

GARDEN SILK MILLS LIMITED

Date: 14th August, 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 ended 30th June, 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 ended 30th June, 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 3:00 p.m. and concluded at 5:15 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



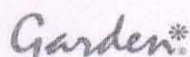
**Kamlesh B. Vyas
Company Secretary and Compliance Officer**

Encl.: As above.

*Garden**

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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2019

(Rs. in crores except per share data)

Sr. No.	Particulars	Quarter ended			Year ended
		30/06/2019 (Unaudited)	31/03/2019 (Audited) (Refer Note 5)	30/06/2018 (Unaudited)	31/03/2019 (Audited)
1	Income				
	(a) Sales / Revenue from Operations	814.08	869.45	917.80	3488.50
	(b) Other Income	0.72	1.69	1.15	19.81
	Total Income	814.80	871.14	918.95	3508.31
2	Expenses				
	(a) Cost of Materials Consumed	568.57	617.93	667.00	2598.74
	(b) Purchases of Stock-in-Trade	1.72	2.58	14.87	39.96
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	65.01	31.10	11.30	8.34
	(d) Employee Benefits Expense	29.90	29.49	30.69	126.28
	(e) Finance Costs	49.36	50.38	48.89	204.10
	(f) Depreciation / Amortisation Expense	17.21	15.91	17.11	66.15
	(g) Impairment losses	0.00	6.69	0.00	6.69
	(h) Other Expenses	118.79	126.39	141.48	544.36
	Total Expenses	850.56	880.47	931.34	3594.62
3	Profit/(Loss) Before Exceptional Items and Tax (1-2)	(35.76)	(9.33)	(12.39)	(86.31)
4	Exceptional items	0.00	0.00	0.00	3.46
5	Profit/(Loss) Before Tax (3-4)	(35.76)	(9.33)	(12.39)	(89.77)
6	Tax Expense				
	(a) Current Tax	0.00	0.00	0.00	0.00
	(b) Deferred Tax	0.00	0.00	0.00	0.00
7	Profit/(Loss) for the Period (5-6)	(35.76)	(9.33)	(12.39)	(89.77)
8	Other Comprehensive Income (OCI)				
	(a) Items that will not be reclassified to Profit or Loss	(1.31)	(1.70)	0.00	(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
	Total Other Comprehensive Income (Net of Tax)	(1.31)	(1.70)	0.00	(2.38)
9	Total Comprehensive Income for the Period (7+8)	(37.07)	(11.03)	(12.39)	(92.15)
10	Paid-up Equity Share Capital (Face Value Rs.10/- Per Share)	42.08	42.08	42.08	42.08
11	Reserves excluding Revaluation Reserve (as shown in the Audited Balance Sheet of previous year)	--	--	--	(345.10)
12	Earning Per Share (For the period not annualised) Basic and Diluted (in Rs.)	(8.50)	(2.22)	(2.94)	(21.33)



Notes to the Financial Results:

- 1 The above financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 14th August, 2019. The Statutory Auditors have carried out 'Limited Review' of the financial results for the quarter ended 30th June, 2019.
- 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 The Company has adopted Ind AS 116 "Leases" effective April 1, 2019 and applied the 'modified retrospective approach', however, the effect of this adoption is not material on loss and earnings per share for the quarter.
- 4 Sales / Revenue from operations includes Sale of Utilities.
- 5 The Figures for the quarter ended 31st March, 2019 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the relevant financial year.
- 6 The financial results for quarter ended 30/06/2018 represents consolidated figures whereas subsequent to discontinuation of business activity of GAIA International - FZE, a wholly owned subsidiary, the consolidation of accounts is not necessary.
- 7 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 namely GAIA International FZE.
- 8 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	Quarter ended			Year ended
	30/06/2019 (Reviewed)	31/03/2019 (Audited) (Refer Note 5)	30/06/2018 (Reviewed)	31/03/2019 (Audited)
Segment Revenue - Geographic Segment by Location of Customer				
Within India	644.85	673.56	615.20	2393.70
Outside India	169.23	195.89	302.60	1094.80
Total	814.08	869.45	917.80	3488.50

- 9 One of the members of the 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.
- 10 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.
- 11 Previous period's / year's figures are regrouped / reclassified, wherever necessary, to make them comparable with those of current period. The Company 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



To,
The Board of Directors,
Garden Silk Mills Limited
Tulsi Krupa Arcade,
Puna-Kumbharia Road,
Dumbhal, Surat – 395 010

Dear Sirs,

Sub: Limited review report on unaudited standalone financial results of Garden Silk Mills Limited for three months period ended 30 June 2019 Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Introduction

1. We have reviewed the accompanying statement of unaudited standalone financial results ("the Statement") of Garden Silk Mills Limited ("the Company") for three months period ended 30 June 2019 being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (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 14 August 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"), 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 and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

4. As at 30 June 2019 the Company's interim financial statements mention total borrowings including interest accrued of Rs.172,854 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 June 2019 and impact of interest and other changes accrued on the results for the quarter ended and as on that date. (Refer Note No. 10 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.9 to the Statement. The Company's net-worth is negative as at the quarter ended June 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.

Other matter:

7. The statement includes results for the quarter ended 31 March 2019, being the balancing figure between audited figures in respect of the full financial year and the published year to the date figures up to nine months ended 31 December 2018 which was subjected to limited review by us.

Our conclusion is not qualified in respect of this other matter.

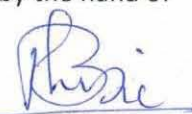
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For SHARP & TANNAN ASSOCIATES

Chartered Accountants

Firm's Registration No 109983W

by the hand of



Pramod Bhise

Partner

Membership no: (F) 047751



Date: 14 August 2019

Place: Pune