

Annexure - G

REPORT ON CORPORATE GOVERNANCE

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations, 2015'), given below are the corporate governance policy and practices adopted by the Company for the year 2019-20.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations'), as applicable with regard to corporate governance and the same has been disclosed in this Report.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Corporate Governance philosophy is to ensure fairness, transparency and integrity of the management, in order to protect the interest of all its stakeholders and the Company's Code of Conduct for prevention of Insider Trading and Code of Corporate Disclosure Practices.

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

2. BOARD OF DIRECTORS

(a) Composition:

The Company has an active, experienced and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's Corporate Governance philosophy. The Nomination and Remuneration Committee of the Board ensures the right composition of the Board.

The Company currently has right mix of Directors on the Board who possess the requisite qualifications, experience and expertise in General Corporate Management, finance, taxation, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

The Board regularly reviews and updates Corporate Governance practices to accommodate developments within the market place in general and the business in particular.

As on 31st March, 2020, the Board of the Company consisted of 8 Directors, of whom 4 were executives and 4 were non-executive independent (including 1 woman director). Accordingly, the composition of the Board is in conformity with Regulation 17 of the Listing Regulations.

As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013.

The Independent Directors of the Company are in compliance with the provision of Regulation 16(2) of SEBI Listing Regulations, 2015. Further, disclosures have been made by the Directors regarding their Chairmanship / Membership of the mandatory Committees of the Board and that the same are within the maximum permissible limit as stipulated under Regulation 16(2) of SEBI Listing Regulations, 2015.

The Senior Management have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.

None of the Directors of the Company is related to each other and there are no inter-se relationship between the Directors.

Transactions with related parties are disclosed in Note No. 33 of 'Notes to the Financial Statements' for the year ended 31st March, 2020. There has been no material pecuniary transaction or relationship between the Company and its Non-executive and/or independent Directors during the year 2019-20.

(b) Number of meeting of the Board.

During the financial year 2019-20, the Board of Directors met 6 times viz. 30/05/2019, 14/08/2019, 12/11/2019, 13/02/2020, 24/02/2020 and 23/03/2020. The gap between any two meetings has been less than one hundred and twenty days.

The Board oversees the entire functioning of the Company and is involved in strategic decision-making on a collective basis. The Company Secretary under the direction of the Chairman and in consultation with Chief Financial Officer (CFO) prepares the agenda along with the explanatory notes thereto and circulates it to the Directors, along with the notice of the meeting.

The composition and category of Directors, the number of Directorships and Committee Chairmanships / Memberships held by them and Directorships held by them in other listed entities as on 31st March, 2020 are as follows:

Name	Category	No. of Board Meetings Attended #	Attendance at the last AGM held on 25/09/2019	No. of Directorships in other public limited companies	No. of Committee positions held in other public limited companies *
Mr. Praful A. Shah Chairman & Managing Director	Promoter-Executive	5	Yes	5	--
Mr. Alok P. Shah Executive Director, CFO & COO	Promoter-Executive	5	Yes	5	--
Mr. Sanjay S. Shah Executive Director	Promoter-Executive	4	Yes	1	--
Mr. Suhail P. Shah Executive Director	Promoter-Executive	6	Yes	5	--
Mr. Sunil S. Sheth	Independent - Non Executive	6	No	1	--
Mr. Deepak N. Shah	Independent - Non Executive	6	No	--	--
Mr. Ketan A. Jariwala	Independent - Non Executive	6	Yes	1	2
Ms. Kruti Kothari	Independent - Non Executive	0	N.A.	1	1

Note:

- (1) Mr. Yatish C. Parekh, Independent - Non Executive Director resigned as Member of the Board of Director of the Company w.e.f. 16th July, 2019.
- (2) Ms. Kruti Kothari appointed as an Additional Director on the Board w.e.f. 23rd March, 2020

* In accordance with SEBI Listing Regulations, 2015, Memberships / Chairmanships of only the Audit Committees and Stakeholders' Relationship Committees in all Public Limited Companies (excluding Garden Silk Mills Limited) have been considered.

excluding Independent Directors meeting.

(c) Board Meeting Procedures

The Board plays a critical role in the strategy development of the Company. The Managing Director appraises the Board on the overall performance of the Company every quarter. The Board periodically reviews the strategy, annual business plan, business performance of the Company, quality, customer centricity, capital expenditure budgets and risk management, safety and environment matters.

Amongst other things, the Board also reviews the compliance report of the laws applicable to the Company, internal financial controls and financial reporting systems, minutes of the Board Meetings, adoption of quarterly / half yearly / annual results, minutes of the meeting of the Audit and other Committees of the Board.

