

**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**

1. We have reviewed the accompanying statement of Unaudited Financial Results of **AARVEE DENIMS AND EXPORTS LIMITED** ("the Company") for the quarter ended June 30, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. 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.
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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *Attention is invited to Note No 2 of the Statement which states that In view of prevailing volatility in the foreign exchange market, in respect of foreign currency borrowings, creditors, debtors and corresponding forward contracts, gain/loss arising on foreign exchange rate fluctuation on outstanding balances as at the end of the quarter has not been given effect in the above results as the Company will account for the same at the end of the financial year. Such net loss for the quarter is Rs. 1198.63 lacs. This has resulted in the profit for the quarter being overstated by Rs.1198.63 lacs.*
4. *Subject to above* 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 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.
5. 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 investor complaints disclosed in Part II - Select Information for the Quarter ended June 30, 2013 of the Statement, from the details furnished by the Management.

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

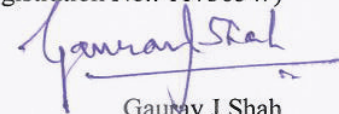


Nitin C. Shah  
Proprietor  
Membership No. 34633

Place: Ahmedabad  
Date: 2<sup>nd</sup> August, 2013



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



Gaurav J Shah  
Partner  
Membership No. 35701



Place: Ahmedabad  
Date: 2<sup>nd</sup> August, 2013

# 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 ENDED 30TH JUNE 2013

(Rs. in Laacs)

Sr No.	PARTICULARS	QUARTER ENDED			YEAR ENDED
		30/06/13 Unaudited	31/03/13 (See Note No.4)	30/06/12 Unaudited	31/03/13 Audited
1	(a)Net Sales/Income from Operations				
	Textiles (including Garments & Retails-Net of Excise Duty)	15,936.04	17,182.86	18205.14	68,812.01
	Wind farm Power Generation	503.92	598.84	527.62	1,922.15
	(b)Other operating income	246.68	430.63	324.13	1,598.11
	Total income from operations (net)	16,686.64	18,212.33	19,056.89	72,332.27
2	Total Expenditure				
	(a) Cost of materials consumed	10,178.04	12,182.14	10983.34	44,873.59
	(b) Purchase of stock-in-trade	-	-	-	-
	(c) Changes in inventories of Finished Goods,WIP & Stock in trade	(295.46)	(2,068.28)	292.50	(3,750.52)
	(d) Power & Fuel	2,227.04	2,737.17	2217.73	9,256.37
	(e) Employee benefit expense	858.33	837.43	784.68	3,298.97
	(f) Depreciation & amortisation expense	835.72	776.95	749.20	3,095.89
	(g) Other expenses	1,447.12	1,459.12	1578.78	6,393.19
	Total Expenses	15,250.79	15,924.53	16,606.23	63,167.19
3	Profit from Operations before other Income, Finance Cost & Exceptional Items (1-2)	1,435.85	2,287.80	2,450.66	9,165.08
4	Other Income	26.95	42.30	225.66	182.81
5	Profit before Finance Cost & Exceptional Items	1,462.80	2,330.10	2,676.32	9,347.89
6	Finance Cost	932.30	927.28	938.72	3,754.51
7	Profit after Finance Cost but before Exceptional Items	530.50	1,402.82	1,737.60	5,593.38
8	Exceptional items (Loss) / Gain	-	-	-	-
9	Profit from ordinary activities before tax (7+8)	530.50	1,402.82	1,737.60	5,593.38
10	Tax Expenses	160.31	217.59	412.73	1,091.62
11	Net Profit from ordinary activities after tax(9-10)	370.19	1,185.23	1,324.87	4,501.76
12	Extraordinary items	-	-	-	-
13	Net Profit for the period (11-12)	370.19	1,185.23	1,324.87	4,501.76
14	Paid-up equity share Capital ( Face value of Rs.10 )	2,345.98	2,345.98	2,345.98	2,345.98
15	Reserves excluding revaluation reserves (as per balance sheet) of previous accounting year	-	-	-	23,372.07
16	Earnings per share (Rs.) (of Rs. 10 each) -Before and after extraordinary items (not annualised) Basic and Diluted earnings per share	1.58	5.05	5.65	19.19

