

GARDEN SILK MILLS LIMITED

Date: 21st June, 2019

The Corporate Relationship Department,
Bombay Stock Exchange Ltd.,
First Floor, New Trading Wing,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001
Scrip Code: 500155

National Stock Exchange of India Ltd.
Listing Department,
"Exchange Plaza",
Fifth Floor, Plot No.C/1, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai 400051
Stock Code: GARDENSILK(EQ)

Sub.: Outcome of Board Meeting on Audited Financial Results

Ref.: Statement on Impact of Audit Qualifications

Dear Sir,

We refer to our earlier communication with respect to outcome of Board Meeting and forwarding therewith the audited financial results for the year ended 31st March, 2019 and the subsequent confirmation of publishing the results in the newspaper.

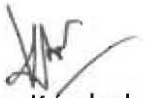
As annexure to the aforesaid disclosure, we are pleased to enclose herewith Statement of Impact of Audit Qualifications for the financial year ended 31st March, 2019 pursuant to Regulation 33 of the SEBI (LODR)(Amendment) Regulations, 2016, duly signed by the respective signatories in the prescribed proforma.

Kindly find the same in order and take the same on your record.

Thanking you,

Yours faithfully,

For Garden Silk Mills Limited



Kamlesh B. Vyas

Company Secretary & Compliance Officer



*Garden**

Registered Office : Tulsi Krupa Arcade, Puna-Kumbharia Road, Dumbhal , Surat - 395 010. Phone : (0261) 2311197-98, 2311513/615 Fax : (0261) 2311029/502

Mumbai Office: Manek Mahal, 90 Veer Nariman Road, Mumbai - 400 020. Phone : (022) 22873117-19, 22046473, 22040895 Fax : (022) 22048112

CIN : L17111GJ1979PLC003463 | Website : www.gardenvareli.com

GARDEN SILK MILLS LIMITED

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended 31st March, 2019
[Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in Lacs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lacs)
	1.	Turnover / Total Income	350053.91	350053.91
	2.	Total Expenditure	358684.86	358684.86
	3.	Net Profit/(Loss)	(8976.83)	(8976.83)
	4.	Earnings Per Share	(21.33)	(21.33)
	5.	Total Assets	172034.08	172034.08
	6.	Total Liabilities	202335.39	202335.39
	7.	Net Worth	(30301.31)	(30301.31)
	8.	Any other financial item(s)	0.00	0.00

II Audit Qualification (each audit qualification separately):

- a. **Details of Audit Qualification:** As stated in Part No. 3 of Independent Auditors Report for the year ended 31st March, 2019
As at 31 March 2019 the Company's financial statements mention total borrowings including interest accrued of Rs.170,753 Lakhs from various banks and other lenders. We have obtained/verified direct bank confirmations/ bank statements/ reconciliation statements and other relevant available information and observed that balances as per company's books and with respective bank records are subject to reconciliation. According to information and explanation provided to us, with respect to outstanding principal amounts, interest calculations including overdue and penal interest, appropriation of amounts paid towards these outstanding balances between interest and principal loan repayments etc. as provided by lenders and as available with the Company is inadequate and, hence pending reconciliation. In light of the above, we are unable to quantify the consequential impact on Company's total borrowings as at 31 March 2019 and impact of interest and other changes accrued on the results for the quarter and year ended as on that date. (Refer Note No. 8 to the Statement)
- b. **Type of Audit Qualification :** Qualified Opinion
- c. **Frequency of qualification:** Appeared first time
- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not quantified by the Auditor

Contd...



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e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) Management's estimation on the impact of audit qualification: Unable to quantify.

(ii) If management is unable to estimate the impact, reasons for the same: Due to unavailability of complete and correct information from the lenders we are unable to reconcile and identify the impact.

(iii) Auditors' Comments on (i) or (ii) above: Unable to quantify the impact due to reasons as mentioned in our basis for qualified opinion.

III Signatories:

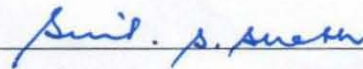
Managing Director



Executive Director and CFO



Audit Committee Chairman / Member



Sharp & Tannan Associates - Statutory Auditors

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration no. 109983W
by the hand of





Tirtharaj Khot
Partner

Membership no.(F) 037457

Place: Mumbai

Date: 30th May, 2019