In addition to the information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, which is required to be placed before the Board, the Directors are also kept informed of major events and approvals obtained, if necessary.

The agenda papers with relevant explanatory notes and material documents relating to matters for perusal of the Board / Committee are circulated in advance, so as to facilitate discussion and informed decision-making in the meeting, especially those that require deliberation at the highest level.

(d) Directors' Tenure, Appointment / Re-appointment and Remuneration

In terms of Section 152 read with Section 149(13) of the Companies Act, 2013 Mr. Sanjay S. Shah is liable to retire by rotation. The said Director has offered himself for reappointment and resolution for his reappointment is incorporated in the Notice of the ensuing Annual General Meeting.

On the recommendation of the Nomination and remuneration Committee, the Board has appointed Ms. Kruti Kothari as an Additional Non-executive Independent Woman Director of the Company with effect from 22nd March 2020, who hold office up to the date of ensuing Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and is eligible for appointment.

In its meeting held on 17th June, 2020, the Board of Directors, at the recommendation of Nomination and Remuneration Committee, has approved the re-appointment of Mr. Sanjay S. Shah (DIN: 00024004) as Wholetime Director designated as Executive Director of the Company for a period of 3 (three) years with effect from 1st July, 2020. However, Secured Creditor of the Company granted their approval for appointment of Mr. Sanjay S. Shah for a tenure of 1 (one) year with effect from 01/07/2020 upto 30/06/2021, subject to approval of shareholders of the Company at the ensuing Annual General Meeting.

As recommended by the Nomination and Remuneration Committee and approved by the Resolution Professional, Directors and Key Managerial Personnel of the Company at their meeting held on 31st July, 2020, Mr. Sunil S. Sheth (DIN: 00024033) has been re-appointed as Wholetime Director designated as Executive Director under Section 149(10) of the Companies Act, 2013 and Listing Regulations to hold office for further 4 (four) years for a second term with effect from 9th September, 2020 till 12th August, 2024 subject to the approval of the shareholders at the ensuing Annual General Meeting

The brief profile and other information as required under Regulation 36(3) of SEBI Listing Regulations, 2015 relating to Directors being appointed / reappointed, forms part of the Notice of ensuing Annual General Meeting.

(e) Separate Meeting of Independent Directors

During the year under review one meeting of Independent Directors of the Company was held on 13th February, 2020 as required under Schedule IV of the Act and Regulation 25(3) of the Listing Regulation, 2015.

At their meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, Chairman (as elected by the Board for each meeting of the Board of Directors) after taking the views of Executive Directors and Non-Executive Directors and also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The meeting was attended by all the Independent Directors and Mr. Deepak N. Shah chaired the said meeting.

All the Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and the Listing Regulations. Formal letters of appointment were issued to the Independent Directors. As required by Regulation 46 of the Listing Regulations, the terms and conditions of their appointment have been disclosed on the website of the Company at <http://www.gardenvareli.com>

(f) Familiarization Programme for Independent Directors

With a view to familiarising the independent directors with the Company's operations, as required under regulation 25(7) of the SEBI Listing Regulations, 2015, the Company has provided program on an ongoing basis to enable them to understand the business of the Company.

Moreover, the Management has also endeavoured to appraise the Directors regarding their responsibilities under the new Listing Regulations vis-a-vis those contained in the erstwhile Listing Agreements. Pursuant to Regulation 46 of the Listing Regulations, the details of familiarisation programme are available on the website of the Company at <http://www.gardenvareli.com>

Code of Conduct

The Company has adopted the Code of Conduct for its Wholetime Directors, Senior Management Personnel and other Executives which is available on the Company website at <http://www.gardenvareli.com>.

The Board has also adopted a Code of Conduct for Non-Executive Directors, which incorporates the duties of Independent Directors as laid down in Schedule IV of the Act ('Code for Independent Directors') and Regulation 17(5) of the Listing Regulations.

As on 31st March, 2020, all the Board Members and Senior Management of the Company have affirmed compliance with the respective Codes of Conduct. A declaration to this effect duly signed by the Managing Director forms part of this Report.

Senior Management of the Company have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

None of the Directors has any other material pecuniary relationship or transaction except remuneration by way of sitting fees, with the Company, its Promoters, its Directors, its Senior Management.

3. BOARD COMMITTEES:

During the financial year under review, the Board had four committees viz., Audit Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee. The Board decides the term of reference of these committees and assignment of its Members thereof.