PART II

Select information for the quarter ended 30th June 2013

A PARTICULARS OF SHAREHOLDING

1	Public Share holding				
	-- Numbers of Shares	8,029,097	8,029,097	7,995,257	8,029,097
	-- Percentage of Shareholding	34.22%	34.22%	34.08%	34.22%
2	Promoters and Promoter Group shareholding				
	(a) Pledged/ Encumbered				
	-Number of Shares	Nil	Nil	490,000	Nil
	-Percentage of Shares %(as a % of total shareholding of promoters and promoter group)	Nil	Nil	3.17%	Nil
	-Percentage of Shares % ( as a % of total share capital of the Co.)	Nil	Nil	2.09%	Nil
	(b) Non-encumbered				
	-Number of Shares	15,430,703	15,430,703	14,974,543	15,430,703
	-Percentage of Shares %(as a % of total shareholding of promoters and promoter group)	100.00%	100.00%	96.83%	100.00%
	-Percentage of Shares % ( as a % of total share capital of the Co.)	65.78%	65.78%	63.83%	65.78%
B	INVESTOR COMPLAINTS	3 Months ended (30/06/2013)			
	Pending at the beginning of the quarter	Nil			
	Received during the quarter	3			
	Resolved during the quarter	3			
	Remaining unresolved at the end of the quarter	Nil			

NOTE :

- The Unaudited Financial Results for the quarter ended on 30th June, 2013 were reviewed by the Audit committee and subsequently have been taken on record by the Board of Directors at its meeting held on 2nd August, 2013. The Auditors of the Company have carried out the limited review of the above financial results.
- In view of prevailing volatility in the foreign exchange market, in respect of foreign currency borrowings, creditors, debtors and corresponding forward contracts, gain/loss arising on foreign exchange rate fluctuation on outstanding balances as at the end of the quarter has not been given effect in the above results as the Company will account for the same at the end of the financial year. Such net loss for the quarter is Rs. 1198.63 lacs. (net loss for the corresponding quarter of previous year Rs. 1506.81 lacs).
- The above figures have been regrouped / rearranged wherever necessary.
- Figures for the quarter ended March 31, 2013 are, in accordance with Listing Agreement(s), the balancing figures between audited figures for the full financial year ended March 31, 2013 and the published year to date figures upto the third quarter of the said financial year; figures would need to be interpreted/analysed accordingly.

SEGMENTWISE REVENUE,RESULTS AND CAPITAL EMPLOYED

(Rs. in Laacs)

Sr No.	PARTICULARS	QUARTER ENDED			YEAR ENDED
		30/06/13 Unaudited	31/03/13 (See Note No.4)	30/06/12 Unaudited	31/03/13 Audited
1	Segment Revenue				
	a) Textiles	15,936.04	17182.86	18205.14	68812.01
	b) Power Generation -Wind farm & PowerPlant	503.92	598.84	527.62	1,922.15
	Total Segmental Revenue	16,439.96	17781.70	18732.76	70734.16
	Less: Inter Segmental Elimination	-	-	-	-
	Net Sales/Income from operations	16439.96	17781.70	18732.76	70734.16
2	Segment Profit / (Loss) before Tax & Interest				
	a) Textiles	1,236.54	1,981.48	2,180.48	8,327.04
	b) Power Generation -Wind farm & PowerPlant	182.23	289.72	252.64	769.54
	Less/(Add) : Inter Segment Elimination	(17.08)	(16.60)	(17.54)	(68.50)
	Total Segments Result	1,435.85	2,287.80	2,450.66	9,165.08
	Less: Interest	932.30	927.28	938.72	3,754.51
	Less/(Plus) : Net Unallocable expense / (income)	(26.95)	(42.30)	(225.66)	(182.81)
	Total Profit before Tax	530.50	1,402.82	1,737.60	5,593.38
3	Capital Employed ( Segment assets- segment liabilities)				
	a) Textiles	29,961.06	29,134.31	22,787.52	29,134.31
	b) Wind farm & Power Plant	9,340.88	9,441.38	10,147.09	9,441.38
	Total Capital employed in Segments	39,301.94	38,575.69	32,934.61	38,575.69

For, AARVEE DENIMS AND EXPORTS LTD.

Place : Ahmedabad  
Date : 2nd August 2013

VINOD P. ARORA  
CHAIRMAN & MANAGING DIRECTOR

