

GARDEN SILK MILLS LIMITED

Date: 31st July, 2020

The Corporate Relations Department
BSE Limited,
First Floor, New Trading Wing,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001
Scrip Code: 500155

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

Sub.: Outcome of Meeting pertaining to declaration of Financial Results

Ref.: Audited Financial Results for quarter and financial year ended 31st March, 2020 of Garden Silk Mills Limited which is currently undergoing Corporate Insolvency Resolution Process (CIRP) (pertaining to period prior to the commencement of the CIRP)

Sir/Madam,

In continuation of our letter dated 23rd July, 2020, this is to inform you that the Resolution Professional (RP) has today, 31st July, 2020, considered and taken on record the Audited financial results for the quarter and financial year ended 31st March, 2020.

As your good self is already aware that Garden Silk Mills Limited ('the Company') is undergoing Corporate Insolvency Resolution Process ('CIRP') vide Hon'ble National Company Law Tribunal, Ahmedabad Bench Order dated 24th June, 2020 ('Order'), in terms of the provisions of Insolvency and Bankruptcy Code, 2016 ('IBC') and the regulations framed thereunder. Pursuant to the said Order and in accordance with the provisions of IBC, the powers of the Board of Directors and responsibility for managing the affairs of the Company are vested in, Mr. Kuresh Khambati, in the capacity of the Resolution Professional ('RP').

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), we enclose herewith the following:

- Statement showing the Audited Financial Results for the quarter and financial year ended 31st March, 2020 along with Statement of Assets and Liabilities as at 31st March, 2020 and Cash flow statement as at year ended 31st March, 2020.
- Independent Auditors' Report on the Audited Financial Results.

In the meeting re-appointment of Mr. Sunil S. Sheth as an Independent Director for a second term upto 4 (four) years commencing from 9th September, 2020 upto 12th August, 2024, was approved, subject to approval of shareholders.

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GARDEN SILK MILLS LIMITED

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It may be noted that these Audited financial results for the quarter and financial year ended 31st March, 2020 pertains to the period prior to the commencement of the CIRP and the appointment of the Resolution Professional (RP). These financial results have been signed by the RP while exercising the powers of the erstwhile Board of Directors of the Company, which has been conferred upon him in terms of the provisions of Section 17 of IBC. The RP has not conducted any independent verification of these financial results. The RP has signed these financial results in good faith, solely for the purpose of compliance and discharging his duty under the IBC. The RP has relied upon the assistance provided by the Members of the Audit Committee in review of the financial results and certifications, representations and statements made by the Managing Director and Chief Financial Officer of the Company in relation to these Audited financial results. The Audited financial results have been approved and taken on record by the members of the erstwhile Board of Directors. The RP has accordingly taken these financial results on record.

Further, this is to inform you that the Statutory Auditors, M/s. Sharp and Tannan Associates, Chartered Accountants (Firm Registration No.109983W), have issued an Audit Report with qualified opinion on the Annual Audited Financial Results of the Company for the financial year ended 31st March, 2020 in terms of Regulation 33(3)(d) of the Listing Regulations. An extract of the above mentioned results would be published in the newspapers in accordance with Regulation 47 of the LODR Regulations.

We shall inform you in due course, the date on which the Company will hold Annual General Meeting for the financial year ended 31st March, 2020.

Further, please note that the Company has already made necessary arrangements to publish the same in newspapers as required under SEBI LODR Regulations.

The meeting of the Directors, KMPs along with the Resolution Professional and Statutory Auditors of the Company commenced at 11:00 a.m. and concluded at 04:00 p.m.

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



Encl.: As above.

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GARDEN SILK MILLS LIMITED

Registered 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 AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(Rs. in Crore except per share data)

