

GARDEN SILK MILLS LIMITED

Date: 12th November, 2019

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

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

**Sub.: Unaudited Financial Results for the quarter and half-year ended
30th September, 2019.**

Sir/Madam,

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are enclosing the Unaudited Financial Results of the Company for the quarter and half-year ended 30th September, 2019, duly approved by the Board of Directors of the Company, at its meeting held today.

The meeting of the Board of Directors of the Company commenced at 11:00 a.m. and concluded at 03:00 p.m.

We also enclose a copy of the Limited Review Report of the Auditors of the Company, as required under Regulation 33 of the Listing Regulations.

Kindly take the same on your record and acknowledge receipt.

Thanking you,

Yours faithfully,

For Garden Silk Mills Limited



Kamlesh B. Vyas

Company Secretary and Compliance Officer



Encl.: As above.

*Garden**

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CIN : L17111GJ1979PLC003463 | Website : www.gardenvareli.com

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2019

(Rs. in Crore except per share data)

Sr. No.	Particulars	Quarter ended			Half Year ended		Year ended 31/03/2019 (Audited)
		30/09/2019 (Unaudited)	30/06/2019 (Unaudited)	30/09/2018 (Unaudited)	30/09/2019 (Unaudited)	30/09/2018 (Unaudited)	
1	Income:						
	(a) Sales / Revenue from Operations	744.47	814.08	922.94	1558.55	1840.74	3488.50
	(b) Other Income	1.15	0.72	16.38	1.87	17.53	19.81
	Total Income	745.62	814.80	939.32	1560.42	1858.27	3508.31
2	Expenses:						
	(a) Cost of Materials Consumed	571.75	568.57	739.74	1140.32	1406.73	2598.74
	(b) Purchases of Stock-in-Trade	2.46	1.72	20.72	4.18	35.59	39.96
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(21.92)	65.01	(74.36)	43.09	(63.07)	8.34
	(d) Employee Benefits Expense	33.98	29.90	35.92	63.88	66.61	126.28
	(e) Finance Costs	48.38	49.36	50.43	97.74	99.31	204.10
	(f) Depreciation and Amortisation Expense	15.98	17.21	16.78	33.19	33.90	66.15
	(g) Impairment losses	0.00	0.00	0.00	0.00	0.00	6.69
	(h) Other Expenses	134.91	118.79	163.55	253.70	305.04	544.36
	Total Expenses	785.54	850.56	952.78	1636.10	1884.11	3594.62
3	Profit / (Loss) Before Exceptional Item and Tax (1-2)	(39.92)	(35.76)	(13.46)	(75.68)	(25.84)	(86.31)
4	Exceptional Item	0.00	0.00	0.00	0.00	0.00	3.46
5	Profit / (Loss) Before Tax (3-4)	(39.92)	(35.76)	(13.46)	(75.68)	(25.84)	(89.77)
6	Tax Expense						
	(a) Current Tax	0.00	0.00	0.00	0.00	0.00	0.00
	(b) Deferred Tax	0.00	0.00	0.00	0.00	0.00	0.00
7	Profit / (Loss) for the Period (5-6)	(39.92)	(35.76)	(13.46)	(75.68)	(25.84)	(89.77)
8	Other Comprehensive Income / (Loss)						
	(a) Items that will not be reclassified to Profit or (Loss)	(0.77)	(1.31)	(1.96)	(2.08)	(1.96)	(2.38)
	(b) Income tax relating to items that will not be reclassified to Profit or (Loss)	0.00	0.00	0.00	0.00	0.00	0.00
	Total Other Comprehensive Income (Loss) (Net of Tax)	(0.77)	(1.31)	(1.96)	(2.08)	(1.96)	(2.38)
9	Total Comprehensive Income / (Loss) for the Period (7+8)	(40.69)	(37.07)	(15.42)	(77.76)	(27.80)	(92.15)
10	Equity Share Capital (Face Value Rs.10/- Per Share)	42.08	42.08	42.08	42.08	42.08	42.08
11	Reserves Excluding Revaluation Reserve as shown in the Audited Balance Sheet	--	--	--	--	--	(345.10)
12	Basic and Diluted Earning per share (EPS) (Rs.)						
	* Not annualised	(9.49)	(8.50)	(3.20)	(17.98)	(6.14)	(21.33)



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STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER, 2019

