

NATVARLAL VEPARI & CO.

Chartered Accountants

PAN: AADFN5448E

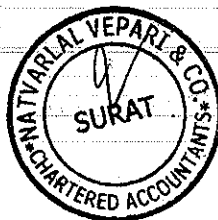
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We have reviewed the accompanying statement of un-audited financial results of **Garden Silk Mills Limited**, Garden Mills Complex, Sahara Gate, Surat for the period 1st October, 2012 to 31st December, 2012 except for the disclosures regarding 'Public Shareholding' and Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* 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 financial statements are 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.

Based on our review conducted as above and explanation given to us, nothing has come to our notice that causes us to believe that the accompanying statement of un-audited financial result, prepared in accordance with the Accounting Standards & Rules thereof, and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement. Based on the explanations given to us, the Company shall undertake assessment for impairment of its assets as per Accounting Standard - 28 issued by the Institute of Chartered Accountants of India at the time of preparation of year-end financial statements.

Place: Surat
Date: 12th February, 2013



For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 123626W

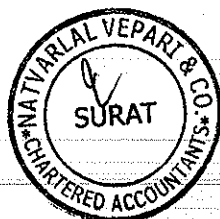

R. N. Vepari
Partner
Membership No.: 6728

PART I: Statement of Unaudited Financial Results for the Quarter and nine months ended 31st December, 2012

Particulars	Quarter ended			Nine months ended		(Rs. in Lacs)
	31-12-2012	30-09-2012	31-12-2011	31-12-2012	31-12-2011	Previous year ended 31-03-2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income from operations						
Gross Sales/Income from operations	102700.35	89652.17	80766.75	308052.53	280078.98	376354.78
Less: Excise Duty on Sales	8845.10	7220.39	5236.89	25592.94	19586.51	25705.33
Total Income from operations (Net)	93855.25	82431.78	75529.86	282459.59	260492.47	350649.45
2 Expenses:						
(a) Cost of materials consumed	73030.28	63493.41	58427.11	219041.61	195795.79	272645.98
(b) Purchases of stock-in-trade	370.35	560.34	663.68	1366.02	1920.53	2459.07
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2668.76	(1260.03)	1009.38	6807.21	6595.94	4034.93
(d) Employee benefits expense	2176.04	2515.35	1975.62	6572.58	6014.58	8441.76
(e) Depreciation and amortisation expense	2344.37	2341.19	2318.11	7045.31	6230.07	8614.49
(f) Other expenses	13370.73	14742.68	13658.21	42162.99	39756.65	52985.90
Total Expenses	93960.53	82392.94	78052.11	282995.72	256313.56	349182.13
3 Profit/(Loss) from operations before other income and financial costs (1-2)	(105.28)	38.84	(2522.25)	(536.13)	4178.91	1467.32
4 Other Income	67.44	286.73	358.56	426.13	1379.21	2122.86
5 Profit/(Loss) from ordinary activities before finance costs (3+4)	(37.84)	325.57	(2163.69)	(110.00)	5558.12	3590.18
6 Finance Costs	3672.26	3396.73	3976.51	11322.13	10761.59	15395.43
7 Profit/(Loss) from ordinary activities before tax (5+6)	(3710.10)	(3071.16)	(6140.20)	(11432.13)	(5203.47)	(11805.25)
8 Tax expense						
Current Tax	0.00	0.00	(186.47)	0.00	0.00	0.00
Deferred Tax	(1347.13)	(892.78)	(2134.03)	(3785.13)	(1865.16)	(3917.30)
9 Net Profit/(Loss) after tax (7+8)	(2362.97)	(2178.38)	(3819.70)	(7647.00)	(3338.31)	(7887.95)
10 Paid-up Equity Share Capital (Rs. 10/- per share)	3829.06	3829.06	3829.06	3829.06	3829.06	3829.06
11 Reserves excluding revaluation reserves	--	--	--	--	--	45297.54
12 Earnings per equity share of Rs. 10 each (not annualised) Basic and Diluted (in Rs.)	(6.17)	(5.69)	(9.98)	(19.97)	(8.72)	(20.60)

PART II: Select informaton for the Quarter and nine months ended 31st December, 2012

A Particulars of Shareholding							
1 Public shareholding							
- Number of Shares	16379789	16379789	16379789	16379789	16379789	16379789	16379789
- Percentage of shareholding	42.78	42.78	42.78	42.78	42.78	42.78	42.78
2 Promoters and Promoter Group Shareholding							
a) Pledged/Encumbered							
- Number of Shares	0	0	0	0	0	0	0
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Percentage of shares (as a % of the total share capital of the company)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Non-Encumbered							
- Number of Shares	21910771	21910771	21910771	21910771	21910771	21910771	21910771
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00	100.00
- Percentage of shares (as a % of the total share capital of the company)	57.22	57.22	57.22	57.22	57.22	57.22	57.22
B Investor Complaints							
		Quarter ended 31-12-2012					
Pending at the beginning of the quarter		Nil					
Received during the quarter		46					
Disposed of during the quarter		46					
Remaining unresolved at the end of the quarter		Nil					



Notes:

- 1 The above Results for the quarter and nine months period ended 31st December, 2012 have been reviewed and recommended by the Audit Committee & approved by the Board of Directors at the respective meetings held on 12th February, 2013.
- 2 The statutory auditors of the Company have conducted 'Limited Review' of the Financial Results as required under Clause 41 of the Listing Agreement with the Stock Exchanges.
- 3 The Company does not have any Exceptional or Extraordinary item to report for the above periods.
- 4 Provision for deferred taxation is made in accordance with the Accounting Standards 22 issued by the Institute of Chartered Accountants of India.
- 5 During the quarter, the Company has exercised the option under paragraph 46A of Accounting Standard 11 relating to "The effects of changes in Foreign Exchange Rates" as notified by the Ministry of Corporate Affairs on 29th December, 2011. Consequently, the Foreign Exchange Loss incurred on Long Term Foreign Currency Monetary Items amounting to Rs.100.78 Lacs for the quarter ended 31st December, 2012 has been capitalised and added to the cost of depreciable respective fixed assets. Total amount capitalised upto 31st December, 2012 is Rs.1076.20 Lacs and out of which Rs.1019.80 Lacs remains unamortized as at 31st December, 2012.
- 6 As the Company's business activity falls within a single primary business segment viz. 'Textiles', the disclosure requirement of Accounting Standards (AS) 17 on "Segment Reporting" is not applicable.
- 7 The Current period figures in this statement have been reported in the format recommended as per the SEBI Circular dated 16th April, 2012. The comparative figures have also been accordingly restated to conform to the current period presentation.

For and on behalf of the Board

Place: Surat
Date: 12th February, 2013

Praful A. Shah
Chairman & Managing Director