(a) Audit Committee

The Audit Committee's role is to assist the Board fulfil its corporate governance and overseeing responsibilities in relation to the Company's financial reporting process carried out by the Management, internal control system, risk management system and internal and external audit functions.

Presently the Audit Committee comprises of Mr. Deepak N. Shah, Independent Director as Chairman, Mr. Sunil S. Sheth and Mr. Ketan A. Jariwala, Independent Directors as its Members. All the members of the Committee are professionals and financially literate within the meaning of Regulation 18 of SEBI Listing Regulations, 2015.

The terms of reference of the Audit Committee includes the matters specified under Section 177 of the Companies Act, 2013 and Regulation 18(3) read with Part C of Schedule II of the Listing Regulations. During the year under review, the terms of reference of the Audit Committee were amended to align the role of the Committee with amendments to the Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Audit Committee may call for the Comments of the Auditors about internal control systems, the scope of Audit, including observations and review of financial statements before their submission to the Board and any related issues with internal and statutory auditors and management of the Company.

The Audit Committee also assures the Board about the adequate internal control procedures and financial disclosures commensurate with the size of the Company and in conformity with the requirements of the new Listing Regulations. The Finance Head, Internal Auditor and Statutory Auditors are invitees to the Meeting. The Company Secretary acts as the Secretary to the Audit Committee.

The Board has been reviewing the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013 and the SEBI Listing Regulations, 2015.

The Chairman of the Audit Committee Mr. Deepak N. Shah and the members of Nomination and Remuneration Committee of the Board had delegated the responsibility and authorised Mr. Ketan A. Jariwala another member and a professionally qualified person to remain present at the 40th AGM and represent as Chairman of Audit Committee and Nomination and Remuneration Committee. The Minutes of the Audit Committee Meetings were noted at the Board Meetings.

Meetings and attendance

During the financial year 2019-20, the Audit Committee of the Company met four times on 30/05/2019, 14/08/2019, 12/11/2019 and 13/02/2020. The gap between two Audit Committee meetings did not exceed four months. The Committee, in its meeting held on 31/07/2020 reviewed the Annual Accounts for the year ended 31st March, 2020.

The Committee, in addition to other business reviews the quarterly (unaudited) financial results, annual accounts and cost audit report etc. before submitting to the Board of Directors.

In addition to the members of the Audit Committee, these meetings were attended by the head of finance, internal auditor and the statutory auditors of the Company. Further, on invitation, directors who are not member of the Company also attended the meetings of the Committee. The Company Secretary acted as the secretary of the Audit Committee.

The details of composition of the Audit Committee and the attendance of the Members at the Audit Committee Meetings are as under:

Sr. No.	Name of Director	Status	No. of meetings attended
1	Mr. Deepak N. Shah	Chairman	4
2	Mr. Sunil S. Sheth	Member	4
3	Mr. Ketan A. Jariwala	Member	4

(b) Stakeholders' Relationship Committee

The Company has constituted the Stakeholders' Relationship and Investors' Grievance Committee in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations (erstwhile Listing Agreements). The Stakeholder Relationship Committee oversee investors' grievances and redressal mechanism and recommends measures to improve the level of Investor's Services.

Presently, the Stakeholder Relationship Committee comprises of Mr. Ketan A. Jariwala, Independent Director as Chairman and Mr. Sanjay S. Shah, Wholetime Director and Mr. Sunil S. Sheth, Independent Director as its Members.

The Stakeholders' Relationship Committee ('SRC') looks in to various aspects of interest of shareholders. During the year under review, the terms of reference of the SRC were amended to align the role of the Committee with amendments to the Listing Regulations. The minutes of the Stakeholders' Relationship Committee were noted at the Board Meeting. In addition, the committee also looked into matters that can facilitate investor services and relation.

The said Committee also approves cases such as the transfer of shares in physical form, issue of duplicate share certificates and requests regarding Transmission / Consolidation / Split of Share Certificates etc. The powers for the aforesaid has been delegated to the Registrar & Transfer Agents who approves the documents fortnightly. The transfer registers duly signed by the authorised person is placed before the meeting of Stakeholders' Relationship Committee meetings on yearly basis.

Further, as per regulation 40(2) of the Listing Regulation, a report on transfer of shares / deletion of name / issue of duplicate share certificates / transmission of securities is also placed at each meeting of the Board of Directors. The Company Secretary and Compliance Officer acted as the secretary to the committee.

