

GARDEN SILK MILLS LIMITED

Date: 10th August, 2016

Department of Corporate Services,
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400001
Scrip Code: 500155

National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra Kurla Complex,
Bandra (East),
Mumbai 400051
Stock Code: GARDENSILK(EQ)

Sub: Unaudited Financial Results for the first quarter ended 30th June, 2016.

Dear Sir,

We refer to our earlier letter dated 1st August, 2016 on the captioned subject. In continuation to the said letter and pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are enclosing the standalone and consolidated Unaudited Financial Results of the Company for the first quarter ended 30th June, 2016, duly approved by the Board of Directors of the Company, at their meeting held today (10th August, 2016).

We also enclose a copy of the Limited Review Report of the Auditors of the Company on the unaudited financial results for the quarter ended 30th June, 2016 as required under regulation 33 of the Listing Regulations.

The meeting of the Board of Directors of the Company commenced at 12.30 p.m. and concluded at 3.15 p.m.

Please take the same on your record.

Thanking you,

Yours faithfully,
For Garden Silk Mills Limited



Kamlesh B. Vyas
Company Secretary & Compliance Officer

Encl.: As above

*Garden**

Registered Office : Tulsi Krupa Arcade, Puna-Kumbharia Road, Dumbhal, Suraf - 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

NATVARLAL VEPARI & CO.

Chartered Accountants

PAN: AADFN5448E

1st Floor, River Palace-II, Near Navdi Ovara, Nanpura, Surat 395 001. | www.vepari.com
Tel. : +91 261 305 7777, 246 5585 | Fax : +91 261 399 5511 | E-mail : vepari@youtele.com

We have reviewed the accompanying standalone statement of unaudited financial results read with notes of **Garden Silk Mills Ltd** (the "Company") for the quarter ended on 30th June, 2016 (the "statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5th 2016. 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 have conducted our review in accordance with the Standard on Review Engagement (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 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 referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed or that it contains any material misstatement.

Place: Surat

Date: 10th August, 2016



For **Natvarlal Vepari & Co.**

Chartered Accountants

Firm Registration No. 123626W


R.N. Vepari

Partner

Membership No.: 6728



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: shareddepartment@gardenvareli.com.

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

Designer of Yarns, Weaves and Prints

Unaudited Standalone Financial Results for the Quarter ended 30th June, 2016

(Rs. in Lacs, except as stated)

Sr. No.	Particulars	Quarter ended			Year ended 31/03/2016 Audited
		30/06/2016 Unaudited	31/03/2016 Audited (refer note 5)	30/06/2015 Unaudited	
1	Income from Operations				
	Gross Sales/Income from Operations	63607.17	66764.02	65075.57	256731.31
	Less: Excise Duty on Sales	3836.48	5199.94	4114.19	19182.96
	Total Income from Operations (Net)	59770.69	61564.08	60961.38	237548.35
2	Expenses				
	(a) Cost of Materials Consumed	44030.67	39738.30	42980.40	167438.24
	(b) Purchases of Stock-in-Trade	766.66	282.07	360.89	1409.15
	(c) Changes [Decrease/(Increase)] in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(2420.08)	2076.82	(977.48)	2737.39
	(d) Employee Benefits Expense	2767.41	2953.20	2718.03	11694.92
	(e) Depreciation and Amortisation Expense	1607.30	1649.60	1664.19	6681.43
	(f) Other Expenses	10596.39	10959.97	11913.13	44970.50
	Total Expenses	57348.35	57659.96	58659.16	234931.63
3	Profit/(Loss) from Operations before Other Income and Finance Costs (1-2)	2422.34	3904.12	2302.22	2616.72
4	Other Income	78.05	487.85	54.00	983.65
5	Profit/(Loss) from Ordinary Activities before Finance Costs (3±4)	2500.39	4391.97	2356.22	3600.37
6	Finance Costs	4953.72	3935.54	4845.32	17725.13
7	Profit/(Loss) from Ordinary Activities before Tax (5±6)	(2453.33)	456.43	(2489.10)	(14124.76)
8	Tax expenses/(credit)				
	- Current Tax	0.00	0.00	0.00	0.00
	- Deferred Tax	0.00	0.00	0.00	0.00
	- Tax in respect of earlier years	0.00	(64.09)	0.00	(64.09)
9	Net Profit/(Loss) for the period (7±8)	(2453.33)	520.52	(2489.10)	(14060.67)
10	Paid-up Equity Share Capital (face value Rs.10/- each)	4208.25	4208.25	4208.25	4208.25
11	Reserves excluding Revaluation Reserves	--	--	--	(6805.43)
12	Earnings per share (of Rs.10/- each) (Not Annualised) Basic and Diluted (Rs.)	(5.83)	1.24	(5.91)	(33.41)