Sr. No.	Particulars	Quarter ended			Year ended	
		31/03/2020 (Audited)	31/12/2019 (Unaudited)	31/03/2019 (Audited)	31/03/2020 (Audited)	31/03/2019 (Audited)
1	Income					
	(a) Sales / Revenue from Operations	586.87	731.67	867.57	2877.09	3488.50
	(b) Other Income	1.36	0.31	1.70	3.55	19.38
	Total Income	588.23	731.98	869.27	2880.64	3507.88
2	Expenses					
	(a) Cost of Materials Consumed	470.99	527.94	617.93	2139.25	2598.74
	(b) Purchases of Stock-in-Trade	11.50	2.54	2.58	18.22	39.96
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(33.89)	42.90	31.10	52.10	8.34
	(d) Employee Benefits Expense	28.70	30.96	29.50	123.54	126.28
	(e) Finance Costs	52.87	51.53	50.38	202.14	204.10
	(f) Depreciation and Amortisation Expense	17.61	16.52	15.91	67.32	66.15
	(g) Impairment losses	0.00	0.00	6.69	0.00	6.69
	(h) Other Expenses	113.30	118.67	124.51	485.67	543.93
	Total Expenses	661.08	791.06	878.60	3088.24	3594.19
3	Profit / (Loss) Before Exceptional Item and Tax (1-2)	(72.85)	(59.08)	(9.33)	(207.60)	(86.31)
4	Exceptional Items	0.00	0.00	0.00	0.00	3.46
5	Profit / (Loss) Before Tax (3-4)	(72.85)	(59.08)	(9.33)	(207.60)	(89.77)
6	Tax Expense					
	(a) Current Tax	0.00	0.00	0.00	0.00	0.00
	(b) Deferred Tax	0.00	0.00	0.00	0.00	0.00
7	Profit / (Loss) for the Period (5-6)	(72.85)	(59.08)	(9.33)	(207.60)	(89.77)
8	Other Comprehensive Income/(Loss) (Net of Tax)					
	(a) Items that will not be reclassified to Profit or Loss	(3.15)	(0.51)	(1.70)	(5.74)	(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
	Total Other Comprehensive Income/(Loss) (Net of Tax)	(3.15)	(0.51)	(1.70)	(5.74)	(2.38)
9	Total Comprehensive Income / (Loss) for the Period (7+8)	(76.00)	(59.59)	(11.03)	(213.34)	(92.15)
10	Paid-up Equity Share Capital (Face Value Rs.10/-)	42.08	42.08	42.08	42.08	42.08
11	Other Equity excluding Revaluation Reserve	--	--	--	(558.44)	(345.10)
12	Earnings per equity share (Face Value Rs.10/-) (Not Annualised for the quarter)	(17.31)	(14.04)	(2.22)	(49.33)	(21.33)
	See accompanying notes to the Financial Results					



Notes to the Financial Results:

- 1 The financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards - Ind AS) Rules 2014 as amended and other recognised accounting practices and policies to the extent applicable.
- 2 A Corporate Insolvency Resolution Plan (CIRP) has been initiated against the Company vide an order of the National Company Law Tribunal Ahmedabad Bench ('NCLT') in the matter CP(IB) 453 of 2018 on 24th June, 2020 under the provisions of the Insolvency and Bankruptcy Code, 2015 ('Code'). Pursuant to the order, the powers of the Board of Directors stand suspended and are exercisable by Mr. Kuresh Khambati, who was appointed as Interim Resolution Professional (IRP) by the NCLT and was consequently confirmed as Resolution Professional (RP) by the Committee of Creditors (COC). These audited financial results have been prepared by the management of the Company and certified by Managing Director / Wholetime Director and CFO of the Company. The RP has relied upon the assistance provided by the members of the Audit Committee in review of the financial results and certifications, representations and statements made by Managing Director / Wholetime Director and CFO of the Company in relation to these financial results. The RP has approved these financial results only to the limited extent of discharging the powers of the Board of Directors of the Company which has been conferred upon him in terms of provisions of Section 17 of the Code.
- 3 Audit Committee at its meeting held on 30th July, 2020 has reviewed and recommended the above results for approval by the Directors of the Company. Further the Directors of the Company at their meeting held on 31st July, 2020 have approved the results and its release. As authorised, Managing Director and CFO of the Company have signed the financial statements and the Resolution Professional (RP) has taken on record the said statement of financial results.
- 4 During the year, the company has incurred a net loss increasing its negative retained earnings as at 31st March, 2020, wherein assets are insufficient in comparison to liabilities thereby resulting in erosion of its Net-worth. The Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission of a viable resolution plan by the prospective investor. Upon the CIRP, a resolution plan needs to be presented to and approved by the COC and thereafter will need to be approved by the NCLT to keep the Company as a going concern. In view of the opinion of the Directors and KMPs, resolution and revival of the company is possible in foreseeable future. Further the RP is required to make every endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern. In view of the aforesaid details and pending outcome of the CIRP, the financial statements of the Company have been prepared on going concern basis.
- 5 Effective 1 April 2019, the company has adopted Ind AS 116 "Leases" and accordingly has recognized right-to-use asset equal to lease liability which is the present value of the remaining lease payments, discounted using incremental borrowing rate at the date of initial application i.e. 1 April 2019. Adoption of Ind AS 116, has no material impact on profit and earnings per share.
- 6 The Company had term loan, working capital and other financing arrangements from certain banks and other lenders. All these lenders had declared their arrangements with the Company as non-performing asset since the Company had defaulted in repayment of principal, interest and other penal dues. In February 2020 these lenders have assigned their debts to Invent Asset Securitisation and Reconstruction Pvt. Ltd ("Invent ARC"). In view of the various restrictions due to Covid-19 pandemic, there are difficulties in obtaining complete and correct information from Invent ARC. In light of the above, outstanding balances is subject to reconciliation/adjustments.
- 7 As per the Code, the RP has to receive, collate and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the COC. The RP is still in the process of collating and verifying such claims, as and when they are received, and shall subsequently admit such verified claims against the Company as per the Code. Pending admission of the claims received, the impact of such claims, if any, that may arise has not been considered in the preparation of the audited financial statements.
- 8 Sales / Revenue from operations includes Sale of Utilities.



