

GARDEN SILK MILLS LIMITED

Date: 30th May, 2018

Department of Corporate Services,
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
- Mumbai 400001
Scrip Code: 500155

National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra Kurla Complex,
Bandra (East),
Mumbai 400051
Stock Code: GARDENSILK(EQ)

Sub.: Audited Financial Results for the quarter and year ended on March 31, 2018.

Dear Sir,

Pursuant to regulation 30, 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors at its meeting held today, inter alia, considered and approved the Audited Standalone and Consolidated Financial Results for the quarter and financial year ended on 31st March, 2018.

A copy of the Audited Financial Results of the Company for the quarter and year ended 31st March, 2018 along with statements of Assets and Liabilities and Audit Report are enclosed herewith for your record.

The meeting of the Board of Directors of the Company commenced at 3.30 p.m. and concluded at 5.45 p.m.

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

Thanking you,

Yours faithfully,

For Garden Silk Mills Limited



Kamlesh B. Vyas
Company Secretary & Compliance Officer



GARDEN SILK MILLS LIMITED

Regd. Office: Tulsi Krupa Arcade, 1st Floor, Near Aai Mata Chowk, Puna-Kumbharia Road, Dumbhal, Surat 395010

CIN: L17111GJ1979PLC003463; Website: www.gardenvareli.com; e-mail: shareddepartment@gardenvareli.com.

Tel.No. (0261) 2311197, 2311615 Fax : (0261) 2311029

*Designer of Yarns, Weaves and Prints***AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018**

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	
		31/03/2018 (Audited) (Refer Note 6)	31/12/2017 (Unaudited)	31/03/2017 (Audited) (Refer Note 6)	31/03/2018 (Audited)	31/03/2017 (Audited)
1	Income					
	(a) Revenue from Operations (refer Note 3)	78007.71	84256.14	70295.17	310333.45	264331.90
	(b) Other Income	213.17	76.03	588.27	536.07	996.28
	Total Income	78220.88	84332.17	70883.44	310869.52	265328.18
2	Expenses					
	(a) Cost of Materials Consumed	63519.42	61783.09	50243.97	221749.82	178624.08
	(b) Purchases of stock-in-trade	2326.76	1818.74	290.93	6448.83	1799.29
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(9495.24)	(655.97)	(7454.58)	(4925.11)	(8444.34)
	(d) Employee benefits expense	2828.92	3294.54	2691.48	13040.50	12194.98
	(e) Excise duty	0.00	0.00	7818.71	6993.22	20855.81
	(f) Finance costs	4935.80	4429.65	4513.79	18861.91	16732.17
	(g) Depreciation and amortisation expense	1758.07	1644.06	1590.67	6624.98	6447.42
	(h) Impairment losses	1486.02	0.00	0.00	1486.02	0.00
	(i) Other expenses	12985.67	12218.88	12011.00	49485.98	45457.91
	Total Expenses	80345.42	84532.99	71705.97	319766.15	273667.32
3	Profit/(Loss) before exceptional items and tax (1-2)	(2124.54)	(200.82)	(822.53)	(8896.63)	(8339.14)
4	Exceptional items	0.00	0.00	0.00	0.00	0.00
5	Profit/(Loss) before tax (3-4)	(2124.54)	(200.82)	(822.53)	(8896.63)	(8339.14)
6	Tax expenses/(credit)					
	Current tax	0.00	0.00	0.00	0.00	0.00
	Deferred tax Charge / (Credit)	0.00	0.00	0.00	0.00	0.00
7	Profit/(Loss) for the period (5-6)	(2124.54)	(200.82)	(822.53)	(8896.63)	(8339.14)
8	Other Comprehensive income					
	Item that will not be reclassified to profit or loss	(359.01)	430.65	(194.31)	45.54	14.49
	Income tax on above	0.00	0.00	0.00	0.00	0.00
	Item that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
	Income tax on above	0.00	0.00	0.00	0.00	0.00
9	Total Comprehensive Income for the period (7+8)	(2483.55)	229.83	(1016.84)	(8851.09)	(8324.65)
10	Paid-up Equity Share Capital (Face Value Rs.10/- Per Share)	4208.25	4208.25	4208.25	4208.25	4208.25
11	Other Equity excluding Revaluation Reserves (as per balance sheet of previous accounting year)	--	--	--	(25294.74)	(16443.65)
12	Earning per equity share in Rs. (Face value of share Rs.10/-) Basic and diluted (in Rs.) not annualised	(5.05)	(0.48)	(1.95)	(21.14)	(19.82)