Notes:

- 1 Figures for the previous periods have been re-grouped / re-stated / re-arranged wherever necessary, to correspond with the current periods classification / disclosure.
- 2 The above results for the quarter ended 30th June, 2016 were reviewed and recommended for adoption by the Audit Committee to the Board of Directors and approved by the Board at its meeting held on 10th August, 2016. The Statutory Auditors of the Company have carried out a Limited Review of these financial results.
- 3 In pursuance to the notification dated 16/02/2015 issued by the Ministry of Corporate Affairs on Companies (Indian Accounting Standard) Rules, 2015 (IND-AS), the Company is required to adopt IND-AS w.e.f. 1st April, 2017 with the comparatives for the period ending on 31st March, 2017.
- 4 The Company has unabsorbed depreciation & carried forward losses under Tax laws. In absence of virtual certainty of sufficient future taxable income, net deferred tax assets has not been recognized by way of prudence in accordance with Accounting Standard (AS) 22 – "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.
- 5 The figures for the quarter ended 31st March, 2016 are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter ended 31st December, 2015.
- 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" notified by the Company (Accounting Standards) Rules, 2006 are not applicable.
- 7 Consequent to the introduction para 46A of Accounting Standard 11 vide notification dated 29th December, 2011, the Company has adjusted a sum of Rs.19.83 Lacs on account of foreign exchange transaction variations in long term foreign currency borrowings for the quarter ended 30th June, 2016. Total amount capitalized upto 30th June, 2016 is Rs.1794.99 Lacs and out of which Rs.1467.71 Lacs remains unamortized as at 30th June, 2016.
- 8 The Company does not have any Exceptional or Extraordinary item to report for the above periods.

For and on behalf of the Board of Directors



Praful A. Shah
Chairman & Managing Director
(DIN 00218143)

Place: Surat
Date: 10th August, 2016



NATVARLAL VEPARI & CO.

Chartered Accountants

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We have reviewed the accompanying statement of consolidated un-audited financial results of **Garden Silk Mills Limited** (the "Company"), and its subsidiary (hereinafter referred to as the "Group") for the quarter ended on **30th June, 2016** (the "statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5th 2016. 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) 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 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.

We have not reviewed the Financial Statements of subsidiary Company included in the Consolidated Financial results which has total revenue of Rs. 4,147.62 lacs and total profit of Rs. 46.53 lacs for the quarter ended on 30th June, 2016. The unaudited financial information of the subsidiary Company has been assessed by the Management and provided to us, and our conclusion on the Statement to the extent they relate to the subsidiary and is based solely on such unaudited financial information furnished to us by the Management.

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 and other recognized accounting



practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Surat

Date: 10th August, 2016



For Natvarlal Vepari & Co.

Chartered Accountants

Firm Registration No. 123626W

A handwritten signature in black ink, appearing to read "R. N. Vepari".

Ravindra N. Vepari

Partner

Membership No.: 6728



GARDEN SILK MILLS LTD

Regd. Office: Tulsi Krupa Arcade, 1st Floor, Near Aai Mata Chowk, Puna-Kumbharia Road, Dumbhal, Surat 395010

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Designer of Yarns, Weaves and Prints

Unaudited Consolidated Financial Results for the Quarter ended 30th June, 2016

(Rs. in Lacs, except as stated)