During the Financial Year under review, 122 complaints were received and as on date all of them have been redressed / answered to the satisfaction of the shareholders. No investor grievance remained unattended / pending for resolution for more than 30 days and no request for share transfers and dematerialization received for the financial year under review was pending for more than the time limit prescribed under the SEBI (LODR) Regulations, 2015.

(c) Nomination and Remuneration Committee

The Board of Directors have constituted a Nomination and Remuneration Committee of Directors. The role of the committee is to perform all such matters as prescribed under the Companies Act, 2013 and Schedule II-Part D about Role of Nomination and Remuneration Committee of Directors under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia includes – recommendation to Board of Directors remuneration policy for the Company, formulation of criteria for performance evaluation of Directors, Board and Committee, appointment of Directors, appointment and remuneration of Whole-time Directors / Managing Director and Key Managerial Personnel. The Committee will also deal with matters as may be assigned from time to time by the Board of Directors.

The Committee consists of three Independent Directors namely Mr. Sunil S. Sheth as Chairman, Mr. Ketan A. Jariwala and Mr. Deepak N. Shah, as members. During the year 2019-20 two meetings of the members of Nomination and Remuneration Committee were held on 24/02/2020 and 23/03/2020 wherein all the members were present.

Nomination and Remuneration Policy

On recommendation of Nomination and Remuneration Committee, the Board of Directors have approved a Nomination and Remuneration Policy for the appointment and remuneration of the director, key managerial personnel (KMP) and other employees. The key objectives of the Policy are to lay down the criteria for appointment and remuneration of Directors, Key Managerial Personnel and Executives at Senior Management level and recommend to the Board their appointment, and also to formulate criteria for evaluation of

performance of Independent Directors and the Board and to devise a policy on Board diversity. The Policy, inter-alia, includes criteria for determining qualifications, positive attributes, independence of a director, and expertise and experience required for appointment of Directors, KMP and Senior Management.

The details of the remuneration policy are available on the website of the Company www.gardenvareli.com.

Remuneration to Directors

There has been no materially significant related party transactions, pecuniary relationships or transactions between the Company and its Directors for the financial year under review that may have a potential conflict with the interest of the Company at large.

Remuneration paid to Executive Directors

(Amount in ₹)

Name of Director	Salary & Allowances	Taxable Value of perquisites	Sitting fees
Mr. Praful A. Shah	1,33,80,000	79,200	N.A.
Mr. Alok P. Shah	88,80,000	79,200	N.A.
Mr. Suhail P. Shah	2,14,80,000	79,200	N.A.
Mr. Sanjay S. Shah	59,08,320	39,600	N.A.
Mr. Yatish Parekh	N.A.	N.A.	2,500
Mr. Sunil S. Sheth	N.A.	N.A.	2,05,000
Mr. Deepak N. Shah	N.A.	N.A.	2,02,500
Mr. Ketan A. Jariwala	N.A.	N.A.	2,02,500
Total	4,96,48,320	2,77,200	6,12,500

Remuneration paid to Non-Executive Directors

The Company has paid sitting fees to Non-Executive directors for attending meetings of the Board, Audit Committee and Share Transfer Committee meetings. The aggregate amount of sitting fees paid during the financial year 2019-20 was ₹6,12,500/-.

The Company has no stock option plans and hence such instrument does not form part of the remuneration package to any Executive Director and/or Non-Executive Director.

(d) Other Committees of Directors

Management Committee of the Board

The Board of Directors has constituted Management Committee of Directors to approve routine and specific matters delegated by the Board. The composition of the Committee of Directors comprises Mr. Alok P. Shah, Chairman, Mr. Sanjay S. Shah, Wholetime Director, Mr. Ketan A. Jariwala and Mr. Sunil S. Sheth, Independent Directors as Members.

(e) Corporate Social Responsibility Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Section 135 of the Companies Act, 2013.

The composition of the Committee of Directors comprises Mr. Sunil S. Sheth, Chairman, (Independent Director), Mr. Ketan A. Jariwala, Independent Director and Mr. Suhail P. Shah, Wholetime Director as Members.

GARDEN SILK MILLS LIMITED

During the year 2019-20 the Committee met once on 23rd March, 2020 to discuss the matters coming within the Committee's purview.

The Committee's prime responsibility is to assist the Board in discharging its social responsibility by way of formulating and monitoring implementation of the framework of corporate social responsibility policy. The terms of reference of the Corporate Social Responsibility are in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder.

The Company has also adopted CSR policy in compliance with the aforesaid provisions and the same is placed on the Company's website at www.gardenvareli.com.

