. Employee share based payments

Company's share based payments to employees primarily consist of Employee Stock Option Plans ('ESOPs') and Restricted Stock Units ('RSUs'). The share-based compensation expense is determined based on the Company's estimate of fair value at grant date of the ESOPs/ RSUs granted. The Company estimates fair value of ESOPs/ RSUs using Black-Scholes-Merton ('BSM') option pricing model. The BSM model is based on various assumptions including expected volatility, expected life, interest rate.

32 Segment information- Disclosure pursuant to Ind AS 108 'Operating Segment'

(a) Basis of identifying operating segments:

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

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

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

(c) Geographic information

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

Particulars	Segment revenue**		Non current assets***	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
India	26,097.37	26,705.96	11,290.90	9,982.93
Rest of world	91,239.80	76,437.29	-	-
Total	**117,337.17**	**103,143.25**	**11,290.90**	**9,982.93**

The revenue information above is based on the locations of the customers.

Revenue from three (March 31, 2018: Two) customers amounted to ₹ 70,123.31 lakhs (March 31, 2018: ₹ 52,014.04 lakhs), arising from sales of readymade garments.

**Revenues by geographical area are based on the geographical location of the client.

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

33 Commitments and contingencies

I. Leases

Operating lease: Company as a lessee

The Company's leasing arrangements in respect of its office, factory and residential premises are in the nature of operating leases. These leasing arrangements, which are usually cancellable at the option of the lessee, are for a total period ranging from eleven months to ten years and are renewable with mutual consent. All leases include a clause to enable upward revision of the rental charge on a periodic basis as specified under the rental agreement usually being 5% every year or 15% once in three years. There are no restrictions imposed by lease arrangements. There are no subleases.

The lease rentals charged during the year ended March 31, 2019 and March 31, 2018 are as follows:

Particulars	March 31, 2019	March 31, 2018
Lease rentals under cancellable leases and non-cancellable leases: office premises	4,171.78	3,958.86

The maximum obligation on the long term non-cancellable operating leases as per the lease agreement as at March 31, 2019 and March 31, 2018 are as follows:

Particulars	March 31, 2019	March 31, 2018
Within one year	1,450.36	1,421.80
After one year but not later than five years	362.88	1,553.94
Later than five years	-	-

II. Contingencies

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

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

Particulars	March 31, 2019	March 31, 2018
(a) Performance Bank Guarantees		
Sanctioned	1,300.00	1,300.00
Outstanding	1,182.24	1,250.87
(b) Outstanding letters of credit		
Sanctioned	4,022.00	4,022.00
Outstanding	2,293.10	3,560.71
(c) Litigations		
(i) Matters relating to direct taxes under dispute *	278.43	278.43
(ii) Matters relating to other taxes under dispute	122.54	119.54

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

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

33 Commitments and contingencies (contd.)

III. Capital and other commitments

Particulars	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	272.79	6.11
Commitments relating to forward contract- hedge of highly probable forecast sales	42,357.55	24,636.48

Refer note 33 (I) for lease commitments

34 Hedging activities

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in foreign currency. These forecast transactions are highly probable, and they comprise about 100% of the Company's total expected sales in foreign currency.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

The Company is holding the following foreign currency forward contracts to hedge the exposure on its highly probable sales over the next 12 months:

Particulars	Currency	Amount	Average Strike rate
March 31, 2019	USD	584.5	72.47
March 31, 2019	INR	42,357.55	
March 31, 2018	USD	374.94	65.71
March 31, 2018	INR	24,636.48	

Details relating to hedging instrument with respect to foreign currency risk arising from sales:

Particulars	March 31, 2019	March 31, 2018
Nominal amount of hedging instrument	42,357.55	24,636.48
Carrying amount of cash flow hedges- foreign exchange forward contracts:		
Assets	1,457.86	-
Liabilities	-	47.89
Line item in balance sheet where hedging instrument is disclosed	Refer Note 7	Refer Note 18
Changes in fair value for calculating hedge ineffectiveness	-	-

Details relating to hedged item with respect to foreign currency risk arising from sales:

Particulars	March 31, 2019	March 31, 2018
Change in value used for calculating hedge ineffectiveness	-	-
Balance in cash flow hedge reserve		
For continuing hedges	1,376.18	(74.53)
For hedges no longer applied	-	-
Total balance	**1,376.18**	**(74.53)**

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The cash flow hedges of the expected future sales during the year ended March 31, 2019 and March 31, 2018 were assessed to be highly effective and a net unrealised gain/loss relating to hedging instrument is included in OCI. The amounts retained in OCI at March 31, 2019 are expected to mature and affect the Standalone Statement of Profit and Loss during the year ended March 31, 2020.

34 Hedging activities (contd.)

Details relating to impact of cash flow hedge with respect to foreign currency risk arising from sales in statement of profit and loss for the year ended as on :

Cash flow hedge reserve	March 31, 2019	March 31, 2018
Opening balance	(74.53)	1,049.27
Movement in OCI :		
Gain/(loss) recognised in OCI during the year	47.43	1,400.02
Less: amount reclassified to standalone statement of profit and loss as hedged item has affected profit or loss	1,403.28	(2,523.82)
Less: amount reclassified to standalone statement of profit and loss for which future cash flows are no longer expected to occur	-	-
Net (gain)/loss recognised in OCI for the year	1,450.71	(1,123.80)
Less: amount recognised in the standalone statement of profit and loss on account of hedge ineffectiveness		-
Closing balance	**1,376.18**	**(74.53)**

The Company offsets a financial asset and financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

35 Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Payment of Gratuity Act, 1972, every employee who has completed four years and 240 days or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the standalone statement of profit or loss and the funded status and amounts recognised in the standalone balance sheet for gratuity benefit.

(a) Net benefit expenses (recognised in the standalone statement of profit and loss)

Particulars	March 31, 2019	March 31, 2018
Current service cost	558.40	488.89
Net interest cost on defined benefit obligations / (assets)	95.13	51.39
Transfer to other unit fund	-	194.10
Net benefit expenses	**653.53**	**734.38**

(b) Remeasurement (gain)/loss recognised in other comprehensive income:

Particulars	March 31, 2019	March 31, 2018
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	264.42	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(184.91)	(18.28)
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	20.49	(221.88)
Actuarial (gain)/loss arising during the year	**100.00**	**(240.16)**
Return on plan assets (greater)/less than discount rate	76.44	9.29
Actuarial (gain)/ loss recognised in other comprehensive income	**176.44**	**(230.87)**

(c) Net defined benefit asset / (liability)

Particulars	March 31, 2019	March 31, 2018
Defined benefit obligation	2,155.15	2,017.97
Fair value of plan assets	43.38	675.34
Plan liability/ (asset)	**2,111.77**	**1,342.63**

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

35 Gratuity and other post-employment benefit plans (contd.)

(d) Changes in the present value of defined benefit obligation are as follows:

Particulars	March 31, 2019	March 31, 2018
Opening defined benefit obligation	2,017.97	1,871.80
Current service cost	558.40	488.89
Interest cost on the defined benefit obligation	122.95	96.68
Benefits paid	(644.17)	(745.71)
Acquisition adjustment	-	546.47
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	264.42	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(184.91)	(18.28)
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	20.49	(221.88)
Closing defined benefit obligation	**2,155.15**	**2,017.97**

(e) Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2019	March 31, 2018
Opening fair value of plan assets	675.34	684.91
Interest income on plan assets	27.82	45.29
Contributions by employer	60.83	700.14
Benefits paid	(644.17)	(745.71)
Acquisition adjustment	-	-
Return on plan assets (lesser)/greater than discount rate	(76.44)	(9.29)
Closing fair value of plan assets	**43.38**	**675.34**

The Company expects to contribute ₹ 1,705.12 lakhs (March 31, 2018: ₹ 1,285.24 lakhs) towards gratuity fund.

(f) The following pay-outs are expected in future years:

Particulars	March 31, 2019
March 31, 2020	404.40
March 31, 2021	254.11
March 31, 2022	186.36
March 31, 2023	152.49
March 31, 2024	119.70
March 31, 2025 to March 31, 2029	342.82

(g) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2019	March 31, 2018
Investments with insurer	100%	100%

(h) The principal assumptions used in determining gratuity for the Company's plan is as shown below:

Particulars	March 31, 2019	March 31, 2018
Discount rate (in %)	7.25%	6.84%
Salary escalation (in %)	5% to 8%	8.00%
Employee turnover (in %)	40.00%	40.00%
Retirement age (yrs)	60	60
Mortality rate	Refer note 4 below	

Notes:

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.
2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
4. As per Indian Assured Lives Mortality (2006-08) (modified) ultimate.

35 Gratuity and other post-employment benefit plans (contd.)

(i) A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2019	March 31, 2018
Discount rate		
Impact of defined benefit obligation due to 1% increase in discount rate	(100.91)	(46.71)
Impact of defined benefit obligation due to 1% decrease in discount rate	111.26	49.06
Salary escalation rate		
Impact of defined benefit obligation due to 1% increase in salary escalation rate	101.75	34.34
Impact of defined benefit obligation due to 1% decrease in salary escalation rate	(93.48)	(52.28)
Attrition rate		
Impact of defined benefit obligation due to 1% increase in attrition rate	(10.60)	(12.11)
Impact of defined benefit obligation due to 1% decrease in attrition rate	10.38	12.45

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

36 Related party transactions

a. Names of related parties and description of relationships:

Description of relationship	Name of related parties
Wholly owned subsidiaries	All Colour Garments Private Limited
	SNS Clothing Private Limited
	Vignesh Apparels Private Limited
Key management personnel and their relatives	Mr. Padala Ramababu, Managing Director (resigned w.e.f January 31, 2018)
	Mr. Sivaramakrishnan Vilayur Ganapathi, Managing Director (appointed w.e.f October 03, 2017)
	Mr. Mathew Cyriac (Director)
	Mr. Richard B Saldanha, (Chairman and Independent Director)
	Mr. Arun K Thiagarajan (Independent Director)
	Ms. Smita Aggarwal (Independent Director) (resigned w.e.f June 9, 2018)
	Mr. Jitendrakumar H.Mehta (Independent Director) (resigned w.e.f October 2, 2017) (re-appointed w.e.f December 29, 2017)
	Ms. Anuradha Sharma (Independent Director) (appointed w.e.f October 30, 2017)
	Mr. Palaniappan Chidambaram (Director) (appointed w.e.f October 30, 2017 as additional director) (appointed w.e.f February 07, 2018 as director) (resigned w.e.f November 12, 2018)
	Mr. Gautham Madhavan (Director) (appointed w.e.f November 12, 2018 as additional director) (appointed as director w.e.f January 03, 2019)
	Mr. Prabhat Kumar Singh (Wholetime Director) (appointed w.e.f November 12, 2018 as additional director) (appointed as wholetime director w.e.f January 03, 2019)
	Mr. Sathyamurthy A, (Chief Financial Officer)
	Ms. Ramya Kannan (Company Secretary) (resigned w.e.f January 14, 2019)
	Mr. Sameer Sudarshan R V, (Company Secretary) (appointed w.e.f April 24, 2019)

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

Particulars	March 31, 2019	March 31, 2018
i) **Sale of accessories, fabrics, etc**		
Subsidiary companies		
SNS Clothing Private Limited	57.71	140.94
	57.71	**140.94**
ii) **Job work charges**		
Subsidiary companies		
SNS Clothing Private Limited	-	448.92
	-	**448.92**

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

36 Related party transactions (contd.)

Particulars	March 31, 2019	March 31, 2018
iii) Rent		
Subsidiary companies		
SNS Clothing Private Limited	186.00	67.50
	186.00	**67.50**
iv) Managerial remuneration to		
a) Key managerial personnel		
Mr. Sivaramakrishnan Vilayur Ganapathi	221.60	91.26
Mr. Padala Ramababu	-	131.44
Mr. Sathyamurthy A	127.93	95.00
Mr. Prabhat Kumar Singh	38. 27	-
Ms. Ramya Kannan	10.71	10.15
	398.51	**327.85**
b) Sitting fees paid to directors (independent directors and non-executive directors)		
Mr Richard B. Saldanha	15.20	16.00
Mr. Mathew Cyriac	15.20	-
Mr. Arun K Thiagarajan	13.60	16.00
Ms. Anuradha Sharma	12.80	2.40
Mr. Jitendrakumar H Mehta	10.40	9.60
Mr. Palaniappan chidambaram	8.00	0.80
Ms. Smita Aggarwal	4.80	13.60
Mr. Gautham Madhavan	1.60	-
	81.60	**58.40**
c) Summary of compensation of key managerial personnel of the Company [1]		
Managerial remuneration	398.51	327.85
Sitting fees	81.60	58.40
Share based payment expenses	185.14	104.68
	665.25	**490.93**

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

Particulars	March 31, 2019	March 31, 2018
i) Other financial liabilities		
Payable to subsidiaries		
All Colour Garments Private Limited	368.86	376.12
SNS Clothing Private Limited	985.44	971.79
Vignesh Apparels Private Limited	96.75	97.41
	1,451.05	**1,445.32**
ii) Remuneration payable to key managerial personnel		
Mr. Sivaramakrishnan Vilayur Ganapathi	150.00	10.29
Mr. Sathyamurthy A	30.00	2.31
Ms. Ramya Kannan	-	0.74
	180.00	**13.34**

[1] As the liability for gratuity and leave encashment to key managerial personnel is provided on actuarial basis for the Company as a whole, the gratuity and leave encashment amount pertaining to the key management personnel is not disclosed separately.

37 Disclosures of dues/payments to Micro, Small and Medium Enterprises to the extent such enterprises are identified by the Company

Particulars		March 31, 2019	March 31, 2018
i.	The principal amount due thereon remaining unpaid as at the year end	18.62	16.64
	Interest amount due and remaining unpaid as at the year end	-	-
ii.	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	0.73
iii.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv.	The amount of interest accrued and remaining unpaid as the year end in respect of principal amount settled during the year	-	-
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

38 Share- based payments

The Company's employee benefit plans are as summarised below:

In September 2010, the shareholders of the Company approved Stock Option Plan (ESOP 2010) in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Options Plan. The plan covered all employees of the Company including employees of subsidiaries and directors and provided for the issue of 1,718,800 shares of ₹ 5 each.

Further, the shareholders of the Company by way of special resolution dated August 26, 2018 approved Restricted Stock Unit Plan (RSU 2018) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all the senior management employees of the Company and provided for the issue of 2,133,040 shares of ₹ 5 each.

The fair value of the stock options is estimated at the grant date using a Black-Scholes-Merton ('BSM') option pricing model. The BSM option pricing model incorporates various assumptions including expected volatility, expected life and interest rates. The Company recognises share based compensation cost as expense over the requisite service period.