Notes to the Financial Results:

- 9 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:

(Rs in Crore)

Particulars	Within India		Outside India		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Segment Revenue - Geographic Segment by Location of Customer	2456.94	2393.70	420.15	1094.80	2877.09	3488.50

- 10 The outbreak of Coronavirus (COVID-19) pandemic disrupted the Operations of the Company since end March, 2020. The Government of India ordered a nationwide lockdown to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.
- The Company had adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with maintaining social distancing, sanitization of work spaces etc. The extent and duration of COVID-19 is currently unknown and depends on future developments that are uncertain. Any resultant outcome and impact on business, due to this is unpredictable. In assessing the recoverability of Company's assets such as Investment, Loans and other receivables, the management has used internal and external source of information up to the date of approval of these financial results. Given the uncertainties, the impact of COVID-19 may be different from that estimated as at the date of approval of these financial results, and the Company will continue to closely monitor the developments.
- 11 The Figures for the quarter ended 31st March, 2020 and 31st March, 2019 are the balancing figures between the audited figures in respect of the full financial year and the reviewed year-to-date figures up to the third quarter of the relevant financial year.
- 12 The figures for the corresponding previous periods have been regrouped / reclassified, wherever necessary, to make them comparable.



Alok P. Shah
Executive Director & CFO
DIN: 00218180

Taken on Record



Kuresh Khambati
(Resolution Professional)

Place: Surat
Date: 31/07/2020



AUDITED BALANCE SHEET

(Rs. in Crore)

Sr. No.	Particulars	As at 31/03/2020	As at 31/03/2019
		(Audited)	(Audited)
	ASSETS		
1	Non-Current Assets		
	(a) Property, Plant and Equipment	909.40	967.54
	(b) Capital work-in-progress	7.28	6.46
	(c) Intangible Assets	0.01	0.02
	(d) Financial Assets		
	(i) Investments	1.59	4.47
	(ii) Loans and Advances	0.16	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)	3.39	2.82
	(g) Other Non-Current Assets	27.50	27.91
	Total Non-Current Assets	953.93	1011.54
2	Current Assets		
	(a) Inventories	281.11	415.33
	(b) Financial Assets		
	(i) Trade Receivables	73.58	103.62
	(ii) Cash and Cash equivalents	84.13	36.32
	(iii) Bank balances other than (ii) above	116.71	27.38
	(iv) Loans and Advances	0.04	0.06
	(v) Other Financial Assets	1.06	0.52
	(c) Other Current Assets	130.43	125.13
	Total Current Assets	687.06	708.36
	TOTAL ASSETS	1640.99	1719.90
	EQUITY AND LIABILITIES		
	EQUITY		
	(a) Equity Share Capital	42.08	42.08
	(b) Other Equity	(558.44)	(345.10)
	Total Equity	(516.36)	(303.02)
1	LIABILITIES:		
	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	1926.73	690.28
	(ii) Other Financial Liabilities	2.80	0.00
	(b) Long-Term Provisions	5.29	4.98
	(c) Other Non-current Liabilities	0.00	0.00
	Total Non-Current Liabilities	1934.82	695.26
2	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	0.00	87.27
	(ii) Trade Payables		
	- Due to Micro and Small Enterprises	2.23	2.84
	- Due to Other than Micro and Small Enterprises	144.66	238.91
	(iii) Other Financial Liabilities	49.63	968.10
	(b) Short-term Provisions	1.62	0.21
	(c) Other Current Liabilities	24.39	30.33
	Total Current Liabilities	222.53	1327.66
	Total Liabilities	2157.35	2022.92
	TOTAL EQUITY AND LIABILITIES	1640.99	1719.90



AUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. in Crore)

	2019-20	2018-19
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/Loss before tax	(207.60)	(89.77)
Adjustment for:		
Depreciation and Amortisation	67.32	66.15
Impairment losses	0.00	6.69
Finance Costs (Net)	202.14	204.10
Profit on Sale of Assets	(0.02)	(0.08)
Interest Income	(1.84)	(2.63)
Dividend Income	(0.01)	(0.01)
Fair value Loss on Investment in Subsidiary	0.00	3.46
Credit Balance no longer required	(0.19)	(15.81)
Bad Debts written off	0.27	0.40
Bad Debts /Advances Recovery	0.22	(0.44)
Fair Value (Gain) / Loss	2.25	(1.05)
	<u>270.14</u>	<u>260.78</u>
Operating Profit before Working Capital Changes	62.54	171.01
Movements in Working Capital :		
(Increase) / Decrease in Inventories	134.22	7.56
(Increase) / Decrease in Trade Receivables	29.55	107.35
(Increase) / Decrease in Loans and Advances	0.04	0.49
(Increase) / Decrease in Other Assets	(5.66)	25.31
(Decrease) / Increase in Trade Payables	11.08	(120.19)
(Increase) / Decrease in Provisions	(1.31)	(2.14)
(Decrease) / Increase in Other Financial Liabilities	(6.18)	(5.73)
(Decrease) / Increase in Other Current Liabilities	(5.94)	(51.86)
	<u>155.80</u>	<u>(39.21)</u>
Cash Generated from Operations	218.34	131.80
Direct Taxes (Paid) / Refund.	(0.50)	(0.71)
Net Cash Flow from Operating Activities (A)	217.84	131.09
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(5.00)	(1.84)
Sale of Property, Plant and Equipment	0.13	0.34
Sale of Investments	0.16	0.00
Closure of Subsidiary	0.00	1.19
Dividend Income	0.01	0.01
Fixed Deposits	(1.20)	0.15
Interest Income - FD and Staff Loan	0.07	0.53
Net Cash Outflow from Investing Activities (B)	(5.83)	0.38
C. CASH FLOW FROM FINANCIAL ACTIVITIES:		
(Repayment)/Proceeds from Short Term Borrowings	57.58	(70.24)
Proceeds from Long Term Borrowings	0.00	0.00
Repayment of Long Term Borrowings	(14.40)	(2.72)
Payment of Interest and Bank Charges	(117.56)	(96.96)
Payment of Lease Liabilities	(1.05)	0.00
Earmarked balances with banks in Unpaid Dividend Account	0.00	0.14
L.C. Margin FD	(90.48)	31.49
L.C. Margin FD Interest income	1.71	2.04
Net Cash Outflow from Financing Activities (C)	(164.20)	(136.25)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	47.81	(4.78)
Cash and Cash Equivalents at the beginning of the year	36.32	41.10
Cash and Cash Equivalents at the end of the year	84.13	36.32

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standards (IND AS 7) - Statement of Cash Flow .
- There are no reconciliation items in relation to financing activities for which disclosure is required as per Ind AS 7.

Independent Auditor's Report on standalone financial results of Garden Silk Mills Limited for the quarter and year ended 31 March 2020, pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Resolution Professional, the Directors and Key Managerial Personnel

Garden Silk Mills Limited

(CIN: L17111GJ1979PLC003463)

Surat 395 010

Qualified opinion

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 2020 (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 amended ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion section of our report*, these standalone financial results:
 - A. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - B. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information of the Company for the quarter and year ended 31 March 2020.