4. MD/CEO/CFO CERTIFICATION

As required under Regulation 17(8) of SEBI Listing Regulations, 2015, the CEO and CFO certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended was placed at the meeting of Resolution Professional, Directors and Key Managerial Personnel of the Company held on 31st July, 2020.

5. COMPLIANCE OFFICER

The Company Secretary is the Compliance Officer under Regulation 6 of the SEBI Listing Regulations, 2015 and other applicable SEBI Regulations and Rules.

6. GENERAL BODY MEETINGS

(a) The details of last 3 Annual General Meetings held are as under:

Year	Location	Date	Time
2018-19	Tulsi Krupa Arcade, Puna-Kumbharia Road, Surat	25th September, 2019	11.00 a.m.
2017-18	Tulsi Krupa Arcade, Puna-Kumbharia Road, Surat	18th September, 2018	11.00 a.m.
2016-17	Tulsi Krupa Arcade, Puna-Kumbharia Road, Surat	20th September, 2017	11.00 a.m.

All the resolutions set out in the respective Notices were passed by the requisite majority of the Members.

(b) Special Resolutions passed at the last 3 Annual General Meetings:

- i) A Special Resolution was proposed and passed at 38th Annual General Meeting of the Company held on 20/09/2017 for re-appointment of Mr. Sanjay S. Shah, Wholetime Director designated as Executive Director for a period 3 years w.e.f. 01/07/2017.
- ii) Two Special Resolutions were proposed and passed at the 39th Annual General Meeting of the Company held on 18th September, 2018, for re-appointment of Mr. Suhail P. Shah as Wholetime Director designated as Executive Director of the Company for a period of 3 years w.e.f. 1st December, 2018, and for re-appointment of Mr. Yatish C. Parekh as Independent Director for a period of five year with effect from 1st April, 2019.
- iii) Two Special Resolutions were proposed and passed at the 40th Annual General Meeting of the Company held on 25th September, 2019, for re-appointment of Mr. Praful A. Shah as Chairman & Managing Director of the Company for a period of 3 years w.e.f. 1st September, 2019, and for re-appointment of Mr. Alok P. Shah as Wholetime Director designated as Executive Director, Chief Financial Officer (CFO) and Chief Operating Officer (COO) of the Company for a period of 3 years w.e.f. 1st June, 2019.
- iv) As of date, there is no proposal to pass any Special Resolution by postal ballot.

(c) Passing of Special Resolutions by Postal Ballot:

Pursuant to Section 108 and other applicable provisions of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended no postal ballot were held during 2019-20.

7. DISCLOSURES**(a) Related Party Transactions**

Your Company has formulated a Policy on materiality of Related Party Transactions and also dealing with Related Party Transactions. The policy on Related Party Transactions is hosted on the website of the Company.

Particulars of transactions between the Company and related parties as per Ind AS-24 'Related Party Disclosures' notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Audit and Accounts) Rules, 2014 are given under note No.33 of the annual accounts for the financial year 2019-20.

(b) Disclosure of Accounting Treatments

Your Company has not adopted any alternative accounting treatment prescribed differently from the Accounting Standards.

(c) Subsidiary Company

The Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary. Your Company has voluntarily formulated a Policy on Material Subsidiary as required under Regulation 24 of the SEBI Listing Regulations, 2015 and the Policy is hosted on the website of the Company.

(d) Risk Management

Your Company has laid down procedure to inform Board members about risk assessment and minimization and has implemented the Risk Management plan and continuously monitors it. Details of Risk Management by the Company have been provided in the Directors' Report and Management Discussion and Analysis.

(e) Statutory Compliance, Penalties and Strictures

There has neither been any non-compliance of any of the provisions of law by the Company nor any penalty or structure imposed by the Stock Exchange or SEBI or any other statutory authorities on any matters related to capital market during the last 3 years, except

- (i) A fine of ₹21,240/- including GST imposed by BSE Limited during the year 2019-20 for non compliance of Regulation 27(2) of the SEBI (LODR) Regulations, 2015 with respect to delay in filing of quarterly Corporate Governance Compliance Report.
- (ii) A fine of ₹10,67,200/- including GST imposed by each of the National Stock Exchange of India Limited and BSE Limited during the year for non compliance of Regulation 17(1) of the SEBI (LODR) Regulations, 2015 with respect to delay in appointment of a Independent Non-executive Woman Director on the Board of Company.

(f) Code of Business Conduct & Ethics

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website.

(g) Whistle Blower Policy / Vigil Mechanism:

The Company has established a Whistle Blower / Vigil Mechanism through which its Directors, Employees and Stakeholders can report their genuine concerns about unethical behaviours, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The said policy provides for adequate safeguard against victimization and also direct access to the higher levels of supervisors.