The contractual term of each option granted is two to three years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options

Employee stock option expenses for the year ended March 31, 2019 and March 31, 2018 is as tabulated below:

Particulars	March 31, 2019	March 31, 2018
Expense arising from equity-settled share based payment transactions	285.06	118.11
	285.06	**118.11**

Movement during the year for ESOP 2010 Plan:

The activity in the ESOP 2010 Plan for equity-settled share based payment transactions during the year ended March 31, 2019 and March 31, 2018 is set out below:

Particulars	March 31, 2019		March 31, 2018	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	819,835	72.45	558,336	63.28
Granted during the year	-	-	300,000	85.96
Exercised during the year	(154,834)	56.98	(25,167)	32.25
Lapsed during the year	(80,000)	72.55	(13,334)	68.21
Closing balance	**585,001**	**76.53**	**819,835**	**72.45**
Exercisable as at year end	285,003		399,835	

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

38 Share- based payments (contd.)

The weighted average share price at the date of exercise of the options during the period was ₹ 82 (March 31, 2018 : ₹ 101.57).

The weighted average remaining contractual life for the share options outstanding is 7.42 years (March 31, 2018: 8.12 years).

The range of exercise prices for options outstanding at the end of the year was ₹ 32.25 to ₹ 85.96 (March 31, 2018: ₹ 32.25 to ₹ 85.96).

Movement during the year for RSU 2018 Plan:

The activity in the RSU 2018 Plan for equity-settled share based payment transactions during the year ended March 31, 2019 and March 31, 2018 is set out below:

Particulars	March 31, 2019		March 31, 2018	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	-	-	-	-
Granted during the year	2,133,040	5.00	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Closing balance	**2,133,040**	**5.00**	**-**	**-**
Exercisable as at year end	-		-	

The weighted average remaining contractual life for the share options outstanding is 7.12 years.

The weighted average fair value of options granted during the year was ₹ 72.31.

The exercise price for options outstanding at the end of the year was ₹ 5.

The following table list the inputs to the models used for the ESOP 2010 plan for the year ended March 31, 2019 and March 31, 2018:

Particulars	March 31, 2019	March 31, 2018
Dividend yield (%)	-	0.00%
Expected volatility (%)	-	58.10%
Risk-free interest rate (%)	-	6.45%
Expected life of share options (years)	-	12
Weighted average exercise price (₹)	-	72.45
Model used	-	Black-Scholes-Merton ('BSM') option pricing model.

* No options were granted under ESOP 2010 during the year ended March 31, 2019.

The following table list the inputs to the models used for the RSU 2018 plan for the year ended March 31, 2019 and March 31, 2018:

Particulars	March 31, 2019	March 31, 2018
Dividend yield (%)	0.00%	-
Expected volatility (%)	60.40% to 60.47%	-
Risk-free interest rate (%)	7.29% to 7.36%	-
Expected life of share options (years)	7 to 8	-
Weighted average exercise price (₹)	5.00	-
Model used	Black-Scholes-Merton ('BSM') option pricing model.	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

39 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 Note 2.2 (b) and Note 2.2 (o) to the standalone 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 March 31, 2019 and March 31, 2018

As at March 31, 2019

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments (other than investments in subsidiaries)	0.27	-	0.27
Loans	2,236.98	-	2,236.98
Trade receivables	16,167.47	-	16,167.47
Cash and cash equivalents	1,110.23	-	1,110.23
Other financials assets	13,910.72	-	13,910.72
Foreign exchange forward contracts	-	1,457.86	1,457.86
Total assets	**33,425.67**	**1,457.86**	**34,883.53**
Financial liabilities			
Borrowings	38,070.07	-	38,070.07
Trade payables	-	-	-
Other financial liabilities	7,469.90	-	7,469.90
Foreign exchange forward contracts	-	-	-
Total liabilities	**45,539.97**	**-**	**45,539.97**

As at March 31, 2018

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments (other than investments in subsidiaries)	0.27	-	0.27
Loans	2,551.65	-	2,551.65
Trade receivables	21,615.96	-	21,615.96
Cash and cash equivalents	1,696.99	-	1,696.99
Other financials assets	14,853.87	-	14,853.87
Foreign exchange forward contracts	-	-	-
Total assets	**40,718.74**	**-**	**40,718.74**
Financial liabilities			
Borrowings	47,244.96	-	47,244.96
Trade payables	-	-	-
Other financial liabilities	6,031.61	-	6,031.61
Foreign exchange forward contracts	-	47.89	47.89
Total liabilities	**53,276.57**	**47.89**	**53,324.46**

(b) Fair value hierarchy

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

39 Disclosures on Financial instruments (contd.)

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

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

Particulars	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
March 31, 2019				
Financial assets				
Foreign exchange forward contracts	-	1,457.86	-	1,457.86
March 31, 2018				
Financial liabilities				
Foreign exchange forward contracts	-	47.89	-	47.89

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

Fair value of loans (security deposits) having a carrying amount of ₹ 2,236.98 lakhs as at March 31, 2019 (March 31, 2018: ₹ 2,551.65 lakhs) was ₹ 2,074.68 Lakhs (March 31, 2018: ₹ 2,456.97 lakhs).

(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 year ended March 31, 2019 and March 31, 2018

(c) Financial risk management objectives and policies

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

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

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

Market risk

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

(i) Market risk - Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's

39 Disclosures on Financial instruments (contd.)

debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

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

Particulars	Increase/(decrease) in basis points	Effect on profit before tax
March 31, 2019	50	190.35
March 31, 2018	50	236.22

(ii) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and financing activities. The Company's exposure to foreign currency changes from investing activities is not material.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

As at March 31, 2019 and March 31, 2018, the Company hedged ₹ 42,357.55 lakhs (USD 584.50 lakhs) and ₹ 24,636.48 lakhs (USD 374.94 lakhs) respectively of it expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The following table represents foreign currency risk from non derivative financial instruments as at March 31, 2019 and March 31, 2018

Particulars	Currency	March 31, 2019	March 31, 2018
Assets			
Trade receivables	USD	117.71	88.82
Trade receivables	GBP	-	0.45
Trade receivables	EUR	1.21	-
Cash and cash equivalents	USD	0.05	0.10
Liabilities			
Trade payables	USD	6.90	21.12
Trade payables	EUR	-	1.68
Trade payables	GBP	-	0.08
Liability for capital assets	USD	10.29	-
Liability for capital assets	EUR	1.99	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2019		
USD	5%	347.28
March 31, 2018		
USD	5%	226.86

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at March 31, 2019 and March 31, 2018. The period end balances are not necessarily representative of the average debt outstanding during the period.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

39 Disclosures on Financial instruments (contd.)

Credit risk

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

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹34,883.53 lakhs, ₹40,718.74 lakhs, as at March 31, 2019 and March 31, 2018 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments other than investments in subsidiaries and other financial assets.

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

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

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

Liquidity risk

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

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

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

Particulars	0-1 year	> 1 year	Total
March 31, 2019			
Borrowings	38,070.07	-	38,070.07
Trade payables	-	-	-
Other financial liabilities	7,469.90	-	7,469.90
	45,539.97	**-**	**45,539.97**
March 31, 2018			
Borrowings	47,244.96	-	47,244.96
Trade payables	-	-	-
Other financial liabilities	6,079.50	-	6,079.50
	53,324.46	**-**	**53,324.46**

Equity Price risk

Equity Price Risk is related to the change in fair value of the investments in equity securities. Company's investments in equity securities, including investments held for sale, are subject to changes in fair value of investments. The carrying value of investments represents the maximum equity risk. The maximum exposure to equity price risk was ₹ Nil and ₹ 626.56 lakhs as on March 31, 2019 and March 31, 2018 respectively, being the carrying value (net of provisions) of investments in unquoted equity shares. The risk is arising primarily on account of the Company's investment in a foreign associate (refer note 45).

40 Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and sale of certain assets, long term and short term bank borrowings and issue of securities.

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

Particulars	March 31, 2019	March 31, 2018
Borrowings (Refer note 16)	38,070.07	47,244.96
Total debts	**38,070.07**	**47,244.96**
Capital components		
Equity share capital (Refer note 13)	2,140.78	1,747.64
Other equity (Refer note 14)	21,814.56	11,256.01
Total capital	**23,955.34**	**13,003.65**
Capital and borrowings	**62,025.41**	**60,248.61**
Gearing ratio (%)	**61.38%**	**78.42%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no material breaches in the financial covenants of any interest-bearing loans and borrowing for all the periods presented.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

41 Standards issued but yet not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's standalone financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) notified certain amendments to Indian Accounting standards (Ind AS). All these amendments are effective from financial year beginning on or after April 1, 2019.

a. Ind AS 116: Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases ('the Standard'). Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases Ind AS116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective: Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective: Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

41 Standards issued but yet not effective (contd.)

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company has taken certain land and building on operating lease. The Company is in the process of evaluating the impact of the new standard on the standalone financial statements.

b. Amendment to Ind AS 12 – Income taxes:

i) On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company believes that this amendment will not have a material impact on the standalone financial statements.

ii) On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', to insert a Appendix C- Uncertainty over Income Tax Treatments. This Appendix clarifies the accounting treatment to be followed in case of income tax treatments that are yet to be accepted by taxation authorities.

The amendment requires the entity to consider whether tax authorities will accept the uncertain tax treatment. If it is probable that the taxation authority will accept an uncertain tax treatment, the entity shall determine the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings.

If an entity concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rate by using either the most likely amount or the expected value; whichever is expected to better predict the resolution of uncertainty

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company believes that this amendment will not have a material impact on the standalone financial statements.

c. Amendment to Ind AS 19 – Employee Benefits

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company believes that this amendment will not have a material impact on the standalone financial statements.

d. Amendments to Ind AS 28- Investments in Associates and Joint Ventures

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 28- Investments in Associates and Joint Ventures.

An entity's long term interests in associates and joint ventures; such as preference shares and long term receivables and loans are accounted in accordance with Ind AS 109- Financial Instruments. As per Ind AS 28, the losses that exceed the entity's investment in ordinary shares in associate or joint venture are applied to other components of the entity's interests in the associate or joint venture in the reverse order of their superiority.

41 Standards issued but yet not effective (contd.)

The Amendment to Ind AS 28 clarifies that the entity needs to apply Ind AS 109 to other financial instruments in an associate or joint venture to which the equity method is not applied.

e. Amendments to Ind AS 109, Financial Instruments:

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company believes that this amendment will not have a material impact on the standalone financial statements.

42 The Company is in process of taking necessary steps to comply with the Transfer Pricing requirements relating to the preparation & maintenance of the Transfer Pricing documentation with respect to the specified domestic transactions entered into by the Company during financial year ended March 31, 2019. The Management is of the opinion that the specified domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

43 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 on March 11, 2019. The financial statements 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 year ended March 31, 2018 have been restated.

In view of the aforesaid matter 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 1, 2017.

Reconciliation of equity between pre merger and post merger:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Equity as reported in the Ind AS financial pre merger	12,686.35	16,549.88	20,365.25
Add/(less)			
Balance pertains to nine merged subsidiaries, net of eliminations	317.30	309.99	282.64
Equity post merger	**13,003.65**	**16,859.87**	**20,647.89**

44 During the year ended March 31, 2018, an open offer was proposed by Clear Wealth Consultancy Services LLP ("Acquirer") along with Mathew Cyriac {Person acting in concert ("PAC") 1}, 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 ₹ 42 per equity share aggregating to ₹ 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 will further acquire up to 9,179,993 equity shares representing 26% of expanded voting share capital of the Company at a price of ₹ 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 year ended March 31, 2018, the Acquirer completed the acquisition of shares from Blackstone FP Capital Partners (Mauritius) VB Subsidiary Ltd and acquisition of 215 equity shares through open offer.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

45 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 has written down the carrying value of the asset by recognizing an impairment loss of ₹ 626.56 lakhs as an exceptional charge during the current quarter. 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.

46 During the year, pursuant to the approval of the committee of the Board of Directors dated May 3, 2018, the Company had issued 77.08 lakh equity shares of ₹ 5 each, at an issue price of ₹ 90.00 per equity share (including ₹ 85.00 per share towards securities premium) aggregating to ₹ 6,937.20 lakh to qualified institutional buyers under chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the "SEBI Regulations") and provisions of all other applicable laws. The Shareholders had approved the aforesaid issue of equity shares by way of special resolution dated February 8, 2018.

The amount raised from the above issue of shares has been utilised for the purposes for which it was raised.

47 The Company had filed petition with the Company Law Board for compounding of offence u/s. 297 of the erstwhile Companies Act, 1956 for the transactions entered with CMS Info Systems Private Limited between July 2009 to October 2011 and as at date, the petition is pending with the Company Law Board.

For periods subsequent to October 2011, the Company had filed an application with Central Government, Ministry of Corporate Affairs, seeking its approval u/s. 297(1) of the erstwhile Companies Act, 1956 for entering into contract with CMS Info Systems Private Limited which is pending approval.

48 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) resigned from the Company on January 31, 2018.

49 Ministry of Corporate affairs have published a list of Disqualified Directors in September 2017. As per this list, Mr. Jitendra Kumar H Mehta (director of the Company as at March 31, 2018) was reported as disqualified from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013 for the period from November 1, 2015 to October 31, 2020 pursuant to his directorship of Tag Media Network Private Limited (defaulting company). Consequently, the Director has filed a writ petition with the High Court of Karnataka and have obtained an interim stay. The Company is confident to receive a favourable order and that there will not be a material impact on the standalone Ind AS financial statements of the Company.

50 One of the foreign customers with an aggregate outstanding balance of ₹ 441 lakhs has filed a plan for reorganisation of its business and creditors in respective jurisdictional court. Consequently, based on recommendation of legal counsel, the Company has filed a claim with the relevant authorities for the aforesaid receivable. The Company has made an expected loss provision of ₹ 133 lakhs on these receivables. Subsequent to the reorganisation plan filed by the customer, the Company has made further dispatch of goods amounting to ₹ 845 lakhs to the said customer based on updated purchase orders. In compliance with the Ind AS 115, the Company has postponed recognition of revenue towards goods supplied post filing of the customer's reorganisation plan and will be recognising revenue upon certainty in realization of sale consideration. The Company is confident of recovering at least the cost of inventory as this is under a court administered scheme. Further, the Company is confident that the impact of non-recoverability of the remaining receivable balances not provided for and the cost of inventory, if any, will not be material to these financial statements.

51 Revenue from contracts with customers

a. Disaggregation of Revenue

The Company has disaggregated revenue into various categories in the following table which is intended to enable users to understand the relationship with revenue segment information provided in note 32.

