

28th
ANNUAL REPORT
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aarvee

DENIMS & EXPORTS LTD.

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronic holding with the Depository through their concerned Depository Participants.

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Corporate Identification Number (CIN) : L17110GJ1988PLC010504

BOARD OF DIRECTORS

Mr. Vinod P. Arora	Chairman & Managing Director
Mr. Ashish V. Shah	Managing Director
Mr. Kalpesh V. Shah	Whole Time Director
Mr. Parmanand T. Arora	Director
Mr. Rajesh P. Arora	Director
Mr. Sanjay S. Majmudar	Independent Director
Mr. Ashok C. Gandhi	Independent Director
Mr. Arvind D. Sanghvi	Independent Director
Mr. Amol R. Dalal	Independent Director
Ms. Shivani Shah	Independent Director

SENIOR EXECUTIVES

Mr. Nipun V.Arora	Vice President (Administration)
Mr. Pankaj V.Arora	Vice President (Marketing)
Mr. Pankil K.Shah	Vice President (Garment)
Mr. Suketu Shah	CEO (upto.30.11.2016)
Mr. Subhasish Bandyopadhyay	CEO (W.e.f. 01.12.2016)
Mr. Bhavik Shukla	CFO
Mr. Hardik Modi	Company Secretary (upto 04.07.2016)
Mr. Sharvil B. Suthar	Company Secretary (w.e.f. 29.08.2016)

BANKERS

Bank of Baroda
State Bank of India
IDBI Bank Ltd
Standard Chartered Bank
Bank of India

AUDITORS

Deloitte Haskins & Sells	Joint Statutory Auditors
N.C. Shah & Associates	Joint Statutory Auditors

REGISTERED OFFICE & MILLS:
Unit I

188/2, Ranipur Village,
Opp. CNI Church, Narol,
Ahmedabad 382 405

Unit II

S.No. 215-217, Village Sari,
Sarkhej Bavla Highway,
Ta. Sanand, Dist. Ahmedabad.

REGISTERED OFFICE UNIT- III

191, Moje Shahwadi,
Narol- Sarkhej Highway,
Ahmedabad – 382 405.

UNIT IV

S.No. 212/2 - 212/4,
Village Sari,
Sarkhej Bavla Highway,
Ta. Sanand, Dist. Ahmedabad.

DELHI OFFICE

11-A/2, Court Road,
Civil Lines, Delhi – 110 054.

MUMBAI OFFICE

102, Techno Residency, Plot No.84,
Junction of L.N Road and Hindu Colony
Road No.2, Dadar (E), Mumbai – 400014

SHARE TRANSFER AGENT:
Link Intime India Pvt. Ltd.,

506 to 508,
Amarnath Business Centre - I (ABC - I),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner, Off C G Road,
Ellisbridge, Ahmedabad, Gujarat, 380 006.
Phone & Fax Nos. 079-26465179/86/87,
Email: ahmedabad@linkintime.co.in
Website: www.linkintime.co.in

Annual General Meeting

Friday, 8th September, 2017

Time Venue

10:00 A.M.

Venue

191, Shahwadi, Nr. Old Octroi Naka,
Narol Sarkhej Highway, Narol,
Ahmedabad - 382 405

NOTICE OF 28TH ANNUAL GENERAL MEETING

(CIN: L17110GJ1988PLC010504)

NOTICE is hereby given that the 28th Annual General Meeting of the Members of **AARVEE DENIMS AND EXPORTS LIMITED** will be held on Friday, 8th September, 2017 at 10:00 A.M. at Registered office of the Company situated at 191, Shahwadi, Nr. Old Octroi Naka, Narol - Sarkhej Highway, Narol, Ahmedabad - 382 405, Gujarat to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Rajesh P. Arora (DIN: 00092200), who retires by rotation and being eligible, offers himself for reappointment; and
3. To Appoint Statutory Auditors and to authorize the Board of Directors to determine their remuneration.

To consider and if thought fit, to pass with or without modification(s), following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the appointment of M/s Shah & Shah Associates, Chartered Accountant, Ahmedabad (Firm Registration No. 113742W) as Statutory Auditors of the Company in place of retiring joint Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (Firm Registration No. 117365W) and M/s. N. C. Shah & Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 109692W), to hold office from the conclusion of ensuing Annual General Meeting till the conclusion of 33rd Annual General Meeting, subject to the ratification by the members at every Annual General Meeting during their period of office, and on such remuneration plus taxes as applicable and out of pocket expenses incurred by them for the purpose of audit of the company, as may be decided by the Board of Directors."

SPECIAL BUSINESS:-**4. TO APPROVE COST AUDITORS' REMUNERATION**

To consider and if thought fit, to pass, with or without modification(s), following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. N. D. Birla & Co., Cost Accountants (Firm Registration Number - 000028), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018, be paid the remuneration of ₹ 60,000/- (Rupees Sixty Thousand only/-) plus taxes as applicable and out of pocket expenses, if any, incurred during the course of above audit."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

5. TO APPROVE RELATED PARTY TRANSACTIONS

To consider and, if thought fit, to pass, with or without modification(s), following resolution(s) as **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Regulation 23 and other Regulations, as applicable to the Company from time to time, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 and other provisions, if any, applicable to the Company, for the time being in force, of the Companies Act, 2013 read with the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the consent of the Audit Committee and the Board of Directors vide resolution passed in their respective meetings, the

consent of the members of the Company be and is hereby accorded to enter into transactions for a period of 2 (Two) financial years i.e. from 1st April, 2017 to 31st March, 2019 between the Company and related entities of Mr. Vinod P. Arora, Chairman & Managing Director, Mr. Rajesh P. Arora and Mr. Parmanand T. Arora, Directors for entering into contract or arrangement with the related parties as defined under the Act and the Rules made thereunder, as per details and on terms & conditions as set out in the Explanatory Statement annexed to this Notice."

"RESOLVED FURTHER THAT such approval shall also empower the Company to transact with such other parties / entities, in addition to the existing related parties to the Company in which said Directors are interested and which may come into existence on any future date(s) or may fall under the category of a related party / entity to the Company in future."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto."

6. ACCEPTANCE OF UNSECURED DEPOSITS UNDER THE COMPANIES (ACCEPTANCE OF DEPOSITS) RULES, 2014

To consider and, if thought fit, to pass, with or without modification(s), following resolution(s) as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 73 and 76 of the Companies Act, 2013 (the Act) read with the Companies (Acceptance of Deposits) Rules, 2014 (the Rules) and other applicable provisions, if any, and subject to such conditions, approvals, permissions, as may be necessary, consent of the members be and is hereby accorded to the Company for inviting/accepting/renewing unsecured deposits from its members and from public."

"RESOLVED FURTHER THAT board of directors of the company be and is hereby authorized to prepare a circular or a circular in the form of advertisement in the form prescribed under the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) for inviting and accepting the deposits from general public and shareholders of the company and file the same with the office of the registrar of companies for registration thereof duly signed by the majority of the directors of the company and one month thereafter issue the circular or circular in the form of an advertisement in an English newspaper (in English language) having country wide circulation and in a vernacular newspaper (in a vernacular language) having wide circulation in the state of Gujarat wherein the Registered Office of the Company is situated and a copy of the same be uploaded on the website of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorized to do such acts, deeds, matters and things as they may in their absolute discretion consider necessary, proper, expedient, desirable or appropriate and take all necessary and desirable steps for the aforesaid purpose and matters incidental thereto."

7. RE-APPOINTMENT OF MR. VINOD P. ARORA AS CHAIRMAN AND MANAGING DIRECTOR

To consider and, if thought fit, to pass, with or without modification(s), following resolution(s) as **Ordinary Resolution:**

"RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V to the said Act, the consent of members of the Company be and is hereby accorded to the re-appointment of Mr. Vinod P. Arora, (holding DIN 00007065) as Chairman & Managing Director, for a period of three years with effect from 1st October, 2017 to an amount the details of which are given in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Vinod P. Arora, office as Chairman and Managing Director, the remuneration set out in the explanatory statement shall be paid or granted to Mr. Vinod P. Arora, as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in Section II of Part II of Schedule V to the said Act or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable and to settle any question or doubt that may arises in relation thereto in order to give effect to the forgoing resolution and to amend, alter or otherwise vary the terms and conditions of appointment of Mr. Vinod P. Arora, including his remuneration provided such remuneration does not exceeds limits prescribed under the provisions of the Companies Act, 2013 and any Statutory modifications or re-enactment thereof or any other guidelines relating to managerial remuneration as may be notified by the Government of India from time to time as may be considered by it to be in the best interest of the Company."

8. RE-APPOINTMENT OF MR. ASHISH V. SHAH AS MANAGING DIRECTOR

To consider and, if thought fit, to pass, with or without modification(s), following resolution(s) as **Ordinary Resolution:**

"RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Sections 196,197,198,203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V to the said Act, the consent of members of the Company be and is hereby accorded to the re-appointment of Mr. Ashish V. Shah, (holding DIN 00007201) as Managing Director, for a period of three years with effect from 1st October, 2017 to an amount the details of which are given in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Ashish V. Shah, office as Managing Director, the remuneration set out in the explanatory statement shall be paid or granted to Mr. Ashish V. Shah, as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in Section II of Part II of Schedule V to the said Act or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable and to settle any question or doubt that may arises in relation thereto in order to give effect to the forgoing resolution and to amend, alter or otherwise vary the terms and conditions of appointment of Mr. Ashish V. Shah, including his remuneration provided such remuneration does not exceeds limits prescribed under the provisions of the Companies Act, 2013 and any Statutory modifications or re-enactment thereof or any other guidelines relating to managerial remuneration as may be notified by the Government of India from time to time as may be considered by it to be in the best interest of the Company."

9. RE-APPOINTMENT OF MR. KALPESH V. SHAH AS WHOLE TIME DIRECTOR

To consider and, if thought fit, to pass, with or without modification(s), following resolution(s) as **Ordinary Resolution:**

"RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Sections 196,197,198,203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force,

read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V to the said Act, the consent of members of the Company be and is hereby accorded to the re-appointment of Mr. Kalpesh V. Shah, (holding DIN 00007262) as Whole Time Director, for a period of three years with effect from 1st October, 2017 to an amount the details of which are given in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Kalpesh V. Shah, office as Whole Time Director, the remuneration set out in the explanatory statement shall be paid or granted to Mr. Kalpesh V. Shah, as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in Section II of Part II of Schedule V to the said Act or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof."

"RESOLVED FURTHER THAT Mr. Kalpesh V. Shah, Whole Time Director shall be liable to retire by rotation and said retirement shall not be considered as break in terms of his appointment."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable and to settle any question or doubt that may arises in relation thereto in order to give effect to the forgoing resolution and to amend, alter or otherwise vary the terms and conditions of appointment of Mr. Kalpesh V. Shah, including his remuneration provided such remuneration does not exceeds limits prescribed under the provisions of the Companies Act, 2013 and any Statutory modifications or re-enactment thereof or any other guidelines relating to managerial remuneration as may be notified by the Government of India from time to time as may be considered by it to be in the best interest of the Company."

BY ORDER OF BOARD OF DIRECTORS

Sharvil B. Suthar
Company Secretary

Place : Ahmedabad

Date : 28/07/2017

Registered office:

191, Shahwadi,

Nr. Old Octroi Naka, Narol - Sarkhej Highway,

Narol, Ahmedabad - 382 405

CIN: L17110GJ1988PLC010504

Notes:-

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her self and proxy need not be a member. The instrument appointing a proxy must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. A member would be entitled to inspect the proxies lodged at any time, except the date of AGM, during the business hours of the Company. The required statutory registers will be made available at the AGM venue for inspection by the members at the AGM.
4. A route map giving directions to reach the venue of the 28th Annual General Meeting is annexed.
5. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 1st September, 2017 to Friday, 8th September, 2017** (both days inclusive).
7. The relevant details of the Directors seeking re-appointment/ appointment at 28th Annual General Meeting pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") are annexed.
8. Members/Proxies are requested to bring their attendance slip for attending the meeting. Members should bring their copy of the Annual Report to the meeting.
9. Members, who hold shares in Physical / Dematerialized Form, are requested to bring their Folio No./ Depository Account Number and Client ID Number for identification.
10. Members seeking any information with regard to accounts of the Company are requested to write to Company at its Registered Office, so as to reach at least 10 days before the date of Meeting to enable Management to keep information ready.
11. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered office of the Company on all working days, except Saturdays and public holidays between 11:00 a.m. to 2:00 p.m. up to the date of the Meeting.
12. Members are requested to notify immediately change of address, if any, to their Depository Participants (DPs) in respect of their shareholding in Demat Accounts and to the Company's Registrar & Share Transfer Agent in respect of their shareholding in physical segment by mentioning folio nos., etc.
13. Members are requested to convert their share(s) lying in physical form to the Demat form for easy transferability of shares. For any help the shareholders may contact Registrar & Transfer Agent of the Company, i.e. Link Intime India Pvt. Ltd., 506 to 508, Amarnath Business Center-I (ABC-I), Besides Gala Business Center, Nr. St. Xavier's College Croner, Off. C.G. Road, Ellisbridge, Ahmedabad – 380 006, Gujarat.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Share registrars and Transfer Agents.
15. The Ministry of Corporate Affairs has taken 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. In this regard we solicit your co-operation to update our databank. Members who have not registered so far, are requested to register their e-mail address, contact telephone number, PAN and Bank Account details, ECS Mandate in respect of electronic holdings with the Depository through their concerned Depository Participants PAN and Bank Account details.

Members who hold shares in physical form are requested to intimate their e-mail address, contact telephone number, PAN and Bank Account details at e-mail address at ahmedabad@linkintime.co.in.
16. The Register of Directors & Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be made available for inspection at venue of meeting by members attending meeting.

AARVEE DENIMS AND EXPORTS LTD.

17. As per the provision of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form; the nomination form may be filed with the respective Depository Participant.

18. Voting Through electronic means:-

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members the facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through the e-voting services provided by Central Depository Services (India) Limited (CDSL).

The procedure and instructions for voting through electronic means are as follows:-

SECTION A - E-VOTING PROCESS

(i) The shareholders should log on to the e-voting website www.evotingindia.com.

(ii) Click on Shareholders.

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of '0's before the number after the first two characters of name in CAPITAL letters. E.g. if your name is Ajay with folio number 100 then enter AJ00000100 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of Aarvee Denims and Exports Limited to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also use Mobile app - "m-Voting" for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).
- (xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- i. A member may exercise his vote at any general meeting by electronic means and the business may be transacted through such voting. Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
- ii. The facility for voting, either through electronic voting system or polling paper, as may be decided by Chairman of the meeting, shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- iii. The e-voting period commences on **Tuesday, 5th September, 2017 (9.00 a.m. IST) and ends on Thursday, 7th September, 2017 (5.00 p.m. IST)**. During this period, Members holding shares either in physical form or in dematerialized form, as on **1st September, 2017** i.e. cut-off date, may

- cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
- iv. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.
 - v. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evotingindia.com.
 - vi. CS Tapan Shah, Practicing Company Secretary (Membership No.: FCS 4476; CP No: 2839) (816-818, Anand Mangal-3, Opp. Core House, Nr. Doctor House, Ellisbridge, Ahmedabad - 380006) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Board has also authorised Chairman to appoint one or more scrutinizers in addition to and/or in place of CS Tapan Shah.
 - vii. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, within 48 hours from the conclusion of meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
 - viii. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.aarvee-denims.com and on the website of CDSL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.
 - ix. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of requisite number of votes.
 - x. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
 - xi. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
19. Electronic copy of Annual Report 2016-17 is being sent to all the members whose email-ID are registered with the Company/Depository Participant(s) for communication purposes unless any member has required for hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2016-17 is being sent in the permitted mode.
- Members may also note that the notice of the 28th Annual General Meeting and Annual Report for 2016-17 will also be available on the company's website www.aarvee-denims.com, for their download. The physical copies of the aforesaid documents will also be available at the registered office of the company during office hours on all working days between 12:00 p.m. to 2.00 p.m., except Saturday, Sunday and holidays.
20. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):
- Pursuant to sections 124 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, all unclaimed/unpaid dividend, for a period of seven years from the date, have

been transferred to the IEPF established by the Central Government. The Company has during the year has transferred a sum of ₹ 2,52,420/- being unclaimed dividend amount for the Financial year 2009-10 to the Investor Education and Protection Fund for the Central Government. Members who have not encashed their dividend warrant(s) for the financial year ended 31st March, 2010 or any subsequent financial year(s), are requested to lodge their claims with the Company or Link Intime India Pvt. Ltd.

Members are advised that once the unclaimed dividend is transferred to IEPF no claims shall lie against the Company in respect thereof.

**Explanatory Statement
(Pursuant to section 102 of the Companies Act, 2013)**

As required by Section 102 of the Companies Act, 2013 (Act), following explanatory statement sets out all material facts relating to Special Business mentioned in the accompanying Notice:

ITEM No. 4:

The Board of Directors have approved appointment and remuneration of Cost Auditors to conduct audit of cost records of the Company for financial year ending 31st March, 2018 at a remuneration of ₹ 60,000/- plus taxes as applicable and out of pocket expenses, if any, incurred during course of audit.

In accordance with provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to Cost Auditors has to be ratified by shareholders of the Company.

Accordingly, consent of members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of remuneration payable to Cost Auditors for financial year ending 31st March, 2018.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in resolution set out at Item No. 4 of Notice.

