

GARDEN SILK MILLS LIMITED

Date: 7th October, 2019

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

Sub.: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Ref.: Execution of Inter Creditor Agreement (ICA)

Sirs/Madam,

We refer to your email communication dated 7th October, 2019, seeking clarification from the Company in the matter of announcement submitted by the Company to the Exchange on 27th September, 2019 under SEBI (LODR) Regulation, 2015 on Execution of Inter Creditor Agreement (ICA).

In response to the points raised by your Exchange on the aforesaid matter, we submit our point wise reply as under:

1. Name(s) of parties with whom the agreement is entered;

The ICA has been executed amongst the lenders i.e. consortium of banks and institutions comprising of following lenders:

1. Bank of Baroda
2. Allahabad Bank
3. State Bank of India
4. Bank of India
5. Corporation Bank
6. Union Bank of India
7. IDBI Bank Limited
8. Indian Overseas Bank
9. Export Import Bank of India
10. Life Insurance Corporation of India
11. Indian Bank
12. ICICI Bank Ltd.

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*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

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2. Purpose of entering into the agreement;

As disclosed earlier vide our letter dated 19th September, 2019 the lenders while making efforts for a resolution / revival plan for the Company through assignment of debts or one time settlement (OTS) invited bids / counter bids for sale of financial assets / loan accounts of Garden Silk Mills Limited, ('the Company') from interested bidders. As we understand, the execution of ICA amongst lenders i.e. banks and institutions will provide for majority-based decision making.

3. Size of agreement;

As informed above the said ICA has been executed amongst the lenders, the Company is not a party to the said agreement. As regards size of agreement, we may state that the total dues to the banks as at the end of financial year 31st March, 2019 was Rs.1716.91 Crore.

4. Shareholding, if any, in the entity with whom the agreement is executed;

Since the parties to the ICA were lenders, the question of shareholding is not applicable.

5. Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;

Since the Company is not party to the agreement and we have no access to those information, we are unable to comment on the same.

6. Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;

Banks and institutions as lenders are independent parties and they are not related to promoter/promoter group/ group companies in any manner.

7. Whether the transaction would fall within related party transactions? If yes, whether the same is done at arms length;

As mentioned in point no.6 the execution of ICA amongst lenders does not fall in any kind of related party transactions.

8. In case of issuance of shares to the parties, details of issue price, class of shares issued;

As stated earlier the execution of ICA will provide for majority-based decision making amongst the lenders and moreover, since the Company is not party to the agreement and we have no access to those information, we are unable to comment on the same.

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9. In case of loan agreements, details of lender, nature of the loan, total amount of loan granted, total amount outstanding, date of execution of the loan agreement/sanction letter, details of the security provided to the lenders for such loan;

As we understand ICA is not a loan agreement since it is executed amongst the lenders / consortium member banks and institutions where the Company is not a party, we are unable to comment on the other details as mentioned in your query.

10. Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc;

As on the date there is no nominee of banks / institutions on the Board of Directors of the Company.

Trust this will meet with your requirements.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

For Garden Silk Mills Limited



Kamlesh B. Vyas
Company Secretary & Compliance Officer



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