(h) Preventing Conflict of Interests

Members of Board and Senior Management Team while discharging their duties, avoid their conflict of interest in the decision making process. The members of Board refrain themselves from any discussions and voting in transactions where they have concern or interest.

(i) Insider Trading Code

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("The PIT Regulations"). The PIT Regulations has come into effect from May 15, 2015 and replaced the earlier Regulations. The object of the PIT Regulations is to curb the practice of insider trading in the securities of a listed company.

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code") in accordance with the requirements of the PIT Regulations. The Code lays down guidelines for procedures to be followed and disclosures to be made while trading in securities of the Company. During the year, the Code was amended to align it with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015. As per the revised Code, the Company also adopted Policy on Enquiry in case of leak or suspected leak of UPSI and policy for Determination of Legitimate Purposes.

The Code of Corporate Disclosure Practices along with the Policy for Determination of Legitimate Purposes is also available on the website of the Company at <http://www.gardenvareli.com>.

The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code is displayed on the Company's website.

(j) Reconciliation of Share Capital Audit

A qualified Practicing Company Secretary carries out reconciliation of share capital Audit, on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

8. MEANS OF COMMUNICATION:

- (a) The Quarterly (Unaudited) Financial Results are sent to Stock Exchanges where the Company's shares are listed and are normally published in The Times of India / The Indian Express (English) and Dhabkar (Vernacular), both Surat editions.
- (b) Management Discussion and Analysis report forms part of the Directors Report.

9. GENERAL SHAREHOLDER INFORMATION:**(a) 41st Annual General Meeting:**

Date : Monday, 21st December, 2020
 Time : 3:00 p.m. IST
 Venue : Through Video Conferencing ('VC') / Other Audio - Visual Means ('OAVM') facility at Tulsi Krupa Arcade, Puna-Kumbharia Road, Dumbhal, Surat 395010.

(b) Financial Calendar (2020-21):

Results for the quarter ending 30th June, 2020 : July/August, 2020
 Results for the quarter ending 30th September, 2020 : October/November, 2020
 Results for the quarter ending 31st December, 2020 : January/February, 2021
 Results for the year ending 31st March, 2021 : April/May, 2021
 Book Closure Dates : Wednesday, 16th December, 2020 to
 : Monday, 21st December, 2020
 : (both days inclusive)

(c) Listing on Stock Exchanges: The Company's Equity Shares are listed on the following stock Exchanges:

- (1) BSE Limited (BSE)
- (2) National Stock Exchange of India Limited (NSE).

(d) Annual Listing Fees: The Company has paid the Annual Listing fee to the above stock exchanges for the financial year 2020-2021.**(e) Stock Code:**

BSE Limited : 500155
 National Stock Exchange of India Limited : GARDENSILK(EQ)
 Demat ISIN in NSDL and CDSL for Equity Shares : INE526A01016.
 Corporate Identity Number (CIN) : L17111GJ1979PLC003463

(f) Market Price Data

The High/Low market price of the shares during the year 2019-20 at the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are as under.

(in ₹)

Month	BSE		NSE	
	High	Low	High	Low
April 2019	21.00	17.05	21.80	16.90
May 2019	19.85	15.35	19.85	15.40
June 2019	19.30	13.00	19.15	13.00
July 2019	14.84	11.00	16.20	11.00
August 2019	11.86	8.51	11.65	8.20
September 2019	13.45	9.26	13.35	9.10
October 2019	13.89	9.50	14.00	9.65
November 2019	11.98	9.21	11.80	9.20
December 2019	13.69	8.51	13.85	8.35
January 2020	13.37	10.10	13.70	9.95
February 2020	12.98	8.39	13.00	8.30
March 2020	8.45	5.25	8.90	5.00

(g) Registrar and Share Transfer Agents:

KFin Technologies Private Limited

(Unit: Garden Silk Mills Limited),

Selenium Tower B, Plot 31 & 32, Financial District, Gachibowli, Nanakramguda,

Hyderabad 500032. State: Telengana, India.

Phone No. 040 67161563 | Fax No. 040 23001153 | Email: einward.ris@kfintech.com

(h) Share Transfer System:

All the share related work is being undertaken by the company's Registrar & Transfer Agent. A Stakeholders Relationship Committee has been constituted to approve the share transfer, transmission, split and consolidation etc. of shares. The transfers which are complete in all respects are taken up for approval at least once in a fortnight and the transferred securities dispatched to the transferee within 21 days. The details of transfer / transmission approved by the Committee are noted by the Board at its next meeting.