Primary Geographic Markets (Name of the country)	Sale of finished goods (Exports)	
	March 31, 2019	March 31, 2018
United States of America	59,492.72	42,801.01
Canada	3,927.09	1,902.78
Germany	3,771.43	884.47
China	2,804.09	1,378.13

51 Revenue from contracts with customers (contd.)

Primary Geographic Markets (Name of the country)	Sale of finished goods (Exports)	
	March 31, 2019	March 31, 2018
Spain	2,660.69	24.61
UAE	645.70	3,962.11
Sweden	525.93	14,623.84
Singapore	35.80	3,329.63
Other Countries	16,924.34	6,609.51
Total	**90,787.79**	**75,516.09**

Apart from geographic location of customers; the characteristics of Company's revenue are uniform in terms of product type, contract counterparties, timing of transfer of goods, uncertainty of revenue and cashflows etc. Therefore, disaggregation of revenue as per these categories is not applicable.

b. Remaining performance Obligations

All of the Company's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of Ind AS 115 applies. As a result, the Company has not disclosed the information pertaining to remaining performance obligations as required by paragraph 120 of Ind AS 115.

c. Estimates and assumptions

Except as disclosed in note 50, there are no significant estimates and assumptions.

d. Contract balances

	Contract liabilities	
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	209.04	103.82
Less: Amount included in contract liabilities that was recognised as revenue during the period	(209.04)	(103.82)
Add: Cash received in advance of performance and not recognised as revenue during the period	169.54	209.04
Balance at the end of the year	**169.54**	**209.04**

e. Transition to Ind AS 115

The Company has applied Ind AS 115 under modified retrospective approach as per paragraph C3(B) of Appendix C of Ind AS 115. Under the modified retrospective approach there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements for the year ended March 31, 2019.

52 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the standalone financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

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

As per our report of even date

For MSKA & Associates
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 17, 2019

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

Richard B Saldanha
Chairman
DIN: 00189029

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: May 17, 2019

Sameer Sudarshan R V
Company Secretary

Place: Bengaluru
Date: May 17, 2019

Consolidated Financial Statements

Independent Auditor's Report

To the Members of
Gokaldas Exports Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Gokaldas Exports Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2019, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 50 to the consolidated financial statements which states that one of the foreign customers with an aggregate outstanding balance of ₹ 441 lakhs as on March 31, 2019 has filed a plan for reorganisation of its business and creditors in the court. Consequently, based on the recommendation of legal counsel, the Group has filed a claim with the relevant authorities for the amount due from the said customer. Further, the Group has created a provision on account of expected loss amounting to ₹ 133 lakhs on the balance due from the Customer.

Subsequent to the reorganisation plan filed by the customer, the Group has made further dispatch of goods amounting to ₹ 845 lakhs to the said Customer based on updated purchase orders. In accordance with the provisions of 'Ind AS 115 Revenue from Contracts with Customers', the Group has postponed recognition of revenue towards the said goods as there is significant uncertainty with respect to collectability.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. no.	Key Audit Matter (Risk)	How was the Key Audit Matter Addressed in the Audit
1.	Recoverability of Trade receivables, Revenue recognition Refer Note 50 to the Consolidated Financial Statements. During the year ended March 31, 2019, one of the foreign customers with an aggregate outstanding balance of ₹441 lakhs has filed a plan for reorganisation of its business and creditors in respective jurisdictional court. Consequently, based on recommendation of its legal counsel, the Group	Our audit procedures in respect of this area included: 1. Understanding and evaluating process and controls designed and implemented by the Management including testing of relevant controls w.r.t to revenue recognition and impairment 2. Assessing the recoverability of the amounts due, through inquiry with management and verifying corroborative evidence to support the conclusions drawn.

Sr. no.	Key Audit Matter (Risk)	How was the Key Audit Matter Addressed in the Audit
	had filed a claim with the relevant authorities for the aforesaid receivable. In this regard the Group has made an expected credit loss provision of ₹133 lakhs on these receivables. Subsequent to the reorganisation plan filed by the customer, the Group has made further dispatch of goods to the Customer based on updated purchase orders. The Group has postponed recognition of revenue of ₹ 845 lakhs towards the said goods in accordance with IndAS-115 due to significant uncertainty of collectability. As the supplies post the reorganisation plan are covered by a foreign court administered scheme, which provides certain protections to the vendors of the customers, Management is confident of recovery of the amounts towards the dispatches made. The eventual outcome of the above matter is uncertain and the positions taken by the Group are based on application of significant estimation and judgement, due to which we have determined this to be a key audit matter.	3. Assessing management's estimate and related policies w.r.t expected credit loss provision. 4. Obtaining legal consultation from the Group's legal counsel to understand the legal position of the Group in the above matter. 5. Verifying the transactions on test check basis with the underlying supporting documents to evidence dispatch of goods to Customer 6. Inspecting the balance confirmation obtained by the Group from the customer for the balances outstanding 7. Verifying the adequacy of the disclosures made by the Group in the financial statement.
2.	Recognition, Measurement and Presentation as per 'Ind AS 105 -Non-current Assets Held for Sale and Discontinued Operations'. Refer Note 45 to the consolidated financial statement During the year ended March 31, 2018, the Group had acquired compulsorily convertible preference shares in Yepme UK Limited ('the investment' or 'Yepme'). This investment was classified as 'held for sale' as on March 31, 2018 pursuant to the approval of Board of Directors for disposal of the investment. Post classification, circumstances arose that were previously considered unlikely and, as a result, the investment was not sold as on March 31, 2019. The Group has continued to classify the investment as 'held for sale' as on March 31, 2019 as the management remains committed to the plan of selling the investment in near future and is taking necessary actions to identify and evaluate potential buyers. Change in the regulatory environment and the market conditions affecting the associate has adversely affected the fair value of the Group's investment and accordingly, the management has fully provided for the value of investment and has disclosed the same as an exceptional item. Due to significance of the above matter, we have considered this as a key audit matter.	Our audit procedures in respect of this area included: 1. Reviewing the agreement for purchase of compulsorily convertible preference shares in Yepme to assess on the nature of investment. 2. Reviewing supporting evidence w.r.t to managements commitment to the plan of selling the investment in near future and necessary actions taken by them to identify and evaluate potential buyers. 3. Evaluating the conditions stated in 'Ind AS 105 -Non-current Assets Held for Sale and Discontinued Operations' to the said transaction. 4. Discussion with the Management and verification of evidence available to evaluate the Group's actions to obtain the financial statements/ financial information of Yepme. 5. Evaluation of provision for impairment in light of the available information. 6. Review of adequacy of disclosures in respect of the said transaction

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's Message, Board's Report, Management Discussion and Analysis etc., but does not include the consolidated financial statements and our auditor's report thereon. The information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of ₹ 2,115 lakhs as at 31st March, 2019, total revenues of ₹ 366 lakhs and net cash flows amounting to ₹ (8.9) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b. The consolidated Ind AS financial statements of the Group for the year ended 31st March, 2018, were audited by another auditor whose report dated May 24, 2018 expressed an unmodified opinion on those statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 33 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

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

Deepak Rao
Partner
Membership No. 113292

Place: Bengaluru
Date: May 17, 2019

Annexure A to the Independent Auditor's Report on even date on the Consolidated Financial Statements of Gokaldas Exports Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deepak Rao
Partner
Membership No. 113292

Place: Bengaluru
Date: May 17, 2019

Annexure B to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Gokaldas Exports Limited

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Gokaldas Exports Limited on the consolidated Financial Statements for the year ended March 31, 2019]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to consolidated financial statements of Gokaldas Exports Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 3 subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Deepak Rao
Partner
Membership No. 113292

Place: Bengaluru
Date: May 17, 2019

Consolidated Balance Sheet as at March 31, 2019

Corporate Identity Number (CIN): L18101KA2004PLC033475

All amounts in Indian ₹ in lakhs, except stated otherwise

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non- current assets			
Property, plant and equipment	3	10,553.92	9,437.30
Capital work-in-progress	3	144.76	7.00
Other intangible assets	4	184.69	125.71
Financial assets			
Investments	5	0.29	0.29
Loans	6	2,306.59	2,645.94
Other financial assets	7	13,246.57	14,096.23
Non-current tax assets (net)	8	1,315.78	1,658.88
Other non-current assets	9	428.56	437.40
Total non-current assets		**28,181.16**	**28,408.75**
Current assets			
Inventories	10	26,268.72	17,802.38
Financial assets			
Trade receivables	11	16,170.02	21,616.45
Cash and cash equivalents	12 A	1,118.75	1,714.43
Bank balances other than cash and cash equivalents	12 B	-	27.13
Other financial assets	7	2,122.01	730.62
Other current assets	9	6,477.05	7,183.29
Total current assets		**52,156.55**	**49,074.30**
Assets classified as held for sale		595.22	626.56
Total assets		**80,932.93**	**78,109.61**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	2,140.78	1,747.64
Other equity	14	21,897.49	11,342.75
Total equity		**24,038.27**	**13,090.39**
LIABILITIES			
Non-current liabilities			
Provision for employee benefits	15	412.32	369.81
Total non-current liabilities		**412.32**	**369.81**
Current liabilities			
Financial liabilities			
Borrowings	16	38,070.07	47,244.96
Trade payables	17		
Total outstanding dues of micro, small and medium enterprises		18.62	16.64
Total outstanding dues of creditors other than micro, small and medium enterprises		8,553.82	9,782.61
Other current financial liabilities	18	6,031.16	4,653.97
Other current liabilities	19	895.89	875.88
Provision for employee benefits	15	2,592.78	2,075.35
Total current liabilities		**56,162.34**	**64,649.41**
Liabilities directly associated with assets classified as held for sale		320.00	-
Total equity and liabilities		**80,932.93**	**78,109.61**

Summary of significant accounting policies. 2.3

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For MSKA & Associates
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 17, 2019

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

Richard B Saldanha
Chairman
DIN: 00189029

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: May 17, 2019

Sameer Sudarshan R V
Company Secretary

Place: Bengaluru
Date: May 17, 2019

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

Corporate Identity Number (CIN): L18101KA2004PLC033475

All amounts in Indian ₹ in lakhs, except stated otherwise

Particulars		Notes	March 31, 2019	March 31, 2018
I	**Income**			
	Revenue from operations	20	117,451.91	103,176.23
	Other income	21	2,167.71	4,709.23
	Total income		**119,619.62**	**107,885.46**
II	**Expenses**			
	Cost of raw materials and components consumed	22	59,053.49	52,626.89
	Excise duty on sale of goods		-	48.50
	Changes in inventories of finished goods and work-in-progress	23	(6,727.61)	1,007.89
	Employee benefits expense	24	39,495.52	33,902.14
	Finance costs	25	3,290.94	3,745.29
	Depreciation and amortization expenses	26	1,922.36	1,646.45
	Job work charges		1,549.87	1,692.48
	Other expenses	27	17,900.58	16,227.93
	Total expenses		**116,485.15**	**110,897.57**
III	**Profit/(Loss) before exceptional items and tax (I-II)**		**3,134.47**	**(3,012.11)**
IV	**Exceptional items**	28	626.56	-
V	**Profit/(Loss) after exceptional items and before tax (III-IV)**		**2,507.91**	**(3,012.11)**
VI	**Tax expenses**			
	Current tax		-	23.26
	Adjustment of tax relating to earlier years		(50.05)	64.97
	Deferred tax (credit)/charge		-	-
			(50.05)	**88.23**
VII	**Profit/(Loss) after tax for the period (V-VI)**		**2,557.96**	**(3,100.34)**
VIII	**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		(175.31)	248.59
	Income tax effect		-	-
	Items that will be reclassified to profit or loss in subsequent periods:			
	The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)		1,450.71	(1,123.80)
	Total other comprehensive income/ (loss) for the year, net of tax		**1,275.40**	**(875.21)**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**		**3,833.36**	**(3,975.55)**
X	**Earnings per equity share (EPS) [nominal value of ₹ 5 (March 31, 2018- ₹ 5)]**	**30**		
	Basic EPS		6.08	(8.87)
	Diluted EPS		5.92	(8.87)

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For MSKA & Associates
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 17, 2019

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

Richard B Saldanha
Chairman
DIN: 00189029

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: May 17, 2019

Sameer Sudarshan R V
Company Secretary

Place: Bengaluru
Date: May 17, 2019

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

Corporate Identity Number (CIN): L18101KA2004PLC033475

All amounts in Indian ₹ in lakhs, except stated otherwise

a. Equity share capital

Particulars	No of Shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2017	34,927,662	1,746.38
Add: Issued during the year	25,167	1.26
At March 31, 2018	**34,952,829**	**1,747.64**
At April 1, 2018	34,952,829	1,747.64
Add: Issued during the year	7,862,834	393.14
At March 31, 2019	**42,815,663**	**2,140.78**

b. Other equity

For the year ended March 31, 2019

Particulars	Attributable to equity holders of the Company (refer note 14)							Total
	Share application money pending allotment	Reserves and Surplus					Items of OCI	
		Securities premium	General reserve	Capital reserve on amalgamation	Share based payments reserve	Retained earnings	Cashflow hedge reserve	
As at April 1, 2018	-	13,899.90	2,192.09	9,769.12	263.05	(14,706.88)	(74.53)	11,342.75
Profit / (loss) for the year	-	-	-	-	-	2,557.96	-	2,557.96
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net) (refer note 34)	-	-	-	-	-	-	1,450.71	1,450.71
Remeasurement of post employment benefits obligations (net of tax effect)	-	-	-	-	-	(175.31)	-	(175.31)
Total comprehensive income	**-**	**13,899.90**	**2,192.09**	**9,769.12**	**263.05**	**(12,324.23)**	**1,376.18**	**15,176.11**
Additions on account of shares issued during the year [1]	-	6,436.33	-	-	-	-	-	6,436.33
Transfer to securities premium reserve on exercise of equity stock options	-	68.23	-	-	(68.23)	-	-	-
Share based payment expense	-	-	-	-	285.05	-	-	285.05
At March 31, 2019	**-**	**20,404.46**	**2,192.09**	**9,769.12**	**479.87**	**(12,324.23)**	**1,376.18**	**21,897.49**

[1] net off of share issue expenses of ₹ 195.96 lakhs

For the year ended March 31, 2018

Particulars	Attributable to equity holders of the Company (refer note 14)							Total
	Share application money pending allotment	Reserves and Surplus					Items of OCI	
		Securities premium	General reserve	Capital reserve on amalgamation	Share based payments reserve	Retained earnings	Cashflow hedge reserve	
As at April 1, 2017	1.61	13,887.42	2,192.09	9,769.12	150.55	(11,855.13)	1,049.27	15,194.93
Profit / (loss) for the year	-	-	-	-	-	(3,100.34)	-	(3,100.34)
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net) (refer note 34)	-	-	-	-	-	-	(1,123.80)	(1,123.80)
Remeasurement of post employment benefits obligations (net of tax effect)	-	-	-	-	-	248.59	-	248.59
Total comprehensive income	**1.61**	**13,887.42**	**2,192.09**	**9,769.12**	**150.55**	**(14,706.88)**	**(74.53)**	**11,219.38**
Share application money received	(1.61)	1.36	-	-	-	-	-	(0.25)
Additions on account of ESOP's exercised	-	5.51	-	-	-	-	-	5.51
Transfer to securities premium reserve on exercise of equity stock options	-	5.61	-	-	(5.61)	-	-	-
Share based payment expense	-	-	-	-	118.11	-	-	118.11
At March 31, 2018	**-**	**13,899.90**	**2,192.09**	**9,769.12**	**263.05**	**(14,706.88)**	**(74.53)**	**11,342.75**

Refer note 2.3 for summary of significant accounting policies.