Sr. No.	Particulars	Quarter ended			Year ended 31-03-2016 Audited
		30/06/2016 Unaudited	31/03/2016 Audited (refer note 4)	30/06/2015 Unaudited	
1	Income from Operations				
	Gross Sales/Income from Operations	63994.16	67034.71	65308.08	257811.99
	Less: Excise Duty on Sales	3836.48	5199.94	4114.19	19182.96
	Total Income from Operations (Net)	60157.68	61834.77	61193.89	238629.03
2	Expenses				
	(a) Cost of Materials Consumed	44030.67	39250.40	42980.40	166950.34
	(b) Purchases of Stock-in-Trade	766.66	282.57	360.89	1438.20
	(c) Changes [Decrease/(Increase)] in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(2420.08)	2076.82	(977.48)	2737.39
	(d) Employee Benefits Expense	2772.06	2957.47	2718.03	11700.59
	(e) Depreciation and Amortisation Expense	1607.36	1649.67	1664.19	6681.51
	(f) Other Expenses	10686.48	11038.70	11971.55	45288.90
	Total Expenses	57443.15	57255.63	58717.58	234796.93
3	Profit/(Loss) from Operations before Other Income and Finance Costs (1-2)	2714.53	4579.14	2476.31	3832.10
4	Other Income	79.47	490.23	54.23	990.43
5	Profit/(Loss) from Ordinary Activities before Finance Costs (3±4)	2794.00	5069.37	2530.54	4822.53
6	Finance Costs	5200.80	4194.06	5102.99	18823.74
7	Profit/(Loss) from Ordinary Activities before Tax (5±6)	(2406.80)	875.31	(2572.45)	(14001.21)
8	Tax expenses/(credit)				
	- Current Tax	0.00	0.00	0.00	0.00
	- Deferred Tax	0.00	0.00	0.00	0.00
	- Tax in respect of earlier years	0.00	(64.09)	0.00	(64.09)
9	Net Profit/(Loss) for the period (7±8)	(2406.80)	939.40	(2572.45)	(13937.12)
10	Paid-up Equity Share Capital (face value Rs.10/- each)	4208.25	4208.25	4208.25	4208.25
11	Reserves excluding Revaluation Reserves	--	--	--	(6701.97)
12	Earnings per share (of Rs.10/- each) (Not Annualised)				
	Basic and Diluted (Rs.)	(5.72)	2.23	(6.40)	(33.12)



- 1 Figures for the previous periods have been re-grouped / re-stated / re-arranged wherever necessary, to correspond with the current periods classification / disclosure.
- 2 The above results for the quarter ended 30th June, 2016 were reviewed and recommended for adoption by the Audit Committee to the Board of Directors and approved by the Board at its meeting held on 10th August, 2016. The Statutory Auditors of the Company have carried out a Limited Review of these financial results.
- 3 In pursuance to the notification dated 16/02/2015 issued by the Ministry of Corporate Affairs on Companies (Indian Accounting Standard) Rules, 2015 (IND-AS), the Company is required to adopt IND-AS w.e.f. 1st April, 2017 with the comparatives for the period ending on 31st March, 2017.
- 4 The figures for the quarter ended 31st March, 2016 are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter ended 31st December, 2015.
- 5 The consolidated accounts have been prepared in accordance with Accounting Standard (AS) 21 on "Consolidated Financial Statements" and Accounting Standard (AS) 23 on "Accounting for investments in Associates".
- 6 Key numbers of Standalone Financial Results of the Company are as under:

Particulars	(Rs. in Lacs)			
	Quarter Ended			Year ended
	30/06/2016 (Unaudited)	31/03/2016 (Audited)	30/06/2015 (Unaudited)	31-03-2016 (Audited)
Total Operating Income	59770.69	61564.08	60961.38	237548.35
Profit / (Loss) before Tax	(2453.33)	456.43	(2489.10)	(14124.76)
Net Profit / (Loss) after Tax	(2453.33)	520.52	(2489.10)	(14060.67)

Note: The Standalone Financial Results will be available on the website of the Company, BSE Limited and National Stock Exchange of India Limited.

- 7 The Company has unabsorbed depreciation & carried forward losses under Tax laws. In absence of virtual certainty of sufficient future taxable income, net deferred tax assets has not been recognized by way of prudence in accordance with Accounting Standard (AS) 22 – "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.
- 8 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" notified by the Company (Accounting Standards) Rules, 2006 are not applicable.
- 9 Consequent to the introduction para 46A of Accounting Standard 11 vide notification dated 29th December, 2011, the Company has adjusted a sum of Rs.19.83 Lacs on account of foreign exchange transaction variations in long term foreign currency borrowings for the quarter ended 30th June, 2016. Total amount capitalized upto 30th June, 2016 is Rs.1794.99 Lacs and out of which Rs.1467.71 Lacs remains unamortized as at 30th June, 2016.
- 10 The Company does not have any Exceptional or Extraordinary item to report for the above periods.

Place: Surat
Date: 10/08/2016



For and on behalf of Board of Directors
Garden Silk Mills Limited

Praful A. Shah

Praful A. Shah
Chairman & Managing Director
DIN: 00218143