

GARDEN SILK MILLS LIMITED

Date: 4th February, 2019

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

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

Sub.: Outcome of Board Meeting

Ref.: Unaudited Financial Results for the quarter and nine months ended on 31st December, 2018.

Dear Sir,

Pursuant to regulation 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 following:

- (i) Unaudited Financial Results for the quarter and nine months ended on 31st December, 2018
- (ii) Reappointment of Shri Alok P. Shah as Wholetime Director designated as Executive Director, CFO and COO of the Company for a period of 3 years with effect from 1st June, 2019, subject to approval of shareholders and other necessary approvals as may be required.
- (iii) Reappointment of Shri Praful A. Shah as Managing Director of the Company for a period of 3 years with effect from 1st September, 2019, subject to approval of shareholders and other necessary approvals as may be required.

The meeting of the Board of Directors of the Company commenced at 12.30 p.m. and concluded at 3.30 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 & Compliance Officer



Registered Office : Tulsi Krupa Arcade, Puna-Kumbharia Road, Dumbhal, Surat 395 010. Phone : (0261) 231 1197/231 1198/307 1399. Fax : (0261) 231 1029

Mumbai Office : Manek Mahal, 90 Veer Nariman Road, Churchgate, Mumbai 400 020. Phone : (022) 2282 6979-83/2287 3117. Fax : (022) 2204 8112

CIN : L17111GJ1979PLC003463. Website : www.gardenvareli.com

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 and nine months ended 31 December 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 Standards 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 4 February 2019. 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.

Basis for qualified conclusion:

3. During previous quarter the Company has closed down its wholly owned foreign subsidiary viz. GAIA International – FZE and has accordingly accounted for loss of Rs.346 Lakhs under the head 'Other expenses'. In terms of requirements of Ind AS 1, 'Presentation of Financial Statements' and as per 'Schedule IV – Part A: Disclosures in Financial Results' to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, above item is required to be disclosed as an, 'Exceptional item' in the Statement, which has not been so disclosed. There is no impact on the loss for the quarter and nine months period ended 31 December 2018.

Qualified conclusion:

4. Except for the possible effects due to non-disclosure 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 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, which explains the Company's current financial condition including an application made by one of its lenders to the National Company Law Tribunal (NCLT) Ahmedabad Bench, seeking action under Insolvency and Bankruptcy Code, 2016 and the company's efforts to tide over this situation. Although the management is confident of a positive outcome of its efforts and has accordingly prepared the financial results on a going concern basis, any possible adverse outcome of the application with NCLT may impact the going concern basis assumed by the management.

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

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



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

Pramod Bhise
Partner

Membership No.: (F) 047751

Mumbai, 4 February 2019

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***UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31ST DECEMBER, 2018**

(Rs. in Lakhs except per share data)

Sr. No.	Particulars	Quarter ended			Nine Months ended		Year ended 31/03/2018 (Audited)
		31/12/2018 (Unaudited)	30/09/2018 (Unaudited)	31/12/2017 (Unaudited)	31/12/2018 (Unaudited)	31/12/2017 (Unaudited)	
1	Income						
	(a) Sales / Revenue from Operations (refer note 2)	77616.98	92084.30	84256.14	261316.22	232325.74	310333.45
	(b) Other Income	58.44	1637.88	76.03	1811.22	322.90	536.07
	Total Income	77675.42	93722.18	84332.17	263127.44	232648.64	310869.52
2	Expenses						
	(a) Cost of Materials Consumed	57407.76	73973.62	61783.09	198081.05	158230.40	221749.82
	(b) Purchases of Stock-in-Trade	178.75	2071.98	1818.74	3737.89	4122.07	6448.83
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	4031.00	(7436.47)	(655.97)	(2275.78)	4570.13	(4925.11)
	(d) Employee Benefits Expense	3017.33	3592.17	3294.54	9678.09	10211.58	13040.50
	(e) Excise Duty	0.00	0.00	0.00	0.00	6993.22	6993.22
	(f) Finance Costs	5440.67	5042.62	4517.31	15371.83	14028.38	18861.91
	(g) Depreciation / Amortisation Expense	1634.69	1678.18	1644.06	5024.29	4866.91	6624.98
	(h) Impairment losses	0.00	0.00	0.00	0.00	0.00	1486.02
	(i) Other Expenses	11424.54	16146.03	12131.22	41553.98	36398.04	49485.98
	Total Expenses	83134.74	95068.13	84532.99	271171.35	239420.73	319766.15
3	Profit/(Loss) Before Exceptional Item and Tax (1-2)	(5459.32)	(1345.95)	(200.82)	(8043.91)	(6772.09)	(8896.63)
4	Exceptional items (Refer Note 4)	0.00	0.00	0.00	0.00	0.00	0.00
5	Profit/(Loss) Before Tax (3-4)	(5459.32)	(1345.95)	(200.82)	(8043.91)	(6772.09)	(8896.63)
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)	(5459.32)	(1345.95)	(200.82)	(8043.91)	(6772.09)	(8896.63)
8	Other Comprehensive Income (OCI)						
	(a) Items that will not be recalssified to Profit or Loss	127.60	(195.75)	430.65	(68.15)	404.55	45.54
	(b) Income tax relating to items that will not be recalssified to Profit or Loss	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Items that will be recalssified to Profit or Loss	0.00	0.00	0.00	0.00	0.00	0.00
	(d) Income tax relating to items that will be recalssified to Profit or Loss	0.00	0.00	0.00	0.00	0.00	0.00
	Total Other Comprehensive Income (Net of Tax)	127.60	(195.75)	430.65	(68.15)	404.55	45.54
9	Total Comprehensive Income for the Period (7+8)	(5331.72)	(1541.70)	229.83	(8112.06)	(6367.54)	(8851.09)
10	Paid-up Equity Share Capital, Equity Share of Rs.10/- each	4208.25	4208.25	4208.25	4208.25	4208.25	4208.25
11	Other Equity excluding Revaluation Reserve	--	--	--	--	--	(25294.74)
12	Earning per share (Face Value of Rs.10/-) (Not Annualised)						
	- Basic and Diluted (in Rs.)	(12.97)	(3.20)	(0.48)	(19.11)	(16.09)	(21.14)



Notes:

- 1 The above results have been reviewed and recommended for adoption by the Audit Committee and subsequently approved and taken on record by the Board of Directors of the Company at their respective meetings held on 4th February, 2019. The Statutory Auditors of the Company have carried out a Limited Review of the financial results for the quarter / nine months ended 31st December, 2018 and expressed an Unqualified Report on the aforesaid results.
- 2 Effective 1st July, 2017, sales are recorded net of GST whereas earlier sales were recorded gross of excise duty which formed part of expenses. Hence, revenue from operations for the nine months ended 31st December, 2018 is not comparable to that extent with that of the corresponding previous period.
- 3 The Company has term loans, 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. One of the members of company's consortium funding viz, Corporation Bank Limited, has filed an application with National Company Law Tribunal (NCLT) Ahmedabad Bench, Ahmedabad 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. Irrespective of these developments, management's efforts for financial restructuring including identifying a potential investor are on and the management is confident of a positive outcome and has accordingly prepared financial results on a going concern basis.
- 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'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 is required to be provided.
- 6 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: Mumbai
Date: 04/02/2019.