The Board recommends Ordinary Resolution set out at Item No. 4 of Notice for approval by the shareholders.

ITEM No. 5:

The Board of Directors of the Company, at its meeting held on 28th July, 2017 has approved a proposal for entering into related party transactions with the related entities of Mr. Vinod P. Arora, Chairman & Managing Director, Mr. Rajesh P. Arora, Director, Mr. Parmanand T. Arora, Director.

All proposed related parties transactions are related to sale of raw material and finished goods. All related parties transactions shall be carried out at the competitive rate in the interest of the Company. Further, taking into consideration the past trends, it is likely that transactions with related entities in financial year 2017-18 and 2018-19 may cross the materiality threshold limit prescribed under SEBI Listing Regulations and thus would require approval of shareholders by Ordinary resolution

The particulars of contract/arrangements/ transactions are as under:

Sr. No.	Name of Related Party	Name of the director or key managerial personnel who is related, if any	Nature of relationship	Nature of Transactions	Estimated Transaction value p.a. (Amount in Crores.)
1	Panch Rattan Fabrics	Mr. Rajesh P. Arora	Associate Concern	Sale of Fabric	200.00
2	Triveni International	Mr. Rajesh P. Arora	Associate Concern	Sale of Fabric	200.00
3	Textile India	Mr. Vinod P. Arora Mr. Rajesh P. Arora Mr. Parmanand T. Arora	Associate Concern	Sale of Fabric	100.00

The Related party transactions as mentioned above are/were necessary, normal and incidental to business

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and also play/played a significant role in the Company's business operations and accordingly the Board recommends the Ordinary Resolution as set forth in Item No. 5 of this Notice for the approval of members in terms of Regulation 23 of SEBI Listing Regulations.

None of the Directors', Key managerial personnel and relative thereof except Mr. Vinod P. Arora, Managing Director, Mr. Rajesh P. Arora, Director and Mr. Parmanand Arora, Director and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 5 of this notice.

ITEM No. 6:

The Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 allows the company to invite and accept deposits to the extent of 25% of its paid up capital, free reserves and Securities Premium from general public and to the extent of 10% of its paid up capital, free reserves and Securities premium from its shareholders after passing a resolution at the Annual General Meeting of the company and after complying with various requirements as mentioned in section 73 and section 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014. The consent of members of the company is accordingly sought for purpose of inviting and accepting deposits by way of passing an Special resolution as mentioned in item no. 6.

It is also proposed to authorize the board of directors of the Company to invite, accept and renew unsecured deposits and take all necessary steps to ensure compliance of the provisions of Section 73 and 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 for purpose of accepting and inviting such deposits from general public and shareholders as aforesaid and for purpose of filing a circular or circular in the form of advertisement with Registrar of Companies.

No Director of the Company is concerned with or interested in the Resolution of the accompanying Notice, except to the extent of any deposit that they may have placed with the Company under its present Fixed Deposit Scheme.

The Board recommends Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

Item No. 7:

Mr. Vinod P. Arora (DIN: 00007065) has been appointed as Chairman & Managing Director of the Company for the period of three years with effect from 1st October, 2014. His tenure as Chairman & Managing Director will be expired on 30th September, 2017. It is proposed to terminate existing tenure and reappoint him as Chairman & Managing Director under the provisions of the Companies Act, 2013, for a further period of three years with effect from 1st October, 2017, upon terms and conditions including remuneration as permissible pursuant to the provision of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V to the said Act, and recommended by Nomination and Remuneration Committee as well as by the Board & subject to the approval of the members in General Meeting.

Terms & conditions of the reappointment of Mr. Vinod P. Arora, Chairman & Managing Director of the company are as follows:-

A) SALARY:

In the scale of ₹ 4,00,000/-p.m.

B) PERQUISITES (including allowances)

- i) Housing: Furnished/Unfurnished residential accommodation or house rent allowance of sixty percent of salary in lieu thereof.
- ii) The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income -Tax Rules, 1962.
- iii) Medical reimbursement: Expenses incurred for Mr. Vinod P. Arora and his family as per company rules.
- iv) Leave Travel Concession: For Mr. Vinod P. Arora and his family, incurred in accordance with the company rules.
- v) Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and the life membership fees.

- vi) Personal Accident Insurance: Premium as per company rules.
 - vii) Contribution to Provident Fund, Superannuation Fund, Annuity Fund/Contribution to Gratuity as per company rules.
 - viii) Encashment of leave not availed of, as per company rules.
 - ix) Provision of car and telephone as per company Rules.
 - x) Any other benefits, amenities and facilities including educational allowance for a child as per company rules for the time being in force or authorized by the Board.
- “Family” means spouse, dependent children and dependent parents of Mr. Vinod P. Arora.

C) MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, wherein any financial year during the tenure of appointment of the Chairman & Managing Director, the company has no profits or its profits are inadequate, the Chairman & Managing Director shall be entitled to remuneration by way of salary and perquisites as provided in Schedule V of the Companies Act, 2013. In addition, the Chairman & Managing Director shall be entitled to the following perquisites which shall not be included in the computation of the ceiling on minimum remuneration specified herein.

- i) Contribution to provident fund, superannuation fund or annuity funds to the extent these, either singly or put together, is not taxable under the Income Tax Act, 1961.
- ii) Gratuity not exceeding half a month's salary for each completed year of service and
- iii) Encashment of leave as per company rules.
- iv) Interest free loan up to ₹ 15 lakh repayable payable in maximum 60 installments.
- v) Premium of Directors and officers liability Insurance policy.

This may also be treated as an abstract of the terms of Contract/Agreement of Mr. Vinod P. Arora as a Chairman & Managing Director of the company under the provision of Section 190 of the Companies Act, 2013.

The Board recommends this Resolution for approval of Members as Ordinary Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested in the proposed resolution except Mr. Vinod P. Arora for himself, Mr. Parmanand T. Arora, Director and Mr. Rajesh P. Arora, Directors of the Company being the relative of Mr. Vinod P. Arora, deemed to be interested in reappointment of Mr. Vinod P. Arora as the Chairman & Managing Director of the company.

Item No. 8:

Mr. Ashish V. Shah (DIN: 00007201) has been appointed as Managing Director of the Company for the period of three years with effect from 1st October, 2014. His tenure as Managing Director will be expired on 30th September, 2017. It is proposed to terminate existing tenure and reappoint him as Managing Director under the new provisions of the Companies Act, 2013, for a further period of three years with effect from 1st October, 2017, upon terms and conditions including remuneration as permissible pursuant to the provision of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V to the said Act, and recommended by Nomination and Remuneration Committee as well as by the Board & subject to the approval of the members in General Meeting.

Terms & conditions of the reappointment of Mr. Ashish V. Shah, Managing Director of the company are as follows:-

A) SALARY:

In the scale of ₹ 3,00,000/-p.m.

B) PERQUISITES (including allowances)

- i) Housing: Furnished/Unfurnished residential accommodation or house rent allowance of sixty percent of salary in lieu thereof.

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- ii) The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income -Tax Rules, 1962.
- iii) Medical reimbursement: Expenses incurred for Mr. Ashish V. Shah and his family as per company rules.
- iv) Leave Travel Concession: For Mr. Ashish V. Shah and his family, incurred in accordance with the company rules.
- v) Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and the life membership fees.
- vi) Personal Accident Insurance: Premium as per company rules.
- vii) Contribution to Provident Fund, Superannuation Fund, Annuity Fund/Contribution to Gratuity as per company rules.
- viii) Encashment of leave not availed of, as per company rules.
- ix) Provision of car and telephone as per company Rules.
- x) Any other benefits, amenities and facilities including educational allowance for a child as per company rules for the time being in force or authorized by the Board.

"Family" means spouse, dependent children and dependent parents of Mr. Ashish v. Shah.

C) MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, wherein any financial year during the tenure of appointment of the Managing Director, the company has no profits or its profits are inadequate, the Managing Director shall be entitled to remuneration by way of salary and perquisites as provided in Schedule V of the Companies Act, 2013. In addition, the Managing Director shall be entitled to the following perquisites which shall not be included in the computation of the ceiling on minimum remuneration specified herein.

- i) Contribution to provident fund, superannuation fund or annuity funds to the extent these, either singly or put together, is not taxable under the Income Tax Act, 1961.
- ii) Gratuity not exceeding half a month's salary for each completed year of service and
- iii) Encashment of leave as per company rules.
- iv) Interest free loan up to ₹ 15 lakh repayable payable in maximum 60 installments.
- v) Premium of Directors and officers liability Insurance policy.

This may also be treated as an abstract of the terms of Contract/Agreement of Mr. Ashish V. Shah as a Managing Director of the company under the provision of Section 190 of the Companies Act, 2013.

The Board recommends this Resolution for approval of Members as Ordinary Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested in the proposed resolution except Mr. Kalpesh V. Shah, Whole Time Director of the Company being the relative of Mr. Ashish V. Shah, deemed to be interested in reappointment of Mr. Ashish V. Shah as the Managing Director of the company.

Item No. 9:

Mr. Kalpesh V. Shah (DIN: 00007262) has been appointed as Whole-time Director of the Company for the period of three years with effect from 1st October, 2014. His tenure as Whole-time Director will be expired on 30th September, 2017. It is proposed to terminate existing tenure and reappoint him as Whole-Time Director under the new provisions of the Companies Act, 2013, for a further period of three years with effect from 1st October, 2017, upon terms and conditions including remuneration as permissible pursuant to the provision of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V to the said Act, and recommended by Nomination and Remuneration Committee as well as by the Board & subject to the approval of the members in General Meeting.

Terms & conditions of the reappointment of Mr. Kalpesh V. Shah, Whole-time Director of the company are as follows:-

A) SALARY:

In the scale of ₹ 2,00,000/-p.m.

B) PERQUISITES (including allowances)

- i) Housing: Furnished/Unfurnished residential accommodation or house rent allowance of sixty percent of salary in lieu thereof.
- ii) The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income -Tax Rules, 1962.
- iii) Medical reimbursement: Expenses incurred for Mr. Kalpesh V. Shah and his family as per company rules.
- iv) Leave Travel Concession: For Mr. Kalpesh V. Shah, and his family, incurred in accordance with the company rules.
- v) Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and the life membership fees.
- vi) Personal Accident Insurance: Premium as per company rules.
- vii) Contribution to Provident Fund, Superannuation Fund, Annuity Fund/Contribution to Gratuity as per company rules.
- viii) Encashment of leave not availed of, as per company rules.
- ix) Provision of car and telephone as per company Rules.
- x) Any other benefits, amenities and facilities including educational allowance for a child as per company rules for the time being in force or authorised by the Board.

"Family" means spouse, dependent children and dependent parents of Mr. Kalpesh V. Shah.

C) MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, wherein any financial year during the tenure of appointment of the Whole-time Director, the company has no profits or its profits are inadequate, the Whole-time Director, shall be entitled to remuneration by way of salary and perquisites as provided in Schedule V of the Companies Act, 2013. In addition, the Whole-time Director shall be entitled to the following perquisites which shall not be included in the computation of the ceiling on minimum remuneration specified herein.

- i) Contribution to provident fund, superannuation fund or annuity funds to the extent these, either singly or put together, is not taxable under the Income Tax Act, 1961.
- ii) Gratuity not exceeding half a month's salary for each completed year of service and
- iii) Encashment of leave as per company rules.
- iv) Interest free loan up to ₹ 15 lakh repayable payable in maximum 60 installments.
- v) Premium of Directors and officers liability Insurance policy.

This may also be treated as an abstract of the terms of Contract/Agreement of Mr. Kalpesh V. Shah as an Whole-time Director of the company under the provision of Section 190 of the Companies Act, 2013.

The Board recommends this Resolution for approval of Members as Ordinary Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested in the proposed resolution except Mr. Ashish V. Shah, Managing Director of the Company being the relative of Mr. Kalpesh V. Shah, deemed to be interested in reappointment of Mr. Kalpesh V. Shah as the Whole-time Director of the company.

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The Information in respect of the Company and Managerial personnel in respect of item No. 7,8 and 9 of the notice pursuant to Schedule V to the Companies Act, 2013:

I. General Information

- (1) Nature of Industry: Textile Industry
- (2) The Commercial operations have already begun
- (3) The Company is not a new Company
- (4) Financial performance:

(₹ In Lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Total Revenue	84,552.09	84,506.54
Profit before exceptional items	213.03	1319.05
Exceptional Items	-	473.20
Profit before Tax	213.03	845.85
Tax Expense	94.43	143.2
Profit After Tax	118.60	702.65

- (5) Details of Foreign investments or collaboration: Not Applicable

II. Information about the appointee:

Item No. 07

- (1) Background Details: Mr. Vinod P. Arora is Chairman and Managing Director of the Company. He holds graduation degree and he is known by his rich experience in Denim business since 1973 and roaring success in Arora group as marketing pioneer of denim. He looks after overall Management of the Company, based at Ahmedabad.
- (2) Past Remuneration: Mr. Vinod P. Arora was paid Remuneration of ₹ 3,00,000/- per months during the Financial Year 2016-17.
- (3) Recognition and Award: The work done in discharge of his duties as Director has been recognized in Industry.
- (4) Job profile and his suitability: The Chairman and Managing Director is responsible for overall Management functions and for implementation of Corporate strategy subject to superintendence, control and Direction of Board of directors. His rich experience and knowledge has helped the Company to the great extent.
- (5) Remuneration Proposed: As per details given in Explanatory statement.
- (6) The remuneration proposed is commensurate with the industry and size of the business and keeping in mind the rich experience he is having and future responsibilities of job, the salary proposed is justified.
- (7) Mr. Vinod P. Arora is son of Mr. Parmanand Arora, Director of the Company and Brother of Mr. Rajesh P. Arora, Director of the Company. Mr. Vinod P. Arora holds 80,000 equity shares representing 0.34% of share capital of the Company.

Item No. 08

- (1) Background Details: Mr. Ashish V. Shah is Managing Director of the Company. He holds graduation degree and he is forerunner in textile Industry having 55 years of rich experience. He is also member of Ahmedabad Education Society & Secretary of Textile Association at Narol, Ahmedabad. He looks after Finance and legal functions of the Company, based at Ahmedabad.
- (2) Past Remuneration: Mr. Ashish V. Shah was paid Remuneration of ₹ 2,50,000/- per months during the Financial year 2016-17.

- (3) Recognition and Award: The work done in discharge of his duties as Director has been recognized in Industry.
- (4) Job profile and his suitability: The Managing Director is responsible for overall Management functions and for implementation of Corporate strategy subject to superintendence, control and Direction of Board of directors. His rich experience and knowledge has helped the Company to the great extent.
- (5) Remuneration Proposed: As per details given above
- (6) The remuneration proposed is commensurate with the industry and size of the business and keeping in mind the rich experience he is having and future responsibilities of job, the salary proposed is justified.
- (7) Mr. Ashish V. Shah is brother of Mr. Kalpesh V. Shah, Whole Time Director of the Company. He holds 5,85,000 equity shares representing 2.49% of share capital of the Company.

Item No. 09

- (1) Background Details: Mr. Kalpesh V. Shah is Whole Time Director of the Company. He holds graduation degree and he is having 55 years of rich experience in textile industry. He is also Secretary of Textile Maskati Mahajan, Ahmedabad. He looks after material management and factory administration of the Company, based at Ahmedabad.
- (2) Past Remuneration: Mr. Kalpesh V. Shah was paid Remuneration of ₹ 1,50,000/- per months during the Financial year 2016-17.
- (3) Recognition and Award: The work done in discharge of his duties as Director has been recognized in Industry.
- (4) Job profile and his suitability: The Whole Time Director is responsible for factory administration. His rich experience and knowledge has helped the Company to the great extent.
- (5) Remuneration Proposed: As per details given above
- (6) The remuneration proposed is commensurate with the industry and size of the business and keeping in mind the rich experience he is having and future responsibilities of job, the salary proposed is justified.
- (7) Mr. Kalpesh V. Shah is brother of Mr. Ashish V. Shah, Managing Director of the Company. He holds 4,65,300 equity shares representing 1.98% of share capital of the Company.

III. Other Information:

During the year ended 31st March, 2017, the total revenue was ₹ 84,552.09 Lakh against ₹ 84,506.54 Lakh in the previous year. The profit before tax for the year has been ₹ 213.03 Lakh against ₹ 845.85 Lakh in previous year. The Profit after tax for the current year is ₹ 118.60 Lakh, compared to ₹ 702.65 Lakh in the previous year.

The profits of the Company are in line with the current industrial scenario and are reasonable. The company's products are very well accepted in local as well as in International market. The Company has made significant growth and sales of the Company have increased from time to time. However increase in the input cost and other overheads has affected Company's profitability and hence profits are lower. Now, Company is putting more thrust on to take advantage of latest technologies. The Company has also taken steps for curtailing expenditure, aggressive marketing etc. This would help the Company to further improve its results and profitability.