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For MSKA & Associates
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 17, 2019

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

Richard B Saldanha
Chairman
DIN: 00189029

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer
Place: Bengaluru
Date: May 17, 2019

Sameer Sudarshan R V
Company Secretary
Place: Bengaluru
Date: May 17, 2019

Consolidated Statement of Cash Flows for the year ended March 31, 2019

Corporate Identity Number (CIN): L18101KA2004PLC033475

All amounts in Indian ₹ in lakhs, except stated otherwise

Particulars	Notes	March 31, 2019	March 31, 2018
Cash flow from operating activities			
Profit/(Loss) before exceptional items and tax		**3,134.47**	**(3,012.11)**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		1,922.36	1,646.45
Net loss/(gain) on disposal of property, plant and equipment		(59.27)	1.25
Foreign exchange loss/(gain), net unrealised		(74.19)	0.08
Gain on sale of investments in mutual fund units		(173.18)	
Income from government grants		(300.18)	(204.68)
Share based payment expenses		285.06	118.11
Provision no longer required, written back		(173.10)	(92.97)
Bad debts written off		-	14.35
Irrecoverable balances written off		565.93	38.78
Provision for doubtful deposits and advances		30.00	68.65
Provision for doubtful debts		327.73	-
Interest income		(1,135.29)	(971.60)
Finance costs		3,290.94	3,745.29
Operating profit/(loss) before working capital changes		**7,641.28**	**1,351.60**
Working capital adjustments:			
(Increase)/ decrease in loans		339.35	17.72
(Increase)/ decrease in other financial assets		15.05	30.74
(Increase)/ decrease in other assets		121.98	(2,327.19)
(Increase)/ decrease in inventories		(8,466.34)	1,349.83
(Increase)/ decrease in trade receivables		5,018.35	(68.27)
Increase/ (decrease) in provisions for employee benefits		384.63	614.16
Increase/ (decrease) in trade payables		(1,015.68)	1,284.53
Increase/ (decrease) in other financial liabilities		662.21	429.95
Increase/ (decrease) in other liabilities		20.01	(28.95)
		4,720.84	**2,654.12**
Direct taxes refunded/ (paid) (net of refund/payments)		393.15	(139.85)
Net cash flows from/ (used in) operating activities (A)		**5,113.99**	**2,514.27**
Cash flow from investing activities			
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)		(2,442.06)	(1,306.75)
Proceeds from sale of property, plant and equipment		209.71	66.08
Investments in bank deposits		(13,220.78)	(13,562.07)
Redemption of bank deposits		14,093.84	13,143.91
Purchase of investments classified as assets held for sale		-	(626.56)
Investment in mutual funds		(6,700.00)	-
Proceeds from sale of investment in mutual funds		6,873.18	-
Finance income received		1,190.44	918.56
Net cash flows from/ (used in) investing activities (B)		**4.33**	**(1,366.83)**

Consolidated Statement of Cash Flows for the year ended March 31, 2019

Corporate Identity Number (CIN): L18101KA2004PLC033475

All amounts in Indian ₹ in lakhs, except stated otherwise

Particulars	Notes	March 31, 2019	March 31, 2018
Cash flow from financing activities			
Proceeds from issue of shares/exercise of share options including share application money		6,829.47	6.52
Proceeds of short-term borrowings		173,724.71	150,523.41
Repayment of short-term borrowings		(182,795.97)	(150,748.54)
Finance costs paid		(3,450.04)	(3,757.45)
Net cash flows from/ (used in) financing activities (C)		**(5,691.83)**	**(3,976.06)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(573.51)	(2,828.62)
Cash and cash equivalents at the beginning of the year		(1,905.98)	922.64
Cash and cash equivalents at the end of the year	12	**(2,479.49)**	**(1,905.98)**
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents (refer note 12)		1,118.75	1,714.43
Bank overdraft		(3,598.24)	(3,620.41)
Balances per statement of cash flows		**(2,479.49)**	**(1,905.98)**

Refer note 2.3 for summary of significant accounting policies.

Explanatory notes to statement of cash flows

1. Changes in liabilities arising from financial activities:

Particulars	March 31, 2019	March 31, 2018
Liabilities arising from financing activities		
Short-term borrowings (Refer note 16)		
Opening balance	**43,624.55**	**43,748.93**
Cash flow changes:		
Proceeds / (repayment of borrowings)	(9,071.26)	(225.13)
Non-cash changes		
Foreign exchange fluctuations	(81.46)	100.75
Closing balance	**34,471.83**	**43,624.55**

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For MSKA & Associates
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 17, 2019

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

Richard B Saldanha
Chairman
DIN: 00189029

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: May 17, 2019

Sameer Sudarshan R V
Company Secretary

Place: Bengaluru
Date: May 17, 2019

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

1 Corporate information

Gokaldas Exports Limited ('GEL' or 'the Company') (having Corporate Identity Number(CIN): L18101KA2004PLC033475) and its subsidiaries ('the Group') are mainly 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 Group is from export of garments and related products.

The Company is a public company domiciled in India and its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The registered office of the Company is located in Bengaluru.

These consolidated finanicial statements were approved by the Board of Directors and authorised for issue on May 17, 2019.

2 Significant accounting policies

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements, unless otherwise indicated.

2.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016, as amended with effect from April 1, 2016. The consolidated financial statements of the Group, have been prepared and presented in accordance with Ind AS.

Effective April 1, 2017, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, *First time adoption of Indian Accounting Standards*, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

These consolidated financial statements are presented in Indian Rupees("₹"), which is the functional currency of GEL and all values are rounded to nearest lakhs except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

(d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

a. Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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

All other liabilities are classified 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.

The Group has identified twelve months as its operating cycle.

b. Fair value measurement of financial instruments

The Group 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 Group.

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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising 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 consolidated 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 consolidated financial statements on a recurring basis, the Group 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 consolidated financial statements, transactions in foreign currencies 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

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 Consolidated Statement of Profit and Loss for the year.

d. Revenue recognition

i. Revenue from Contracts with Customers:

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Performance obligations and timing of revenue recognition:

The Group derives its revenue primarily from export of garments and related products, with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer/ agent nominated by the customer.

There is limited judgement needed in identifying the point when control passes:

- once physical delivery of the products has occurred to the location as per agreement,
- the Company no longer has physical possession,
- usually will have a present right to payment (as a single payment on delivery) and
- retains none of the significant risks and rewards of the goods in question

The Group also derives some revenue from job work contracts. In these cases, revenue is recognised as and when services are rendered i.e. the products on which job work is performed is delivered to the customer at agreed location.

Determining the transaction price:

The Groups's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. There is no significant variable consideration involved.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each unit sold, therefore, there is no judgement involved in allocating the contract price to each unit.

Costs of fulfilling contracts:

The costs of fulfilling contracts do not result in the recognition of a separate asset because such costs are included in the carrying amount of inventory for contracts involving the sale of goods.

The Group presents revenues net of indirect taxes in its Consolidated Statement of Profit and loss.

Advances received from customers are in the nature of contract liability.

ii. Revenue from export incentives:

Export incentives are recognised 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.

iii. Interest income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income ('OCI'), 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 but does not consider the expected credit losses. Interest income is included in finance income in the Consolidated Statement of Profit and Loss.

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

v. Others:
Insurance / other claims are recognised on acceptance basis.

e. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset,

b) An active programme to locate a buyer and complete the plan has been initiated,

c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

f. Government grants

The Group 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 Consolidated Statement of Profit and Loss upon fulfilment of the conditions attached to the grant received. These grants are presented in the Consolidated Balance Sheet by deducting the grant in arriving at the carrying amount of the asset.

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.

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.

g. Taxes on income

Current 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 consolidated 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. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Group'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 consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit and is

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognised 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.

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 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 recognised 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.

h. Property, plant and equipment (PPE)

On transition to Ind AS, the Group had 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.

Freehold land is carried at historical cost and is not depreciated. Capital work-in-progress and all other property, plant and equipment are stated at historical cost less 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 Group 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 Group 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 ('WDV') 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 ('the Act').

Category of asset	Estimated useful life
Buildings	30 years
Plant and machinery	15 years
Electrical equipment's	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Leasehold improvements are capitalised at cost and amortized over their expected useful life or the non-cancellable term of the lease, whichever is less on a straight line basis.

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.

An item of property, plant and equipment and any significant part initially recognised is derecognised 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 consolidated statement of profit and loss when the asset is derecognised.

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 consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition 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 Consolidated Statement of Profit and Loss when the asset is derecognised.

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

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer software	Definite (2.5 years)	WDV	Acquired

i. Borrowing cost

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.

j. 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 had determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group 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 Group 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

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 consolidated statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.

Operating lease payments are recognised as an expense in the consolidated 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.

k. Inventories

Inventories are valued as follows:

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost and net realisable value. 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.

Work in progress and finished goods are valued at lower of cost and net realizable value. 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.

l. Provisions and contingent liabilities

i. Provisions:

Provisions are recognised when the Group 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 Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated 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 recognised as a finance cost.

ii. Contingent liabilities:

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 control of the Group 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 Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Provisions and contingent liabilities are reviewed at each balance sheet.

m. Retirement and other employee benefits

Retirement benefit in the form of provident fund, employee state insurance and pension fund are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to provident fund, pension fund and employee state insurance 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 recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, allowances and bonus etc., are recognised in the consolidated statement of profit and loss in the period in which the employee renders the related service.

Gratuity liability is a defined benefit obligation which is funded through policy taken from Life Insurance Corporation of India and liability (net of fair value of investment in LIC) is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each balance sheet date. Every employee who has completed 4 years 240 days or more of the service gets a gratuity on departure at 15 days' salary (last drawn salary) of each completed year of service. 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.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group 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.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

The Group presents the leave as a current liability in the Consolidated Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

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 Consolidated 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 Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated 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

n. Share- based payments

Employees of the Group 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

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 Group's best estimate of the number of equity instruments that will ultimately vest. The Consolidated 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 Group'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).

o. **Financial instruments**

Financial assets and financial liabilities are recognised when the Group 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 consolidated statement of profit and loss.

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.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the consolidated statement of profit and loss. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

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

The Group 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.

De-recognition of financial assets

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

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group 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 consolidated statement of profit or loss.

(b) **Financial liabilities and equity instruments**

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group 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 Group 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 consolidated 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 Group 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

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 consolidated 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 consolidated 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.

p. Derivative financial instruments

The Group uses 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 recognised initially at fair value and attributable transaction costs are recognised in net profit in the consolidated 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 consolidated statement of profit and loss.

b. Cash flow hedge accounting

The Group 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 recognised 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 recognised immediately in the net profit in the Consolidated 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 recognised 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 recognised in the cash flow hedging reserve is transferred to the net profit in the Consolidated 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 Consolidated Statement of Profit and Loss.

q. Impairment of non-financial assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary 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 Group 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 consolidated 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 consolidated statement of profit and loss.

r. Corporate social responsibility ('CSR') expenditure

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

s. Cash and Cash equivalent

Cash and cash equivalents in the consolidated 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 Group's cash management.

2.4 The entities consolidated in the consolidated financial statements are listed below:

Particulars	Gokaldas Exports Limited		All Colour Garments Private Limited		SNS Clothing Private Limited		Vignesh Apparels Private Limited		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Country of incorporation	India		India		India		India			
Relationship as at March 31, 2019	Holding Company		Subsidiary		Subsidiary		Subsidiary			
Percentage of effective ownership interest held (directly and indirectly)	100%	100%	100%	100%	100%	100%	100%	100%		
Percentage of voting rights held	100%	100%	100%	100%	100%	100%	100%	100%		
Net assets i.e. total assets minus total liabilities [1]										
- As a % of consolidated net assets	99.66%	99.34%	1.54%	2.94%	6.63%	12.11%	0.41%	0.74%	108.24%	115.13%
- ₹ in lakhs (A)	23,955.34	13,003.65	371.06	384.56	1,594.00	1,585.47	98.02	96.85	26,018.42	15,070.53
Consolidation adjustments/ eliminations (B) [2]									(1,980.15)	(1,980.14)
Total (A-B)									24,038.27	13,090.39
Share in total comprehensive income										
- As a % of total comprehensive income	100.10%	100.13%	-0.35%	0.01%	0.22%	-0.03%	0.03%	0.02%	100.00%	100.13%
- ₹ in lakhs (C)	3,837.17	(3,980.85)	(13.50)	(0.27)	8.54	1.26	1.16	(0.68)	3,833.37	(3,980.54)
Consolidation adjustments/ eliminations (D) [2]									(0.01)	4.99
Total (C-D)									3,833.36	(3,975.55)

[1] The figures have been considered from the respective standalone financial statements and the consolidated net asset figure has been arrived after consolidation adjustments/eliminations.