(i) Distribution of shareholding as on 31st March, 2020:

Sr. No.	Category of Members	No. of Shares held	% of total Shares
1.	Promoters.	24251994	57.63
2.	Indian Public.	11760997	27.95
3.	Banks, Financial Institutions & Insurance Companies, Mutual Fund	21335	0.05
4.	NRI's / Overseas Body Corporate	3319509	7.88
5.	Bodies Corporate	2210228	5.25
6.	Trusts	540	0.00
7.	Clearing Members (NSDL+CDSL)	14965	0.04
8.	Any other	502957	1.20
	TOTAL	42082525	100.00

(j) Categorywise Summary of Holders / Holdings as on 31st March, 2020:

Range of Equity Shares Holding	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares
1 - 500	50263	0.46	628112	1.49
501 - 1000	159	2.65	1169859	2.78
1001 - 2000	624	0.18	457638	1.09
2001 - 3000	245	0.29	1186050	2.82
3001 - 4000	116	0.24	33791816	80.30
4001 - 5000	96	1.18	973926	2.31
5001 - 10000	1407	0.22	414296	0.99
10001 and above	126	94.78	3460828	8.22
TOTAL:	53036	100.00	42082525	100.00

(k) Depository Services:

The Equity Shares of your Company are traded in compulsory dematerialised form by all the investors. The Company has entered into agreements with both the depositories viz., National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), enabling the investors to hold shares of the Company in electronic form through the depository of their choice.

(l) Dematerialisation of Shares:

41046411 Equity Shares aggregating to 97.54% of the total Equity Capital is held in dematerialized form as on 31/03/2020 of which 81.58% (34331819 Equity Shares) of total equity capital is held with NSDL and 15.96% (6714592 Equity Shares) of total equity capital is held with CDSL as on 31/03/2020.

(m) Stock Exchange Intimations

All price-sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. All submissions to the Exchanges are made through the respective electronic filing systems.

Material events or information as detailed in Regulation 30 of the Listing Regulations are disseminated to the Stock Exchanges by filing them with BSE through BSE Online Portal. They are also displayed on the Company's website at <http://www.gardenvareli.com>.

(n) Letters and Reminders to Shareholders

The Company in terms of circular issued by SEBI time to time with respect to Updation of PAN and Bank details, mandating transfer of securities only in electronic form effective from 1st April, 2019, has communicated to the shareholders through notice of Annual General Meeting.

(o) Credit Ratings

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds during the financial year ended 31st March, 2020. Accordingly requirement of obtaining credit rating is not applicable.

(p) Commodity price risk / Foreign Exchange Risk and Hedging Activity

Certain key raw materials, such as MEG / PTA used by the Company are derivatives of commodities such as crude oil. Any material price fluctuation in such commodities can impact the margins of the Company till the impact is appropriately factored in the pricing of Company's products. The Company does not undertake commodity hedging activities. Exposure to commodity and commodity risks faced by the Company throughout the year is Nil.

(q) Outstanding GDRs/ADRs/Warrants

The Company has no outstanding GDRs/ADRs/Warrants as on 31st March, 2020.

(r) Nomination:

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination form can be obtained from the Company's Registrar and Transfer Agent.

(s) Address for Correspondence:

For Transfer / Dematerialisation of Shares, Payment of Dividend on Shares and any other query relating to the shares of the Company.

(i)	For Shares held in Physical Form	KFin Technologies Private Limited (Unit: Surat Textile Mills Limited), Selenium Tower B, Plot 31 & 32, Financial District, Gachibowli, Nanakramguda, Hyderabad 500032. State: Telengana, India. Phone No. 040 67161563 Fax No. 040 23001153 Email: einward.ris@kfintech.com
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(ii)	For query on Annual Report	Secretarial Department, Garden Silk Mills Limited Tulsi Krupa Arcade, 1st Floor, Puna-Kumbharia Road, Dumbhal, Surat 395010
(iii)	For Shares held in Demat Form	Respective Depository Participants of the shareholders.

(t) Eliminate Duplicate Mailing

Members holding Equity Shares of the Company in more than one Folio in one name or with the same address as joint members of the Company, may authorize the Company to discontinue mailing of multiple Annual Reports.

(u) Green Initiative:

By virtue of Ministry of Corporate Affairs (“MCA”) Circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, read with Rule 11 of the Companies (Accounts) Rules, 2014, service of documents may be made to members through electric mode.