BY ORDER OF BOARD OF DIRECTORS

Sharvil B. Suthar
Company Secretary

Place : Ahmedabad
Date : 28/07/2017

Registered office:

191, Shahwadi,
Nr. Old Octroi Naka, Narol - Sarkhej Highway,
Narol, Ahmedabad - 382 405
CIN: L17110GJ1988PLC010504

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DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTH COMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of Director	Mr. Rajesh P. Arora	Mr. Vinod P. Arora	Mr. Ashish V. Shah	Mr. Kalpesh V. Shah
DIN	00092200	00007065	00007201	00007262
Date of Birth	24-10-1960	29-03-1951	04-09-1958	23-09-1951
Date of Appointment	11-08-1992	01-10-2010	28-03-1988	01-10-2010
Relationship with other Directors Interse	Son of Mr. Parmanand Arora, Director and Brother of Mr. Vinod P. Arora, Chairman & Managing Director.	Son of Mr. Parmanand Arora, Director and Brother of Mr. Rajesh P. Arora, Director.	Brother of Mr. Kalpesh V. Shah, Whole Time Director	Brother of Mr. Ashish V. Shah, Managing Director
Profile & Expertise in Specific functional Areas	Having experience in Textile business for more than 30 years. He is looking after group marketing of the company from Delhi office	He is known for his rich experience in Denim business since 1973 and roaring success in Arora group as marketing pioneer of denim. He looks after overall Management of the Company, based at Ahmedabad.	He is forerunner in textile Industry having 55 years of rich experience. He is also member of Ahmedabad Education Society & Secretary of Textile Association at Narol, Ahmedabad. He looks after Finance and legal functions of the Company, based at Ahmedabad.	He is having 55 years of rich experience in textile industry. He is also Secretary of Textile Maskati Mahajan, Ahmedabad. He looks after material management and factory administration of the Company, based at Ahmedabad.
Qualification	Commerce Graduate	Commerce Graduate	Commerce Graduate	Commerce Graduate
No. of Equity Shares held in the Company	10,72,645	80,000	4,65,300	5,85,000
List of other Companies in which Directorships are held	(1) New Ahmedabad Synthetics Pvt. Ltd. (2) Vee Bee Textiles Private Limited	(1) Twenty First Century Marketing Limited (2) Rentex Weavers Limited	(1) Real Strips Limited, (2) Kashvi Investment Private Limited, (3) V.B. Investments Private Limited (4) Raajratna Metal Industries Ltd, (5) ATPA Swarnim Gujarat Enviro Private Limited, (6) Narol Textile Infrastructure & Enviro Management.	1) V B Investment Private Limited 2) Kashvi Investment Private Limited 3) Vee Bee Textiles Private Limited
List of committees of Board of Directors (across all other Companies) in which Chairmanship/Membership is held	Nil	(1) Stake Holders' Grievance and Relationship Committee – Member (2) Corporate Social Responsibility Committee – Member	(1) Corporate Social Responsibility Committee – Chairman	(1) Stake Holders' Grievance and Relationship Committee – Member

DIRECTORS' REPORT

(CIN: L17110GJ1988PLC010504)

To,
The Members,

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of your Company together with the audited accounts for the financial year ended 31st March, 2017.

FINANCIAL RESULTS

Your Company's performance during the year is as below:

(₹ in Lakh)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Total Revenue	84,552.09	84,506.54
Profit before Interest, Tax & Depreciation	7,282.22	8,114.97
Less: Net Interest & Finance Cost	3,763.40	3,731.50
Less: Depreciation	3,305.79	3,064.42
Profit before Exceptional Item and tax	213.03	1,319.02
Less: Exceptional Item	-	473.20
Profit before tax	213.03	845.85
Provision for Tax & Deferred tax	94.43	143.20
Profit for the year	118.60	702.65
Appropriations / Adjustments		
Balance of Profit brought forward	19,427.45	18,724.45
Profit carried to Balance Sheet	19,546.05	19,427.45

PERFORMANCE DURING THE YEAR

During the year under review total revenue of your Company remains almost at the same level of ₹ 84,552.09 Lakh as against ₹ 84,506.54 Lakh for the previous year. The Net profit for the year stood at ₹ 118.60 Lakh against ₹ 702.65 Lakh in the previous year. Your Company however looks forward to further strengthen its operations by consistently focusing in embarking its profits for the coming years.

DIVIDEND

Your Directors do not recommend payment of any Dividend for the Financial year ended 31st March, 2017, in order to conserve the resources of the Company, The Company will retain the earning for use in the future operations & Projects and strive to increase the net worth of stakeholders of the Company.

FINANCE

During the year under review, the company tied up Long Term Loan of ₹ 1057.24 Lakh from a financial institution for the purpose of part funding of capital expenditure of the company.

During the year under review, the company has repaid External Commercial Borrowing (ECB) of USD 2.89 million (₹ 1740.78 Lakh) to Standard Chartered Bank (SCB) and USD 2.25 Lakh million (₹ 1552.51 Lakh) to Bank of Baroda (UAE).

RESERVES AND SURPLUS

The Company has not transferred any amount to General Reserves for the Financial Year 2016-17.

SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2017 stood at ₹ 2,345.98 Lakh. During the year under review, the Company has neither made any issue of equity shares with differential voting rights nor has

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granted any stock options or sweat equity. The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS

During the financial year under review pursuant to SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 your Company has complied with all the applicable provision of Corporate Governance.

Separate report on Corporate Governance and Management Discussion & Analysis, as required under the SEBI Listing Regulations are forming parts of the Annual Report.

The requisite certificate from the Practicing Company Secretary confirming the compliance with the condition of Corporate Governance is attached to the Report on Corporate Governance.

MATERIAL CHANGES, IF ANY

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial relate and the date of this report

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

FIXED DEPOSITS

Your company has accepted/renewed the deposits aggregating to ₹ 4,396.93 Lakh from public & Members during the year under review after complying with the provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014. There has been no default in repayment of deposits or payment of interest thereon during the year under review. There are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

Your directors appreciate the support which the company has received from the public and shareholders to its fixed deposit scheme.

INSURANCE AND CLAIMS

All properties and insurable interests of the company including building, plant and machinery and stocks wherever necessary and to the extent required have been adequately insured.

On 20th January, 2017 Oriental Insurance Company Limited has paid ₹ 6.29 Crores (Rupees Six Crores Twenty Nine Lakh) and on 8th June, 2017 United India Insurance Company Limited has paid ₹ 6.74 Crores (Rupees Six Crores Seventy Four Crores) in full and final settlement towards Insurance claim lodged by Company with said both Insurance Companies in respect of Fire incident happened on 1st March, 2015 at Vijay farm unit of the Company.

The Company has received ₹ 150.00 Lakh as an on account payment and ₹ 145.66 Lakh as full and final settlement on 14th July, 2016 and 21st July, 2017 respectively from United India Insurance Company Limited towards insurance claim lodged by the company in respect of fire incident occurred on 23rd October, 2015 at Matoda unit of the company.

On 6th February, 2017, there was a fire in Finishing and Packing Department of Narol Unit of the Company resulting into loss of stock, ceiling and other areas of fire places were damaged. The carrying value of the assets destroyed in fire is estimated at ₹ 60.00 Lakh.

The company has insurance policies of all affected assets, so the Company has lodged claims with the insurance company which claims include claim towards loss of the above stated assets.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

For all related party transactions prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of foreseen and repetitive nature and such approval is in interest of the Company. Transactions entered into, pursuant to the omnibus approval so granted, are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval.

A detailed report on material contracts and arrangements made during the financial year 2016-17, being arm's length transactions have been reported and annexed hereto in form AOC-2 as **Annexure - A** forming part of this report.

There are no materially significant related party transactions made by the company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the company at large.

The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website at the web link <http://www.aarveedenims.com/wp-content/uploads/2017/02/related-party-transaction-policy.pdf>

SUBSIDIARY COMPANIES

Your Company does not have any subsidiary.

AUDIT COMMITTEE

Details pertaining to Composition of Audit Committee are included in Corporate Governance Report. All recommendations made by Audit Committee were accepted by Board.

RISK MANAGEMENT

The Company has adopted a Risk Management Policy for a systematic approach to control risks. The Risk Management Policy of the Company lays down procedures for risk identification, evaluation, monitoring, review and reporting. The Risk Management Policy has been developed and approved by the Senior Management in accordance with the business strategy.

INTERNAL CONTROLS SYSTEMS AND ADEQUACY

The Company has in place an adequate system of internal controls. It has documented policies and procedures covering all financial and operating functions and processes. These have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses and compliance with regulations.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

1) Changes in Directors and Key Managerial Personnel

Mr. Hardik Modi, Company Secretary has resigned w.e.f. 4th July, 2016 and in place of him Company has appointed Mr. Sharvil B. Suthar as Company Secretary and Compliance Officer w.e.f. 29th August, 2016.

Mr. Suketu Shah has resigned from his post of Chief Executive Officer (CEO) of the Company on 30th November, 2016 and in place of him Company has appointed Mr. Subhasish Bandyopadhyay as Chief Executive officer (CEO) of the Company w.e.f. 1st December, 2016.

In accordance with the provision of Section 152 (6) of the Companies Act, 2013 and Articles of Association of the Company, Mr. Rajesh Arora (DIN: 00092200), Non-Executive Director shall retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer himself for re-appointment. The Board recommends his re-appointment.

None of the Director has resigned during the year under review.

2) Declaration by an Independent Director(s)

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 16 (1) (b) of the Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management. The detail terms of Independent Directors are Disclosed on the Company's website with the following link <http://www.aarveedenims.com/wp-content/uploads/2017/02/draft-appointment-letter-to-independent-director.pdf>

3) Annual Evaluation of Board Performance and Performance of its Committees and of Directors

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance and, the Directors individually and as well as the evaluation of the working of its Committees. The criteria applied in evaluation process are explained in the Corporate Governance Report.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, four board meetings were convened and held, the details of which are given in the corporate governance report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

COMMITTEES OF BOARD OF DIRECTORS

Your Company has several Committees which have been established as part of best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

Audit Committee

Nomination and Remuneration Committee

Stakeholders' Grievances and Relationship Committee

Corporate Social Responsibility Committee

Share Transfer Committee

A detailed note on the committees with respect to composition, meetings, powers, and terms of reference is provided under the corporate governance report section in this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the Profit of the Company for the year ended on that date;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

In Accordance with section 135 of the Act and Rules framed thereunder, the Company has constituted a Corporate Social Responsibility ("CSR") Committee of Directors. The details of composition of CSR Committee are given in the Corporate Governance Report.

The details of CSR policy and CSR spending by the Company have been provided as **Annexure-B** to this report, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention,

Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2016-17.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, a Vigil Mechanism or 'Whistle Blower Policy' for Directors, employees and other stakeholders to report genuine concern has been established. The same is uploaded on the website of the Company <http://www.aarveedenims.com/wp-content/uploads/2017/02/vigil-machanism.pdf> It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

AUDITORS

(1) Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmadabad (ICAI firm Registrant No. 17365W) and M/s. N. C. Shah & Associates, Chartered Accountants, Ahmedabad (ICAI firm Registration No. 109692W) will conclude their term from the close of the forthcoming Annual General Meeting of the Company in compliance of mandatory rotation of Auditors as per the provision of the Companies Act, 2013. The Board of Directors places on record its appreciation for the services rendered by Joint Auditors.

Subject to approval of Members, the Board of Directors of the Company has recommended the Appointment of M/s. Shah & Shah Associates, Chartered Accountant, Ahmedabad (ICAI firm registration No.113742W) as the Statutory Auditors of the Company pursuant to Companies Act, 2013. Member's attention drawn to a Resolution proposing the appointment of M/s. Shah & Shah Associates, Chartered Accountant, Ahmedabad as Statutory Auditors of the Company which is included in item No. 3 of the Notice convening Annual General Meeting.

(2) Cost Auditors

The company has received a consent letter from the cost auditors M/s. N. D. Birla and Co., Cost Accountant to the effect that their appointment, if made, would be within the prescribed limits under section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for appointment. The board of Directors of the company at its meeting held on 26th May, 2017 appointed M/s. N. D. Birla & Co., Cost Accountants as the cost auditors of the Company to conduct the audit of cost records maintained by the Company as required by the Companies (Cost Records and Audit) Rules 2014 as amended from time to time.

The members are requested to ratify the remuneration to be paid to the cost auditors of the company

(3) Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Tapan Shah & Co., Practising Company Secretary (COP No. 2839) for conducting Secretarial Audit of the Company for the financial year ended on 31st March, 2017. The Secretarial Audit report of M/s Tapan Shah & Co. Company Secretaries for the financial year ended 31st March, 2017, is annexed as **Annexure - C**.

FRAUD REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE TO REPORTABLE TO CENTRAL GOVERNMENT:

AARVEE DENIMS AND EXPORTS LTD.

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of fraud committed in the Company by its officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Act read with Rule 8 (3) of The Companies (Accounts) Rules, 2014, is annexed as **Annexure - D**.

PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is attached as **Annexure - E** to this report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT - 9 is annexed as **Annexure - F**.

INDUSTRIAL RELATIONS

The industrial relations continued to be generally peaceful and cordial.

REGULATORY STATEMENT

The Equity shares of your company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Company has paid the listing fees for the year 2017-18 to above stock exchanges.

ACKNOWLEDGEMENTS

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for their continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year and look forward to their continued support in future. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Place : Ahmedabad

Date : 28/07/2017

Registered office:

191, Shahwadi,

Nr. Old Octroi Naka, Narol - Sarkhej Highway,

Narol, Ahmedabad - 382 405

CIN: L17110GJ1988PLC010504

Vinod P. Arora
Chairman & Managing Director
DIN:00007065

Annexure – A
Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub – section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

Not Applicable, as there are no contracts or arrangements or transactions entered into with related party which are not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name of Related Parties	Nature of Relationship	Nature of Expenses	Duration of Contracts/ arrangements / transactions	Silent terms of the Contracts or arrangements or transactions including the value, if any. (Amount in ₹)	Date(s) of approval by the Board, if any.	Amount paid as advance, if any.
1	Virendrabhai Bhogilal & Co.	Associated Concern	Job Charges (Weaving)	2016-17	2,93,31,388	At the Board meeting held on 28/05/2016, 10/08/2016, 10/11/2016 and 11/02/2017	Nil
2	A V Enterprise (HUF)				34,20,002		
3	B Kalpeshkumar & Co.				22,80,001		
4	K V Enterprise (HUF)				34,19,997		
5	Namit Enterprise				78,27,703		
6	B S Textiles				3,06,20,754		
7	Arora Agencies	Associated Concern	Commission On Sale Of Fabric	2016-17	3,85,07,038	At the Board meeting held on 28/05/2016, 10/08/2016, 10/11/2016 and 11/02/2017	Nil
8	Parmanand Vinodkumar				4,11,22,759		
9	Namit Enterprise				62,501	At the Board meeting held on 11/02/2017	
10	Panch Rattan Fabrics	Associated Concern	Sale of Fabric	2016-17	77,47,45,243	At the Board meeting held on 28/05/2016, 10/08/2016, 10/11/2016 and 11/02/2017	Nil
11	Textile India				13,98,16,723	At the Board meeting held on 11/02/2017	
12	Virendrabhai Bhogilal & Co.				2,86,08,854	At the Board meeting held on 28/05/2016, 10/08/2016, 10/11/2016 and 11/02/2017	
13	Pari Bhogilal Laxmichand				1,38,02,833		
14	Techtex	Associated Concern	Lease Rent Income	2016-17	2,40,000	10/11/2016 and 11/02/2017	Nil

Annexure – B
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- 1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at the web link: <http://www.aarveedenims.com/wp-content/uploads/2017/02/csr-policy.pdf>

- 2. The Composition of the CSR Committee.**

Company has set up Corporate Social Responsibility Committee (CSR Committee) as per the requirement of the Companies Act, 2013. The members of the CSR Committee are:

Mr. Ashish Shah - Chairman

Mr. Vinod P. Arora - Member

Mr. Amol Dalal - Member

- 3. Average net profit of the Company for last three financial years:** ₹ 855.11 lakh.
- 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹ 17.10 lakh.
- 5. Details of CSR spent for the financial year:**
 - Total amount to be spent for the financial year: ₹ 17.10 lakh (2016-17)
 - Amount unspent, if any: ₹ 17.10 lakh
 - Manner in which the amount spent during the financial year is detailed below: Not Applicable.

Annexure to CSR Report								
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Sr. No	CSR Project or activity identified	Sector in Which the Project is covered	Projects or programs (1) Local area or other(2) Specify the state and district where projects and programs undertaken.	Amount outlay (budget) project or programs wise	Amount spend on projects or programs Sub - heads : (1) Direct expenditure on project or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency	Details of implementing agency if engaged
1	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

- 6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:**

- Company could not initiate CSR activities due to shortage of funds and volatile textile market during the previous year.
- Company has suffered loss amount of ₹ 10.77 crores in the Third quarter of Financial Year 2016-17 due to poor demand and demonetization.
- One of unit of Company suffered sudden major fire accident on 6th February, 2017 at Narol Unit in Packing and Finishing Department. Due to fire stocks, ceiling and other areas of fire places were highly damaged.
- Board of Directors could not initiate CSR activities considering the current cash flow position of the Company.

The Company has an unspent amount of ₹ 17.10 lakh in its CSR activities.

- 7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:**

The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

Vinod P. Arora
Chairman and Managing Director

Ashish V. Shah
Chairman - CSR Committee

Annexure – C
SECRETARIAL AUDIT REPORT

For the financial year ended 31/03/2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

AARVEE DENIMS AND EXPORTS LIMITED

191 Shahwadi, Near Old Octroi Naka,
Narol Sarkhej Highway, Narol,
Ahmedabad – 382 405

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aarvee Denims and Exports Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015, as amended from time to time;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Secretarial Standards issued by the Institute of Company Secretaries of India (SS – 1 and SS – 2);

I have also examined compliance with the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchanges.