Basis for qualified opinion

3. *As at 31 March 2020 the Company's interim financial statements include:*
 - A. *total bank balances of Rs.200.84 Crore, for which we have not received direct balance confirmation from respective banks; and*
 - B. *total borrowings of Rs.1926.73 Crore, which have been transferred from various banks and other lenders to asset reconstruction company viz. Invent Asset Securitisation and Reconstruction Pvt. Ltd ("Invent ARC") which are subject to reconciliation. In addition, no terms and conditions have been prescribed for amount due to Invent ARC. (refer note 6 to the Statement)*

In light of the above, we are unable to quantify the consequential impact on Company's total bank balance and total borrowings as at 31 March 2020 and impact of interest and other changes accrued on the results for the quarter and year ended and as on that date.



4. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* 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 results 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty related to going-concern

5. We draw attention to Note 4 to the Statement. During the year, the company has incurred a net loss of Rs.207.60 Crore resulting in to negative retained earnings of Rs.823.57 Crore as at 31 March, 2020 wherein assets are insufficient in comparison to liabilities thereby resulting in erosion of its Net-worth. Further, under the CIRP process the Resolution Professional ("RP") appointed and confirmed by the Committee of Creditors have invited claims from different set of stakeholders including claims from Financial Creditors, Operational Creditors, Workmen and Employee and other creditors which is subject to verification and shall be admitted/rejected by the RP in due course. Adding the company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission of a viable resolution plan by the prospective investor. 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. In view of the opinion of the Directors and KMPs, resolution and revival of the company is possible in foreseeable future. Further the RP is required to make every endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern. In view of the aforesaid details and pending outcome of the CIRP, the financial statements of the Company have been prepared on going concern basis"

Our opinion is not modified in respect of this matter.

Emphasis of matter

6. We draw attention to Note 7 to the Statement, which describes that RP is in the process of admitting/ verifying claims by the financial creditors. Pending final outcome of the CIRP process no adjustments have been made in the books for the differential amount, if any, in the claims admitted. Hence, consequential impact, if any, on the financial results is not currently ascertainable.
7. We draw attention to Note 10 to the Statement, which describes the economic and social consequences the entity is facing as a result of Covid-19 which is impacting operations of the Company, supply chains, personnel available for work etc.

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



Management's responsibilities for the standalone financial results

8. In accordance with the applicable provisions of the Insolvency and Bankruptcy Code, 2016 (Code) the Corporate Insolvency Resolution Process (CIRP) of Garden Silk Mills Limited (the Corporate Debtor or Company) was initiated by the sole Financial Creditor (namely Invent Assets Securitisation & Reconstruction Pvt. Ltd. "Invent ARC") post assignment of debt of the Company via entering into an assignment agreement dated 4th February 2020. The Ahmedabad bench of National Company Law Tribunal (NCLT) has admitted petition application filed by the sole financial creditor (Invent ARC) in terms of Section 7 of the Code and the CIRP for the Company was initiated on 24 June, 2020. Mr. Kuresh Khambati has been appointed as Interim Resolution Professional to manage the affairs of the Company. Subsequently Mr. Khambati has been confirmed as the Resolution Professional (RP) by the committee of creditors (COC). Upon appointment of the RP under the Code, the powers of the Board of Directors of the Company remain suspended and vest with the RP.

Further the erstwhile management of the Company including the Directors and KMPs are responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including comprehensive income, changes in equity and cash flows of the Company in accordance with the other accounting principles generally accepted in India including Indian Accounting Standard (Ind AS), as the same pertains to the period prior to the commencement of CIRP.

9. The Statement has been prepared on the basis of the interim financial statements. The Company's Directors and KMPs are responsible for the preparation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34, prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the standalone financial results, the Directors and KMPs are 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 Directors or KMPs either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. The Directors and KMPs are also responsible for overseeing the Company's financial reporting process.



Auditor's responsibilities for the audit of the standalone financial results

12. Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - A. Identify and assess the risks of material misstatement of the Statement, 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.
 - B. 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 adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors and KMPs.
 - D. Conclude on the appropriateness of the Directors' and KMPs 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 Statement 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.
 - E. Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
14. 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.



15. 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.

Other matters

16. The Statement includes the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to nine months ended 31 December 2019 of the current financial year which were subjected to limited review by us.
17. Due to the Covid-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes carried out subsequent to commencement of lockdown were based on the remote access and evidence shared digitally.

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

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



Pune, 31 July 2020

Tirtharaj Khot
Partner
Membership no.(F) 037457
UDIN: 20037457AAAABQ9975