We therefore appeal to the members to be a part of the said “Green Initiative” and request the members to register their name in getting the said documents in electronic mode by sending an email giving their Registered Folio Number and/or DP Id/Client ID to the dedicated email address of sharedepartment@gardenvareli.com or login at the R&TA’s website www.gardenvareli.com and register their request.

Those members, who want the above documents in physical form, must indicate their option by sending a letter or an email to the Registrar at the specially created e-mail ID sharedepartment@gardenvareli.com or login at the R&TA’s website www.gardenvareli.com quoting their DP ID & Client ID and/or Registered Folio Number.

(v) Equity Shares in the suspense account

During the year under review, there were no shares held in the demat suspense account/unclaimed suspense account. The Company has sent reminders to the shareholders to claim their shares returned undelivered and lying in physical form with the Company.

(w) Secretarial Audit

Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.

A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital.

The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

Mr. Kunjal Dalal of M/s K. Dalal & Co., Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2019-20. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, its Memorandum and Articles of Association, Listing Regulations and the applicable SBI Regulations. The Secretarial Audit Report forms part of the Board’s Report.

Certificate from Practising Company Secretary

Mr. Jigar Vyas of M/s Jigar Vyas And Associates, Practicing Company Secretaries, has issued a certificate confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

In accordance with the SEBI Circular dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr. Kunjal Dalal of M/s K. Dalal & Co., Practicing Company Secretaries, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended 31st March, 2020.

Web link for various documents.

The following documents/information are linked with the website of the Company i.e. www.gardenvareli.com

Particulars	Web link
Code Of Conduct	https://www.gardenvareli.com/pages/GardenVareli-InvestorRelations/pgid-264317.aspx
Annual Return	https://www.gardenvareli.com/pages/GardenVareli-InvestorRelations/pgid-264317.aspx
Familiarisation Programme for Independent Director	https://www.gardenvareli.com/pages/GardenVareli-InvestorRelations/pgid-264317.aspx
Policy For Determining Material Subsidiaries	https://www.gardenvareli.com/pages/GardenVareli-InvestorRelations/pgid-264317.aspx
Policy for Related Party Transaction	https://www.gardenvareli.com/pages/GardenVareli-InvestorRelations/pgid-264317.aspx
Corporate Social Responsibility Policy	https://www.gardenvareli.com/pages/GardenVareli-InvestorRelations/pgid-264317.aspx
Whistle Blower	https://www.gardenvareli.com/pages/GardenVareli-InvestorRelations/pgid-264317.aspx
Preservation of Documents and Archival Policy	https://www.gardenvareli.com/pages/GardenVareli-InvestorRelations/pgid-264317.aspx
Policy on Determination of Materiality of Events Information	https://www.gardenvareli.com/pages/GardenVareli-InvestorRelations/pgid-264317.aspx
Code of Practices and Procedures for Fair Disclosure	https://www.gardenvareli.com/pages/GardenVareli-InvestorRelations/pgid-264317.aspx

(x) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements and have not adopted non-mandatory requirements.

(y) The Company does not have any material subsidiary company.

(z) Policy on dealing with related party transactions is available on the website of the Company.

10. Compliance of Discretionary requirements under Part E of Schedule II of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. The Board: The Chairperson does not maintain his separate office at the Company's expense.
2. Shareholder Rights: The Company publishes the financial results in news papers and places on its website and does not send it to shareholders.
3. Modified opinion(s) in audit report: The Audit opinion received by the Company has not been modified.
4. Separate posts of chairperson and chief executive officer: The Company has a Managing Director and a Wholetime Director designated as Executive Director and CFO of the Company.
5. Reporting of internal auditor: The Internal Auditor of the Company directly reports to the Audit Committee of the Company and their Internal Audit Reports are presented in the meeting of the Audit Committee.

11. Compliance with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

The Company has complied with Corporate Governance requirements as specified in regulations 17 to 27 relating to Board of Directors; Audit Committee; Nomination and Remuneration Committee; Stakeholders Relationship Committee; Vigil Mechanism, Related Party Transactions, Corporate Governance Requirements, obligations with respect to Independent Directors, other Directors and Senior Management. The information and documents specified under clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been placed on the website of the Company.

12. Non-Mandatory Requirements**Shareholders' Rights**

The half yearly financial results are published in the newspapers as mentioned above and also they are displayed under the investor relations section on the Company's website 'www.gardenvareli.com'. Therefore, the results were not separately circulated to all shareholders.

For Garden Silk Mills Limited

Praful A. Shah

Chairman & Managing Director

DIN: 00218143

Surat, 31st July, 2020