

**N. C. Shah & Associates**  
Chartered Accountants  
191/1, New Cloth Market,  
Ahmedabad – 380 002

**Deloitte Haskins & Sells**  
Chartered Accountants  
'Heritage', 3<sup>rd</sup> Floor,  
Nr. Gujarat Vidhyapith,  
Off Ashram Road,  
Ahmedabad -380 014

**AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF  
AARVEE DENIMS AND EXPORTS LIMITED**

We have reviewed the accompanying statement of Unaudited Financial Results of **AARVEE DENIMS AND EXPORTS LIMITED** ("the Company") for the quarter and half-year ended September 30, 2012 ("the Statement"). 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 the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 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 misstatements. A review is limited primarily to inquiries of the 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 opinion.

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 Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

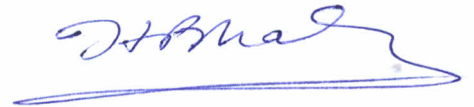
Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints from the details furnished by the management.

For N.C. Shah & Associates  
Chartered Accountants  
(Registration No.: 109692W)

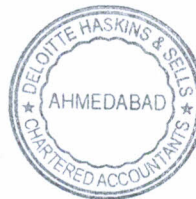
For Deloitte Haskins & Sells  
Chartered Accountants  
(Registration No.: 117365W)



Nitin C. Shah  
Proprietor  
Membership No. 34633



H. P. Shah  
Partner  
Membership No. 33331



Place: Ahmedabad  
Date: 6<sup>th</sup> November, 2012

Place: Ahmedabad  
Date: 6<sup>th</sup> November, 2012

# AARVEE DENIMS AND EXPORTS LTD.

Regd. Office. 188/2, Ranipur Village, Opp. C.N.I. Church, Narol, Ahmedabad-382 405

PART I

## STATEMENT OF UNAUDITED RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30TH SEPTEMBER 2012

(Rs. in Lacs) SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in Lacs)

Sr No.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED			Sr No.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED			YEAR ENDED
		30-09-12	30-06-12	30-09-11	30-09-12	30-09-11	31-03-12			30-09-12	30-06-12	30-09-11	30-09-12	30-09-11	31-03-12	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited			Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	(a) Net Sales/Income from Operations							1	Segment Revenue							
	Textiles (including Garments & Retail-Net of Excise Duty)	19,691.61	18,205.14	15,597.34	37,896.75	29,672.44	63,128.66	a) Textiles	19,691.61	18,205.14	15,597.34	37,896.75	29,672.44	63,128.66		
	Wind farm Power Generation	600.81	527.62	464.59	1,128.43	1,121.73	1,560.71	b) Power Generation - Wind farm & PowerPlant	600.81	527.62	464.59	1,128.43	1,121.73	1,560.71		
	(b) Other operating income	337.47	324.13	312.60	661.60	567.72	1,449.93	Total Segmental Revenue	20,292.42	18,732.76	16,210.07	39,025.18	31,085.19	65,050.84		
	Total income from operations (net)	20,629.89	19,056.89	16,374.53	39,686.78	31,361.89	66,139.30	Less: Inter Segmental Elimination	-	-	148.14	-	291.02	361.47		
2	Total Expenditure							2	Net Sales/Income from operations	20,292.42	18,732.76	16,061.93	39,025.18	30,794.17	64,689.37	
	(a) Cost of materials consumed	11,004.81	10,983.34	11,338.11	21,988.15	22,903.95	44,421.79	2	Segment Profit / (Loss) before Tax & Interest							
	(b) Purchase of stock-in-trade	-	-	-	-	-	-	a) Textiles	2,688.61	2,180.48	1,722.23	5,033.65	2,246.03	5,243.49		
	(c) Changes in inventories of Finished Goods, WIP & Stock in trade	967.32	292.50	(1,060.92)	1,259.82	(2,717.19)	(2,853.49)	b) Power Generation - Wind farm & PowerPlant	294.02	252.64	170.79	546.66	462.30	264.47		
	(d) Power & Fuel	2,132.20	2,217.73	1,563.19	4,349.93	2,976.67	6,914.74	Less/(Add) : Inter Segment Elimination	(17.17)	(17.54)	(38.03)	(34.71)	(146.36)	(278.07)		
	(e) Employee benefit expense	854.60	784.68	644.32	1,639.28	1,209.67	2,828.14	Total Segments Result	2,999.80	2,450.66	1,931.05	5,615.02	2,854.69	5,786.03		
	(f) Depreciation & amortisation expense	787.10	749.20	638.24	1,536.30	1,261.52	2,569.25	Less: Interest	993.02	938.72	878.69	1,931.74	1,645.73	3,680.66		
	(g) Other expenses	1,884.07	1,414.22	1,997.26	3,298.29	3,424.34	6,472.84	Less/(Plus) : Net Unallocable expense / (income)	(20.42)	(225.66)	664.63	(81.52)	501.24	(113.50)		
	Total Expenses	17,630.10	16,441.67	15,120.20	34,071.77	29,058.96	60,353.27	Total Profit before Tax	2,027.20	1,737.60	387.73	3,764.80	707.72	2,218.87		
3	Profit from Operations before other Income, Finance Cost & Exceptional Items (1-2)	2,999.79	2,615.22	1,254.33	5,615.01	2,302.93	5,786.03	3	Capital Employed (Segment assets- segment liabilities)							
4	Other Income	20.43	61.10	12.09	81.53	50.52	113.50	a) Textiles	27,649.39	22,787.52	15,701.39	27,649.39	15,701.39	21,065.66		
5	Profit before Finance Cost & Exceptional Items	3,020.22	2,676.32	1,266.42	5,696.54	2,353.45	5,899.53	b) Wind farm & Power Plant	9,791.67	10,147.09	11,284.82	9,791.67	11,284.82	10,133.57		
6	Finance Cost	993.02	938.72	878.69	1,931.74	1,645.73	3,680.66	Total Capital employed in Segments	37,441.06	32,934.61	26,986.21	37,441.06	26,986.21	31,199.23		
7	Profit after Finance Cost but before Exceptional Items	2,027.20	1,737.60	387.73	3,764.80	707.72	2,218.87	STATEMENT OF ASSETS AND LIABILITIES (Rs. in Lacs)								
8	Exceptional items (Loss) / Gain	-	-	-	-	-	-	Sr No.	PARTICULARS	AS AT 30-09-12 Unaudited	AS AT 31-03-12 Audited					
9	Profit from ordinary activities before tax (7+8)	2,027.20	1,737.60	387.73	3,764.80	707.72	2,218.87	A	EQUITY AND LIABILITIES							
10	Tax Expenses	298.67	412.73	12.73	711.40	(6.91)	815.65	1	SHARE HOLDER'S FUNDS							
11	Net Profit from ordinary activities after tax(9-10)	1,728.53	1,324.87	375.00	3,053.40	714.63	1,403.22	(a) Capital	2,345.98	2,345.98						
12	Extraordinary items	-	-	-	-	-	-	(b) Reserves and Surplus	22,047.40	19,133.01						
13	Net Profit for the period (11-12)	1,728.53	1,324.87	375.00	3,053.40	714.63	1,403.22	Sub total-Share Holder's Funds	24,393.38	21,478.99						
14	Paid-up equity share Capital (Face value of Rs.10)	2,345.98	2,345.98	2,345.98	2,345.98	2,345.98	2,345.98	2	Non-current liabilities							
15	Reserves excluding revaluation reserves (as per balance sheet) of previous accounting year	-	-	-	-	-	19,133.01	(a) Long-term borrowings	13,503.21	10,160.62						
16	Earnings per share-Before and after extraordinary items (not annualised) Basic and Diluted earnings per share	7.37	5.65	1.60	13.02	3.05	5.98	(b) Deferred tax liabilities (Net)	3,390.75	3,248.62						