GARDEN SILK MILLS LIM
STATEMENT OF STANDALONE ASSETS AND LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	103029.09	109352.41	114742.01
(b) Capital Work-in-Progress	1514.39	3084.04	3116.76
(c) Intangible Assets	7.82	17.51	32.21
(d) Financial Assets			
(i) Investments	1064.71	1093.64	868.88
(ii) Loans	5.14	1333.68	1233.30
(e) Other Non-Current Assets	3951.79	3288.93	4743.89
Total Non-Current Assets	109572.94	118170.21	124737.05
2 Current Assets			
(a) Inventories	42288.06	38821.26	28360.88
(b) Financial Assets			
(ii) Trade Receivables	21061.92	15125.75	14366.33
(iii) Cash and Cash Equivalents	4109.74	2084.99	952.02
(iv) Bank Balances other than (iii) above	5919.63	3039.43	1674.70
(v) Loans and Advances	1001.15	1035.35	1112.93
(vi) Others Financial Assets	0.00	5.07	46.17
(c) Other Current Assets	13409.92	6809.22	8666.30
Total Current Assets	87790.42	66921.07	55179.33
TOTAL ASSETS	197363.36	185091.28	179916.38
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	4208.25	4208.25	4208.25
(b) Other Equity	(25294.74)	(16443.65)	(8119.00)
Total Equity	(21086.49)	(12235.40)	(3910.75)
LIABILITIES:			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	93375.38	119339.84	90618.11
(b) Long-term Provisions	588.10	660.98	621.09
(c) Other Non-current Liabilities	0.00	0.00	43004.00
Total Non-Current Liabilities	93963.48	120000.82	134243.20
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15751.51	11051.99	5686.98
(ii) Trade Payables	36206.07	26290.97	22174.10
(iii) Other Financial Liabilities	21378.45	11457.16	3636.00
(b) Other Current Liabilities	49553.90	25727.92	17132.58
(c) Short-term Provisions	1596.44	2797.82	954.27
Total Current Liabilities	124486.37	77325.86	49583.93
TOTAL LIABILITIES	218449.85	197326.68	183827.13
TOTAL EQUITY AND LIABILITIES	197363.36	185091.28	179916.38

Notes:

- 1 The above audited standalone financial results of the Company for the quarter and year ended 31st March, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company, at their Meetings held on 30th May, 2018. The Statutory Auditors have expressed an unmodified audit opinion on these results.
- 2 The above results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 3 According to the requirements of Schedule III of the Companies Act, 2013, Revenue from operations for the period up to 30th June, 2017, and earlier periods presented in these results are inclusive of excise duty. Consequent to applicability of Goods and Service Tax (GST) w.e.f. 1st July, 2017, Revenue from operations are shown net of GST in accordance with requirements of Ind AS-18 'Revenue'. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the quarter and year ended on 31st March, 2018 are not comparable with the previous periods.
- 4 Previous period's / year's figures have been regrouped / reclassified wherever necessary to make them Ind AS compliant and comparable with the current year's classification / disclosure.
- 5 The Company's business segment consists of a single segment of "Textiles" in accordance with the requirement of Indian Accounting Standards (Ind AS) - 108 Operating Segments. Accordingly, no separate segment information has been provided.
- 6 Figures for the quarter ended 31st March, 2018 and quarter ended 31st March, 2017 are the balancing figures between audited figures in respect of the year ended 31st March, 2018 and 31st March, 2017 and the unaudited figures of nine months ended 31st December, 2017 and 31st December, 2016 respectively which were subject to limited review by statutory auditors.
- 7 The Company has term loan, working capital and other financing arrangements from certain banks and other lenders. These lenders have declared their arrangements with the Company as non-performing asset since the Company has defaulted in repayment of principal, interest and other penal dues. The Company's net-worth as at the year-end is negative mainly due to accumulated losses. Although the Company has shown an improvement in its operating income for the year, the Company continues to have a significant pressure on its financial resources. The Company is in discussion with its consortium of lenders for financial restructuring arrangement including identifying a potential investor. The management is confident about the successful closure of above measures/conditions and has accordingly prepared financial results on a going-concern basis.
- 8 Reconciliation of equity as at 31st March, 2017 and as at 1st April, 2016 between standalone financial statement as per Indian GAAP and as per Ind AS are as under:

Particulars	(Rs. in Lakhs)	
	As at 31/03/2017	As at 01/04/2016
Equity under Indian GAAP	(12082.96)	(2597.22)
Add:		
Mark to market of forward contracts instead of amortisation of premium	197.78	149.87
Unwinding of Interest for Interest free loan to Subsidiary	249.54	115.57
Deferrel of revenue as per Ind AS 18	128.49	(206.05)
Effect in employee benefit expense due to Actuarial Valuation	218.96	0.00
Expected credit loss in debtors	0.00	(411.22)
Actuarial Gain due to actuarial valuation for Gratuity	25.30	0.00
	(11262.89)	(2949.05)
Less:		
Fair value of Equity investments classified in OCI	728.25	961.70
Actuarial Gain due to actuarial valuation for leave encashment	244.26	0.00
Equity as per Ind AS	(12235.40)	(3910.75)

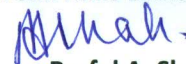
- 9 The Reconciliation of Net Profit / (Loss) reported under previous General Accepted Accounting Principles (GAAP) to Total Comprehensive Income in accordance with Ind AS is given below:

(Rs. in Lakhs)

Particulars	Year ended 31/03/2017	Quarter ended 31/03/2017
Net Profit / (Loss) as reported under previous GAAP (after tax)	(9485.75)	(1736.51)
Add/(Less):		
Mark to market of forward contracts instead of amortisation of premium	340.89	298.07
Unwinding of Interest for Interest free loan to Subsidiary	133.96	35.88
Deferrel of revenue as per Ind AS 18	41.58	15.73
Effect in employee benefit expense due to Acturial Valuation	218.96	218.96
Impact due to Fair Value of Investments (Mutual funds)	0.00	(65.88)
Expected credit loss in debtors	411.22	411.22
Net Profit / (Loss) as per Ind AS	(8339.14)	(822.53)
Other Comprehensive Income (OCI)		
Fair value of Equity investments classified in OCI	233.45	24.65
Acturial Gain due to acturial valuation for Gratuity	25.30	25.30
Acturial Gain due to acturial valuation for leave encashment	(244.26)	(244.26)
Total comprehensive income as on 31/03/2017 (Ind AS)	(8324.65)	(1016.84)

For and on behalf of Board of Directors

Garden Silk Mills Limited



Praful A. Shah

Chairman & Managing Director

DIN: 00218143

Place: Mumbai

Date: 30th May, 2018

Independent Auditor's Report on Standalone Financial Results for the quarter and year ended 31 March 2018

To the Board of Directors of
Garden Silk Mills Limited

Introduction

1. We have audited the accompanying statement of standalone financial results of **Garden Silk Mills Limited** ('the Company'), for the quarter and year ended 31 March 2018 ('the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (referred to as 'SEBI Regulation 2015').
2. This Statement, which is the responsibility of the Company's management, has been approved by the Board of Directors on 30 May 2018. The Statement has been prepared on the basis of related standalone Ind AS financial statements which are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such Ind AS financial statements.

Scope of audit

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Statement.



Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- a) is presented in accordance with the requirements of the Regulation 33 of SEBI Regulation, 2015; and
 - b) gives true and fair view of the financial performance including other comprehensive income and other financial information of the Company for the quarter and year ended 31 March 2018.

Emphasis of matter

5. We draw attention to note no.7 to Statement. Since the conditions mentioned in the said note indicate existence of a material uncertainty, the ability of the Company to function as a going-concern for a foreseeable future depends upon successful closure of mitigating measures/conditions mentioned in said note.

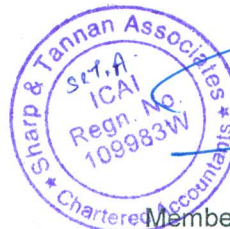
Our opinion is not modified in respect of the above matter.

Other matters

6. The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in the Statement is based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 respectively, expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to Ind AS which have been audited by us.
7. The Statement includes results for the quarter ended 31 March 2018, being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to nine months ended 31 December 2017 of the current financial year which was subjected to limited review by us.

Our opinion is not modified in respect of these other matters.

For Sharp & Tannan Associates
Chartered Accountants
Firm's registration no.109983W



Tirtharaj Khot
Partner

Membership no.(F) 037457

Mumbai, 30 May 2018



GARDEN SILK MILLS LIMITED

Regd. Office: Tulsi Krupa Arcade, 1st Floor, Near Aai Mata Chowk, Puna-Kumbharia Road, Dumbhal, Surat 395010

CIN: L17111GJ1979PLC003463; Website: www.gardenvareli.com; e-mail: shareddepartment@gardenvareli.com.