Particulars	(Rs. in Crores)	
	As at 30/09/2019 (Unaudited)	As at 31/03/2019 (Audited)
ASSETS		
1 Non-Current Assets		
(a) Property, Plant and Equipment	936.26	967.54
(b) Capital Work-in-Progress	6.92	6.46
(c) Intangibles Assets	0.02	0.02
(d) Financial Assets		
(i) Investments	2.23	4.47
(ii) Loans and Advances	0.08	0.07
(iii) Other Financial Assets	4.60	2.25
(e) Deferred Tax Assets (Net)	0.00	0.00
(f) Non-Current Tax Assets (Net)	3.12	2.82
(g) Other Non-Current Assets	28.11	27.91
Total Non-Current Assets	981.34	1011.54
2 Current Assets		
(a) Inventories	348.31	415.33
(b) Financial Assets		
(i) Trade Receivables	107.67	103.62
(ii) Cash and Cash Equivalents	65.69	36.56
(iii) Bank Balances other than (ii) above	31.28	27.14
(iv) Loans and Advances	0.73	0.58
(v) Others Financial Assets	0.00	0.00
(c) Other Current Assets	160.08	125.13
Total Current Assets	713.76	708.36
TOTAL ASSETS	1695.10	1719.90
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	42.08	42.08
(b) Other Equity	(422.86)	(345.10)
Total Equity	(380.78)	(303.02)
LIABILITIES:		
1 Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	566.23	690.28
(b) Long-term Provisions	7.21	4.98
(c) Other Non-current Liabilities	0.00	0.00
Total Non-Current Liabilities	573.44	695.26
2 Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	120.56	87.27
(ii) Other Financial Liabilities	0.00	0.00
(iii) Trade Payables		
1. Dues of Micro Enterprises and Small Enterprises	2.10	2.90
2. Dues of other than Micro Enterprises and Small Enterprises	235.29	238.85
(iv) Other Financial Liabilities	1131.70	968.10
(b) Other Current Liabilities	12.60	30.33
(c) Short-term Provisions	0.19	0.21
Total Current Liabilities	1502.44	1327.66
TOTAL LIABILITIES	2075.88	2022.92
TOTAL EQUITY AND LIABILITIES	1695.10	1719.90



GARDEN SILK MILLS LIMITED
UNAUDITED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2019

	(Rs. in Crore)			
	Half year ended 30/09/2019 (Unaudited)		Half year ended 30/09/2018 (Unaudited)	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax as per Statement of Profit and Loss		(75.68)		(25.84)
Adjusted for:				
Depreciation	33.19		33.90	
Impairment losses	0.00		0.00	
Provision for Shortages Coal	(0.39)		0.00	
Financial Charges Net	97.75		99.31	
Profit on Sale of Assets	(0.02)		(0.06)	
Investments w/Off	0.00		0.00	
Loss on Sale of Investment	0.00		0.00	
Interest Income	(1.08)		(1.54)	
Dividend Income	(0.01)		(0.01)	
Fair value Loss on Investment in Subsidiary	0.00		3.46	
Credit Balance no longer required	(0.13)		(15.56)	
Bad Debts written off	0.04		0.02	
Bad Debts Recovery (ECL)	(0.06)		0.00	
Fair Value (Gain) / Loss	1.26	130.55	2.24	121.76
Operating Profit before Working Capital Changes		54.87		95.92
Movements in Working Capital :				
(Increase) / Decrease in Inventories	67.41		(70.17)	
(Increase) / Decrease in Trade Receivables	(3.93)		66.39	
(Increase) / Decrease in Loans & Advances	(0.44)		0.06	
(Increase) / Decrease in Other Assets	(34.18)		(26.17)	
(Decrease) / Increase in Trade Payables	(4.34)		(118.88)	
(Increase) / Decrease in Provisions	2.21		1.02	
(Decrease) / Increase in Other Financial Liabilities	2.76		5.63	
(Decrease) / Increase in Other Current Liabilities	(17.72)		(42.24)	
		11.77		(184.36)
Cash Generated from/(used towards) Operations		66.64		(88.44)
Direct Taxes (Paid) / Refund.		(0.30)		(0.33)
Net Cash Flow from / (used towards) Operating Activities (A)		66.34		(88.77)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets		(3.24)		(2.51)
Sale of Fixed Assets		0.13		0.32
Sale of Current Investments		0.16		0.00
Closure of Subsidiary		0.00		1.19
Dividend Income		0.01		0.01
Interest Income - FD & Staff Interest		0.05		0.45
Net Cash Flow from / (used towards) in Investing Activities (B)		(2.89)		(0.54)
C. CASH FLOW FROM FINANCIAL ACTIVITIES:				
Proceeds from/(used towards) Short Term Borrowings		33.29		90.45
Proceeds from Long Term Borrowings		0.00		1.21
Repayment of Long Term Borrowings		(11.77)		0.00
Payment of Interest and Bank Charges		(50.39)		(55.51)
LC Margin FD		(6.49)		29.07
LC Margin FD Interest Income		1.04		1.09
Net Cash Flow from / (used towards) Financing Activities (C)		(34.32)		66.31
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		29.13		(23.00)
Opening Balance of Cash and Cash Equivalents		36.56		41.10
Closing Balance of Cash and Cash Equivalents		65.69		18.10



Notes to the Financial Results:

- 1 The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 12th November, 2019. The same have also been subjected to Limited Review by the statutory auditors.
- 2 The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 and read together with the Companies (Indian Accounting Standards - Ind AS) Rules issued thereafter and other recognised accounting practices and policies to the extent applicable.
- 3 Sales / Revenue from operations includes Sale of Utilities.
- 4 The Company has evaluated the impact of Ind AS 116 "Leases" effective April 1, 2019, however, the effect of the same is not material on profit and earnings per share for the quarter.
- 5 The Company's business segment consists of a single segment of "Textiles" in accordance with Ind AS 108 - 'Operation Segments' notified pursuant to the Companies (Indian Accounting Standard) Rules, 2015. The Company is not relied on single major customers having transaction more than 10% of total revenue. Information with respect to geographical segment, to the extent applicable is as follows:

Particulars	Quarter ended			Year ended
	30/09/2019 (Unaudited)	30/06/2019 (Unaudited)	30/09/2018 (Unaudited)	31/03/2019 (Audited)
Segment Revenue - Geographic Segment by Location of Customer				
Within India	605.38	644.85	646.21	2393.70
Outside India	139.09	169.23	276.73	1094.80
Total	744.47	814.08	922.94	3488.50

- 6 Exceptional items amounting to Rs.345.88 Lacs for the year ended 31st March, 2019 represent fair value Loss on closing down of Subsidiary Company viz: GAIA International FZE.
- 7 One of the members of the company's consortium funding has filed an application with National Company Law Tribunal (NCLT) Ahmedabad Bench for initiation of Corporate Insolvency Resolution Process (CIRP) against the Company under section 7 of the insolvency and Bankruptcy code, 2016 which is likely to come up for hearing for its admission in due course. Further, all the consortium lender banks have signed an Inter Creditor Agreement (ICA) in the account of the Company. In view of the current situation, based on the availability of continued adequate financial support from certain lenders for working capital requirement and subject to effect of developments of case filed at NCLT and the efforts being taken by joint-lender forum for identifying potential buyer, the financial results are prepared on a going concern basis.
- 8 The Company has term loan, working capital and other financing arrangements from certain banks and other lenders. All 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. One of the lender has made an application to the National Company Law Tribunal (NCLT) Ahmedabad Bench, seeking action under Insolvency and Bankruptcy Code, 2016. There are difficulties in obtaining complete and correct information from all lenders towards breakup of debt outstanding. In light of the above, outstanding balances to these lenders are subject to reconciliation/adjustments.
- 9 Previous period's / year's figures are regrouped / reclassified, wherever necessary, to make them comparable with those of current period. The Company has exercised the option for disclosure of amount as Rupees in Crore with effect from 1st April, 2019 as against Rupees in Lakhs.

For and on behalf of the Board of Directors of
Garden Silk Mills Limited

Praful A. Shah

Praful A. Shah

Chairman & Managing Director

DIN: 00218143

Place: Surat
Date: 12/11/2019



Independent Auditor's Review Report on standalone unaudited financial results of Garden Silk Mills Limited for the quarter and six months period ended 30 September 2019 Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review Report to

The Board of Directors of Garden Silk Mills Limited

Introduction

1. We have reviewed the accompanying statement of standalone unaudited financial results ("the Statement") of **Garden Silk Mills Limited** ("the Company") for the quarter and six months period ended 30 September 2019 being submitted by the Company pursuant to the requirement of Regulation 33 of the Security Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors on 12 November 2019, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with relevant rules issued thereunder and other recognised accounting practices and policies generally accepted in India and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

3. 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 with company personnel responsible for financial and accounting matters and analytical procedures applied to financial data and thus provides less assurance than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

4. As at 30 September 2019 the Company's interim financial statements mention total borrowings including interest accrued of Rs.178,580 Lakhs from various banks and other lenders. We have obtained/verified bank statements/ bank reconciliation statements, other relevant information (all, as provided by lenders and as available with the Company) 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 30 September 2019 and impact of interest and other changes accrued on the results for the quarter ended and as on that date. (Refer Note No. 8 to the Statement)

Qualified Conclusion

5. Except for the possible effects of the matter specified under 'Basis for Qualified Conclusion', and 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 Ind-AS as prescribed under section 133 of 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 SEBI Regulation 2015, as amended, including the manner in which it is to be disclosed or that it contains any material misstatement.

Material Uncertainty Related to Going Concern

6. We draw attention to Note No.7 to the Statement. The Company's net-worth is negative as at 30 September 2019 mainly due to accumulated losses and continues to have significant pressure on its financial resources. An application is made by one of its lenders to the National Company Law Tribunal (NCLT) Ahmedabad Bench, seeking action under Insolvency and Bankruptcy Code, 2016. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

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



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

Pramod Bhise
Partner

Membership No.(F) 047751
UDIN: 19047751AAAAGS9357

Mumbai, 12 November 2019