Further being a Textile Industry and involved in specific products, Textiles (Development and Regulation) Order, 2001 is applicable to the Company, for which examination of the relevant documents and records, on test check basis, has been carried out.

During the period under review the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, the Company has not spent any amount towards the Corporate Social Responsibility in the

current financial year as prescribed under Section 135 of the Companies Act, 2013 and Rules made there under.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines, etc. were not applicable to the Company:

- i. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- vi. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investments.

I further report that –

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that –

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc .

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the Key Managerial Person (KMP) that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that during the audit period there were no specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, except as stated below:

- (i) In the last Annual General Meeting held on 28th September, 2016, Special Resolution for the Related Party Transactions, stated in notice of Annual General Meeting was not approved by the members of the Company. However the Company has carried out all the related party transactions during the year in its ordinary course of business and at arm's length basis.

Place : Ahmedabad
Date : 28/07/2017

Signature :
Name of Company Secretary in practice: Tapan Shah
FCS No. : 4476
C P No. : 2839

Note: This Report is to be read with my letter of above date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

To,

The Members,

AARVEE DENIMS AND EXPORTS LIMITED

191 Shahwadi, Near Old Octroi Naka,

Narol Sarkhej Highway, Narol,

Ahmedabad – 382 405

My report of the above date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad

Date : 28/07/2017

Signature :

Name of Company Secretary in practice: Tapan Shah

FCS No. : 4476

C P No. : 2839

ANNEXURE - D

Information pursuant to Section 134 (3) (m) of the Companies Act, 2013 and under Rule 8 (3) of Companies (Accounts) Rules 2014 and forming part of the Directors' Report for the year ended 31st March, 2017.

(A) Conservation of energy-**(i) The steps taken or impact on conservation of energy;**

1. Installing energy efficient electric equipments.
2. Use of energy efficient CFL and LED lights and changing of Electronics Ballast in place of Copper Ballast.
3. Creating awareness among all the staff members to conserve energy.
4. Replacement of inefficient motors.
5. Installation of capacitors to improve power factor for optimum utilization of electricity.

(ii) Total energy consumption and energy consumption per unit of production

(₹ In Lakh)

Particulars	2016-17	2015-16
1. Electricity		
(a) Purchased Units KWH in Lakh	902.36	881.12
Total Amount (Rs. in Lakh)	6,902.88	6,417.13
Rate/unit (Rs./KWH)	7.65	7.29
(b) Wind Turbine (Units KWH in Lakh)	359.62	322.78
2. Coal & Lignite		
Quantity (in MT)	44,147.49	42,677.46
Total Cost(Rs in Lakh)	1,704.60	1,593.22
Cost/MT	3,861.16	3,733.17

III. CONSUMPTION PER UNIT OF PRODUCTION:

Particulars	2016-17		2015-16	
	FABRIC (PER MTR)	YARN (PER KG)	FABRIC (PER MTR)	YARN (PER KG)
Electricity (KWH)	1.45	1.77	1.39	1.72
Coal (Kg)	0.71	Nil	0.37	Nil

(B) Technology absorption-**(i) The efforts made towards technology absorption;**

Efforts towards technology absorption included continued efforts for process improvements and improved formulation types / strengths to improve the efficacy, productivity and profitability of the Company.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Product development, value addition and sustainable.**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-**

- (a) the details of technology imported: The Company has not imported any technology during the last three financial years.
- (b) the year of import: Not Applicable
- (c) whether the technology been fully absorbed: Not Applicable

- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable
- (iv) The expenditure incurred on Research and Development.

(₹ in Lakh)

	2016-17	2015-16
Capital	Nil	Nil
Recurring	Nil	Nil
Total	Nil	Nil
Total R&D Expenditure as % of total turnover	Nil	Nil

(C) Foreign exchange earnings and Outgo:

(₹ in Lakh)

Particulars	2016-17	2015-16
Foreign Exchange Earning	8,595.30	18,381.68
Foreign Exchange Outgo	12,485.96	13,662.92

For and on behalf of Board of Directors

Place : Ahmedabad
Date : 28/07/2017

Vinod P. Arora
Chairman & Managing Director
DIN:00007065

Annexure - E

[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year:

(Amount in ₹)

Sr. No.	Name of Director	Designation	Remuneration paid in current year	Ratio of remuneration to director to Median Remuneration of employees	Percentage (%) increase in Remuneration
1	Mr. Vinod P. Arora	Chairman and Managing Director	36,00,000/-	31.61	Nil
2	Mr. Ashish V. Shah	Managing Director	30,00,000/-	26.34	Nil
3	Mr. Kalpesh V. Shah	Whole Time Director	18,00,000/-	15.81	Nil
4	Mr. Parmanand T. Arora	Director	Nil	-	Nil
5	Mr. Rajesh P. Arora	Director	Nil	-	Nil
6	Mr. Bhavik Shukla	CFO	18,90,000	-	10%
7	Mr. Hardik Modi	CS	1,20,129	-	Resigned on 04/07/2016
8	Mr. Sharvil B. Suthar	CS	1,98,322	-	Appointed on 29/08/2016
9	Mr. Suketu Shah	CEO	29,64,000	-	Resigned on 30/11/2016
10	Mr. Subhasish Bandyopadhyay	CEO	6,68,000	-	Appointed on 01/12/2016

Note: Independent Directors do not receive any remuneration other than sitting fees for attending Board and Committee Meetings. Details of sitting fees paid to Independent Directors are given in the Report on Corporate Governance forming part of the Annual Report and hence, are not included in the above table.

1. The percentage increase in the median remuneration of employees in the financial year was 11.65%
2. The number of permanent employees on the rolls of Company: 1463
3. There was no increase in the Managerial Remuneration for the Financial Year 2016-17 as compared to Financial Year 2015-16. Therefore, there is no justification and information, regarding exceptional circumstances for increase in Managerial Remuneration, to be disclosed.
4. It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.
5. **Particulars of employee in terms of Sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

There was no employee of the Company employed throughout the financial year with salary above ₹ 1 Crore and 2 Lakh per annum or employed in part of the financial year with an average salary above ₹ 8 Lakh and 50 Thousands per month.

Further, there is no employee employed throughout the financial year or part thereof, was in receipt of remuneration in aggregate, in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two per cent (2 per cent) of the equity shares of the Company.

**ANNEXURE - F
FORM NO. MGT 9**

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2017

**[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014]**

I. REGISTRATION & OTHER DETAILS

1.	CIN	L17110GJ1988PLC010504
2.	Registration Date	28-03-1988
3.	Name of the Company	AARVEE DENIMS AND EXPORTS LIMITED
4.	Category/Sub-category of the Company	Public Company/ Limited by Shares
5.	Address of the Registered office & contact details	191, Shahwadi, Narol- Sarkej Highway, Near Old Octroi Naka, Narol, Ahmedabad- 382405 Ph:+91-79-30417000, 30017000 Fax : +91-79-30417070
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd, 506 to 508, Amarnath Business Centre-1, (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006. Phone & Fax Nos. 079-26465179/86/87, Email: ahmedabad@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Fabrics	13131	96.91%
2	Power Generation – Wind Mill	35106	3.09%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
NO SUBSIDIARY AND ASSOCIATE COMPANIES			



AARVEE DENIMS AND EXPORTS LTD.

aarvee

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
	1. Indian									
	a) Individual/ HUF	8482325	0	8482325	36.16	8815060	0	8815060	37.58	1.42
	b) Central Govt	0	0	0	0	0	0	0	0	0.00
	c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
	d) Bodies Corp.	6953978	0	6953978	29.64	6621243	0	6621243	28.22	(1.42)
	e) Banks / FI	0	0	0	0	0	0	0	0	0.00
	f) Any other	0	0	0	0	0	0	0	0	0.00
	Total shareholding of Promoter (A)	15436303	0	15436303	65.80	15436303	0	15436303	65.80	0.00
B.	Public Shareholding									
	1. Institutions									
	a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
	b) Banks / FI	0	300	300	0.00	0	300	300	0.00	0.00
	c) Central Govt	0	0	0	0	0	0	0	0	0.00
	d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
	e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
	f) Insurance Companies	493758	0	493758	2.10	493758	0	493758	2.10	0.00
	g) FIIs	3388100	0	3388100	14.44	3365600	0	3365600	14.35	(0.09)
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
	i) Others (specify)									
	Sub-total (B)(1):-	3881858	300	3882158	16.54	3859358	300	3859658	16.45	(0.09)
	2. Non-Institutions									
	a) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1330160	691913	2022073	8.62	1384275	677813	2062088	8.80	0.17
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	336331	0	336331	1.43	207763	0	207763	0.89	(0.55)
	b) Others (specify)									
	Trusts	0	0	0	0	80000	0	80000	0.34	0.34
	HUF	98147	0	98147	0.42	104360	0	104360	0.44	0.03
	Non Resident Indians:									
	Non Resident Repatriates	1507078	0	1507078	6.42	1509208	0	1509208	6.43	0.01
	Non Resident Non Repatriates	28894	0	28894	0.12	25677	0	25677	0.11	(0.01)

	Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Clearing Member	15405	0	15405	0.07	43582	0	43582	0.19	0.12
	Bodies Corporate	133411	0	133411	0.57	131161	0	131161	0.56	(0.01)
	Sub-total (B)(2):-	3449426	691913	4141339	17.65	3486026	677813	4163839	17.74	0.09
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	7331284	692213	8023497	34.20	7345384	678113	8023497	34.20	0.00
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
	Grand Total (A+B+C)	22767587	692213	23459800	100	22781687	678113	23459800	100	0.00

(ii) Shareholding of Promoter

Sr No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledge/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledge/ encumbered to total shares	
1	V. B. Investment Pvt. Ltd.	883200	3.76	0.00	1988165	8.47	0.00	4.71
2	Parmanand Arora	1899533	8.10	0.00	1899533	8.10	0.00	0.00
3	Kashvi Investments Pvt.Ltd.	707600	3.02	0.00	1388200	5.92	0.00	2.89
4	Twenty First Century Marketing Ltd.	1154250	4.92	0.00	1154250	4.92	0.00	0.00
5	Rajesh Arora	1072645	4.57	0.00	1072645	4.57	0.00	0.00
6	Rita Arora	823362	3.51	0.00	823362	3.51	0.00	0.00
7	Vikalp Holding Pvt. Ltd	770600	3.28	0.00	0	0.00	0.00	(3.28)
8	Pari Bhogilal Laxmichand	718932	3.06	0.00	718932	3.06	0.00	0.00
9	Shipa Fabrics Pvt. Ltd.	685900	2.92	0.00	685900	2.92	0.00	0.00
10	Kashvi holding pvt. Ltd	680600	2.90	0.00	0	0.00	0.00	(2.90)
11	B. A. Shah Holding Pvt. Ltd.	667100	2.84	0.00	0	0.00	0.00	(2.84)
12	Ashish Shah	585000	2.49	0.00	585000	2.49	0.00	0.00
13	Ennbee Textiles Pvt. Ltd.	579600	2.47	0.00	579600	2.47	0.00	0.00
14	Rentex Weavers Ltd.	569850	2.43	0.00	569850	2.43	0.00	0.00
15	Kalpesh Shah	465300	1.98	0.00	465300	1.98	0.00	0.00
16	Parul Shah	425641	1.81	0.00	425641	1.81	0.00	0.00
17	Bela Shah	363991	1.55	0.00	363991	1.55	0.00	0.00
18	Sushilaben Shah	290600	1.24	0.00	290600	1.24	0.00	0.00
19	Pankil K. Shah	269600	1.15	32.46	269600	1.15	32.46	0.00
20	Kashvi Kalpeshbhai Shah	29200	0.12	0.00	261935	1.12	0.00	1.00
21	Anuj Ashish Shah	244389	1.04	35.80	244389	1.04	35.80	0.00
22	Pankil Kalpeshbhai Shah	224164	0.96	0.00	224164	0.96	0.00	0.00
23	Nipun V. Arora	142475	0.61	61.41	142475	0.61	61.41	0.00
24	Vee Bee Textiles Private Limited	140000	0.60	0.00	140000	0.60	0.00	0.00
25	Pankaj V. Arora	132425	0.56	66.08	132425	0.56	66.08	0.00

Sr No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledge/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledge/ encumbered to total shares	
26	Heena Khanna	122951	0.52	0.00	122951	0.52	0.00	0.00
27	Somni Arora	116760	0.50	0.00	116760	0.50	0.00	0.00
28	Karishma Pankilbhai Shah	10000	0.04	0.00	110000	0.46	0.00	0.42
29	Vinod P. Arora	80000	0.34	0.00	80000	0.34	0.00	0.00
30	Sarthak Pankajkumar Arora	75790	0.32	0.00	75790	0.32	0.00	0.00
31	Jhanvi Nipunkumar Arora	75790	0.32	0.00	75790	0.32	0.00	0.00
32	Chinmaya Pankajkumar Arora	75786	0.32	0.00	75786	0.32	0.00	0.00
33	Bhriugu Nipunkumar Arora	75785	0.32	0.00	75785	0.32	0.00	0.00
34	Bhansali Tradelink Private Limited	62500	0.27	0.00	62500	0.27	0.00	0.00
35	Shah Kalpesh Virendrabhai	60300	0.26	0.00	60300	0.26	0.00	0.00
36	Pee Vee Synthetics Pvt. Ltd.	52778	0.22	0.00	52778	0.22	0.00	0.00
37	T.P. Vinodkumar	35000	0.15	0.00	35000	0.15	0.00	0.00
38	Renu V. Arora	23306	0.10	0.00	23306	0.10	0.00	0.00
39	Anoli Ashishbhai Shah	23600	0.10	0.00	23600	0.10	0.00	0.00
40	Preeti N. Arora	10000	0.04	0.00	10000	0.04	0.00	0.00
41	Shikha P. Arora	10000	0.04	0.00	10000	0.04	0.00	0.00
	TOTAL	15436303	65.79	2.27	15436303	65.79	2.27	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Name of Promoter	Shareholding at the beginning of the year (As on 01.04.2016)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	V. B. Investment Pvt. Ltd.	883200	3.76					883200	3.76
				16/09/2016	Received from B. A. Shah Holding Pvt. Ltd pursuant to scheme of Amalgamation	667100	2.84	1550300	6.60
				16/09/2016	Received from Vikalp Holding Pvt. Ltd pursuant to scheme of Amalgamation	770600	3.29	2320900	9.89
				18/11/2016	Given as gift to Kashvi Kalpeshbhai Shah	(232735)	(1.00)	2088165	8.89

				18/11/2016	Given as gift to Karishma Pankhilbhai Shah	(100000)	(0.42)	1988165	8.47
				31/03/2017	At the end of the year			1988165	8.47
2	Kashvi Investment Pvt. Ltd	707600	3.02					707600	3.02
				16/09/2016	Received from Kashvi Holding Pvt. Ltd pursuant to scheme of Amalgamation	680600	2.90	1388200	5.92
				31/03/2017	At the end of the year			1388200	5.92
3	Vikalp Holding Pvt. Ltd	770600	3.28					770600	3.28
				09/09/2016	Transfer to V. B. Investment Pvt. Ltd pursuant to scheme of Amalgamation	(770600)	(3.28)	0	0.00
				31/03/2017	At the end of the year			0	0.00
4	Kashvi Holding Pvt. Ltd	680600	2.90					680600	2.90
				09/09/2016	Transfer to Kashvi Investment Pvt. Ltd pursuant to scheme of Amalgamation	(680600)	(2.90)	0	0.00
				31/03/2017	At the end of the year			0	0.00
5	B. A. Shah Holding Pvt. Ltd	667100	2.84					667100	2.84
				09/09/2016	Transfer to V. B. Investment Pvt. Ltd pursuant to scheme of Amalgamation	(667100)	(2.84)	0	0.00
				31/03/2017	At the end of the year			0	0.00
6	Kashvi Kalpeshbhai Shah	29200	0.12					29200	0.12
				18/11/2016	Received as Gift from V. B. Investment Pvt. Ltd	232735	1.00	261935	1.12
				31/03/2017	At the end of the year			261935	1.12
7	Karishma Pankhilbhai Shah	10000	0.04					10000	0.04
				18/11/2016	Received as Gift from V. B. Investment Pvt. Ltd	100000	0.42	110000	0.47
				31/03/2017	At the end of the year			110000	0.47

Notes:

- Pursuant to Scheme of Amalgamation of B.A. Shah Holdings Private Limited and Vikalp Holding Private Limited with V.B. Investment Private Limited as approved by the Hon'ble High Court of Gujarat vide order

AARVEE DENIMS AND EXPORTS LTD.

dated 15th July, 2016, 14,37,700 Equity Shares of the Aarvee Denims and Exports Limited (Which were earlier held by B.A. Shah Holdings Private Limited and Vikalp Holdings Private Limited) have been transferred to and vested in V.B. Investments Private Limited

2. Pursuant to Scheme of Amalgamation of Kashvi Holdings Private Limited and Maverlin International Private Limited with Kashvi Investments Private Limited as approved by the Hon'ble High Court of Gujarat vide order dated 15th July, 2016, 6,80,600 Equity Shares of the Aarvee Denims and Exports Limited (Which were earlier held by Kashvi Holdings Private Limited) have been transferred to and vested in Kashvi Investments Private Limited.

(iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		(As on 01.04.2016)				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		No. of shares	% of total shares of the Company						
1	DEG-Deutsche	3373100	14.38					3373100	14.38
	Investitions - Undentwicklungsge sellschaft MBH			31/03/2017	Sale	(7500)	(0.03)	3365600	14.35
				31/03/2017	At the end of year			3365600	14.35
2	Devangkumar Narendra Kumar Sangavi	1490000	6.35	No Transaction				1490000	6.35
3	United India Insurance Company Limited	493758	2.10	No Transaction				493758	2.10
4	The Mukundan Charitable Trust	0	0					0	0
				09/12/2016	Purchase	79900	0.34	79900	0.34
				31/03/2017	At the end of year			79900	0.34
5	Ashu Khanna	92718	0.40					92718	0.40
				24/06/2016	Sale	(19000)	(0.08)	73718	0.31
				07/10/2016	Sale	(11000)	(0.05)	62718	0.26
				20/01/2017	Sale	(494)	(0.00)	62224	0.27
				17/02/2017	Purchase	6151	0.02	68375	0.29
				24/02/2017	Purchase	5830	0.02	74205	0.18
				03/03/2017	Purchase	6140	0.03	80345	0.21
				10/03/2017	Purchase	2974	0.01	83319	0.22
				17/03/2017	Purchase	805	0.00	84124	0.22
				24/03/2017	Purchase	3325	0.01	87449	0.24
				31/03/2017	Purchase	1000	0.00	88449	0.38
				31/03/2017	At the end of year			55598	0.38
6	Lincoln P Coelho	40000	0.17	No Transaction				40,000	0.17

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		(As on 01.04.2016)							
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	Angel broking pvt. Ltd.	25000	0.11	No Transaction				50,000	0.11
8	Bharat Tokershi Gosar	25000	0.11	No Transaction				25000	0.11
9	Kiran Bharat Gosar	25000	0.11	No Transaction				25,000	0.11
10	Swaminathan Shankar Aiyar	79900	0.34					79900	0.34
				29/07/2016	Sale	(79900)	(0.34)	0	0
				31/03/2017	At the end of year			0	0
11	M Subbiah	35000	0.15					35000	0.15
				29/07/2016	Sale	(35000)	(0.15)	0	0
				31/03/2017	At the end of year			0	0

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (As on 01.04.2016)		Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Vinod P Arora	80,000	0.34	No Transaction			80,000	0.34
2	Mr. Ashish V Shah	585,000	2.49	No Transaction			585,000	2.49
3	Mr. Kalpesh V Shah	465,300	1.98	No Transaction			465,300	1.98
4	Mr. Paramanand T Arora	1,899,533	8.10	No Transaction			1,899,533	8.10
5	Mr. Rajesh P Arora	1,072,645	4.57	No Transaction			1,072,645	4.57
6	Mr. Sanjay S. Majmudar	0	0.00	No Transaction			0	0.00
7	Mr. Ashok C Gandhi	0	0.00	No Transaction			0	0.00
8	Mr. Arvind D Sanghvi	0	0.00	No Transaction			0	0.00
9	Mr. Amol R. Dalal	5,320	0.02	Sale	416	0.00	4904	0.00
11	Miss. Shivani Shah	0	0.00	No Transaction			0	0.00
12	Mr. Suketu Shah Upto 30/11/2016	1000	0.00	Sale	1000	0.00	0	0.00

AARVEE DENIMS AND EXPORTS LTD.

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
13	Mr. Subhasish Bandyopadhyay (CEO) From 1/12/2016	0	0.00	No Transaction			0	0.00
14	Mr. Bhavik Shukla (CFO)	0	0.00	No Transaction			0	0.00
15	Mr. Sharvil B. Suthar (CS) From 29/08/2016	0	0.00	No Transaction			0	0.00
16	Mr. Hardik Modi (CS) upto 04/07/2016	0	0.00	No Transaction			0	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	31033.15	1981.42	5200.19	38214.76
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	97.46	0	233.40	330.86
Total (i+ii+iii)	31130.61	1981.42	5433.59	38545.62
Change in Indebtedness during the financial year				
* Addition	1057.24	407.19	1784.22	3248.65
* Reduction	5627.52	263.04	35.50	5926.07
Net Change	(4570.28)	144.15	1748.72	(2677.42)
Indebtedness at the end of the financial year				
i) Principal Amount	26543.66	2125.57	6865.93	35535.16
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	16.67	0	316.38	333.05
Total (i+ii+iii)	26560.33	2125.57	7182.31	35868.21

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Vinod P. Arora (CMD)	Mr. Ashish V. Shah (MD)	Mr. Kalpesh V. Shah (WTD)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000	30,00,000	18,00,000	84,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	36,00,000	30,00,000	18,00,000	84,00,000
	Ceiling as per the Act	As per Schedule V of the Act			

B. Remuneration to other directors
1. Independent Director
(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Sanjay Majmudar	Mr. Ashok Gandhi	Mr. Arvind Sanghvi	Mr. Amol Dalal	Ms. Shivani Shah	
1	Fee for attending board/committee meetings	49,500	49,500	4,500	49,500	13,500	1,66,500
2	Commission	NIL	NIL	NIL	NIL	NIL	NIL
3	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)						1,66,500

2. Other Non-Executive Directors
(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Rajesh P. Arora	Mr. Parmanand T. Arora	
1	Fee for attending board committee meetings	NIL	NIL	NIL
2	Commission	NIL	NIL	NIL
3	Others, please specify	NIL	NIL	NIL
	Total (2)			NIL
	Total (B)=(1+2)			1,66,500
	Total Managerial Remuneration			1,66,500
Overall Ceiling as per the Act		Independent Directors were paid sitting fees for attending the meetings of Board and its Committees during the F.Y. 2016-17, which were within the limits prescribed under the Companies Act, 2013.		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel					Total
		CEO		CS		CFO	
		*Mr. Suketu Shah	#Mr. Subhasish Bandyopadhyay	\$Mr. Sharvil Suthar	@Mr. Hardik Modi	Mr. Bhavik Shukla	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,64,000	6,68,000	1,98,322	1,20,129	18,90,000	58,40,451
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-
	others, specify...	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total	29,64,000	6,68,000	1,98,322	1,20,129	18,90,000	58,40,451

* Resigned w.e.f. 30.11.2016

#Appointed w.e.f. 01.12.2016

\$Appointed W.e.f. 29.08.2016

@Resigned W.e.f. 04.07.2016

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

REPORT ON CORPORATE GOVERNANCE
(L17110GJ1988PLC010504)
1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value for the benefit of the Company and its stakeholders. It is essentially a system by which Companies are directed and controlled by the management in the best interest of all stakeholders.

Aarvee Denims & Exports Limited firmly believes that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. The Company has a strong legacy of fair, transparent and ethical governance practices. This has been further strengthened by the adoption of the Code of Conduct for its employees, including the Managing Director and adoption of a Code of Conduct for its Non-Executive Directors.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS

Composition/Category of Directors/Attendance at Meeting/Directorships and Committee Memberships in other Companies as on 31st March, 2017

Name of Director	Category	Inter-se Relationship	Numbers of Board Meetings		No. of outside Directorships held as on 31-03-2017	No. of Outside Committee position held		Whether attended last AGM held on 28-09-2016
			Held during the year	Attended during the Year		as member	as Chairman	
Mr. Vinod P. Arora (Chairman & Managing Director)	Promoter, Non Independent and Executive Director	Son of Mr. Parmanand Arora and Brother of Mr. Rajesh Arora	4	4	2	0	0	Yes
Mr. Ashish V. Shah (Managing Director)	Promoter, Non Independent and Executive Director	Brother of Mr. Kalpesh Shah	4	4	6	0	0	Yes
Mr. Kalpesh V. Shah (Whole Time Director)	Promoter, Non Independent and Executive Director	Brother of Mr. Ashish Shah	4	3	3	0	0	Yes
Mr. Parmanand T. Arora (Director)	Promoter, Non Independent and Non-Executive Director	Father of Mr. Vinod Arora and Mr. Rajesh Arora	4	4	1	0	0	No

AARVEE DENIMS AND EXPORTS LTD.

Name of Director	Category	Inter-se Relationship	Numbers of Board Meetings		No. of outside Directorships held as on 31-03-2017	No. of Outside Committee position held		Whether attended last AGM held on 28-09-2016
			Held during the year	Attended during the Year		as member	as Chairman	
Mr. Rajesh P. Arora (Director)	Promoter, Non Independent and Non-Executive Director	Son of Mr. Parmanand Arora and Brother of Mr. Vinod Arora	4	4	2	0	0	No
Mr. Sanjay S. Majmudar (Director)	Independent Non-executive		4	4	5	3	4	Yes
Mr. Ashok C. Gandhi (Director)	Independent Non-executive		4	4	4	10	1	Yes
Mr. Arvind D. Sanghvi (Director)	Independent Non-executive		4	2	2	3	0	No
Mr. Amol R. Dalal (Director)	Independent Non-executive		4	4	1	1	2	No
Ms. Shiavni Shah (Director)	Independent Non-executive		4	3	0	0	0	No

Note:

1. Outside Directorship does not include Directorship in Private Limited Companies and Section 8 Companies and clubs.
2. The number of outside committee position held includes Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee.

The Company held 4 Board Meetings during 2016-17 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held were: 28th May, 2016, 10th August, 2016, 10th November, 2016 and 11th February, 2017.

Shareholding of Non Executive Directors as on 31st March, 2017

Name of Director	No. of Shares held
Mr. Parmanand T. Arora	18,99,533
Mr. Rajesh P. Arora	10,72,645
Mr. Sanjay Majmudar	-
Mr. Ashok Gandhi	-
Mr. Amol Dalal	4,904
Mr. Arvind Sanghvi	-
Ms. Shivani Shah	-

Familiarization Programme for Independent Directors

The Company has formulated a policy to familiarize the Independent Directors with the Company, their roles, rights, responsibilities of Company, nature of Industry in which the Company operates, business

model of the Company etc., through various programmes are regularly updated on the website of the Company.

Web link is: <http://www.aarveedenims.com/wp-content/uploads/2017/02/familiarization-programme-independent-director.pdf>

3. AUDIT COMMITTEE

(i) Brief Description of Terms of reference

The Company has an Audit Committee at the Board level with powers and role that are in accordance with Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee and power of this committee are in accordance with the requirements of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

(ii) Composition and Attendance during the year

All members of the Committee are financially literate. Mr. Sanjay Majmudar Chairman of the Committee is a qualified practicing Chartered Accountant, having the relevant accounting and financial management expertise.

The Composition and attendance of Audit Committee Meeting are given below:

Name of Member	Designation	Category	No. of Meetings	Meetings attended
Mr. Sanjay Majmudar	Chairman	Independent – Non-Executive Director	4	4
Mr. Ashok C. Gandhi	Member	Independent – Non-Executive Director	4	4
Mr. Amol Dalal	Member	Independent – Non-Executive Director	4	4

The Audit Committee met 4 times during the year and gap between two meetings did not exceed four months. The dates on which Audit Committee Meetings were held were: 28th May, 2016, 10th August, 2016, 10th November, 2016 and 11th February, 2017. Necessary quorum was present at above Meetings.

During the year, Audit Committee reviewed key audit findings covering operational, financial and compliance areas. Risk mitigation plans covering key risks affecting the Company were presented to the Committee. The Chairman of Committee briefs Board members about significant discussions at Audit Committee Meetings.

The meetings of Audit Committee are usually attended by Chief Financial Officer, Internal Auditor, Company Secretary and a representative of the Statutory Auditors. The Business and Operation Heads are invited to the Meetings, when required. The Company Secretary acts as the secretary to Committee.

The Chairman of Audit Committee, Mr. Sanjay Majmudar was present at the Annual General Meeting of the Company held on 28th September, 2016.

4. NOMINATION & REMUNERATION COMMITTEE

(I) Brief description of terms of reference

The Company has complied with requirements of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013 as regards composition of Nomination and remuneration Committee.

The terms of reference, roles, authority and Powers of the Nomination and Remuneration Committee are in accordance with the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015

(II) Composition and attendance during the year

The composition of the Committee and details of Meetings attended by Directors during the year are given below:

Name of Member	Designation	Category	No. of Meetings	Meetings attended
Mr. Sanjay Majmudar	Chairman	Independent – Non-Executive Director	2	2
Mr. Ashok C. Gandhi	Member	Independent – Non-Executive Director	2	2
Mr. Amol Dalal	Member	Independent – Non-Executive Director	2	2

The Committee met two times during the year, on 10th August, 2016 and 14th December, 2016.

The Chairman of the Nomination and Remuneration Committee, Mr. Sanjay Majmudar was present at the Annual General Meeting of the Company held on 28th September, 2016.

Performance Evaluation of Directors and Board

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company, the assessment of time devoted by the Board on the Company's long term goals and strategies, Board effectiveness, quality of discussions at the meetings of the Board, time spent and quality of discussions.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its various Committees

The overall outcome of this exercise to evaluate effectiveness of the Board and its Committees was positive and members expressed their satisfaction.

(III) Remuneration Policy**Remuneration to Non-executive Directors**

The Non-Executive Directors are paid remuneration by way of Sitting Fees for each Meeting of the Board or Committee of Directors attended by them. The Non-Executive Director/Independent Directors do not have any material pecuniary relationship or transactions with the Company

Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman and Managing Director and Whole-time Director is governed by the recommendation of the Remuneration & Nomination Committee, Resolutions passed by the Board of Directors and Shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of Chairman and Managing Director and Whole-time Director comprises of salary, perquisites and allowances, and contributions to Provident Fund as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Remuneration and Nomination Committee and recommended to the Board for approval thereof. The remuneration policy is directed towards rewarding performance, based on review of achievements.

Presently, the Company does not have a stock options scheme for its Directors.

The Remuneration and Nomination Policy is displayed on the Company's website viz. www.aarvee-denims.com

(IV) Details of remuneration of Directors

The details of remuneration paid to Directors for the year ended 31st March, 2017 are as follows:

(Amount in ₹)

Name of Director	Salaries	Sitting Fees	Total
Mr. Vinod P. Arora	36,00,000/-	Nil	36,00,000/-
Mr. Ashish V. Shah	30,00,000/-	Nil	30,00,000/-
Mr. Kalpesh V. Shah	18,00,000/-	Nil	18,00,000/-
Mr. Parmanand T. Arora	Nil	Nil	Nil
Mr. Rajesh P. Arora	Nil	Nil	Nil
Mr. Sanjay S. Majmudar	Nil	49,500/-	49,500/-
Mr. Ashok C. Gandhi	Nil	49,500/-	49,500/-
Mr. Amol R. Dalal	Nil	49,500/-	49,500/-
Mr. Arvind D. Sanghvi	Nil	4,500/-	4,500/-
Ms. Shivani D. Shah	Nil	13,500/-	13,500/-

5. STAKEHOLDERS' GRIEVANCES AND RELATIONSHIP COMMITTEE
(i) Share Transfer Committee

The Board has long back constituted a share transfer committee consisting of three executive directors.

The committee meets at frequent intervals, to approve inter-alia, transfer/transmission of shares, deletion of names, split/consolidation of shares etc. Details of shares transfer/transmissions approved by the committee are placed at the Board meetings from time to time.

Committee consists of Mr. Vinod P. Arora, Chairman, Mr. Ashish V. Shah, Member & Mr. Kalpesh V. Shah, Member.

(ii) Stakeholder / Investors Grievance and Relationship Committee

The Company has complied with the requirements of Regulation 20 of SEBI (Listing obligations and disclosure Requirements) Regulations, 2015 and pursuant to provision of Companies Act, 2013 as regards to composition of this Committee.

Terms of reference, authority and powers of the Stakeholders Relationship Committee are in accordance with the requirements of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Composition and attendance during the year

The composition of Committee and details of Meetings attended by Directors during the year are given below:

Name of Member	Designation	Category	No. of Meetings	Meetings attended
Mr. Amol Dalal	Chairman	Independent – Non-Executive	4	4
Mr. Vinod P. Arora	Member	Chairman and Managing Director	4	4
Mr. Kalpesh V. Shah	Member	Whole Time Director	4	4

The committee met four times during the year viz. 11th April, 2016, 11th July, 2016, 24th October, 2016 and 11th February, 2017 and all three members of committee were present at above meetings.

Name and Designation of Compliance officer : Mr. Sharvil B. Suthar, Company Secretary

The details of the complaint received/solved/pending during the year are as below:

Sr. No.	Nature of Complaint	Complaints received	Complaints solved	Complaints pending
1.	Non receipt of shares certificate after transfer etc.	-	-	-
2.	Non receipt of dividend warrants	02	02	Nil
3.	Query regarding demat credit	-	-	-
4.	Others	-	-	-
	Total	02	02	Nil

Code of Conduct

The Company has adopted the Code of Conduct for all employees of the Company, including the Managing Director. The Board has also approved a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. Both the Codes are posted on the Company's website.

All Board members and senior management personnel (as per Regulation 26 (3) of the Listing Regulations) have affirmed compliance with the applicable Code of Conduct. A declaration to this effect, signed by the CEO forms part of this Report.

Apart from receiving remuneration that they are entitled to under the Companies Act, 2013 as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its subsidiaries and associates.

The Directors and senior management of the Company have made disclosures to the Board confirming that there are material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large at arm's length basis.

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 11th February, 2017, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations. At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- 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.