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Designer of Yarns, Weaves and Prints

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	
		31/03/2018 (Audited) (Refer Note 6)	31/12/2017 (Unaudited)	31/03/2017 (Audited) (Refer Note 6)	31/03/2018 (Audited)	31/03/2017 (Audited)
1	Income					
	(a) Revenue from Operations (refer Note 3)	78256.04	84375.73	70630.55	311144.34	265400.53
	(b) Other Income	192.92	236.52	83.09	536.10	503.79
	Total Income	78448.96	84612.25	70713.64	311680.44	265904.32
2	Expenses					
	(a) Cost of Materials Consumed	63519.42	61783.09	50243.97	221749.82	178624.08
	(b) Purchases of stock-in-trade	2326.76	1818.74	290.93	6448.83	1799.29
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(9495.24)	(655.97)	(7454.58)	(4925.11)	(8444.34)
	(d) Employee benefits expense	2828.92	3303.93	2696.86	13060.25	12214.88
	(e) Excise duty	0.00	0.00	7818.71	6993.22	20855.81
	(f) Finance costs	4924.81	4666.60	4834.21	19015.78	17934.37
	(g) Depreciation and amortisation expense	1758.13	1644.13	1590.73	6625.22	6447.66
	(h) Impairment losses	1486.02	0.00	0.00	1486.02	0.00
	(i) Other expenses	13007.75	12239.86	12106.15	49609.13	45783.50
	Total Expenses	80356.57	84800.38	72126.98	320063.16	275215.25
3	Profit/(Loss) before exceptional items and tax (1-2)	(1907.61)	(188.13)	(1413.34)	(8382.72)	(9310.93)
4	Exceptional items	0.00	0.00	0.00	0.00	0.00
5	Profit/(Loss) before tax (3-4)	(1907.61)	(188.13)	(1413.34)	(8382.72)	(9310.93)
6	Tax expenses/(credit)					
	Current tax	0.00	0.00	0.00	0.00	0.00
	Deferred tax Charge / (Credit)	0.00	0.00	0.00	0.00	0.00
7	Profit/(Loss) for the period (5-6)	(1907.61)	(188.13)	(1413.34)	(8382.72)	(9310.93)
8	Other Comprehensive income					
	Item that will not be recalssified to profit or loss	(359.01)	430.65	(194.31)	45.54	14.49
	Income tax on above	0.00	0.00	0.00	0.00	0.00
	Item that will be recalssified to profit or loss	0.00	0.00	0.00	0.00	0.00
	Income tax on above	0.00	0.00	0.00	0.00	0.00
9	Total Comprehensive Income for the period (7+8)	(2266.62)	242.52	(1607.65)	(8337.18)	(9296.44)
10	Paid-up Equity Share Capital (Face Value Rs.10/- Per Share)	4208.25	4208.25	4208.25	4208.25	4208.25
11	Other Equity excluding Revaluation Reserves (as per balance sheet of previous accounting year)	--	--	--	(25649.19)	(17312.01)
12	Earning per equity share in Rs. (Face value of share Rs.10/-)					
	Basic and diluted (in Rs.) not annualised	(4.53)	(0.45)	(3.36)	(19.92)	(22.13)

GARDEN SILK MILLS LIM
STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	103029.30	109352.86	114742.70
(b) Capital Work-in-Progress	1514.39	3084.04	3116.76
(c) Intangible Assets	7.82	17.51	32.21
(d) Financial Assets			
(i) Investments	599.97	612.29	378.84
(ii) Loans	5.14	11.05	21.38
(e) Other Non-Current Assets	3951.79	3288.93	4439.12
Total Non-Current Assets	109108.41	116366.68	122731.01
2 Current Assets			
(a) Inventories	42288.06	38821.26	28360.88
(b) Financial Assets			
(ii) Trade Receivables	20857.56	12726.45	15097.00
(iii) Cash and Cash Equivalents	4421.08	5458.92	3138.88
(iv) Bank Balances other than (iii) above	5919.63	3039.43	1674.70
(v) Loans	1001.15	1035.35	1115.22
(vi) Others Financial Assets	0.00	5.07	46.17
(c) Other Current Assets	13425.05	6809.37	9236.63
Total Current Assets	87912.53	67895.85	58669.48
TOTAL ASSETS	197020.94	184262.53	181400.49
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	4208.25	4208.25	4208.25
(b) Other Equity	(25649.19)	(17312.01)	(8131.15)
Total Equity	(21440.94)	(13103.76)	(3922.90)
LIABILITIES:			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	93375.38	119339.84	135081.84
(b) Long-term Provisions	588.10	660.98	621.09
Total Non-Current Liabilities	93963.48	120000.82	135702.93
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15751.51	11051.99	5686.98
(ii) Trade Payables	36206.07	26290.97	22174.10
(iii) Other Financial Liabilities	21378.45	11457.16	3614.44
(b) Other Current Liabilities	49565.93	25767.53	17190.67
(c) Short-term Provisions	1596.44	2797.82	954.27
Total Current Liabilities	124498.40	77365.47	49620.46
TOTAL LIABILITIES	218461.88	197366.29	185323.39
TOTAL EQUITY AND LIABILITIES	197020.94	184262.53	181400.49