[2] Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

The financial statements of all the subsidaries have been drawn upto the same reporting date as of the Company i.e. March 31, 2019.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

3. Property, plant and equipment and Capital work-in-progress

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and machinery	Electrical equipments	Office equipments	Furniture and fixtures	Computers	Vehicles	Total	Capital work-in-progress	Total
Gross carrying value [1]												
At April 1, 2017	954.01	2,045.16	268.95	7,313.95	202.48	124.12	251.58	225.89	36.17	11,422.31	90.04	90.04
Additions	-	-	70.88	1,096.15	73.37	60.58	58.17	58.77	37.09	1,455.01	7.00	7.00
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(90.04)	(90.04)
Disposals	-	-	-	(72.10)	-	-	-	-	(2.46)	(74.56)	-	-
At March 31, 2018	**954.01**	**2,045.16**	**339.83**	**8,338.00**	**275.85**	**184.70**	**309.75**	**284.66**	**70.80**	**12,802.76**	**7.00**	**7.00**
Additions	37.01	45.24	439.66	2,810.26	110.33	81.01	66.56	88.16	8.67	3,686.90	137.76	137.76
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Classified as held for sale [2]	(256.24)	(480.85)	-	-	-	-	-	-	-	(737.09)	-	-
Disposals	-	-	-	(219.78)	(0.06)	-	-	-	(5.21)	(225.05)	-	-
At March 31, 2019	**734.78**	**1,609.55**	**779.49**	**10,928.48**	**386.12**	**265.71**	**376.31**	**372.82**	**74.26**	**15,527.52**	**144.76**	**144.76**
Depreciation												
At April 1, 2017	**-**	**188.49**	**52.94**	**1,273.28**	**43.05**	**41.82**	**69.56**	**97.36**	**9.38**	**1,775.88**	**-**	**-**
Charge for the year	-	170.72	49.99	1,165.68	25.16	45.23	44.72	88.80	9.01	1,599.31	-	-
Disposals	-	-	-	(9.44)	-	-	-	-	(0.29)	(9.73)	-	-
At March 31, 2018	**-**	**359.21**	**102.93**	**2,429.52**	**68.21**	**87.05**	**114.28**	**186.16**	**18.10**	**3,365.46**	**-**	**-**
Charge for the year	-	157.63	138.44	1,317.34	42.96	50.94	37.91	66.41	12.99	1,824.62	-	-
Classified as held for sale [2]	-	(141.87)	-	-	-	-	-	-	-	(141.87)	-	-
Disposals	-	-	-	(71.75)	-	-	-	-	(2.86)	(74.61)	-	-
At March 31, 2019	**-**	**374.97**	**241.37**	**3,675.11**	**111.17**	**137.99**	**152.19**	**252.57**	**28.23**	**4,973.60**	**-**	**-**
Net book value												
At March 31, 2019	**734.78**	**1,234.58**	**538.12**	**7,253.37**	**274.95**	**127.72**	**224.12**	**120.25**	**46.03**	**10,553.92**	**144.76**	**144.76**
At March 31, 2018	**954.01**	**1,685.95**	**236.90**	**5,908.48**	**207.64**	**97.65**	**195.47**	**98.50**	**52.70**	**9,437.30**	**7.00**	**7.00**

[1] The Group has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

[2] Pursuant to the approval of Board of Directors, during the year ended March 31, 2019, the Company initiated identification and evaluation of potential buyers for one of its land and building. Accordingly these assets have been classified as 'held for sale'. Subsequent to the year end, the Company has entered into an agreement to sell the aforementioned land and building for values higher than the carrying value.

Refer note 16(7), for details of charge created on PPE

4 Other intangible assets

Particulars	Computer Software	Total
Gross carrying value [1]		
At April 1, 2017	152.62	152.62
Additions	74.26	74.26
At March 31, 2018	**226.88**	**226.88**
Additions	156.72	156.72
At March 31, 2019	**383.60**	**383.60**
Amortisation and impairment		
At April 1, 2017	54.03	54.03
Amortisation for the year	47.14	47.14
At March 31, 2018	**101.17**	**101.17**
Amortisation for the year	97.74	97.74
At March 31, 2019	**198.91**	**198.91**
Net book value		
At March 31, 2019	**184.69**	**184.69**
At March 31, 2018	**125.71**	**125.71**

[1] The Company has availed the exemption available under Ind AS 101, wherein the carrying value of intangible assets as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

5 Investments

Particulars	March 31, 2019	March 31, 2018
Investments carried at amortised cost		
(i) Investment in unquoted Government securities		
Investment in National Savings Certificates and Indira Vikas Patra	0.29	0.29
Total investment in unquoted government securities	**0.29**	**0.29**
Investments carried at cost		
(ii) Unquoted equity shares in a body corporate		
Yepme UK Limited (refer note 45)	626.56	626.56
[22,577 (March 31, 2018: 22,577) 0.1% preference shares of GBP 1 each fully paid up]		
Less: Investments classified as held for sale (refer note 1 below)	(626.56)	(626.56)
Total investment in unquoted equity shares in a body corporates	**-**	**-**
Total (i+ii)	**0.29**	**0.29**

Note 1:

Particulars	March 31, 2019	March 31, 2018
Investments classified as held for sale	626.56	626.56
Less: Provision for diminution in value of investment (refer note 28)	(626.56)	-
	-	**626.56**

Particulars	March 31, 2019	March 31, 2018
Aggregate amount of unquoted investments	0.29	0.29
Aggregate amount of impairment in value of investments	626.56	-
Investments classified as held for sale (net) - Refer note 1 above	-	626.56

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

6 Financial assets - Loans

Particulars	March 31, 2019	March 31, 2018
Non-current		
Unsecured, considered good		
Security and other deposits	2,306.59	2,645.94
Total Financial assets - Loans	2,306.59	2,645.94

7 Financial assets - Other financial assets

Particulars		March 31, 2019	March 31, 2018
Carried at amortised cost			
Unsecured, considered good			
(a) Non-current			
Bank balance		13,237.92	14,083.85
Loan to employees		8.65	12.38
	(A)	13,246.57	14,096.23
(b) Current			
Derivative instruments at fair value through OCI			
Cash flow hedges - foreign exchange forward contracts (refer note 34)		1,457.86	-
Other financial assets at amortised cost			
Interest accrued on bank deposits		629.60	684.75
Loan to employees		34.55	45.87
	(B)	2,122.01	730.62
Total other financial assets	(A+B)	15,368.58	14,826.85

8 Non-current tax assets (net)

Particulars	March 31, 2019	March 31, 2018
Advance tax (including tax paid under protest)	1,315.78	1,658.88
Total non-current tax assets (net)	1,315.78	1,658.88

9 Other current / non-current assets

Particulars		March 31, 2019	March 31, 2018
Non current			
Unsecured, considered good			
Capital advances		123.96	121.13
Prepaid expenses		304.60	316.27
	(A)	428.56	437.40
Unsecured, considered doubtful			
Advance to suppliers		272.63	272.63
Export Incentives receivable		30.00	-
Less: Provision for doubtful advances		(302.63)	(272.63)
	(B)	-	-
Total non current assets	(A+B)	428.56	437.40
Current			
Unsecured, considered good			
Prepaid expenses		735.44	476.38
Balances with statutory / government authorities		1,958.87	1,827.57
Advance to suppliers		1,604.13	664.94
Export incentives receivable		2,178.61	3,899.70
Other receivables		-	314.70
Total current assets	(C)	6,477.05	7,183.29
Total current / non-current assets	(A+B+C)	6,905.61	7,620.69

10 Inventories

Particulars	March 31, 2019	March 31, 2018
Raw materials (including packing materials) and components	6,214.70	4,592.99
(includes goods in transit ₹ 199.16 lakhs (March 31, 2018 : ₹ 319.44 lakhs)) (refer note 22)		
Work-in-progress (refer note 23)	13,246.64	8,468.90
Finished goods (readymade garments)	6,364.35	4,414.48
(includes goods in transit ₹ 1,937.87 lakhs (March 31, 2018 : ₹ 213.68 lakhs)) (refer note 23)		
Consumables, stores and spares parts	443.03	326.01
Total inventories*	**26,268.72**	**17,802.38**

* Net of writedowns of inventories amounting to ₹ 5,458.25 lakhs as at March 31, 2019 (March 31, 2018: ₹ 6,174.56 lakhs)

11 Financial assets - Trade receivables

Particulars		March 31, 2019	March 31, 2018
Unsecured, considered good		16,170.02	21,616.45
	(A)	**16,170.02**	**21,616.45**
Unsecured, considered doubtful		1,510.47	868.25
Less : Allowances for doubtful trade receivables	(B)	(1,510.47)	(868.25)
		-	-
Total financial assets - trade receivables	(A+B)	**16,170.02**	**21,616.45**

Note:

a. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a member.

b. Trade receivables are non-interest bearing.

12A. Financial assets

Particulars	March 31, 2019	March 31, 2018
Non-current		
Financial assets - Bank balances other than cash and cash equivalents		
Bank deposits with remaining maturity for more than 12 months [1,2,3]	226.00	765.27
Bank deposits with original maturity of more than 3 months but less than/equal to 12 months [1,2,3]	13,011.92	13,318.58
	13,237.92	**14,083.85**
Amount disclosed under other financial assets (refer note 7)	(13,237.92)	(14,083.85)
	-	-
Current		
Financial assets - Cash and cash equivalents		
Balances with banks		
On current accounts [4,5,6]	1,104.24	1,694.91
Cash on hand [6]	14.51	19.52
Total Financial assets - Cash and cash equivalents	**1,118.75**	**1,714.43**

Note:

[1] A charge has been created over the deposits of ₹ 3,083.34 lakhs (March 31, 2018: ₹ 3,083.34 lakhs) for loans against deposits availed by the Company (refer note 16)

[2] A charge has been created over the deposits of ₹ 9,564.22 lakhs (March 31, 2018: ₹ 9,896.23 lakhs) as collateral towards borrowing facility availed by the Company (refer note 16)

[3] A charge has been created over the deposits of ₹ 590.36 lakhs (March 31, 2018: ₹ 1,104.28 lakhs) as collateral towards bank guarantee facility availed by the Company (refer note 33)

[4] Balances with bank on current accounts does not earn interest.

[5] includes balances in Exchange Earner's Foreign Currency Accounts.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

12A. Financial assets (contd.)

[6] For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following:

Particulars	March 31, 2019	March 31, 2018
Balances with banks		
On current accounts	1,104.24	1,694.91
Cash on hand	14.51	19.52
	1,118.75	**1,714.43**
Less : Bank overdraft * (refer note 16)	(3,598.24)	(3,620.41)
Net debt	**(2,479.49)**	**(1,905.98)**

Net debt reconciliation:

Particulars	Cash & Cash equivalents	Bank overdraft	Total
Net debt as at April 1, 2017	**4,479.59**	**(3,672.87)**	**806.72**
Cash flows	(2,765.16)	416.19	(2,348.97)
Interest charge	-	(363.73)	(363.73)
Net debt as at March 31, 2018	**1,714.43**	**(3,620.41)**	**(1,905.98)**
Cash flows	(595.68)	368.27	(227.41)
Interest charge	-	(346.10)	(346.10)
Net debt as at March 31, 2019	**1,118.75**	**(3,598.24)**	**(2,479.49)**

*Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. Accordingly, the Company has considered only such bank overdrafts which fluctuates from being positive to overdrawn.

12B. Bank balances other than cash and cash equivalents

Particulars	March 31, 2019	March 31, 2018
Current		
Bank balances other than cash and cash equivalents		
Deposits with original maturity less than/ equal to 12 months	-	27.13
Total Bank balances other than cash and cash equivalents	**-**	**27.13**

13 Share Capital

Particulars	Number of shares	Amount
Authorised share capital		
At April 1, 2017	40,000,000	2,000.00
Increase during the year	15,000,000	750.00
At March 31, 2018	**55,000,000**	**2,750.00**
Increase during the year	-	-
At March 31, 2019	**55,000,000**	**2,750.00**

(a) Issued equity capital

Particulars	Number of shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2017	34,927,662	1,746.38
Add: Issued during the year (refer note 13(d))	25,167	1.26
At March 31, 2018	34,952,829	1,747.64
Add: Equity shares issued during the year (refer note 46)	7,708,000	385.40
Add: ESOP's issued during the year (refer note 13(d))	154,834	7.74
At March 31, 2019	**42,815,663**	**2,140.78**

13 Share Capital (contd.)

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 5 per share. Each holder of equity is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2019	March 31, 2018
Clear Wealth Consultancy Services LLP, India:		
Number of shares	13,955,957	13,955,957
% holding in the class	32.60%	39.93%
Teesta Retail Private Limited, India:		
Number of shares	2,280,513	2,280,513
% holding in the class	5.33%	6.52%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

(d) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option (ESOP) plan and Restricted Stock Units (RSU) of the Company, please refer note 38

14 Other equity

Particulars	March 31, 2019	March 31, 2018
Reserves and Surplus		
(A) Share application money pending allotment		
Balance at the beginning of the year	-	1.61
Less: Shares issued during the year	-	(1.61)
Balance at the end of the year	**-**	**-**
(B) Securities premium reserve		
Balance at the beginning of the year	13,899.90	13,887.42
Add: received during the year on account of issue of equity shares	6,355.84	-
Add: received during the year on upon ESOP's exercised	80.49	6.87
Add: transfer from share-based payments reserve	68.23	5.61
Balance at the end of the year	**20,404.46**	**13,899.90**
(C) General reserve		
Balance at the end of the year	**2,192.09**	**2,192.09**
(D) Capital Reserve on Amalgamation		
Balance at the end of the year	**9,769.12**	**9,769.12**
(E) Share-based payments reserve		
Balance at the beginning of the year	263.05	150.55
Add: addition during the year	285.05	118.11
Less: transfer to securities premium reserve	(68.23)	(5.61)
Balance at the end of the year	**479.87**	**263.05**
(F) Retained earnings		
Balance at the beginning of the year	(14,706.88)	(11,855.13)
Profit / (Loss) for the year	2,557.96	(3,100.34)
Add: Remeasurement of post employment benefits obligations (net of deferred tax)	(175.31)	248.59
Balance at the end of the year	**(12,324.23)**	**(14,706.88)**
(G) Hedge reserve		
Balance at the beginning of the year	(74.53)	1,049.27
Add: gain/(loss) for the year	1,450.71	(1,123.80)
Balance at the end of the year	**1,376.18**	**(74.53)**
Total other equity (A+B+C+D+E+F+G)	**21,897.49**	**11,342.75**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

15 Provision for employee benefits

Particulars		March 31, 2019	March 31, 2018
(a) Non-current			
Gratuity (refer note 35)		412.32	369.81
Total Provision for employee benefits - non-current	**(A)**	**412.32**	**369.81**
(b) Current			
Gratuity (refer note 35)		1,705.70	1,291.23
Leave benefits		887.08	784.12
Total Provision for employee benefits - current	**(B)**	**2,592.78**	**2,075.35**

16 Financial liabilities - Borrowings

Particulars	March 31, 2019	March 31, 2018
Current borrowings		
Loans repayable on demand from banks (Secured)		
Indian rupee packing credit loan [1,2]	28,623.76	28,921.66
Indian rupee loan from bank [3]	497.63	2,266.75
Bill discounting from banks [4,5]	5,350.44	12,436.14
Bank overdraft [6]	3,598.24	3,620.41
Total financial liabilities - Borrowings	**38,070.07**	**47,244.96**
The above amount includes		
Secured borrowings	38,070.07	47,244.96
Unsecured borrowings	-	-

Notes:

[1] Indian rupee packing credit loan from a bank of ₹ 8,000 lakhs (March 31, 2018: ₹ 8,000 lakhs) carries interest @ one year MCLR + 0.60% (March 31, 2018: 6 months MCLR + 0.70%) and interest is payable monthly. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 7,624.67 lakhs is outstanding as at March 31, 2019 (March 31, 2018:₹ 7,925.08 lakhs). Also refer note 16 [7] and [8] below.

