

GARDEN SILK MILLS LIMITED

Date: 30th May, 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.: Audited Financial Results for the year ended 31st March, 2019.

Dear Sir,

We wish to inform you that the Board of Directors of the Company, at its meeting held today deliberated and noted a few matters, which are being intimated to the Stock Exchanges pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

1. Approved the audited financial statements of the Company for the year ended 31st March, 2019 as recommended by the Audit Committee.
2. Adoption of the Revised Code of Conduct to Regulate Monitor and Report trading by insiders and Designated persons
3. Taking note of resignation of Mrs. Anita Mandrekar (DIN: 00623327) a Non-Executive Independent Director from the directorship of the Company with effect from 31st March, 2019. The Board also noted consequent relinquishment of her position on committees of the Board.

The Statutory Auditors, M/s Sharp & Tannan Associates, Chartered Accountants (Firm Registration No.109983W), have issued an Audit Report with unmodified opinion on the Annual Audited Financial Results of the Company for the financial year ended 31st March, 2019 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 the Listing Regulations.

We shall inform you in due course the date on which the Company will hold Annual General Meeting for the year ended 31st March, 2019.

The meeting of the Board of Directors of the Company commenced at 12.30 p.m. and concluded at 04.15 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





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.

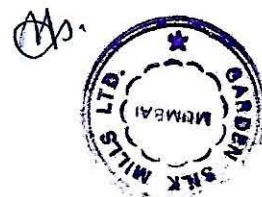
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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakhs except per share data)

Sr. No.	Particulars	Quarter ended			Year ended	
		31/03/2019 (Audited)	31/12/2018 (Unaudited)	31/03/2018 (Audited)	31/03/2019 (Audited)	31/03/2018 (Audited)
1	Income					
	(a) Sales / Revenue from Operations (refer note 2)	86756.95	77616.98	78007.71	348073.17	310333.45
	(b) Other Income	169.52	58.44	213.17	1980.74	536.07
	Total Income	86926.47	77675.42	78220.88	350053.91	310869.52
2	Expenses					
	(a) Cost of Materials Consumed	61792.59	57407.76	63519.42	259873.64	221749.82
	(b) Purchases of Stock-in-Trade	258.31	178.75	2326.76	3996.20	6448.83
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3110.03	4031.00	(9495.24)	834.25	(4925.11)
	(d) Employee Benefits Expense	2949.41	3017.33	2828.92	12627.50	13040.50
	(e) Excise Duty	0.00	0.00	0.00	0.00	6993.22
	(f) Finance Costs	5038.25	5440.67	4833.53	20410.08	18861.91
	(g) Depreciation / Amortisation Expense	1590.41	1634.69	1758.07	6614.70	6624.98
	(h) Impairment losses	669.39	0.00	1486.02	669.39	1486.02
	(i) Other Expenses	12451.00	11424.54	13087.94	53659.10	49485.98
	Total Expenses	87859.39	83134.74	80345.42	358684.86	319766.15
3	Profit/(Loss) Before Exceptional Item and Tax (1-2)	(932.92)	(5459.32)	(2124.54)	(8630.95)	(8896.63)
4	Exceptional items (Refer Note 4)	0.00	0.00	0.00	345.88	0.00
5	Profit/(Loss) Before Tax (3-4)	(932.92)	(5459.32)	(2124.54)	(8976.83)	(8896.63)
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)	(932.92)	(5459.32)	(2124.54)	(8976.83)	(8896.63)
8	Other Comprehensive Income (OCI)					
	(a) Items that will not be reclassified to Profit or Loss	(169.84)	127.60	(359.01)	(237.99)	45.54
	(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 (Net of Tax)	(169.84)	127.60	(359.01)	(237.99)	45.54
9	Total Comprehensive Income for the Period (7+8)	(1102.76)	(5331.72)	(2483.55)	(9214.82)	(8851.09)
10	Equity Share Capital (Face Value Rs.10/- Per Share)	4208.25	4208.25	4208.25	4208.25	4208.25
11	Reserves (Excluding Revaluation Reserve) as shown in the Audited Balance Sheet	--	--	--	(34509.56)	(25294.74)
12	Earning per equity share in Rs. (Not Annualised) - Basic and Diluted (in Rs.)	(2.22)	(12.97)	(5.05)	(21.33)	(21.14)



Notes:

- 1 The above results were 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 meeting held on 30th May 2019. The Statutory Auditors of the company have audited the financial results for the quarter and year ended 31st March, 2019 and expressed a Modified opinion on the aforesaid results.
- 2 As per Ind AS, Revenue from Operations is shown net off Goods and Service Tax (GST). However, for the year ended 31st March, 2018, Revenue from Operation includes Excise Duty of Rs.6993.22 Lakhs in the above results, pertaining to the Pre GST period - April 2017 to June 2017.
- 3 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.
- 4 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.
- 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:

(Rs in Lakhs)

	Within India		Outside India		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Segment Revenue Geographic segment by location of customer	238593.16	251396.35	109480.00	58937.10	348073.17	310333.45

- 6 The Figures for the quarter ended 31st March, 2019 and quarter ended 31st March, 2018 are the balancing figures between audited figures in respect of the year ended 31st March, 2019 and 31st March, 2018 and the unaudited figures of nine months ended 31st December, 2018 and 31st December, 2017 respectively.
- 7 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.
- 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 lenders 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 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.
- 10 Previous period's / year's figures have been regrouped / reclassified, wherever necessary, to confirm with current periods classification.