Notes:

- 1 The above audited consolidated financial results of the Company for the quarter and year ended 31st March, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company, at their Meetings held on 30th May, 2018. The Statutory Auditors have expressed an unmodified audit opinion on these results.
- 2 The above results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 3 According to the requirements of Schedule III of the Companies Act, 2013, Revenue from operations for the period up to 30th June, 2017, and earlier periods presented in these results are inclusive of excise duty. Consequent to applicability of Goods and Service Tax (GST) w.e.f. 1st July, 2017, Revenue from operations are shown net of GST in accordance with requirements of Ind AS-18 'Revenue'. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the quarter and year ended on 31st March, 2018 are not comparable with the previous periods.
- 4 Previous period's / year's figures have been regrouped / reclassified wherever necessary to make them Ind AS compliant and comparable with the current year's classification / disclosure.
- 5 The standalone financial results are available at Company's website viz. www.gardenvareli.com and on the websites of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com). Key numbers of standalone financial results are as under:

(Rs. in Lakhs)

Particulars	Quarter Ended			Year ended	
	31/03/2018 (Audited) (Refer Note 6)	31/12/2017 (Unaudited)	31/03/2017 (Audited) (Refer Note 6)	31/03/2018 (Audited)	31/03/2017 (Audited)
Total Income from operations	78220.88	84332.17	70883.44	310869.52	265328.18
Profit / (Loss) before Tax	(2124.54)	(200.82)	(822.53)	(8896.63)	(8339.14)
Net Profit / (Loss) after Tax	(2124.54)	(200.82)	(822.53)	(8896.63)	(8339.14)

- 6 Figures for the quarter ended 31st March, 2018 and quarter ended 31st March, 2017 are the balancing figures between audited figures in respect of the year ended 31st March, 2018 and 31st March, 2017 and the unaudited figures of nine months ended 31st December, 2017 and 31st December, 2016 respectively which were subject to limited review by statutory auditors.
- 7 The Company has term loan, working capital and other financing arrangements from certain banks and other lenders. These lenders have declared their arrangements with the Company as non-performing asset since the Company has defaulted in repayment of principal, interest and other penal dues. The Company's net-worth as at the year-end is negative mainly due to accumulated losses. Although the Company has shown an improvement in its operating income for the year, the Company continue to have a significant pressure on its financial resources. The Company is in discussion with its consortium of lenders for financial restructuring arrangement including identifying a potential investor. The management is confident about the successful closure of above measures/conditions and has accordingly prepared financial results on a going-concern basis.
- 8 The Company's business segment consists of a single segment of "Textiles" in accordance with the requirement of Indian Accounting Standards (Ind AS) - 108 Operating Segments. Accordingly, no separate segment information has been provided.

- 9 Reconciliation of equity as at 31st March, 2017 and as at 1st April, 2016 between consolidated financial statement as per Indian GAAP and as per Ind AS are as under:

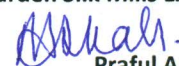
(Rs. in Lakhs)		
Particulars	As at 31/03/2017	As at 01/04/2016
Equity under Indian GAAP	(12701.72)	(2493.72)
Add:		
Mark to market of forward contracts instead of amortisation of premium	197.78	149.87
Deferrel of revenue as per Ind AS 18	128.43	(206.13)
Effect in employee benefit expense due to Acturial Valuation	218.96	0.00
Expected credit loss in debtors	0.00	(411.22)
Acturial Gain due to acturial valuation for Gratuity	25.30	0.00
	(12131.25)	(2961.20)
Less:		
Fair value of Equity investments classified in OCI	728.25	961.70
Acturial Gain due to acturial valuation for leave encashment	244.26	0.00
Equity as per Ind AS	(13103.76)	(3922.90)