[2] Indian rupee packing credit loan from a bank of ₹ 21,000 lakhs carries interest @Marginal cost of funds based lending rate ('MCLR') plus applicable spread of 0.75% p.a (March 31, 2018: MCLR plus applicable spread of 0.75% p.a) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 20,999.09 lakhs is outstanding as at March 31, 2019 (March 31, 2018:₹ 20,996.58 lakhs). Also refer note 16 [7] and [8] below.

[3] Indian rupee loan from a bank of ₹2,700 lakhs (March 31, 2018: ₹2,700 lakhs) carries interest @pledged fixed deposit interest rate plus applicable spread of 1% p.a. (March 31, 2018:pledged fixed deposit interest rate plus applicable spread of 1 % p.a) and interest is payable monthly. The loan is secured by pledge of fixed deposits. Out of the above, ₹497.63 lakhs is outstanding as at March 31, 2019 (March 31, 2018:₹ 2,266.75 lakhs).

[4] Bill discounting from a bank of ₹ 2,000 lakhs (March 31, 2018: ₹ 2,000 lakhs) carries interest @LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and @ one year MCLR plus 0.60% for Indian Rupee bills discounting (March 31, 2018: LIBOR plus applicable spread of 2.00% p.a. for foreign currency bills discounting and @ six months MCLR plus 0.70% for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 855.76 lakhs is outstanding as at March 31, 2019 (March 31, 2018: ₹ 1,765.55 lakhs). Also refer note 16 [7] and [8] below.

[5] Bill discounting from a bank of ₹ 10,850 lakhs carries interest @6 months LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting (March 31, 2018:@6 months LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 4,494.68 lakhs is outstanding as at March 31, 2019 (March 31, 2018: ₹ 10,670.58 lakhs). Also refer note 16 [7] and [8] below.

16 Financial liabilities - Borrowings (contd.)

[6] Bank overdraft from banks carries interest @one year MCLR plus applicable spreads of 4.50% p.a. (March 31, 2018:@one year MCLR plus applicable spreads of 4.50%) and interest is payable on monthly basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/ goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company for a bank and first pari passu charge on current assets of the Company. Out of the above, ₹ 3,620 lakhs is outstanding as at March 31, 2019 (March 31, 2018:₹ 3,620 lakhs). Also refer note 16 [7] and [8] below.

[7] The Company has further provided the following as the collateral to the consortium lenders towards the borrowings availed by the Company and as mentioned in the aforesaid note 16.

a) Pari passu charge on certain factory land and building located in Bangalore and Mysore owned by the Company and its subsidiary,

b) Pari passu charge on plant and machinery and certain movable assets of the Company

c) Pari passu charge on certain fixed deposits made by the Company

[8] The Company has availed the interest subvention @3% during the years ended March 31, 2019 and March 31, 2018 under Interest Equalisation Scheme for pre and post shipment ruppee export credit of Reserve Bank of India.

17 Financial liabilities - Trade payables

Particulars	March 31, 2019	March 31, 2018
Current		
Total outstanding dues of micro, small and medium enterprises	18.62	16.64
Total outstanding dues of creditors other than micro, small and medium enterprises	8,553.82	9,782.61
Total financial liabilities - Trade payables	**8,572.44**	**9,799.25**

Terms and conditions of the above financial liabilities:

- Trade payables are non interest bearing.
- For explanations on the Company's credit risk management processes, refer note 39.

18 Financial liabilities - other current financial liabilities

Particulars	March 31, 2019	March 31, 2018
Financial liabilities at fair value through OCI		
Cash flow hedges - foreign exchange forward contracts (refer note 34)	-	47.89
Other financial liabilities at amortised cost		
Interest accrued and not due on loans	33.99	193.09
Employee related payables (refer note 36)	4,888.22	4,226.04
Liability for capital assets	1,108.95	186.95
Total financial liabilities - other current financial liabilities	**6,031.16**	**4,653.97**

19 Other current liabilities

Particulars	March 31, 2019	March 31, 2018
Advance from customers	169.54	209.04
Statutory liabilities	726.35	666.84
Total other current liabilities	**895.89**	**875.88**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

20 Revenue from operations

Particulars	March 31, 2019	March 31, 2018
(a) Sale of finished goods		
Exports	90,787.79	75,516.09
Domestic	17,596.06	18,650.14
	108,383.85	**94,166.23**
(b) Other operating revenues		
Sale of accessories, fabrics, etc	969.35	1,081.63
Job work income	1,280.99	873.72
Export incentives	6,566.56	6,815.09
Scrap sales and others	251.16	239.56
	9,068.06	**9,010.00**
Total revenue from operations	**117,451.91**	**103,176.23**

21 Other income

Particulars	March 31, 2019	March 31, 2018
Interest income on:		
Bank deposits	908.43	880.73
Security deposits	134.15	67.92
Income tax refunds	226.20	22.95
Others	0.66	-
Other non-operating income :		
Gain on account of foreign exchange fluctuations (net)	-	2,552.22
Freight recovered from customers	-	860.61
Net gain on disposal of property, plant and equipment	59.27	-
Gain on sale of investments in mutual fund units	173.18	-
Government grants *	300.18	204.68
Provisions no longer required, written back	173.10	92.97
Miscellaneous income	192.54	27.15
Total other income	**2,167.71**	**4,709.23**

* Government grants in the form of import duty savings have been received upon import of certain property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants as at March 31, 2019 and March 31, 2018.

22 Cost of raw materials and components consumed

Particulars	March 31, 2019	March 31, 2018
Inventory at the beginning of the year	4,592.99	4,908.84
Add: Purchases	60,675.20	52,311.04
	65,268.19	**57,219.88**
Less: inventory at the end of the year	(6,214.70)	(4,592.99)
Total cost of raw materials and components consumed	**59,053.49**	**52,626.89**

23 Changes in inventories of finished goods and work-in-progress

Particulars	March 31, 2019	March 31, 2018
Inventories at the beginning of the year		
Work-in-progress	8,468.90	9,632.05
Finished goods (Readymade garments)	4,414.48	4,259.22
	12,883.38	**13,891.27**
Inventories at the end of the year		
Work-in-progress	13,246.64	8,468.90
Finished goods (Readymade garments)	6,364.35	4,414.48
	19,610.99	**12,883.38**
Total changes in inventories of finished goods and work-in-progress	**(6,727.61)**	**1,007.89**

24 Employee benefits expense

Particulars	March 31, 2019	March 31, 2018
Salaries and wages (Refer note 36)	33,867.80	29,042.11
Contribution to provident and other funds	3,602.24	3,232.55
Share based payment expenses (Refer note 36 and 38)	285.06	118.11
Gratuity expense (net) (Refer note 35)	654.92	738.85
Staff welfare expense	1,085.50	770.52
Total employee benefit expenses	**39,495.52**	**33,902.14**

25 Finance costs

Particulars	March 31, 2019	March 31, 2018
Interest charge		
on Indian rupee packing credit loan / Indian rupee loan from bank	2,232.20	2,304.67
on bill discounting and others	497.16	733.57
Bank charges	561.58	707.05
Total finance costs	**3,290.94**	**3,745.29**

26 Depreciation and amortization expense

Particulars	March 31, 2019	March 31, 2018
Depreciation of property, plant and equipment (Refer note 3)	1,824.62	1,599.31
Amortisation of other intangible assets (Refer note 4)	97.74	47.14
Total depreciation and amortisation expense	**1,922.36**	**1,646.45**

27 Other expenses

Particulars	March 31, 2019	March 31, 2018
Consumption of consumables, stores and spares	973.40	1,575.70
Power and fuel	2,413.32	2,275.67
Other manufacturing expenses	189.63	631.51
Rent	4,130.84	4,028.53
Rates and taxes	173.15	458.92
Insurance	409.66	415.09
Repairs and maintenance		
Plant and machinery	516.35	690.30
Buildings	103.06	307.23
Others	643.72	575.63
Legal and professional fees	910.55	1,124.69
Printing and stationery	392.68	117.16
Communication costs	190.61	179.37
Travelling and conveyance	469.56	458.15
Payment to auditors*	36.67	43.00
Sitting fees	81.60	58.40
Freight and forwarding expenses	2,259.60	2,303.49
Loss on sale of property, plant and equipment (net)	-	1.25
Provision for doubtful deposits and advances	30.00	68.65
Irrecoverable balances written off	565.93	38.78
Provision for doubtful debts	327.73	-
Bad debts written off	-	14.35
Exchange differences loss (net)	1,565.53	-
Miscellaneous expenses	1,516.99	862.06
Total other expenses	**17,900.58**	**16,227.93**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

27 Other expenses (contd.)

*** Payment to auditors (exclusive of GST)**

Particulars	March 31, 2019	March 31, 2018
Audit fees (including fees for consolidated financial statements and quarterly limited reviews)	35.00	41.00
Out of pocket expenses	1.67	2.00
Total payment to auditors (exclusive of GST)	**36.67**	**43.00**

28 Exceptional items

Particulars	March 31, 2019	March 31, 2018
Provision for diminution in value of investment (refer note 45)	626.56	
Total exceptional items	**626.56**	-

29 Income tax

The Company and its domestic subsidiaries are subject to income tax in India on the basis of their standalone financial statements. As per the Income Tax Act, these entities are liable to pay income tax which is the higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT).

MAT paid in excess of regular income tax during a year can be carried forward for a period of 15 years and can be offset against future tax liabilities.

Income tax expenses in the consolidated statement of profit and loss consist of the following:

Particulars	March 31, 2019	March 31, 2018
(a) Adjustment of tax relating to earlier periods	(50.05)	64.97
(b) Current tax	-	23.26
(c) Deferred tax	-	-
Total taxes	**(50.05)**	**88.23**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

Particulars	March 31, 2019	March 31, 2018
Profit/(Loss) after exceptional items and before tax	2,507.91	(3,012.11)
Applicable tax rates in India	34.944%	34.608%
Computed tax charge	876.36	(1,042.43)
Tax effect on permanent non deductible expenses		
(i) Tax effect of expenses which are disallowed in calculating taxable income:		
Taxable losses	-	817.00
Employee related expenses	94.98	130.87
Depreciation expense	160.04	66.00
Provision for diminution in value of investment	218.95	-
Others	34.70	51.82
(ii) Amount of current tax not payable on account of brought forward losses:	(1,385.03)	-
Total current tax expenses	**-**	**23.26**

The Group has tax losses which arose in India of ₹ 16,348.11 lakhs (March 31, 2018:₹ 20,350.15 lakhs) that are available for offsetting over the period of eight years against future taxable profits of the companies in which the losses arose. Majority of these losses will expire by March 2022.

The Group has unabsorbed depreciation of ₹ 7,939.43 lakhs (March 31, 2018:₹ 7,939.43 lakhs) that are available for offsetting for indefinite period.

Deferred tax assets have not been recognised in respect of these losses as the Group has been loss-making for some time.

30 Earnings per share (EPS)

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

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

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

Particulars	March 31, 2019	March 31, 2018
Face value of equity shares (₹ per share)	5.00	5.00
Profit / (Loss) attributable to equity holders of the Company	2,557.96	(3,100.34)
Weighted average number of equity shares used for computing earning per share (basic)	42,071,938	34,944,310
Weighted average number of equity shares used for computing earning per share (diluted)	43,236,986	34,944,310
EPS - basic (₹)	6.08	(8.87)
EPS - diluted (₹)	5.92	(8.87)

Notes:
Employee stock options are not included in the calculation of diluted earnings per share as they are antidilutive for the year ended March 31, 2018.

31 Significant accounting estimates and assumptions

The preparation of the Group's consolidated financial statements 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 provision for obsolete inventory, impairment of investments, impairment of non current assets, provision for employee benefits and other provisions, fair value measurement of financial assets and liabilities, commitments and contingencies.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a. **Impairment of non-current asset including investments**
Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units ('CGU'). The value in use calculation is based on DCF model over the estimated useful life of the CGU's. Further, the cash flow projections are based on estimates and assumptions relating to sale price/customer orders on hand, efficiency in opertaions, etc.

b. **Fair value measurement of financial instruments**
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

31 Significant accounting estimates and assumptions (contd.)

values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 39 for further disclosures.

c. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

In respect of bank guarantees provided by the Group to third parties, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided. Refer note 33 for further disclosure.

d. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 35.

e. Provision for obsolete inventory

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. These write downs are recognised as an expense and are included in "Changes in inventories of finished goods and work-in-progress" in the statement of profit and loss. Also refer note 10.

f. Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

g. Non current assets held for sale

Non current assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. Determination of fair value involves management estimate. Fair value of assets held for sale is determined using valuation technique involving unobservable inputs. Judgement is involved in estimating future cash flow, determining discount rate etc.

h. Employee share based payments

Company's share based payments to employees primarily consist of Employee Stock Option Plans ('ESOPs') and Restricted Stock Units ('RSUs'). The share-based compensation expense is determined based on the Company's estimate of fair value at grant date of the ESOPs/ RSUs granted. The Company estimates fair value of ESOPs/ RSUs using Black-Scholes-Merton ('BSM') option pricing model. The BSM model is based on various assumptions including expected volatility, expected life, interest rate.

32 Segment information- Disclosure pursuant to Ind AS 108 'Operating Segment'

(a) **Basis of identifying operating segments:**

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

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

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

(c) **Geographic information**

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

Particulars	Segment revenue**		Non current assets***	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
India	26,212.11	26,738.94	11,311.93	10,007.41
Rest of world	91,239.80	76,437.29	-	-
Total	**117,451.91**	**103,176.23**	**11,311.93**	**10,007.41**

The revenue information above is based on the locations of the customers.

Revenue from three (March 31, 2018: Two) customers amounted to ₹ 70,123.31 lakhs (March 31, 2018: ₹ 52,014.04 lakhs), arising from sales of readymade garments.

**Revenues by geographical area are based on the geographical location of the client.

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

33 Commitments and contingencies

I. **Leases**

Operating lease: Group as a lessee

The Group's leasing arrangements in respect of its office, factory and residential premises are in the nature of operating leases. These leasing arrangements, which are usually cancellable at the option of the lessee, are for a total period ranging from eleven months to ten years and are renewable with mutual consent. All leases include a clause to enable upward revision of the rental charge on a periodic basis as specified under the rental agreement usually being 5% every year or 15% once in three years. There are no restrictions imposed by lease arrangements. There are no subleases.

