

GARDEN SILK MILLS LIMITED

Date: 7th August, 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)

Dear Sir/s:

Sub.: Unaudited Financial Results for the first quarter ended 30th June, 2018.

Pursuant to Regulation 33 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed the Unaudited Standalone and Consolidated Financial Results of the Company for the first quarter ended 30th June, 2018 along with a copy of the Limited Review Report duly signed by the Statutory Auditors of the Company.

The aforesaid Financial Results were approved and taken on record by the Board of Directors of the Company at its Meeting held today, which commenced at 11.00 a.m. and concluded at 1.20 p.m.

The Financial Results will be published in the newspapers in accordance with the Listing Regulations. The said results will be available on the Company's website www.gardenvareli.com.

Kindly take the same on your record and acknowledge receipt.

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

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

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2018

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended
		30/06/2018 (Unaudited)	31/03/2018 (Audited) (Refer Note 6)	30/06/2017 (Unaudited)	31/03/2018 (Audited)
1	Income				
	(a) Revenue from Operations (refer Note 2)	91638.36	78256.04	77507.50	311144.34
	(b) Other Income	114.91	192.92	202.58	536.10
	Total Income	91753.27	78448.96	77710.08	311680.44
2	Expenses				
	(a) Cost of Materials Consumed	66699.67	63519.42	50332.21	221749.82
	(b) Purchases of stock-in-trade	1487.16	2326.76	298.24	6448.83
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1129.68	(9495.24)	87.99	(4925.11)
	(d) Employee benefits expense	3068.59	2828.92	3258.26	13060.25
	(e) Excise duty	0.00	0.00	6993.22	6993.22
	(f) Finance costs	4900.72	4924.81	4947.12	19015.78
	(g) Depreciation and amortisation expense	1711.49	1758.13	1600.82	6625.22
	(h) Impairment losses	0.00	1486.02	0.00	1486.02
	(i) Other expenses	13987.11	13007.75	12817.83	49609.13
	Total Expenses	92984.42	80356.57	80335.69	320063.16
3	Profit/(Loss) before exceptional items and tax (1-2)	(1231.15)	(1907.61)	(2625.61)	(8382.72)
4	Exceptional items	0.00	0.00	0.00	0.00
5	Profit/(Loss) before tax (3-4)	(1231.15)	(1907.61)	(2625.61)	(8382.72)
6	Tax expenses/(credit)				
	Current tax	0.00	0.00	0.00	0.00
	Deferred tax Charge / (Credit)	0.00	0.00	0.00	0.00
7	Profit/(Loss) for the period (5-6)	(1231.15)	(1907.61)	(2625.61)	(8382.72)
8	Other Comprehensive income				
	Item that will not be recalssified to profit or loss	0.00	(359.01)	171.10	45.54
	Income tax on above	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
	Income tax on above	0.00	0.00	0.00	0.00
9	Total Comprehensive Income for the period (7+8)	(1231.15)	(2266.62)	(2454.51)	(8337.18)
10	Paid-up Equity Share Capital (Face value of share: Rs.10/-)	4208.25	4208.25	4208.25	4208.25
11	Other Equity	--	--	--	(25649.19)
12	Earnings per equity share in Rs.				
	- Basic and diluted (not annualised excluding year end)	(2.93)	(4.53)	(6.24)	(19.92)



Notes:

- 1 The above financial results, as reviewed and recommended by the Audit Committee, have been approved and taken on record by the Board of Directors of the Company at its meeting held on 7th August, 2018. The Statutory Auditors of the Company have carried out a limited review of the financial results for the quarter ended 30th June, 2018 and expressed an unqualified report on the above results.
- 2 The revenue from operations for periods upto 30th June, 2017 are reported inclusive of excise duty, in accordance with requirement of Ind AS. Consequent to the implementation of Goods and Service Tax (GST) Regulations effective from 1st July, 2017, the revenue from operations for the quarter ended 30th June, 2018 and 31st March, 2018 are reported net of GST, in accordance with the requirements of Ind AS. Accordingly the revenue from operations for the quarter ended 30th June, 2018 and 31st March, 2018 are not comparable with the amounts reported in the corresponding previous periods.
- 3 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.
- 3 The Company 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.
- 4 Effective 1st April, 2018, Ind AS 115, 'Revenue From Contracts with Customers' is applicable to the Company, however there is no material impact on the above results.
- 5 The Company has opted to publish Extracts of the Unaudited Consolidated Financial Results, pursuant to option made available as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Unaudited Standalone Financial Results are available on the Stock Exchange websites (www.nseindia.com and www.bseindia.com) and on the Company's website (www.gardenvareli.com.)