All Independent Directors of the Company attended the Meeting of Independent Directors. Mr. Sanjay Majmudar chaired the Meeting.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of reference

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013. The Committee has been constituted with the following terms of reference:

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount to be spent on the CSR activities.
- Monitor the Company's CSR Policy periodically.

- Attend to such other matters and functions as may be prescribed from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. The Annual Report on CSR activities for the year 2016-17 forms a part of the Directors' Report.

Composition and attendance during the year

The composition of Committee and details of Meetings attended by Directors during the year are given below:

Name of Member	Designation	Category	No. of Meetings	Meetings attended
Mr. Ashish V. Shah	Chairman	Managing Director	1	1
Mr. Vinod P. Arora	Member	Chairman and Managing Director	1	1
Mr. Amol Dalal	Member	Independent – Non-Executive	1	1

The committee met one time during the year viz. 11th February, 2017.

7. GENERAL BODY MEETINGS

- a. Location, date and time of Annual General Meetings held during the last 3 years and special resolutions passed

Date	Location	Time	No. of Special Resolution passed
28 th September, 2016	191, Shahwadi, Nr. Old Octroi Naka, Narol Sarkhej Highway, Narol, Ahmedabad: 382 405	10:00 A.M.	1
28 th September, 2015	191, Shahwadi, Nr. Old Octroi Naka, Narol Sarkhej Highway, Narol, Ahmedabad: 382 405	10:00 A.M.	4
30 th September, 2014	191, Shahwadi, Nr. Old Octroi Naka, Narol Sarkhej Highway, Narol, Ahmedabad: 382 405	10:00 A.M.	10

- b. No special resolution was put through postal ballot in the last AGM nor is any resolution proposed for this year.
- c. No Extra Ordinary General Meeting was held in the last financial year.

8. DISCLOSURES

- (i) All transactions entered into with Related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations during the financial year 2016-17 were undertaken in compliance with aforesaid regulatory provisions. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.
- (ii) There has been no non-compliance by the Company on any matter related to capital markets. Hence the question of penalties or strictures being imposed by SEBI or the Stock exchanges or any other statutory authorities does not arise
- (iii) The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

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- (iv) **CEO / CFO Certification:** The Chief Executive Officer and the Chief Financial Officer have certified to the Board in accordance with Part B of Schedule II to the Listing Regulations pertaining to CEO/ CFO certification for the Financial Year ended 31st March, 2017.
- (v) **Risk Management Policy:** The Company has a well-defined risk management framework in place. The Company periodically places before the Audit Committee and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company.
- (vi) The Company has complied with all the mandatory and non-mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Clauses (b) to (i) of Regulation 46 (1) & (2) relating to the dissemination of information on the website of the Company.
The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations, is as under:
The following non-mandatory requirements have been adopted by the Company:
 - a. Financial statements of Company are unqualified and Members' attention is invited to the observation made by the Auditors under "Emphasis of Matter" appearing in the Auditors' Report.
 - b. The Company has appointed separate persons to the posts of Chairman and Managing Director and CEO.
 - c. The Internal Auditors report directly to the Audit Committee.
- (vii) The policy on dealing with related party transactions is disclosed on the Company's website at the following web link: <http://www.aarveedenims.com/wp-content/uploads/2017/02/related-party-transaction-policy.pdf>

9. MEANS OF COMMUNICATION

- (i) The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges within Thirty minutes of close of the meeting and are published in the national English newspaper- **Indian Express** and in vernacular (Gujarati) daily newspaper- **Financial Express**, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- (iii) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communications to the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE listing Module. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.
- (iv) The Company's financial results and official press releases are displayed on the Company's website – www.aarvee-denims.com.
- (v) The "Investors" section on the website gives information relating to financial results, annual reports, shareholding pattern. Information about unclaimed dividends is also available on the website of the Company.
- (vi) Material events or information, as detailed in Regulation 30 of the Listing Regulations, are disclosed to the Stock Exchanges by filing them with NSE through NEAPS and with BSE through BSE Online Portal. They are also displayed on the Company's website.
- (vii) Management discussion & analysis is a part of Annual Report attached herewith.

10. GENERAL SHAREHOLDER INFORMATION

The Company is registered in the State of Gujarat having Corporate Identification Number (CIN) as allotted by Ministry of Corporate Affairs (MCA) as L17110GJ1988PLC010504.

i. Annual General Meeting

Date : 8th September, 2017

Time : 10:00 A.M.

Venue : 191, Shahwadi, Near Old Octroi Naka, Narol-Sarkhej Highway,
Narol, Ahmedabad- 382 405.

ii. Financial year: April to March

Financial results will be declared as per the following schedule:

Particular	Tentative schedule
Quarterly un-audited results	
Quarter ending 30 th June, 2017	On or before 14 th September, 2017
Quarter ending 30 th September, 2017	On or before 14 th November, 2017
Quarter ending 31 st December, 2017	On or before 14 th February, 2018
Annual audited result	
Year ended 31 st March, 2018	On or before 30 th May, 2018

iii. Date of Book Closure : 01-09-2017 to 08-09-2017 (Both days inclusive)
iv. Dividend Payment Date : Director of the company is not recommended any dividend for the financial year ended on 31st March, 2017.

v. Listing on stock exchange : The Company's Equity Shares are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd (NSE)

The Company has paid the Annual Listing fees to the Stock Exchanges for the financial year 2017-18.

vi. Stock Code

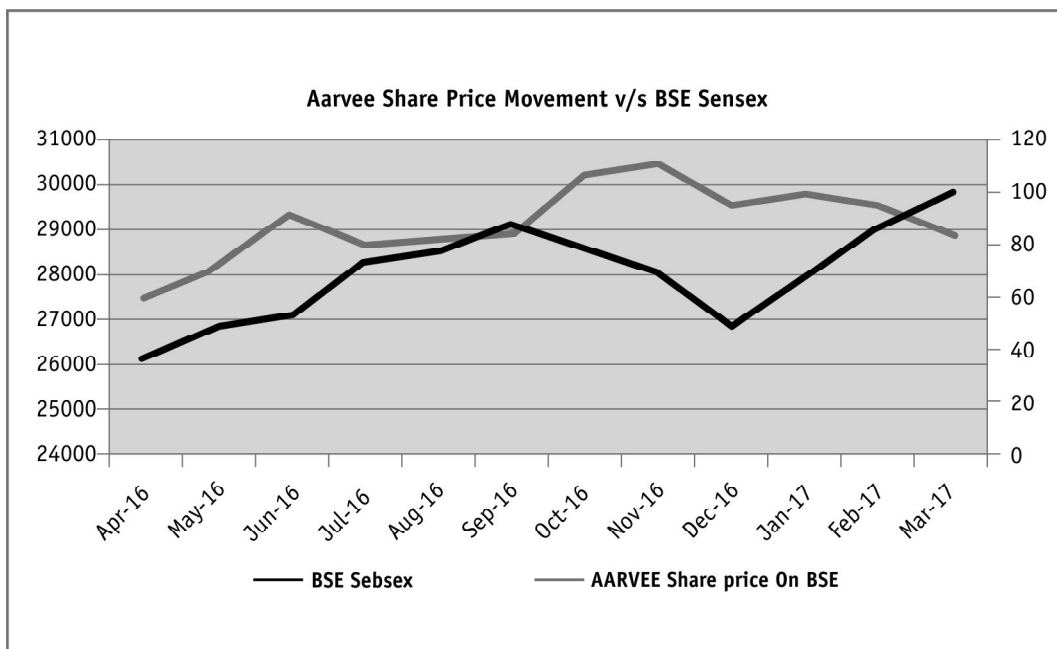
Stock Code on BSE : 514274

Stock Code on NSE : AARVEEDEN

Demat ISIN No. for NSDL and CDSL : INE273D01019

vii. Market price

MONTH	BSE			NSE		
	High (₹)	Low (₹)	Turnover (₹)	High (₹)	Low (₹)	Turnover (₹)
Apr-16	59.80	50.95	8,05,882	60.00	51.50	34,38,000
May-16	70.80	52.20	42,93,772	65.80	53.00	1,20,70,000
Jun-16	91.00	55.65	6,25,14,756	90.90	57.05	23,48,55,000
Jul-16	80.15	69.10	63,46,425	79.80	68.10	2,98,59,000
Aug-16	82.40	67.05	1,19,19,619	82.40	67.20	3,29,11,000
Sep-16	84.40	70.25	1,08,00,402	84.70	66.20	2,69,15,000
Oct-16	106.80	73.80	6,01,17,845	106.40	73.65	20,06,61,000
Nov-16	110.90	73.60	2,15,70,916	111.00	71.80	6,38,23,000
Dec-16	94.80	76.25	1,35,39,304	93.20	71.80	5,54,90,000
Jan-17	99.25	79.40	1,98,04,576	99.25	78.70	6,17,17,000
Feb-17	95.00	72.55	67,00,734	95.95	70.80	2,34,29,000
Mar-17	83.40	72.00	80,41,421	83.55	70.00	2,16,77,000



viii. Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd. 506 TO 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006.

Phone & Fax Nos. 079-26465179/86/87

Email: ahmedabad@linkintime.co.in, Website: www.linkintime.co.in

ix. Share Transfer System

As per the SEBI guidelines shares are transferred by the aforesaid Registrars & Transfer Agent. The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects.

x. Secretarial Audit

- a. Mr. Tapan Shah, Practicing Company Secretaries have conducted a Secretarial Audit of the Company for the year 2016-17. His Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act, 2013 and the Rules made there under, Listing Agreements with the Stock Exchanges, Listing Regulations, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.
- b. 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.
- c. A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit pursuant to the Regulation 55A of the SEBI (Depositories and Participant) Regulation, 1996, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (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 dematerialized form (held with NSDL and CDSL).

xi. Distribution of Shareholding as on 31-03-2017

Sr. No.	Category (Shares)	Shareholders		Shareholding	
		Numbers	Percentage	Numbers	Percentage
1	1-500	9422	92.8642	1261158	5.3758
2	501-1000	384	3.7847	311872	1.3294
3	1001-2000	168	1.6558	261581	1.1150
4	2001-3000	46	0.4534	118485	0.5051
5	3001-4000	27	0.2661	96111	0.4097
6	4001-5000	17	0.1676	81289	0.3465
7	5001-10000	31	0.3055	223030	0.9507
8	Above 10000	51	0.5027	1,38,494	0.59
	Total	10146	100.00	2,34,59,800	100.00

xii. Shareholding Pattern as on 31-03-2017

Sr. No.	Category	No. of Shares held	% of Shareholding
A	PROMOTERS' HOLDINGS		
1	Promoters		
	Indian Promoters/Person Acting in Concert	1,54,36,303	65.80
	Foreign Promoters	-	-
	Sub Total	1,54,36,303	65.80
B	PUBLIC		
1	Institutional Investors		
	a. Mutual Funds	-	-
	b. Banks/Financial Institutions	300	-
	c. Insurance Companies	4,93,758	2.10
	d. FIIs	-	-
	e. Foreign Financial Institution	33,65,600	14.34
	Sub Total	38,59,658	16.45
2	Non Institutional Investors		
	a. Private Corporate Bodies	1,31,161	0.56
	b. Indian Public	22,69,851	9.68
	c. NRIs	15,34,885	6.53
	d. HUF	1,04,360	0.44
	e. Trust	80,000	0.34
	f. Clearing Members	43,582	0.19
	Sub Total	41,63,839	17.75
	Grand Total	2,34,59,800	100.00

xiii. Dividend declared for the last 10 years

Financial Year	% Dividend per shares
2006-07 (Interim Div.)	5
2006-07 (Final Div.)	5
2009-10 (Interim Div.)	5
2009-10 (Final Div.)	5
2010-11 (Interim Div. considered as Final Div. 2010-11)	5
2012-13 (Interim Div. considered as Final Div. 2012-13)	5

xiv. Dematerialisation of Shares and liquidity

Electronic/ Physical	No of Shares	Percentage %
NSDL	22125181	94.31
CDSL	656506	2.80
Physical	678113	2.89
TOTAL	2,34,59,800	100.00

As on 31st March, 2017, 2,27,81,687 (97.11%) Equity Shares of the Company were dematerialized. 100% promoters share holdings are in dematerialized form.

xv. Plant Location**a. Registered Office and Vijay Farm Unit**

191, Shahwadi, Nr. Old Octroi Naka, Narol – Sarkhej Highway, Ahmedabad-382 405

b. Narol Unit

188/2, Ranipur Village, Opp. CNI Church, Narol, Ahmedabad-382 405

c. Spinning Plant-I

Survey No. 215-217, Village Sari, Sarkhej-Bavla Highway,
Tal. Sanand, Dist. Ahmedabad -382 210

d. Spinning Plant-II

Survey No. 212/2 -212/4, Village Sari, Sarkhej-Bavla Highway,
Tal. Sanand, Dist. Ahmedabad -382 210.

xvi. Address for correspondence

In case any problem or query, shareholders can contact at:

Company Secretary**Aarvee Denims and Exports Limited**

191, Shahwadi, Near Old Octroi Naka, Narol Sarkhej
Highway, Narol, Ahmedabad - 382 405

Phone : 91-079- 30417000

Fax : 91-079- 30417070

Email : cs@aarvee-denims.com

Shareholders may also contact Company's Registrar & Share Transfer Agent at:

Name : Link Intime India Pvt. Ltd.

Address : 506 TO 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380 006.

Phone & Fax : 91-079- 26465179/86/87

Email : ahmedabad@linkintime.co.in; **Website:** www.linkintime.co.in

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

Annexure to Corporate Governance Report

To,

The Members of Aarvee Denims and Exports Limited

Declaration by the Chief Executive Officer under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, hereby declare that that all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2017.

Subhasish Bandyopadhyay

CEO

Date : 28/07/2017

Place : Ahmedabad

CERTIFICATION

(Pursuant to Regulation 17(8) of (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Board of Directors

We hereby certify that:

- a.** We have reviewed Financial Statements and the Cash Flow Statement for the year ended **31st March 2017** and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b.** There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d.** We have indicated to the auditors and the Audit committee –
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date : 28/07/2017

Place : Ahmedabad

Subhasish Bandyopadhyay

CEO

Bhavik Shukla

CFO

AARVEE DENIMS AND EXPORTS LTD.**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

Registration No.: L17110GJ1988PLC010504

Nominal Capital: ₹ 50,00,00,000/-

To,

The Members of

AARVEE DENIMS AND EXPORTS LTD

Ahmedabad

I have examined the compliance of conditions of corporate governance by **AARVEE DENIMS AND EXPORTS LIMITED**, for the year ended on March 31, 2017 as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the mandatory conditions of corporate governance as above mentioned Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchanges.

I further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

TAPAN SHAH

Practicing Company Secretary

Membership No. : **FCS4476**C P No. : **2839**

Place : Ahmedabad

Date : 28.07.2017

MANAGEMENT DISCUSSION AND ANALYSIS**DISCLAIMER**

Statements in the Directors' Report & Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principle markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

Overall Review

The vast sweep of Indian textiles extends from the hand-woven sector on one end to the capital intensive mill sector on the other. The segments include the decentralized powerlooms, hosiery and knitting sectors; the handloom and handicrafts segments; as also the wide range of fibers which include man-made fiber, cotton, silk, jute and wool. The Indian textile industry has inherent linkage with agriculture and with culture and traditions of the country making for its versatile spread of products appropriate for both domestic and export markets. The textile industry contributes to 10% of manufacturing productions, 2% of India's GDP and to 13% of the country's export earnings. With over 45 million people employed directly, the textile industry is one of the largest sources of employment generation in the country.

OUTLOOK**Indian Market**

India is now a fast emerging market inching to reach half a billion middle income population by 2030. All these factors are good for the Indian textile industry in a long run. Even though the global economic crisis seems to be worsening day-by-day, as long as economies are emerging and growing as those in South and South East Asia, textile industry is here to grow provided it takes competition and innovation seriously. The Indian textile industry has capacity to produce a wide variety of products suitable to different market segment, both within India and across the world.

Future Prospects

The future of the textile industry seems to be bright in all aspects. The Government has come up with a number of export promotion policies for textile sectors. It has also allowed 100 per cent FDI in the textile sector under the automatic route. Textiles are one of the key strategic sectors of Indian labour intensive manufacturing, both due to global and domestic factors. It is one of the largest revenue and foreign exchange earners and among the top sectors that guarantee employment to millions of Indians. Considering its inherent potential to spur multiplier growth impact, the Govt. of India has set the onus on itself to achieve revenues of USD 260 billion by year 2020.

SWOT Analysis of Denim Industry:**Strengths**

- Existence of sufficient productive capacity.
- Managements with professional and business background.
- Existence of qualified technical personnel.
- Easy availability of raw materials.
- Large domestic market.
- Abundant availability of excellent quality cotton suitable for denim.
- Rapidly growing Indian Fiber industry

Weaknesses

- Non availability cost efficient skilled labour.
- Huge dependency on Cotton

AARVEE DENIMS AND EXPORTS LTD.

- Not ready for diversification of products.
- Fluctuation of Indian Rupees

Opportunities

- Growing domestic and international demands.
- Indian market is most reliable and efficient market for US, Europe & UK. Buyers.
- Product mix and product diversification.