The lease rentals charged during the year ended March 31, 2019 and March 31, 2018 are as follows:

Particulars	March 31, 2019	March 31, 2018
Lease rentals under cancellable leases and non-cancellable leases: office premises	4,130.84	4,028.53

The maximum obligation on the long term non-cancellable operating leases as per the lease agreement as at March 31, 2019 and March 31, 2018 are as follows:

Particulars	March 31, 2019	March 31, 2018
Within one year	1,471.88	1,421.80
After one year but not later than five years	362.88	1,553.94
Later than five years	-	-

II. **Contingencies**

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

33 Commitments and contingencies (contd.)

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

Particulars	March 31, 2019	March 31, 2018
(a) Performance Bank Guarantees		
Sanctioned	1,300.00	1,300.00
Outstanding	1,182.24	1,250.87
(b) Outstanding letters of credit		
Sanctioned	4,022.00	4,022.00
Outstanding	2,293.10	3,560.71
(c) Litigations		
(i) Matters relating to direct taxes under dispute *	278.43	278.43
(ii) Matters relating to other taxes under dispute	132.15	129.15

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

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

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

III. Capital and other commitments

Particulars	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	272.79	6.11
Commitments relating to forward contract- hedge of highly probable forecast sales	42,357.55	24,636.48

Refer note 33 (I) for lease commitments.

34 Hedging activities

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in foreign currency. These forecast transactions are highly probable, and they comprise about 100% of the Group's total expected sales in foreign currency.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

The Group is holding the following foreign currency forward contracts to hedge the exposure on its highly probable sales over the next 12 months:

Particulars	Currency	Amount	Average Strike rate
March 31, 2019	USD	584.5	72.47
March 31, 2019	INR	42,357.55	
March 31, 2018	USD	374.94	65.71
March 31, 2018	INR	24,636.48	

34 Hedging activities (contd.)

Details relating to hedging instrument with respect to foreign currency risk arising from sales:

Financial year	March 31, 2019	March 31, 2018
Nominal amount of hedging instrument	42,357.55	24,636.48
Carrying amount of cash flow hedges- foreign exchange forward contracts:		
Assets	1,457.86	-
Liabilities	-	47.89
Line item in balance sheet where hedging instrument is disclosed	Refer Note 7	Refer Note 18
Changes in fair value for calculating hedge ineffectiveness	-	-

Details relating to hedged item with respect to foreign currency risk arising from sales:

Particulars	March 31, 2019	March 31, 2018
Change in value used for calculating hedge ineffectiveness	-	-
Balance in cash flow hedge reserve		
For continuing hedges	1,376.18	(74.53)
For hedges no longer applied	-	-
Total balance	**1,376.18**	**(74.53)**

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The cash flow hedges of the expected future sales during the year ended March 31, 2019 and March 31, 2018 were assessed to be highly effective and a net unrealised gain/loss relating to hedging instrument is included in OCI. The amounts retained in OCI at March 31, 2019 are expected to mature and affect the Consolidated Statement of Profit and Loss during the year ended March 31, 2020.

Details relating to impact of cash flow hedge with respect to foreign currency risk arising from sales in statement of profit and loss for the year ended as on :

Cash flow hedge reserve	March 31, 2019	March 31, 2018
Opening balance	(74.53)	1,049.27
Movement in OCI :		
Gain/(loss) recognised in OCI during the year	47.43	1,400.02
Less: amount reclassified to consolidated statement of profit and loss as hedged item has affected profit or loss	1,403.28	(2,523.82)
Less: amount reclassified to consolidated statement of profit and loss for which future cash flows are no longer expected to occur	-	-
Net (gain)/loss recognised in OCI for the year	1,450.71	(1,123.80)
Less: amount recognised in the consolidated statement of profit and loss on account of hedge ineffectiveness	-	-
Closing balance	**1,376.18**	**(74.53)**

The Group offsets a financial asset and financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

35 Gratuity and other post-employment benefit plans

The Group has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Payment of Gratuity Act, 1972, every employee who has completed four years and 240 days or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the consolidated statement of profit or loss and the funded status and amounts recognised in the consolidated balance sheet for gratuity benefit.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

35 Gratuity and other post-employment benefit plans (contd.)

(a) Net benefit expenses (recognised in the consolidated statement of profit and loss)

Particulars	March 31, 2019	March 31, 2018
Current service cost	559.35	683.90
Net interest cost on defined benefit obligations / (assets)	95.56	54.95
Net benefit expenses	**654.92**	**738.85**

(b) Remeasurement (gain)/loss recognised in other comprehensive income:

Particulars	March 31, 2019	March 31, 2018
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	265.09	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(185.23)	(64.69)
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	19.01	(193.19)
Actuarial (gain)/loss arising during the year	**98.87**	**(257.88)**
Return on plan assets (greater)/less than discount rate	76.44	9.29
Actuarial (gain)/ loss recognised in other comprehensive income	**175.31**	**(248.59)**

(c) Net defined benefit asset / (liability)

Particulars	March 31, 2019	March 31, 2018
Defined benefit obligation	2,161.40	2,023.96
Fair value of plan assets	(43.38)	(675.34)
Plan liability/ (asset)	**2,118.02**	**1,348.62**

(d) Changes in the present value of defined benefit obligation are as follows:

Particulars	March 31, 2019	March 31, 2018
Opening defined benefit obligation	2,023.96	2,143.75
Current service cost	559.35	683.90
Interest cost on the defined benefit obligation	123.38	100.24
Benefits paid	(644.17)	(745.71)
Acquisition adjustment	-	99.66
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	265.09	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(185.23)	(64.69)
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	19.01	(193.19)
Closing defined benefit obligation	**2,161.40**	**2,023.96**

(e) Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2019	March 31, 2018
Opening fair value of plan assets	675.34	895.78
Interest income on plan assets	27.82	45.29
Contributions by employer	60.83	700.15
Benefits paid	(644.17)	(745.71)
Acquisition adjustment	-	(210.88)
Return on plan assets (lesser)/greater than discount rate	(76.44)	(9.29)
Closing fair value of plan assets	**43.38**	**675.34**

The Group expects to contribute ₹ 1,705.70 lakhs (March 31, 2018: ₹ 1,285.24 lakhs) towards gratuity fund.

35 Gratuity and other post-employment benefit plans (contd.)

(f) The following pay-outs are expected in future years:

Particulars	March 31, 2019
March 31, 2020	404.98
March 31, 2021	254.58
March 31, 2022	186.75
March 31, 2023	154.94
March 31, 2024	119.81
March 31, 2025 to March 31, 2029	344.09

(g) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2019	March 31, 2018
Investments with insurer	100%	100%

(h) The principal assumptions used in determining gratuity for the Group's plan is as shown below:

Particulars	March 31, 2019	March 31, 2018
Discount rate (in %)	7.25%	6.84%
Salary escalation (in %)	5% to 8%	8.00%
Employee turnover (in %)	40.00%	40.00%
Retirement age (yrs)	60	60
Mortality rate	Refer note 4 below	

Notes:

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.
2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.
3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
4. As per Indian Assured Lives Mortality (2006-08) (modified) ultimate.

(i) A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2019	March 31, 2018
Discount rate		
Impact of defined benefit obligation due to 1% increase in discount rate	(101.16)	(46.83)
Impact of defined benefit obligation due to 1% decrease in discount rate	111.52	49.17
Salary escalation rate		
Impact of defined benefit obligation due to 1% increase in salary escalation rate	102.00	34.41
Impact of defined benefit obligation due to 1% decrease in salary escalation rate	(93.72)	(52.39)
Attrition rate		
Impact of defined benefit obligation due to 1% increase in attrition rate	(10.63)	(12.13)
Impact of defined benefit obligation due to 1% decrease in attrition rate	10.41	12.47

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

36 Related party transactions

a. Names of related parties and description of relationships:

Description of relationship	Name of related parties
Key management personnel and their relatives	Mr. Padala Ramababu, Managing Director (resigned w.e.f January 31, 2018)
	Mr. Sivaramakrishnan Vilayur Ganapathi, Managing Director (appointed w.e.f October 03, 2017)
	Mr. Mathew Cyriac (Director)
	Mr. Richard B Saldanha, (Chairman and Independent Director)
	Mr. Arun K Thiagarajan (Independent Director)
	Ms. Smita Aggarwal (Independent Director) (resigned w.e.f June 9, 2018)
	Mr. Jitendrakumar H.Mehta (Independent Director) (resigned w.e.f October 2, 2017) (re-appointed w.e.f December 29, 2017)
	Ms. Anuradha Sharma (Independent Director) (appointed w.e.f October 30, 2017)
	Mr. Palaniappan Chidambaram (Director) (appointed w.e.f October 30, 2017 as additional director) (appointed w.e.f February 07, 2018 as director) (resigned w.e.f November 12, 2018)
	Mr. Gautham Madhavan (Director) (appointed w.e.f November 12, 2018 as additional director) (appointed as director w.e.f January 03, 2019)
	Mr. Prabhat Kumar Singh (Wholetime Director) (appointed w.e.f November 12, 2018 as additional director) (appointed as wholetime director w.e.f January 03, 2019)
	Mr. Sathyamurthy A, (Chief Financial Officer)
	Ms. Ramya Kannan (Company Secretary) (resigned w.e.f January 14, 2019)
	Mr. Sameer Sudarshan R V, (Company Secretary) (appointed w.e.f April 24, 2019)

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

Particulars	March 31, 2019	March 31, 2018
i) Managerial remuneration to		
a) Key managerial personnel *		
Mr. Sivaramakrishnan Vilayur Ganapathi	221.60	91.26
Mr. Padala Ramababu	-	131.44
Mr. Sathyamurthy A	127.93	95.00
Mr. Prabhat Kumar Singh	38.27	-
Ms. Ramya Kannan	10.93	10.15
	398.51	**327.85**
b) Sitting fees paid to directors (independent directors and non-executive directors)		
Mr Richard B. Saldanha	15.20	16.00
Mr. Mathew Cyriac	15.20	-
Mr. Arun K Thiagarajan	13.60	16.00
Ms. Anuradha Sharma	12.80	2.40
Mr. Jitendrakumar H Mehta	10.40	9.60
Mr. Palaniappan chidambaram	8.00	0.80
Ms. Smita Aggarwal	4.80	13.60
Mr. Gautham Madhavan	1.60	-
	81.60	**58.40**
c) Summary of compensation of key managerial personnel of the Company [1]		
Managerial remuneration	398.51	327.85
Sitting fees	81.60	58.40
Share based payment expenses	185.14	104.68
	665.25	**490.93**

36 Related party transactions (contd.)

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

Particulars	March 31, 2019	March 31, 2018
i) Remuneration payable to Key managerial personnel		
Mr. Sivaramakrishnan Vilayur Ganapathi	150.00	10.29
Mr. Sathyamurthy A	30.00	2.31
Ms. Ramya Kannan	-	0.74
	180.00	13.34

[1] As the liability for gratuity and leave encashment to key managerial personnel is provided on actuarial basis for the Group as a whole, the gratuity and leave encashment amount pertaining to the key management personnel is not disclosed separately.

37 Disclosures of dues/payments to Micro, Small and Medium Enterprises to the extent such enterprises are identified by the Group

Particulars	March 31, 2019	March 31, 2018
i. The principal amount due thereon remaining unpaid as at the year end	18.62	16.64
Interest amount due and remaining unpaid as at the year end	-	-
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	0.73
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv. The amount of interest accrued and remaining unpaid as the year end in respect of principal amount settled during the year	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

38 Share- based payments

The Group's employee benefit plans are as summarised below:

In September 2010, the shareholders of the Group approved Stock Option Plan (ESOP 2010) in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Options Plan. The plan covered all employees of the Group including employees of subsidiaries and directors and provided for the issue of 1,718,800 shares of ₹ 5 each.

Further, the shareholders of the Group by way of special resolution dated August 26, 2018 approved Restricted Stock Unit Plan (RSU 2018) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all the senior management employees of the Group and provided for the issue of 2,133,040 shares of ₹ 5 each.

The fair value of the stock options is estimated at the grant date using a Black-Scholes-Merton ('BSM') option pricing model. The BSM option pricing model incorporates various assumptions including expected volatility, expected life and interest rates. The Group recognises share based compensation cost as expense over the requisite service period.

The contractual term of each option granted is two to three years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

Employee stock option expenses for the year ended March 31, 2019 and March 31, 2018 is as tabulated below:

Particulars	March 31, 2019	March 31, 2018
Expense arising from equity-settled share based payment transactions	285.06	118.11
	285.06	118.11

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

38 Share- based payments (contd.)

Movement during the year for ESOP 2010 Plan:

The activity in the ESOP 2010 Plan for equity-settled share based payment transactions during the year ended March 31, 2019 and March 31, 2018 is set out below:

Particulars	March 31, 2019		March 31, 2018	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	819,835	72.45	558,336	63.28
Granted during the year	-	-	300,000	85.96
Exercised during the year	(154,834)	56.98	(25,167)	32.25
Lapsed during the year	(80,000)	72.55	(13,334)	68.21
Closing balance	**585,001**	**76.53**	**819,835**	**72.45**
Exercisable as at year end	345,003		399,835	

The weighted average share price at the date of exercise of the options during the period was ₹ 82 (March 31, 2018 : ₹ 101.57).

The weighted average remaining contractual life for the share options outstanding is 7.42 years (March 31, 2018: 8.12 years).

The range of exercise prices for options outstanding at the end of the year was ₹ 32.25 to ₹ 85.96 (March 31, 2018: ₹ 32.25 to ₹ 85.96).

Movement during the year for RSU 2018 Plan:

The activity in the RSU 2018 Plan for equity-settled share based payment transactions during the year ended March 31, 2019 and March 31, 2018 is set out below:

Particulars	March 31, 2019		March 31, 2018	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	-	-	-	-
Granted during the year	2,133,040	5.00	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Closing balance	**2,133,040**	**5.00**	**-**	**-**
Exercisable as at year end	-		-	

The weighted average remaining contractual life for the share options outstanding is 7.12 years.

The weighted average fair value of options granted during the year was ₹ 72.31.

The exercise price for options outstanding at the end of the year was ₹ 5.

The following table list the inputs to the models used for the ESOP 2010 plan for the year ended March 31, 2019 and March 31, 2018:

Particulars	March 31, 2019	March 31, 2018
Dividend yield (%)	-	0.00%
Expected volatility (%)	-	58.10%
Risk-free interest rate (%)	-	6.45%
Expected life of share options (years)	-	12
Weighted average exercise price (₹)	-	72.45
Model used	-	Black-Scholes-Merton ('BSM') option pricing model.

* No options were granted under ESOP 2010 during the year ended March 31, 2019.

