

GARDEN SILK MILLS LIMITED

Date: 5th March, 2019

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East),
Mumbai 400051
Stock Code: GARDENSILK(EQ)

Sub.: Clarification / Confirmation on news item.

Dear Sir,

This is with reference to the announcement submitted to the stock exchanges by the Company on 16th February, 2019 with respect to Initiation of recovery of dues by State Bank of India before the Debt Recovery Tribunal (DRT) Ahmedabad.

Further, in response to your e-mail dated 1st March, 2019 seeking clarifications from the Company on related matter, we hereby submit our clarification as under:

1. Quantum of claims and expected financial implication

The Company has availed various credit facilities from State Bank of India. The aggregate amount outstanding as on 17th December, 2018 together with principal, interest and penal interest is amounting to Rs.240.20 Crore which is claimed by the applicant / lender in their application filed under Section 19 of the Recovery of Debts and Bankruptcy Act, 1992 filed with DRT, Ahmedabad. The Bank's claim is adequately secured by way of pari-passu charge towards the assets of the Company.

The applicant State Bank of India has sought relief from DRT for recovery of aforesaid dues together with running interest thereon and to issue a recovery certificate against Company for Rs.240.20 Crore in their favour.

2. Brief details of litigation:

In the application filed by the applicant State Bank of India, the subject matter of dispute is amount owned to bank which includes term debt, working capital facilities plus interest thereon. The forum where the dispute is pending is Debt Recovery Tribunal (DRT-II of Gujarat State at Ahmedabad).

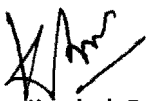
The Defendants in the matter includes the Company Garden Silk Mills Limited and the other consortium partners / lenders which comprises of Bank of Baroda, Allahabad Bank, Bank of India, Union Bank of India, Corporation Bank, IDBI Ltd, Exim Bank, Indian Overseas Bank, LIC of India, ICICI Bank Ltd. and Indian Bank.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For Garden Silk Mills Limited



Kamlesh B. Vyas

Company Secretary & Compliance Officer



*Garden**

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