Threats

- Entry of multinational in domestic markets.
- Striking a balance between the quality and price of products.
- Competing with other progressing countries like China.
- Fast changing fashion and fabric demands.
- Environmental and international labor laws

Review of Operations:

During the year under review, the Company has earned Profit before Tax (PBT) of ₹ 213.03 lakh and Profit after Tax (PAT) of ₹ 118.60 lakh as compared to PBT of ₹ 845.85 lakh and PAT of ₹ 702.65 lakh during the Previous Year.

Consumption of Raw Materials increased by 8.60% to ₹ 52273.89 Lakh from ₹ 48132.47 Lakh, mainly due to sharp rise in Cotton prices. Average cotton prices during the year under review were higher by almost 15% as compared to previous year.

Operating Margins (EBIDTA) was down by 109 bps, primarily due to increase in raw material prices. The EBIDTA of the company was ₹ 7282.24 Lakh as on 31.03.2017.

Power and Fuel Cost increased to ₹ 11223.33 Lakh from ₹ 10511.15 Lakh, mainly due to increase in unit rate of electricity.

Finance Cost remained almost at the same level of ₹ 3763.40 Lakh during the year as compared to ₹ 3731.50 Lakh for the previous year.

Profit after tax was ₹ 118.60 Lakh as against ₹ 702.65 Lakh for the previous year.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has appropriate internal control systems for business processes, with regard to efficiency of operations, financial reporting, compliance with applicable laws and regulations etc. All operating parameters are monitored and controlled. Regular internal audits and checks ensure that responsibilities are executed effectively. The system is improved and modified continuously to meet with changes in business conditions, statutory and accounting requirements. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them, from time to time.

RISK AND CONCERNS

The Company is exposed to specific risks that are particular to its business and environment within which it operates, including Foreign Exchange Risk, Interest Rate Risk, Commodity Price Risk, Risk of Product Concentration and other Business Risk. While risk is an inherent aspects of any business, the Company is conscious of the need to have an effective monitoring mechanism and has put in place appropriate measure for its mitigation including business portfolio risk, financial risk and legal risk and internal process risk.

HUMAN RESOURCES DEVELOPMENT / INDUSTRIAL RELATION

The Company rely that the health and safety of the workers and the persons residing in the vicinity of its plants is fundamental to the business. Commitment to the identification and elimination or control of the workplace hazards for protection of all is utmost importance. The manufacturing operations are conducted to ensure sensitivity towards the environment and minimize waste by encouraging "Green" practices.

The Company continued to enjoy healthy industrial relations during the year.

CONCLUSION

To conclude, the performance of the company during the year 2016-17 was remained at satisfactory level. In spite of lots of challenges like sluggish export market, increase in power and fuel costs and high volatility in the prices of raw materials and vast competition from local market, the performance of the company was satisfactory. The significant challenge however will be due to mismatch in the demand and supply scenario of denim fabric in the domestic market and pressure on the price realization. By implementing cost effective measures and aggressive marketing strategies the company will achieve further improvement in its performance and serve the stakeholder's in a way ahead.

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

Deloitte Haskins & Sells
Chartered Accountants
19th floor, Shapath-V,
S.G. Highway,
Ahmedabad 380 015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AARVEE DENIMS AND EXPORTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of AARVEE DENIMS AND EXPORTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Notes 31 (a) and 31 (b) to the financial statements regarding the insurance claims of ₹ 1,109.72 Lakh shown as receivable from the insurance companies. For the reasons stated in the Notes and based on the Company's understanding of the terms of the insurance policies and related follow-ups with the insurance company, the management is confident about recovery of the claims.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For N.C. Shah & Associates

Chartered Accountants
(Firm's Registration No.: 109692W)

Nitin C. Shah
Proprietor
Membership No. 34633
AHMEDABAD, 26th May, 2017

For Deloitte Haskins & Sells

Chartered Accountants
(Firm's Registration No.: 117365W)

Gaurav J. Shah
Partner
Membership No. 35701
AHMEDABAD, 26th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF AARVEE DENIMS & EXPORTS LIMITED

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Aarvee Denims & Exports Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us; the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N.C. Shah & Associates

Chartered Accountants
(Firm's Registration No.: 109692W)

Nitin C. Shah
Proprietor
Membership No. 34633
AHMEDABAD, 26th May, 2017

For Deloitte Haskins & Sells

Chartered Accountants
(Firm's Registration No.: 117365W)

Gaurav J. Shah
Partner
Membership No. 35701
AHMEDABAD, 26th May, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF AARVEE DENIMS AND EXPORTS LIMITED

(Referred to in paragraph (2) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals.
- (c) According to the information and explanation given to us, no material discrepancies were noticed on such verification. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of paragraph 2 of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ In Lacs)	Amount Unpaid (₹ In lacs)
Central Excise Act, 1944	Service Tax	Custom, Excise & Service Tax Appellate Tribunal, Ahmedabad	April 2006 to March 2008	55.44	55.44
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeal)	2011-12	19.45	19.45
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeal)	2010-11	5.36	5.36

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not borrowed from Government and also the Company has not issued debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 2 of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For N.C. Shah & Associates

Chartered Accountants

(Firm's Registration No.: 109692W)

Nitin C. Shah

Proprietor

Membership No. 34633

AHMEDABAD, 26th May, 2017

For Deloitte Haskins & Sells

Chartered Accountants

(Firm's Registration No.: 117365W)

Gaurav J. Shah

Partner

Membership No. 35701

AHMEDABAD, 26th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(Amt. in Lakh)

Particulars	Note	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share capital	2	2,345.98	2,345.98
Reserves and surplus	3	24,421.10	24,043.06
		26,767.08	26,389.04
2 Non-current liabilities			
Long-term borrowings	4	4,198.70	4,563.25
Deferred tax liabilities (Net)	5	4,052.85	3,963.86
Other Long term liabilities	6	390.23	403.20
Long-term provisions	7	71.60	126.26
		8,713.38	9,056.57
3 Current liabilities			
Short-term borrowings	8	29,722.77	30,231.32
Trade payables	9	-	-
a) Total O/s dues of Micro & Small Enterprises	-	-	-
b) Total O/s dues of Creditors other than Micro & Small Enterprises		15,195.05	12,515.73
Other current liabilities	10	2,383.30	4,102.91
Short-term provisions	11	74.42	155.72
		47,375.54	47,005.68
TOTAL		82,856.00	82,451.29
II. ASSETS			
1 Non-current assets			
Fixed assets	12		
Tangible assets		37,108.78	36,688.97
Intangible assets		75.25	0.81
Capital work-in-progress		539.00	66.68
Long-term loans and advances	13	1,504.52	2,343.43
		39,227.55	39,099.89
2 Current assets			
Inventories	14	15,866.12	17,663.04
Trade receivables	15	24,002.52	21,228.60
Cash and Bank Balances	16	1,871.59	1,436.98
Short-term loans and advances	17	429.32	567.42
Other current assets	18	1,458.90	2,455.36
		43,628.45	43,351.40
TOTAL		82,856.00	82,451.29
See accompanying notes forming part of financial statements	1 to 40		

In terms of our report attached

For N.C.Shah & Associates
Chartered Accountants
(Firm Reg. No. 109692W)
Nitin C. Shah
Proprietor
(Membership No. 34633)

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Reg. No. 117365W)
Gaurav J. Shah
Partner
(Membership No. 35701)

For and on behalf of the Board of Directors

Vinod P. Arora
Chairman & MD
(DIN:00007065)
Sharvil B. Suthar
Company Secretary
Place : Ahmedabad
Date : 26th May 2017

Kalpesh V. Shah
Whole Time Director
(DIN:00007262)
Bhavik N. Shukla
C.F.O.

Place : Ahmedabad
Date : 26th May 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amt. in Lakh)

Particulars	Note	2016-17	2015-16
I. Income:	19		
Sale of Products		83,774.97	82,965.58
Less: Excise Duty		20.08	11.75
Revenue from operations (Net)		83,754.89	82,953.83
Other Operating Revenue		666.50	1,168.67
II. Other income	20	130.70	384.04
III. Total Revenue (I + II)		84,552.09	84,506.54
IV. Expenses:			
Cost of materials consumed	21	52,273.89	48,132.47
Changes in inventories of finished goods and semi finished goods	22	(1,264.62)	2,467.82
Employee benefits expense	23	5,487.19	5,226.55
Finance costs	24	3,763.40	3,731.50
Depreciation and amortization expense	12	3,305.79	3,064.42
Other expenses	25	20,773.41	20,564.73
V. Total expenses		84,339.06	83,187.49
VI. Profit before Exceptional Item and Tax (III- V)		213.03	1,319.05
VII. Exceptional Item	30	-	473.20
VIII. Profit before Tax (VI-VII)		213.03	845.85
IX. Tax expense:			
Current tax		100.80	186.46
Short tax provision in earlier years		2.05	1.59
Mat Credit Entitlement		(97.40)	(172.45)
Deferred tax		88.98	127.60
X. Profit for the year (VIII-IX)		118.60	702.65
XI. Earnings per equity share of face value of ₹ 10 each	26		
Basic & Diluted (in ₹)		0.51	2.99
See accompanying notes forming part of financial statements	1 to 40		

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Amt. in Lakh)

Particulars	2016-17	2015-16
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per the Statement of Profit and Loss	213.03	845.85
Adjustments for :		
Depreciation and amortization expense	3,305.79	3,064.42
Unrealised Foreign Exchange Fluctuation (Gain)/Loss	(11.99)	(73.16)
Foreign Exchange (Gain)/Loss -Others	554.22	284.71
Finance Cost	3,763.40	3,731.50
Net Loss on sale of Fixed Assets	-	470.47
Interest Received	(109.27)	(96.35)
Provision for Doubtful Trade Receivable	264.68	-
Bad Debts	19.84	-
Sundry Balance written off	8.47	7.04
Insurance Claim Written off / (Written Back)	-	212.56
Operating profit before working capital changes	8,008.17	8,447.03
Adjustments for :		
Trade Receivables	(3,096.54)	(3,952.54)
Inventories	2,426.30	(970.23)
Other Current Assets	231.36	387.77
Long Term Loans & Advances	(7.80)	(82.90)
Short Term Loans & Advances	95.09	4.29
Other Current Liabilities	84.68	57.11
Short Term Provisions	(81.30)	148.78
Long Term Provisions	(54.66)	(213.65)
Non Current Liabilities	(12.97)	(103.88)
Trade Payables	2,127.60	4,013.00
Cash Generated From Operations	9,719.93	7,734.81
Income Taxes Paid	(59.84)	(241.66)
Net Cash From Operating Activities (A)	9,660.09	7,493.15
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Fixed Assets Including Capital Advances	(3,685.52)	(4,151.83)
Proceeds from sale of Fixed Assets	507.28	146.85
Bank Balances not considered as Cash and Cash Equivalents -		
Earmarked Bank Balance	(718.78)	141.98
Interest Received	94.97	99.47
Net Cash used in Investing Activities (B)	(3,802.05)	(3,763.53)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Amt. in Lakh)

Particulars	2016-17	2015-16
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) of Secured Borrowings (Net)	(4,431.52)	(3,014.47)
Proceeds/ (Repayment) from Unsecured Borrowings (Net)	2,351.65	3,464.05
Finance cost	(3,761.21)	(3,530.51)
Dividend paid	2.53	0.03
Gain /(Loss) on forward covers and derivative instrument	(294.78)	(193.32)
Net Cash used in Financing Activities (C)	(6,133.33)	(3,274.22)
Net changes in Cash & Cash Equivalents (A+B+C)	(275.29)	455.36
Cash and Cash Equivalents at the beginning of the year (Refer Note 16 (i))	465.56	21.49
Effect of Foreign Exchange Rate changes (Gain) / Loss	(6.36)	(11.29)
Cash and Cash Equivalents at the end of the year (Refer Note 16 (i))	183.91	465.56

See accompanying notes forming part of financial statements 1 to 40

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Proprietor

(Membership No. 34633)

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Whole Time Director

(DIN:00007262)

Bhavik N. Shukla

C.F.O.

Place : Ahmedabad

Date : 26th May 2017

SIGNIFICANT ACCOUNTING POLICIES
Corporate Information

AARVEE DENIMS AND EXPORTS LIMITED ("the company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in the manufacturing and selling of denim and non denim Fabrics, Garments. The company caters to both domestic and international markets.

1 SIGNIFICANT ACCOUNTING POLICIES
a. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention.

b. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c. Fixed Assets

Tangible and Intangible Assets are carried at cost less accumulated depreciation and impairment losses, if any. The Cost of Fixed Assets comprises of all expenses incurred on making the asset ready for its intended use. Borrowing costs directly attributable to the acquisition of qualifying fixed assets / construction are included in the cost of fixed assets.

The Company has adopted the provisions of para 46 / 46A of AS 11 - The Effects of Changes in Foreign Exchange Rates. Accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

In case of new projects / expansion of existing projects, expenditure incurred on making the asset ready for its intended use during construction / preoperative period including interest and finance charges on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same has been allocated to the respective fixed assets on completion of construction / erection of the capital project / fixed assets.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

d. Lease

Assets acquired under leases where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

e. Impairment of Assets

Impairment is recognised if carrying amount exceeds their recoverable amount. At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its

SIGNIFICANT ACCOUNTING POLICIES

disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

f. Depreciation /Amortization

All Tangible assets, except freehold land, leasehold land and capital work in progress, are depreciated on a straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Particulars	Depreciation
Plant & Machineries	Over the period of 30 to 40 years as technically assessed

Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the month of such addition / deletion as the case may be.

Amortization in respect of Intangible assets is provided on Straight Line basis over the period of under lying contract or estimated period of its economic life.

Leasehold land is amortized over the period of lease.

g. Investments

Long term investments are stated at cost. Current investments are carried individually, at lower of cost and market value. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

h. Inventories

Inventories are measured at lower of cost and net realizable value. Cost of raw materials, stores & spares parts are ascertained on FIFO basis. Cost for finished goods and process stock is ascertained on full absorption cost basis. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their present location & condition.

i. Government Grants:

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. Revenue grants are recognized in the statement of profit and loss. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

j. Revenue Recognition

Sales are recognized net of trade discounts, rebates and sales tax, on transfer of significant risks and rewards of ownership. It does not include interdivisional sales.

Revenue in respect of other item is recognized when no significant uncertainty as to its determination or realization exists.

k. Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

SIGNIFICANT ACCOUNTING POLICIES**l. Foreign Currency Transactions and Translations**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost. Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

m. Accounting for Forward Contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

n. Financial Derivatives and Commodity Hedging Transactions

In respect of financial derivatives and commodity hedging contracts, premium paid, losses on restatement and gains/losses on settlement are charged to the statement of profit and loss.

o. Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined Contribution Plan:

The Company's contribution to Provident Fund and employees state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the

SIGNIFICANT ACCOUNTING POLICIES

service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

p. Taxes on Income

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date. Deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets.

Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

q. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognized but are disclosed in the notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

r. Cash flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

s. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operation cycles as twelve months for the purpose of classification of assets and liabilities as current and non-current.

t. Insurance Claim

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

u. Segment reporting

The Company identifies primary segments based on dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are

SIGNIFICANT ACCOUNTING POLICIES

evaluated regularly by the Executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

v. Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

w. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with and original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amount of cash and which are subject to insignificant risk of changes in value.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
2. Share Capital (Amt. in Lakh)

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10/- each	35,000,000	3,500.00	35,000,000	3,500.00
13% Cumulative Redeemable Non Convertible Preference Shares of ₹ 10/- each	15,000,000	1,500.00	15,000,000	1,500.00
Issued, Subscribed & Fully Paid up				
Equity Shares of ₹ 10/- each fully paid up	23,459,800	2,345.98	23,459,800	2,345.98
Total	23,459,800	2,345.98	23,459,800	2,345.98

a. Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the Year;
(Amt. in Lakh)

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	23,459,800	2,345.98	23,459,800	2,345.98
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	23,459,800	2,345.98	23,459,800	2,345.98

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend & interim proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. During the year ended 31st March 2017, the amount of per share dividend recognized as distributions to equity shareholders was ₹ NIL (31st March 2016: ₹ NIL).