38 Share- based payments (contd.)

The following table list the inputs to the models used for the RSU 2018 plan for the year ended March 31, 2019 and March 31, 2018:

Particulars	March 31, 2019	March 31, 2018
Dividend yield (%)	0.00%	-
Expected volatility (%)	60.40% to 60.47%	-
Risk-free interest rate (%)	7.29% to 7.36%	-
Expected life of share options (years)	7 to 8	-
Weighted average exercise price (₹)	5.00	-
Model used	Black-Scholes-Merton ('BSM') option pricing model.	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

39 Disclosures on Financial instruments

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

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 Note 2.3 (o) to the consolidated 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 March 31, 2019 and March 31, 2018

As at March 31, 2019

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	0.29	-	0.29
Loans	2,306.59	-	2,306.59
Trade receivables	16,170.02	-	16,170.02
Cash and cash equivalents	1,118.75	-	1,118.75
Other financials assets	13,910.72	-	13,910.72
Foreign exchange forward contracts	-	1,457.86	1,457.86
Total assets	**33,506.37**	**1,457.86**	**34,964.23**
Financial liabilities			
Borrowings	38,070.07	-	38,070.07
Trade payables	-	-	-
Other financial liabilities	6,031.16	-	6,031.16
Foreign exchange forward contracts	-	-	-
Total liabilities	**44,101.23**	**-**	**44,101.23**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

39 Disclosures on Financial instruments (contd.)

As at March 31, 2018

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	0.29	-	0.29
Loans	2,645.94	-	2,645.94
Trade receivables	21,616.45	-	21,616.45
Cash and cash equivalents	1,714.43	-	1,714.43
Bank balances other than cash and cash equivalents	27.13	-	27.13
Other financials assets	14,853.98	-	14,853.98
Foreign exchange forward contracts	-	-	-
Total assets	**40,858.22**	**-**	**40,858.22**
Financial liabilities			
Borrowings	47,244.96	-	47,244.96
Trade payables	-	-	-
Other financial liabilities	4,606.08	-	4,606.08
Foreign exchange forward contracts	-	47.89	47.89
Total liabilities	**51,851.04**	**47.89**	**51,898.93**

(b) Fair value hierarchy

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

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

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

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

Particulars	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
March 31, 2019				
Financial assets				
Foreign exchange forward contracts	-	1,457.86	-	1,457.86
March 31, 2018				
Financial liabilities				
Foreign exchange forward contracts	-	47.89	-	47.89

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

Fair value of loans (security deposits) having a carrying amount of ₹ 2,306.59 lakhs as at March 31, 2019 (March 31, 2018: ₹ 2,645.94 lakhs) was ₹ 2,139.31 Lakhs (March 31, 2018: ₹ 2,551.27 lakhs).

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

39 Disclosures on Financial instruments (contd.)

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

(iv) There have been no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2019 and March 31, 2018

(c) Financial risk management objectives and policies

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

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

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

Market risk

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

(i) Market risk - Interest rate risk

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

Interest rate sensitivity

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

Particulars	Increase/(decrease) in basis points	Effect on profit before tax
March 31, 2019	50	190.35
March 31, 2018	50	236.22

(ii) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities. The Group's exposure to foreign currency changes from investing activities is not material.

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

As at March 31, 2019 and March 31, 2018, the Group hedged ₹ 42,357.55 lakhs (USD 584.50 lakhs) and ₹ 24,636.48 lakhs (USD 374.94 lakhs) respectively of it expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

39 Disclosures on Financial instruments (contd.)

The following table represents foreign currency risk from non derivative financial instruments as at March 31, 2019 and March 31, 2018

Particulars		March 31, 2019	March 31, 2018
Assets			
Trade receivables	USD	117.71	88.82
Trade receivables	GBP	-	0.45
Trade receivables	EUR	1.21	-
Cash and cash equivalents	USD	0.05	0.10
Liabilities			
Trade payables	USD	6.90	21.12
Trade payables	EUR	-	1.68
Trade payables	GBP	-	0.08
Liability for capital assets	USD	10.29	-
Liability for capital assets	EUR	1.99	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2019		
USD	5%	347.28
March 31, 2018		
USD	5%	226.86

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at March 31, 2019 and March 31, 2018. The period end balances are not necessarily representative of the average debt outstanding during the period.

Credit risk

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

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹34,964.23 lakhs, ₹40,858.22 lakhs, as at March 31, 2019 and March 31, 2018 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments other than investments in subsidiaries and other financial assets.

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

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

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

39 Disclosures on Financial instruments (contd.)

Liquidity risk

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

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

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

Particulars	0-1 year	> 1 year	Total
March 31, 2019			
Borrowings	38,070.07	-	38,070.07
Trade payables	-	-	-
Other financial liabilities	6,031.16	-	6,031.16
	44,101.23	**-**	**44,101.23**
March 31, 2018			
Borrowings	47,244.96	-	47,244.96
Trade payables	-	-	-
Other financial liabilities	4,653.97	-	4,653.97
	51,898.93	**-**	**51,898.93**

Equity Price risk

Equity Price Risk is related to the change in fair value of the investments in equity securities. Company's investments in equity securities, including investments held for sale, are subject to changes in fair value of investments. The carrying value of investments represents the maximum equity risk. The maximum exposure to equity price risk was ₹ Nil and ₹ 626.56 lakhs as on March 31, 2019 and March 31, 2018 respectively, being the carrying value (net of provisions) of investments in unquoted equity shares. The risk is arising primarily on account of the Company's investment in a foreign associate (refer note 45).

40 Capital management

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Group

The Group determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and sale of certain assets, long term and short term bank borrowings and issue of securities.

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

40 Capital management (contd.)

The Group's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

Particulars	March 31, 2019	March 31, 2018
Borrowings (Refer note 16)	38,070.07	47,244.96
Total debts	**38,070.07**	**47,244.96**
Capital components		
Equity share capital (Refer note 13)	2,140.78	1,747.64
Other equity (Refer note 14)	21,897.49	11,342.75
Total capital	**24,038.27**	**13,090.39**
Capital and borrowings	**62,108.34**	**60,335.35**
Gearing ratio (%)	**61.30%**	**78.30%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no material breaches in the financial covenants of any interest-bearing loans and borrowing for all the periods presented.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

41 Standards issued but yet not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) notified certain amendments to Indian Accounting tandards (Ind AS). All these amendments are effective from financial year beginning on or after April 1, 2019.

a. **Ind AS 116: Leases**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases ('the Standard'). Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases Ind AS116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective: Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective: Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Group has taken certain land and building on operating lease. The Group is in the process of evaluating the impact of the new standard on the consolidated financial statements.

41 Standards issued but yet not effective (contd.)

b. Amendment to Ind AS 12 – Income taxes:

i) On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company believes that this amendment will not have a material impact on the consolidated financial statements.

ii) On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', to insert a Appendix C- Uncertainty over Income Tax Treatments. This Appendix clarifies the accounting treatment to be followed in case of income tax treatments that are yet to be accepted by taxation authorities.

The amendment requires the entity to consider whether tax authorities will accept the uncertain tax treatment. If it is probable that the taxation authority will accept an uncertain tax treatment, the entity shall determine the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings.

If an entity concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rate by using either the most likely amount or the expected value; whichever is expected to better predict the resolution of uncertainty.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company believes that this amendment will not have a material impact on the consolidated financial statements.

c. Amendment to Ind AS 19 – Employee Benefits

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company believes that this amendment will not have a material impact on the consolidated financial statements.

d. Amendments to Ind AS 28- Investments in Associates and Joint Ventures

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 28- Investments in Associates and Joint Ventures.

An entity's long term interests in associates and joint ventures; such as preference shares and long term receivables and loans are accounted in accordance with Ind AS 109- Financial Instruments. As per Ind AS 28, the losses that exceed the entity's investment in ordinary shares in associate or joint venture are applied to other components of the entity's interests in the associate or joint venture in the reverse order of their superiority.

The Amendment to Ind AS 28 clarifies that the entity needs to apply Ind AS 109 to other financial instruments in an associate or joint venture to which the equity method is not applied.

e. Amendments to Ind AS 109, Financial Instruments:

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

41 **Standards issued but yet not effective** (contd.)

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company believes that this amendment will not have a material impact on the consolidated financial statements.

42 The Group is in process of taking necessary steps to comply with the Transfer Pricing requirements relating to the preparation & maintenance of the Transfer Pricing documentation with respect to the specified domestic transactions entered into by the Group during financial year ended March 31, 2019. The Management is of the opinion that the specified domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

43 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 Group 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 on March 11, 2019. The financial statements comply with the accounting treatment described in the Scheme. Accounting for the amalgamation does not have an impact in the consolidated financial statements.

In view of the aforesaid matter and to facilitate ease of business operations, majority of the employees have been transferred from the subsidiary companies to the Group with effect from July 1, 2017.

44 During the year ended March 31, 2018, an open offer was proposed by Clear Wealth Consultancy Services LLP ("Acquirer") along with Mathew Cyriac {Person acting in concert ("PAC") 1}, 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 ₹ 42 per equity share aggregating to ₹ 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 will further acquire up to 9,179,993 equity shares representing 26% of expanded voting share capital of the Company at a price of ₹ 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 year ended March 31, 2018, the Acquirer has completed the acquisition of shares from Blackstone FP Capital Partners (Mauritius) VB Subsidiary Ltd and acquisition of 215 equity shares through open offer.

45 The Group assessed the fair value less cost of sale of the investment in an associate held for sale as at Mar 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 has written down the carrying value of the asset by recognizing an impairment loss of ₹ 626.56 lakhs as an exceptional charge during the current quarter. 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.

46 During the year, pursuant to the approval of the committee of the Board of Directors dated May 3, 2018, the Group had issued 77.08 lakh equity shares of ₹ 5 each, at an issue price of ₹ 90.00 per equity share (including ₹ 85.00 per share towards securities premium) aggregating to ₹ 6,937.20 lakh to qualified institutional buyers under chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the "SEBI Regulations") and provisions of all other applicable laws. The Shareholders had approved the aforesaid issue of equity shares by way of special resolution dated February 8, 2018.

The amount raised from the above issue of shares has been utilised for the purposes for which it was raised.

47 The Group had filed petition with the Group Law Board for compounding of offence u/s. 297 of the erstwhile Companies Act, 1956 for the transactions entered with CMS Info Systems Private Limited between July 2009 to October 2011 and as at date, the petition is pending with the Company Law Board.

For periods subsequent to October 2011, the Company had filed an application with Central Government, Ministry of Corporate Affairs, seeking its approval u/s. 297(1) of the erstwhile Companies Act, 1956 for entering into contract with CMS Info Systems Private Limited which is pending approval.

48 The Board of Directors of the Company has appointed Mr. Sivaramakrishnan Vilayur Ganapathi (DIN 07954560) as the Managing Director of the Group 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) resigned from the Company on January 31, 2018.

49 Ministry of Corporate affairs have published a list of Disqualified Directors in September 2017. As per this list, Mr. Jitendra Kumar H Mehta (director of the Company as at March 31, 2018) was reported as disqualified from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013 for the period from November 1, 2015 to October 31, 2020 pursuant to his directorship of Tag Media Network Private Limited (defaulting Company). Consequently, the Director has filed a writ petition with the High Court of Karnataka and have obtained an interim stay. The Group is confident to receive a favourable order and that there will not be a material impact on the Consolidated Ind AS financial statements of the Company.

50 One of the foreign customers with an aggregate outstanding balance of ₹ 441 lakhs has filed a plan for reorganisation of its business and creditors in respective jurisdictional court. Consequently, based on recommendation of legal counsel, the Group has filed a claim with the relevant authorities for the aforesaid receivable. The Group has made an expected loss provision of ₹ 133 lakhs on these receivables. Subsequent to the reorganisation plan filed by the customer, the Group has made further dispatch of goods amounting to ₹ 845 lakhs to the said customer based on updated purchase orders. In compliance with the Ind AS 115, the Group has postponed recognition of revenue towards goods supplied post filing of the customer's reorganisation plan and will be recognising revenue upon certainty in realization of sale consideration. The Group is confident of recovering at least the cost of inventory as this is under a court administered scheme. Further, the Group is confident that the impact of non-recoverability of the remaining receivable balances not provided for and the cost of inventory, if any, will not be material to these financial statements.

51 Revenue from contracts with customers

a. Disaggregation of Revenue

The Company has disaggregated revenue into various categories in the following table which is intended to enable users to understand the relationship with revenue segment information provided in note 32.

Primary Geographic Markets (Name of the country)	Sale of finished goods (Exports)	
	March 31, 2019	March 31, 2018
United States of America	59,492.72	42,801.01
Canada	3,927.09	1,902.78
Germany	3,771.43	884.47
China	2,804.09	1,378.13
Spain	2,660.69	24.61
UAE	645.70	3,962.11
Sweden	525.93	14,623.84
Singapore	35.80	3,329.63
Other Countries	16,924.34	6,609.51
Total	**90,787.79**	**75,516.09**

Apart from geographic location of customers; the characteristics of Company's revenue are uniform in terms of product type, contract counterparties, timing of transfer of goods, uncertainty of revenue and cashflows etc. Therefore, disaggregation of revenue as per these categories is not applicable.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

All amounts in Indian ₹ in lakhs, except stated otherwise

51 Revenue from contracts with customers (contd.)

b. Remaining performance Obligations

All of the Group's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of Ind AS 115 applies. As a result, the Group has not disclosed the information pertaining to remaining performance obligations as required by paragraph 120 of Ind AS 115.

c. Estimates and assumptions

Except as disclosed in note 50, there are no significant estimates and assumptions.

d. Contract balances

Particulars	Contract liabilities	
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	209.04	106.66
Less: Amount included in contract liabilities that was recognised as revenue during the period	(209.04)	(106.66)
Add: Cash received in advance of performance and not recognised as revenue during the period	169.54	209.04
Balance at the end of the year	**169.54**	**209.04**

e. Transition to Ind AS 115

The Group has applied Ind AS 115 under modified retrospective approach as per paragraph C3(B) of Appendix C of Ind AS 115. Under the modified retrospective approach there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements for the year ended March 31, 2019.

52 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

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

As per our report of even date

For MSKA & Associates
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 17, 2019

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

Richard B Saldanha
Chairman
DIN: 00189029

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: May 17, 2019

Sameer Sudarshan R V
Company Secretary

Place: Bengaluru
Date: May 17, 2019

Corporate Information

Registered Office
No.16/2, Residency Road
Bengaluru - 560,025, India

Chief Financial Officer
Sathyamurthy A.

Company Secretary
Sameer Sudarshan R. V.

Statutory Auditor
MSKA & Associates
Chartered Accountants

Internal Auditor
G. Balu Associates LLP
Chartered Accountants

Bankers
Canara Bank
Corporation Bank

Registrar and Share Transfer Agents
Karvy Computershare Private Limited
Karvy Selenium Tower, B, Plot - 31-32
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032



gokaldas exports ltd.

www.gokaldasexports.com