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



Praful A. Shah
Chairman & Managing Director
DIN: 00218143

Place: Mumbai
Date: 30th May, 2019

GSM_QR1819



STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2019

(Rs. In Lakhs)

Particulars	As at 31/03/2019 (Audited)	As at 31/03/2018 (Audited)
ASSETS		
1 Non-Current Assets		
(a) Property, Plant and Equipment	96754.66	103029.09
(b) Capital Work-in-Progress	646.34	1514.39
(c) Intangibles Assets	1.47	7.82
(d) Financial Assets		
(i) Investments	446.94	1064.71
(ii) Loans and Advances	7.36	5.14
(iii) Other Financial Assets	225.40	225.40
(e) Other Non-Current Assets	3048.24	2789.63
Total Non-Current Assets	101130.41	108636.18
2 Current Assets		
(a) Inventories	41532.31	42288.06
(b) Financial Assets		
(i) Investments	0.00	0.00
(ii) Trade Receivables	10361.93	21061.90
(iii) Cash and Cash Equivalents	3656.40	4109.74
(iv) Bank Balances other than (iii) above	2713.79	5919.63
(v) Loans and Advances	58.00	109.08
(vi) Others Financial Assets	43.73	0.00
(c) Other Current Assets	12537.51	15238.76
Total Current Assets	70903.67	88727.17
TOTAL ASSETS	172034.08	197363.35
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	4208.25	4208.25
(b) Other Equity	(34509.56)	(25294.74)
Total Equity	(30301.31)	(21086.49)
LIABILITIES:		
1 Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	69027.60	93375.38
(b) Long-term Provisions	498.39	588.10
(c) Other Non-current Liabilities	0.00	0.00
Total Non-Current Liabilities	69525.99	93963.48
2 Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	8727.23	15751.51
(ii) Trade Payables		
1. Dues on Micro Enterprises and Small Enterprises	290.49	37.45
2. Dues of other than Micro Enterprises and Small Enterprises	23884.08	36168.62
(iii) Other Financial Liabilities	96855.06	62713.15
(b) Other Current Liabilities	3031.94	8219.19
(c) Short-term Provisions	20.60	1596.44
Total Current Liabilities	132809.40	124486.36
TOTAL LIABILITIES	202335.39	218449.84
TOTAL EQUITY AND LIABILITIES	172034.08	197363.35



Sharp & Tannan Associates

Chartered Accountants

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W: www.sharp-tannan.com

To,

**The Board of Directors,
Garden Silk Mills Limited**

Corporate office:

Tulsi Krupa Arcade, 1st Floor

Near Aai Mata Chowk,

Puna – Kumbharia Road, Dumbhal

Surat - 395 010

Dear Sirs,

Sub: Independent Auditor's Report on Standalone Financial Results of Garden Silk Mills Limited for the quarter and year ended 31 March 2019

Introduction

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 2019 ('the statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended ('SEBI Regulation 2015'). This statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors on 30 May 2019. The Statement has been prepared on the basis of related standalone financial statements which are in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

Scope of Audit

2. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Statement.



Basis for Qualified Opinion

3. As at 31 March 2019 the Company's financial statements mention total borrowings including interest accrued of Rs.170,753 Lakhs from various banks and other lenders. We have obtained/verified direct bank confirmations/ bank statements/ reconciliation statements and other relevant available information 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 31 March 2019 and impact of interest and other changes accrued on the results for the quarter and year ended as on that date. (Refer Note No. 8 to the Statement)

Qualified Opinion

4. Except for the possible effects of the matter specified under 'Basis for Qualified Opinion' and based on our audit conducted as stated above, in our opinion and to the best of our information and according to the explanations given to us, the Statement:
- a) is presented in accordance with the requirements of the Regulation 33 of SEBI Regulations, 2015; and
 - b) gives true and fair view in conformity with Ind AS and other accounting principles generally accepted in India of financial performance including the other comprehensive income for the quarter and year ended 31 March 2019.

Material Uncertainty Related to Going Concern

5. We draw attention to Note No.7 to the Statement. The Company's net-worth is negative as at the year-end 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 opinion is not modified in respect of this matter.

Other matter

- 6 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 date figures up to nine months ended 31 December 2018 of the current financial year which was subjected to a limited review by us.

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

For **Sharp & Tannan Associates**
Chartered Accountants
(ICAI Firm's Regn. No. 109983W)
by the hand of




CA Tirtharaj Khot

Partner

Membership No.(F) 037457

Mumbai, 30 May 2019