

GARDEN SILK MILLS LIMITED

Date: 31st October, 2018

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.: Unaudited Financial Results for the Quarter and Half Year ended 30th September, 2018

Dear Sir,

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 and Half Year ended 30th September, 2018, duly approved by the Board of Directors of the Company, at its meeting held today, 31st October, 2018.

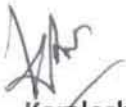
The meeting of the Board of Directors of the Company commenced at 03:00 p.m. and concluded at 5:35 p.m.

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,

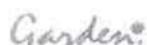
Yours faithfully,
For Garden Silk Mills Limited



Kamlesh B. Vyas
Company Secretary & Compliance Officer



*Garden**



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: sharedepartment@gardenvareli.com.

Tel No. (0261) 2311197, 2311615 Fax : (0261) 2311029

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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30TH SEPTEMBER, 2018

Sr. No.	Particulars	(Rs. in Lakhs except per share data)					
		Quarter ended			Half year ended		Year ended
		30/09/2018 (Unaudited)	30/06/2018 (Unaudited)	30/09/2017 (Unaudited)	30/09/2018 (Unaudited)	30/09/2017 (Unaudited)	31/03/2018 (Audited)
1	Income						
	(a) Sales / Revenue from Operations (refer note 2)	92084.30	91614.94	70845.77	183699.24	148069.60	310333.45
	(b) Other Income	1637.88	114.90	94.07	1752.78	334.31	536.07
	Total Income	93722.18	91729.84	70939.84	185452.02	148403.91	310869.52
2	Expenses						
	(a) Cost of Materials Consumed	73973.62	66699.67	46115.10	140673.29	96447.31	221749.82
	(b) Purchases of Stock-in-Trade	2071.98	1497.16	2005.09	3559.14	2303.33	6448.83
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(7436.47)	1129.69	5138.11	(6306.78)	5226.10	(4925.11)
	(d) Employee Benefits Expense	3592.17	3068.59	3663.97	6660.76	6917.04	13040.50
	(e) Excise Duty	0.00	0.00	0.00	0.00	6993.22	6993.22
	(f) Finance Costs	5042.62	4888.54	4642.59	9931.16	9583.90	18861.91
	(g) Depreciation / Amortisation Expense	1678.18	1711.42	1622.08	3389.60	3222.84	6624.98
	(h) Impairment losses	0.00	0.00	0.00	0.00	0.00	1486.02
	(i) Other Expenses	16146.03	13981.41	11516.23	30129.44	24281.43	49485.98
	Total Expenses	95068.13	92968.48	74703.77	188036.61	154975.17	319766.15
3	Profit/(Loss) Before Exceptional Item and Tax (1-2)	(1345.95)	(1238.64)	(3763.93)	(2584.59)	(6571.26)	(8896.63)
4	Exceptional Items (Refer Note A)	0.00	0.00	0.00	0.00	0.00	0.00
5	Profit/(Loss) Before Tax (3-4)	(1345.95)	(1238.64)	(3763.93)	(2584.59)	(6571.26)	(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)	(1345.95)	(1238.64)	(3763.93)	(2584.59)	(6571.26)	(8896.63)
8	Other Comprehensive Income (OCI)						
	(a) Items that will not be reclassified to Profit or Loss	(195.75)	0.00	(197.20)	(195.75)	(26.10)	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	0.00
	(c) Items that will be reclassified 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 reclassified to Profit or Loss	0.00	0.00	0.00	0.00	0.00	0.00
	Total Other Comprehensive Income (Net of Tax)	(195.75)	0.00	(197.20)	(195.75)	(26.10)	45.54
9	Total Comprehensive Income for the Period (7+8)	(1541.70)	(1238.64)	(3961.13)	(2780.34)	(6597.36)	(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 Reserves	--	--	--	--	--	295294.74
12	Earning Per Share (EPS) (Face Value of Rs. 10/-)						
	Basic and Diluted EPS (in Rs.) (Not Annualised)	(3.20)	(2.94)	(8.94)	(6.14)	(15.62)	(21.14)



GARDEN SILK MILLS LIMITED
STATEMENT OF ASSETS AND LIABILITIES

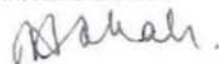
Particulars	(Rs. In Lakhs)	
	As at	As at
	30/09/2018 (Unaudited)	31/03/2018 (Audited)
ASSETS		
1 Non-Current Assets		
(a) Property, Plant and Equipment	99847.08	103029.09
(b) Capital Work-in-Progress	1513.75	1514.39
(c) Intangible Assets	4.57	7.82
(d) Financial Assets		
(i) Investments	404.22	1064.71
(ii) Loans	2.88	5.14
(iii) Other Financial Assets	225.40	225.40
(e) Other Non-Current Assets	3225.95	2828.23
Total Non-Current Assets	105223.85	108674.78
2 Current Assets		
(a) Inventories	49304.92	42288.06
(b) Financial Assets		
(ii) Trade Receivables	14433.92	21061.92
(iii) Cash and Cash Equivalents	1809.89	4109.74
(iv) Bank Balances other than (iii) above	3012.58	5919.63
(v) Loans and Advances	969.39	1001.15
(vi) Others Financial Assets	0.00	0.00
(c) Other Current Assets	16588.31	14308.08
Total Current Assets	86119.01	88688.58
TOTAL ASSETS	191342.86	197363.36
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	4208.25	4208.25
(b) Other Equity	(28075.08)	(25294.74)
Total Equity	(23866.83)	(21086.49)
LIABILITIES:		
1 Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	81269.79	93375.38
(b) Long-term Provisions	418.20	588.10
(c) Other Non-current Liabilities	0.00	0.00
Total Non-Current Liabilities	81687.99	93963.48
2 Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	24795.48	15751.51
(ii) Trade Payables	24313.67	36206.07
(iii) Other Financial Liabilities	79842.27	62448.14
(b) Other Current Liabilities	4236.57	8484.21
(c) Short-term Provisions	332.71	1596.44
Total Current Liabilities	133521.70	124486.37
TOTAL LIABILITIES	215209.69	218449.85
TOTAL EQUITY AND LIABILITIES	191342.86	197363.36



Notes:

- 1 The above results were reviewed and recommended for adoption by the Audit Committee and taken on record by the Board of Directors of the Company at its Meeting held on 31st October, 2018. The Auditors have carried out a limited review of the financial results for the quarter / half year ended 30th September, 2018 and expressed an Unqualified Report on the above results.
- 2 Effective 01/07/2017, 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 half year ended 30/09/2018 are not comparable with previous period corresponding figures.
- 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 The business activities of GAIA International - FZE, a wholly owned subsidiary at Ajman Free Zone has been voluntarily closed down. Further, in response to the Company's application, the Licensing Authorities i.e. Director General Ajman Free Zone has issued the cancellation certificate with effect from 9th August, 2018. Accordingly, preparation of consolidation of financial results is not applicable.
- 5 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.
- 6 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.
- 7 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
Chairman & Managing Director
DIN: 00218143

Place: Surat
Date: 31/10/2018



Sharp & Tannan Associates

Chartered Accountants

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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 half year ended 30 September 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 Standard (Ind AS) 34, "Interim Financial Reporting" 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 31 October 2018. 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. As stated by the management in note no.4 to the Statement, during the 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 half year ended 30 September 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 matters.



Mumbai, 31 October 2018

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

A handwritten signature in black ink, appearing to read "Tirtharaj Khot".

Tirtharaj Khot
Partner

Membership No.: (F) 037457

A small handwritten signature or mark in black ink, possibly reading "P. S. G.".