- 10 The Reconciliation of Net Profit / (Loss) reported under previous General Accepted Accounting Principles (GAAP) to Total Comprehensive Income in accordance with Ind AS is given below:

(Rs. in Lakhs)		
Particulars	Year ended 31/03/2017	Quarter ended 31/03/2017
Net Profit / (Loss) as reported under previous GAAP (after tax)	(10208.00)	(2175.87)
Add/(Less):		
Mark to market of forward contracts instead of amortisation of premium	340.89	298.07
Unwinding of Interest for Interest free loan to Subsidiary	(115.57)	(115.57)
Deferrel of revenue as per Ind AS 18	41.57	15.73
Effect in employee benefit expense due to Acturial Valuation	218.96	218.96
Impact due to Fair Value of Investments (Mutual funds)	0.00	(65.88)
Expected credit loss in debtors	411.22	411.22
Net Profit / (Loss) as per Ind AS	(9310.93)	(1413.34)
Other Comprehensive Income (OCI)		
Fair value of Equity investments classified in OCI	233.45	24.65
Acturial Gain due to acturial valuation for Gratuity	25.30	25.30
Acturial Gain due to acturial valuation for leave encashment	(244.26)	(244.26)
Total comprehensive income as on 31/03/2017 (Ind AS)	(9296.44)	(1607.65)

For and on behalf of Board of Directors

Garden Silk Mills Limited



Praful A. Shah

Chairman & Managing Director

DIN: 00218143

Place: Mumbai

Date: 30th May, 2018

Independent Auditor's Report on Consolidated Financial Results for the quarter and year ended 31 March 2018

To the Board of Directors of
Garden Silk Mills Limited

Introduction

1. We have audited the accompanying statement of consolidated financial results of **Garden Silk Mills Limited** ('the Holding Company') and its subsidiary i.e. GAIA International FZE (the Holding Company and its subsidiaries together referred to as 'the Group'), for the quarter and year ended 31 March 2018 ('the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (referred to as 'SEBI Regulation 2015').
2. This Statement, which is the responsibility of the Company's management and has been approved by the Board of Directors on 30 May 2018. The Statement has been prepared on the basis of related consolidated Ind AS financial statements which are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated Ind AS financial statements.

Scope of audit

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Statement.



Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- a) is presented in accordance with the requirements of the Regulation 33 of SEBI Regulation, 2015; and
 - b) gives true and fair view of the financial performance including other comprehensive income and other financial information of the Group for the quarter and year ended 31 March 2018.

Emphasis of matter

5. We draw attention to note no.7 to Statement. Since the conditions mentioned in the said note indicate existence of a material uncertainty, the ability of the Company to function as a going-concern for a foreseeable future depends upon successful closure of mitigating measures/conditions mentioned in said note.

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

Other matters

6. We did not audit the financial statements of one subsidiary included in the consolidated Ind AS financial results, whose financial statements reflect total assets of Rs. 2,260 lakhs and net assets of Rs. 110 lakhs as at 31 March 2018; as well as total revenue of Rs. 8,563 lakhs and net cashflow of Rs. (3,080) lakhs for the year ended 31 March 2018, as considered in the consolidated financial results. These financial statements have been audited by other auditor whose reports have been furnished to us by the Holding Company's management, and our opinion on the accompanying Statement, to the extent they have been derived from such financial statements is based solely on the report of the other auditor.
7. This subsidiary is located outside India whose financial statements and other financial information have been in accordance with accounting principles generally accepted in their respective countries and which have been audited by local auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of this subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These conversion adjustments made by the Company's management have been audited by us. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.



8. The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in the Statement is based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 respectively, expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to Ind AS which have been audited by us.
9. The Statement includes results for the quarter ended 31 March 2018, being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to nine months ended 31 December 2017 of the current financial year which was subjected to limited review by us.

Our opinion is not modified in respect of these other matters.

For Sharp & Tannan Associates
Chartered Accountants
Firm's registration no. 109983W



A handwritten signature in blue ink, appearing to read "Tirtharaj Khot".

Tirtharaj Khot
Partner

Membership no.(F) 037457

Handwritten initials "DSC" inside a small circle.

Mumbai, 30 May 2018