PART II

### Select information for the quarter and half year ended on 30th September 2012

A PARTICULARS OF SHAREHOLDING							
1 Public Share holding							
--	Numbers of Shares	7,995,126	7,995,257	9,718,951	7,995,126	9,718,951	8,556,676
--	Percentage of Shareholding	34.08%	34.08%	41.43%	34.08%	41.43%	36.47%
2 Promoters and Promoter Group shareholding							
(a) Pledged/ Encumbered							
	-Number of Shares	490,000	490,000	490,000	490,000	490,000	490,000
	-Percentage of Shares % (as a % of total shareholding of promoters and promoter group)	3.17%	3.17%	3.56%	3.17%	3.56%	3.29%
	-Percentage of Shares % (as a % of total share capital of the Co.)	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%
(b) Non-encumbered							
	-Number of Shares	14,974,674	14,974,543	13,250,849	14,974,674	13,250,849	14,413,124
	-Percentage of Shares % (as a % of total shareholding of promoters and promoter group)	96.83%	96.83%	96.44%	96.83%	96.44%	96.71%
	-Percentage of Shares % (as a % of total share capital of the Co.)	63.83%	63.83%	56.48%	63.83%	56.48%	61.44%
B INVESTOR COMPLAINTS							
		3 Months ended (30/09/2012)					
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	2					
	Resolved during the quarter	2					
	Remaining unresolved at the end of the quarter	Nil					

NOTE :

- The above figures have been regrouped / rearranged wherever necessary.
- The above results were reviewed by the Audit committee and subsequently have been taken on record by the Board of Directors at its meeting held on 6th November, 2012. The Auditors of the Company have carried out the limited review of the above financial results.
- At the time of disclosing the financial results for the quarter ended on 30th June, 2012, the Company did not account for the loss of Rs. 1506.81 lacs arising on foreign exchange rate fluctuation. However the company has made the provision of foreign exchange fluctuation gain/loss in the current quarter and hence to that extent the figures are not comparable with the corresponding figures in the other quarters/periods.
- The Board of directors declare interim dividend at 5 % on Equity shares (face value of Rs. 10) amounting to Rs.117.30 lacs at the board meeting on 14th August 2012 and subsequently it was paid on 1st September, 2012.

Place : Ahmedabad

Date : 6th November 2012

For, AARVEE DENIMS AND EXPORTS LTD.

VINOD P. ARORA  
CHAIRMAN & MANAGING DIRECTOR