Key numbers of Standalone Financial Results of the Company are as under:

(Rs. in Lakhs)

Particulars	Quarter ended 30/06/2018 (Unaudited)	Year ended 31/03/2018 (Audited)	Quarter ended 30/06/2017 (Unaudited)
Total Income from operations	91729.84	310869.52	77330.54
Profit / (Loss) before Tax	(1238.64)	(8896.63)	(2807.38)
Net Profit / (Loss) after Tax before other comprehensive income	(1238.64)	(8896.63)	(2807.38)

- 6 The figures for the quarter ended 31st March, 2018 are the balancing figures between audited figures in respect of the full financial year ended 31st March, 2018 and the unaudited published year to date figures up to 31st December, 2017, being the end of the third quarter of the previous financial year which were subjected to a limited review.
- 7 The Company continues to be engaged with its lenders towards a debt restructuring.
- 8 Previous period's / year's figures have been regrouped / reclassified wherever necessary.

For and on behalf of Board of Directors

Garden Silk Mills Limited

Praful A. Shah
Praful A. Shah

Chairman & Managing Director

DIN: 00218143

Place: Surat

Date: 07/08/2018



INDEPENDENT AUDITOR'S REVIEW REPORT ON CONSOLIDATED UNAUDITED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF GARDEN SILK MILLS LIMITED

Introduction:

1. We have reviewed the accompanying statement of consolidated unaudited financial results of **GARDEN SILK MILLS LIMITED** (the 'Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred as 'the Group') for the quarter ended 30 June 2018 (the 'Statement') being submitted by the Holding Company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016.

The preparation of this statement in accordance with the recognition and measurement principles as laid down in Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read together with relevant rules and other accounting principles generally accepted in India, read together with above referred SEBI circular is the responsibility of the Holding Company's management and has been approved by the Board of Directors of the Holding Company on 7 August 2018. Our responsibility is to issue a report on the Statement based on our review.

Scope of review:

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.
3. The Statement includes financial results of GAIA International FZE, a wholly owned subsidiary of the Holding Company.

Conclusion:

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable accounting standards i.e. Ind-AS as prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of matter:

5. We draw attention to note no. 3 to the Statement. Since the conditions mentioned in the said note indicate existence of a material uncertainty, the ability of the Group 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.



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Other matters:

6. The Statement include the interim financial results of one subsidiary which have not been reviewed by their auditors, whose interim financial results reflect total revenues of Rs. 225.95 Lakhs and profit after tax of Rs. 7.52 Lakhs for the quarter ended 30 June 2018. These financial results have been certified by management and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of these subsidiaries is based solely on such interim financial results certified by management. Since these interim financial statements for the quarter ended 30 June 2018, which were compiled by management of this subsidiary, were not reviewed, any adjustments to their balances could have consequential effects on the consolidated unaudited financial results. In our opinion and according to the information and explanations given to us by management, these financial results are not material to the Group.
7. The comparative financial information contained in this statement for the corresponding quarter ended on 30 June 2017 was reviewed by the predecessor auditor who has expressed unmodified conclusion on the same.

Our conclusion is not qualified in respect of these above matters.

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



A handwritten signature in blue ink, appearing to read "Pramod Bhise".

Pramod Bhise
Partner

Membership No.: (F) 047751

Mumbai, 7 August 2018



GARDEN SILK MILLS LIMITED

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

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Designer of Yarns, Weaves and Prints

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2018

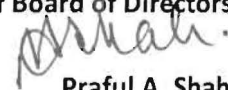
Sr. No.	Particulars	Quarter ended			(Rs. in Lakhs)
		30/06/2018 (Unaudited)	31/03/2018 (Audited) (Refer Note 6)	30/06/2017 (Unaudited)	31/03/2018 (Audited)
1	Income				
	(a) Sales / Revenue from Operations (refer Note 2)	91614.94	78007.71	77223.58	310333.45
	(b) Other Income	114.90	213.18	106.96	536.07
	Total Income	91729.84	78220.89	77330.54	310869.52
2	Expenses				
	(a) Cost of Materials Consumed	66699.67	63519.43	50332.21	221749.82
	(b) Purchases of stock-in-trade	1487.16	2326.75	298.24	6448.83
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1129.69	(9495.24)	88.00	(4925.11)
	(d) Employee benefits expense	3068.59	2828.92	3253.07	13040.50
	(e) Excise duty	0.00	0.00	6993.22	6993.22
	(f) Finance costs	4888.54	4833.53	4894.60	18861.91
	(g) Depreciation and amortisation expense	1711.42	1758.08	1600.76	6624.98
	(h) Impairment losses	0.00	1486.02	0.00	1486.02
	(i) Other expenses	13983.41	13087.96	12677.82	49485.98
	Total Expenses	92968.48	80345.45	80137.92	319766.15
3	Profit/(Loss) before exceptional items and tax (1-2)	(1238.64)	(2124.56)	(2807.38)	(8896.63)
4	Exceptional items	0.00	0.00	0.00	0.00
5	Profit/(Loss) before tax (3-4)	(1238.64)	(2124.56)	(2807.38)	(8896.63)
6	Tax expense				
	(a) Current tax	0.00	0.00	0.00	0.00
	(b) Deferred tax Charge / (Credit)	0.00	0.00	0.00	0.00
7	Profit/(Loss) for the period (5-6)	(1238.64)	(2124.56)	(2807.38)	(8896.63)
8	Other Comprehensive income (OCI)				
	(a) Item that will not be recalssified to profit or loss	0.00	(359.01)	171.10	45.54
	(b) Item that will be recalssified to profit or loss	0.00	0.00	0.00	0.00
	Other Comprehensive Income, net of tax	0.00	(359.01)	171.10	45.54
9	Total Comprehensive Income for the period (7+8)	(1238.64)	(2483.57)	(2636.28)	(8851.09)
10	Paid-up Equity Share Capital (Face value of share: Rs.10/-)	4208.25	4208.25	4208.25	4208.25
11	Other Equity	--	--	--	(25294.74)
12	Earnings per equity share in Rs. - Basic and diluted (not annualised excluding year end)	(2.94)	(5.05)	(6.67)	(21.14)



Notes:

- 1 The above financial results, as reviewed and recommended by the Audit Committee, have been approved and taken on record by the Board of Directors of the Company at its meeting held on 7th August, 2018. The Statutory Auditors of the Company have carried out a limited review of the financial results for the quarter ended 30th June, 2018 and expressed an unqualified report on the above results.
- 2 The revenue from operations for periods upto 30th June, 2017 are reported inclusive of excise duty, in accordance with requirement of Ind AS. Consequent to the implementation of Goods and Service Tax (GST) Regulations effective from 1st July, 2017, the revenue from operations for the quarter ended 30th June, 2018 and 31st March, 2018 are reported net of GST, in accordance with the requirements of Ind AS. Accordingly the revenue from operations for the quarter ended 30th June, 2018 and 31st March, 2018 are not comparable with the amounts reported in the corresponding previous periods.
- 3 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.
- 4 The Company 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.
- 5 The Company has opted to publish Extracts of the Unaudited Standalone Financial Results, pursuant to option made available as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Unaudited Consolidated Financial Results are available on the Stock Exchange websites (www.nseindia.com and www.bseindia.com) and on the Company's website (www.gardenvareli.com.)
- 6 The figures for the quarter ended 31st March, 2018 are the balancing figures between audited figures in respect of the full financial year ended 31st March, 2018 and the unaudited published year to date figures up to 31st December, 2017, being the end of the third quarter of the previous financial year which were subjected to a limited review.
- 7 Effective 1st April, 2018, Ind AS 115, 'Revenue From Contracts with Customers' is applicable to the Company, however there is no material impact on the above results.
- 8 The Company continues to be engaged with its lenders towards a debt restructuring.
- 9 Previous period's / year's figures have been regrouped / reclassified wherever necessary.

For and on behalf of Board of Directors



Praful A. Shah

Chairman & Managing Director

DIN: 00023993

Place: Surat

Date: 07/08/2018



INDEPENDENT AUDITOR'S REVIEW REPORT ON STANDALONE UNAUDITED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF GARDEN SILK MILLS LIMITED

Introduction:

1. We have reviewed the accompanying statement of standalone unaudited financial results of **GARDEN SILK MILLS LIMITED** (the 'Company') for the quarter ended 30 June 2018 (the 'Statement') being submitted by the Company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016.

The preparation of this statement in accordance with the recognition and measurement principles as laid down in Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read together with relevant rules and other accounting principles generally accepted in India, read together with above referred SEBI circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company on 7 August 2018. Our responsibility is to issue a report on the Statement based on our review.

Scope of review:

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Conclusion:

3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable accounting standards i.e. Ind-AS as prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of matter:

4. We draw attention to note no. 3 to the 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 matter:

5. The comparative financial information of the Company contained in this statement for the corresponding quarter ended on 30 June 2017 was reviewed by the predecessor auditor who has expressed unmodified conclusion on the same.

Mumbai, 7 August 2018



A handwritten signature in blue ink, appearing to be "P. Bhise".

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

A handwritten signature in blue ink, appearing to be "P. Bhise".

Pramod Bhise
Partner

Membership No.: (F) 047751