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
d. Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31 st March, 2017		As at 31 st March, 2016	
	Number	Amount	Number	Amount
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
DEG - Deutsche Investitions - und Entwicklungsge sellschaft mbH	3,365,600	14.34	3,373,100	14.38
Devangkumar Narendrakumar Sanghavi	1,490,000	6.35	1,490,000	6.35
Parmanand T. Arora	1,899,533	8.10	1,899,533	8.10
V.B. Investment Private Limited	1,988,165	8.47	883,200	3.76
Kashvi Investment Private Limited	1,388,200	5.92	707,600	3.02

3. Reserves and Surplus
(Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Capital Redemption Reserve		
As per last Balance Sheet	1,499.13	1,499.13
Securities Premium Account		
As per last Balance Sheet	2,807.10	2,807.10
General reserve		
As per last Balance Sheet	562.73	562.73
Foreign Currency Monetary Item Translation Difference		
As per last Balance Sheet	(253.35)	(344.74)
Foreign Currency Monetary Translation Difference	259.44	91.39
	6.09	(253.35)
Surplus in Statement of Profit and Loss		
As per last Balance Sheet	19,427.45	18,724.80
Add: Net Profit for the current year	118.60	702.65
	19,546.05	19,427.45
Total	24,421.10	24,043.06

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
4. Long Term Borrowings (Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Secured Loans		
Term loans from Banks: (Refer Note a, c & d below)	2,597.80	4,757.58
Less: Current maturities of long-term Loan (Refer Note 10)	(1,588.20)	(3,394.45)
	1,009.60	1,363.13
Term loans from Financial Institution: (Refer Note c & d below)	-	1,190.81
Less: Current maturities of long-term Loan (Refer Note 10)	-	-
	-	1,190.81
Buyers Credit from Banks: (Refer Note c & d below)	1,057.24	-
Less: Current maturities of long-term buyers credit (Refer Note 10)	-	-
	1,057.24	-
Vehicle Loans: (Refer Note b & d below)	31.78	53.63
Less: Current maturities of long-term Vehicle Loans (Refer Note 10)	(25.49)	(25.74)
	6.29	27.89
	2,073.13	2,581.83
Unsecured Loan from Others		
Loans from related parties (Refer Note No. 33)	2,125.57	1,981.42
	2,125.57	1,981.42
Total	4,198.70	4,563.25

Nature of Securities:

- Secured by mortgage of all fixed assets of Unit- I (Narol), Unit- II (Sari), Unit- III (Vijay Farm) and first charge by way of hypothecation of fixed assets and second charge on the current assets, both present and future, of Unit- I (Narol), Unit- II (Sari), Unit- III (Vijay Farm) & Unit- IV (Sari).
- Secured by way of hypothecation of respective motor vehicles purchased.
- Specific charge on assets purchased from the proceeds of Loan.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

d. Term of Repayment (Amt. in Lakh)

Term Loan & Corporate Loan	Repayment Schedule	As at 31st March, 2017	As at 31st March, 2016
IDBI Bank (Term Loan)	8 Quarterly inst. Starting from 22/02/16 of ₹ 25,00,000 each	75.00	175.00
IDBI Bank (Term Loan)	7 Quarterly inst. Starting from 22/05/16 of ₹ 25,00,000 each	75.00	175.00
IDBI Bank (Term Loan)	20 Quarterly inst. Starting from 04/06/17 of ₹ 25,00,000 each	1,262.00	-
TATA Capital (Term Loan)	60 Monthly inst. Starting from 15/04/2017 of ₹ 26,50,000 each	-	1,190.81
BOB - ECB Loan	June-13, Sept-13, Dec-13, March-14 of 93,750 USD each June-14, Sept-14, Dec-14, March-15 of 2,18,750 USD each June-15, Sept-15, Dec-15, March-16 of 3,90,650 USD each June-16, Sept-16, Dec-16, March-17 of 5,62,500 USD each June-17 of 5,93,750 USD & Sept-17 of 5,63,650 USD	769.90	2,280.13
SCB - ECB Loan	19 Quarterly inst. Starting from 04/10/12 of USD 3,28,947 each	213.28	1,091.00
SCB - ECB Loan new	16 Quarterly inst. Starting from 05/07/13 of USD 3,12,500 each	202.62	1,036.45
Vehicle Loans			
TATA Capital	36 Monthly inst. Starting from 03/10/14 of Rs 21,440 each	1.25	3.53
AXIS Bank Ltd	36 Monthly inst. Starting from 15/02/15 of Rs 16,251 each	1.54	3.23
Kotak Bank Ltd.	36 Monthly inst. Starting from 05/01/16 of Rs 38,300 each	7.38	11.08
Kotak Bank Ltd.	36 Monthly inst. Starting from 01/05/15 of Rs 29,142 each	3.56	6.51
BMW India Financial Services Pvt. Ltd.	60. Monthly inst. Starting from 01/03/13 of Rs 63,725 each	12.16	25.44
Kotak Bank Ltd.	36 Monthly inst. Starting from 20/03/17 of Rs 12,860 each	3.88	-
ICICI Bank Ltd.	36 Monthly inst. Starting from 15/04/15 of Rs 17,876 each	2.01	3.84

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
5. Deferred Tax Liabilities (Net) (Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Deferred Tax Liability		
Related to Fixed Assets	4,170.95	3,983.56
Deferred Tax Assets		
Disallowances for Provision for Doubtful Trade Receivable	87.51	-
Disallowances for Leave Salary & Gratuity under Income Tax Act, 1961	30.59	19.70
Total	4,052.85	3,963.86

6. Other Long Term Liabilities (Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Trade Deposits	390.23	403.20
Total	390.23	403.20

7. Long Term Provisions (Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Provision for employee benefits		
Compensated Absences	71.60	64.32
Other provisions		
Provision for estimated loss on derivatives	-	61.94
Total	71.60	126.26

8. Short Term Borrowings (Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Secured		
Loans from banks		
Working Capital Loans (Refer Note b below)	22,856.84	24,768.95
Buyers Credit-Working Capital (Refer Note b below)	-	262.18
	22,856.84	25,031.13
Unsecured		
Deposits (Refer Note No 33)		
From Directors	2,469.00	1,857.00
From Others	4,396.93	3,343.19
	6,865.93	5,200.19
Total	29,722.77	30,231.32

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
a. Disclosure under Rule 16A of the Companies (Acceptance of Deposits) Rules 2014
(Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Money received from 3 Directors during the year	628.00	1,706.00
Balance outstanding at the end of the year	2,469.00	1,857.00

b. Nature of Securities:

Loans are Secured by hypothecation of all current assets of Unit -I (Narol), Unit- II (Sari), Unit- III (Vijay Farm), Unit- IV (Sari) and second charge on the fixed assets of Unit -I (Narol), Unit- II (Sari), Unit- III (Vijay Farm), Unit- IV (Sari) and hypothecation of 2 Windmills located at Lamba and 1 Windmill located at Kutch.

9. Trade Payables
(Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Acceptances	1,231.41	689.65
<u>Trade Payables</u>		
a) Total O/s dues of Micro & Small Enterprises (Refer Note below)	-	-
b) Total O/s dues of Creditors other than Micro & Small Enterprises (Refer Note No 33)	13,963.64	11,826.08
Total	15,195.05	12,515.73

Note. There are no dues to Micro and Small enterprises as at 31st March, 2017. Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

10. Other Current Liabilities
(Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Current maturities of long-term borrowings	1,613.69	3,420.19
Interest accrued but not due on borrowings	333.05	330.86
Unclaimed dividends	6.26	8.78
Other Liabilities		
- Advance received from Customers	172.41	99.38
- Others Payable	257.89	243.70
Total	2,383.30	4,102.91

11. Short Term Provisions
(Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Provision for employee benefits		
Compensated Absences	32.44	33.25
Others		
Provision for Taxation (Net of Advance Tax and TDS)	39.95	122.47
Provision for estimated loss on derivatives	2.03	-
Total	74.42	155.72

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
12 Fixed Assets
(Amt. in Lakh)

Sr. No	Fixed Assets	As at 01.04.2016	GROSS BLOCK Additions	Deduction	As at 31.03.2017	DEPRECIATION/ As at 01.04.2016	AMORTIZATION For the year	Reversal of Depreciation	As at 31.03.2017	NET BLOCK As at 31.03.2017
a	Tangible Assets									
1	Lease hold land	144.00	-	-	144.00	65.40	7.20	-	72.60	71.40
2	Land & Land Development	1,301.11	-	-	1,301.11	-	-	-	-	1,301.11
3	Buildings	12,500.90	243.35	0.42	12,743.83	2,961.00	381.32	-	3,342.32	9,401.51
4	Plant & Machineries	46,295.63	3,773.03	696.94	49,371.72	22,294.44	2,490.58	342.70	24,442.32	24,929.40
5	Electric Installations	2,594.59	14.45	0.04	2,609.00	1,500.95	263.94	-	1,764.89	844.11
6	Furniture & Fixtures	743.20	1.64	-	744.84	376.12	59.44	-	435.56	309.28
7	Office Equipments	573.54	35.47	-	609.01	407.90	67.42	-	475.32	133.69
8	Vehicles	218.45	5.58	5.46	218.57	90.83	24.39	2.89	112.33	106.24
9	Computer	95.45	3.09	-	98.54	81.27	5.23	-	86.50	12.04
	Total	64,466.87	4,076.61	702.86	67,840.62	27,777.91	3,299.52	345.59	30,731.84	37,108.78
b	Intangible Assets									
	Computer software	21.57	80.71	-	102.28	20.76	6.27	-	27.03	75.25
	Total	64,488.44	4,157.32	702.86	67,942.90	27,798.67	3,305.79	345.59	30,758.87	37,184.03
c	Capital WIP									
	Total	64,488.44	4,157.32	702.86	67,942.90	27,798.67	3,305.79	345.59	30,758.87	37,723.03
	Previous Year	62,513.78	3,534.44	1,559.78	64,488.44	25,307.25	3,064.42	573.00	27,798.67	36,756.46

Notes:

12.1 The Company has adopted the provisions of para 46 / 46A of AS 11 - The Effects of Changes in Foreign Exchange Rates. Accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. As a result - (a) Deletion of an amount of ₹ 144.94 Lakh (Previous Year addition ₹ 355.46 Lakh) have been made to Gross Block of fixed assets, being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset and (b) Depreciation provided during the year includes Depreciation of ₹ 237.72 Lakh (Previous Year ₹ 186.61 Lakh) due to addition, being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset.

12.2 Fixed Assets of ₹ Nil (Previous year ₹ 420.33 lakh) damaged due to fire is already included in deduction of Gross Block of Fixed Assets and cumulative depreciation on the same is ₹ Nil (Previous Year ₹ 50.87 lakh). (Refer note 31)

12.3 Addition to Fixed Assets includes capitalisation of Borrowing Cost of ₹ Nil (Previous Year ₹ 15.14 lakh).

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
13. Long Term Loans and Advances (Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Capital Advances		
Unsecured, considered good	60.12	1,004.23
	60.12	1,004.23
Security Deposits		
Unsecured, considered good	19.26	19.26
	19.26	19.26
Other loans and advances		
Unsecured, considered good		
- Balance with Government Authorities	188.14	180.71
- MAT Credit Entitlements	1,233.08	1,135.68
- Loans and advances to Staff	3.92	3.55
	1,425.14	1,319.94
Total	1,504.52	2,343.43

14. Inventories (Refer note no 1(h) for Inventory Valuation policy) (Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Raw Materials	2,552.50	5,433.87
Semi finished goods	3,888.14	3,759.63
Finished goods	8,875.00	7,572.22
Goods in transit (Finished goods)	269.67	436.34
Stores and spares	280.81	460.98
Total	15,866.12	17,663.04

15. Trade Receivables (Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered good	292.14	711.88
Unsecured, Considered doubtful	264.68	-
Less: Provision for doubtful debts	(264.68)	-
	292.14	711.88
Other Trade receivables (Refer Note No. 33)		
Unsecured, Considered good	23,710.38	20,516.72
	23,710.38	20,516.72
Total	24,002.52	21,228.60

(Amt. in Lakh)

Trade Receivable stated above include:	Amount	Amount
Firm /HUF in which director is a partner	3,742.70	1,782.61
	3,742.70	1,782.61

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
16. Cash and Bank Balances (Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(i) Cash and Cash Equivalents		
Cash on hand	6.34	24.85
Balances with Banks	177.57	440.71
	183.91	465.56
(ii) Other Bank Balances		
In unclaimed dividend accounts	6.27	8.79
In deposit accounts		
With original maturity period less than 12 months	1,045.30	731.31
With original maturity period more than 12 months	636.11	231.32
	1,687.68	971.42
Total	1,871.59	1,436.98

(Above deposit includes ₹ 1073.40 lakh (Previous year ₹ 575.99 lakh) under bank lien for margin money).

17. Short-term loans and advances (Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(Unsecured, considered good)		
Advance to Creditors	72.93	171.14
Loans and Advance to Employees	10.03	26.45
Balance with Government Authorities	5.93	0.75
Loans and Advance to Others	3.27	14.45
Gratuity Advance	11.52	26.30
Prepaid Expenses	150.80	110.48
Advance Tax and TDS Receivable (Net of provision)	174.84	217.85
Total	429.32	567.42

(Amt. in Lakh)

Loans and advances to Directors/officers	Amount	Amount
Loans and advances to officers of the Company	-	-
	-	-

18. Other current assets (Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Export Benefit Receivable	282.26	534.47
Insurance Claim Receivable (Refer note 31)	1,109.72	1,889.11
Other Current Assets	66.92	31.78
Total	1,458.90	2,455.36

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
19. Revenue from operations (Amt. in Lakh)

Particulars	2016-17	2015-16
Sale of products	83,774.97	82,965.58
Less: Excise duty	20.08	11.75
Revenue from operations (Net)	83,754.89	82,953.83
Other operating revenues	666.50	1,168.67
Total	84,421.39	84,122.50

Particulars of sale of products (Amt. in Lakh)

Particulars	2016-17	2015-16
Fabrics	78,062.46	76,229.88
Garment	1,838.44	3,036.69
Income from Wind Energy	2,589.17	2,307.49
Waste sales	586.61	499.73
Job charges	21.17	125.97
Others Sale	677.12	765.82
Total	83,774.97	82,965.58

Particulars of Other operating revenues (Amt. in Lakh)

Particulars	2016-17	2015-16
Export Incentive Income (Net)	666.50	1,168.67
Total	666.50	1,168.67

20. Other income (Amt. in Lakh)

Particulars	2016-17	2015-16
Interest Income	109.27	96.35
Gain on Sale of Fixed Assets	-	2.73
Other non-operating income (net of expenses)	21.43	24.03
Gain on foreign currency transactions and translation	-	260.93
Total	130.70	384.04

21. Cost of materials consumed (Amt. in Lakh)

Particulars	2016-17	2015-16
Opening Stock	5,433.87	2,134.50
Add : Purchases	49,392.52	51,431.84
	54,826.39	53,566.34
Less : Sales	-	-
	54,826.39	53,566.34
Less : Closing Stock	2,552.50	5,433.87
Cost of raw materials consumed	52,273.89	48,132.47

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
Particulars of material consumed (Amt. in Lakh)

Particulars	2016-17	2015-16
Cotton	26,553.97	21,483.37
Yarn	4,783.86	9,214.91
POY	5,508.17	5,548.87
Grey Cloth	7,628.25	4,197.67
Colours & Chemicals	7,799.64	7,687.65
Total	52,273.89	48,132.47

Imported and indigenous Raw-Materials, Stores & Spare consumed during the year (Amt. in Lakh)

Particulars	2016-17			2015-16		
	Indigenous	Imported	Total	Indigenous	Imported	Total
1) RAW MATERIALS						
Cotton	16,776.44	9,777.53	26,553.97	13,259.49	8,223.88	21,483.37
% Consumption	63.18%	36.82%	100.00%	61.72%	38.28%	100.00%
Yarn & POY	9,988.81	303.22	10,292.03	14,345.73	418.06	14,763.79
% Consumption	97.05%	2.95%	100.00%	97.17%	2.83%	100.00%
Grey	7,628.25	-	7,628.25	4,197.67	-	4,197.67
% Consumption	100.00%	-	100.00%	100.00%	-	100.00%
Colour & Chemicals	5,031.80	2,767.84	7,799.64	4,814.90	2,872.75	7,687.65
% Consumption	64.51%	35.49%	100.00%	62.63%	37.37%	100.00%
2) STORES & SPARES						
Stores & Spares	2,477.71	49.53	2,527.24	2,443.42	458.91	2,902.33
% Consumption	98.04%	1.96%	100.00%	84.19%	15.81%	100.00%

(Amt. in Lakh)

Details of Inventory	2016-17	2015-16
Cotton	1,369.78	4,166.25
Yarn	397.63	344.10
POY	160.32	143.27
Grey Cloth	308.73	430.75
Colour & Chemicals	316.04	349.50
Total	2,552.50	5,433.87

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
22. Changes in inventories of finished goods and semifinished goods (Amt. in Lakh)

(INCREASE) / DECREASE IN STOCK	2016-17	2015-16
Inventories at the end of the year		
Semi Finished Goods	3,888.14	3,759.63
Finished Goods	9,144.67	8,008.56
	13,032.81	11,768.19
Inventories at the beginning of the year		
Semi Finished Goods	3,759.63	3,967.02
Finished Goods	8,008.56	10,268.99
	11,768.19	14,236.01
Net (Increase) / Decrease	(1,264.62)	2,467.82

(Amt. in Lakh)

Details of Inventories	2016-17	2015-16
Finished Goods		
Fabrics	8,942.96	7,419.68
Garment	201.71	588.88
Total	9,144.67	8,008.56

23. Employee Benefits Expense (Amt. in Lakh)

Particulars	2016-17	2015-16
Salaries,Wages and Incentives	5,106.82	4,915.71
Contributions to -		
-Provident fund & Others Funds	343.03	269.76
Staff welfare expenses	37.34	41.08
Total	5,487.19	5,226.55

24. Finance costs (Amt. in Lakh)

Particulars	2016-17	2015-16
Interest expense	3,304.25	3,162.34
Other borrowing costs	459.15	316.09
Net loss on foreign currency transactions and translation	-	253.07
Total	3,763.40	3,731.50

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
25. Other Expenses
(Amt. in Lakh)

Particulars	2016-17	2015-16
Consumption of stores and spare parts. (Refer note 21)	2,527.24	2,902.33
Power and Fuel	11,223.33	10,511.15
Payment to Auditors (Refer note below)	23.05	22.74
Rent	33.34	21.35
Repairs to Building	179.71	221.81
Repairs to Machineries	955.11	844.69
Insurance	242.01	196.57
Rates & Taxes	165.83	112.57
Job Work Charges	1,048.04	845.24
Packing Materials	593.12	612.91
Folding Charges	63.49	67.75
Labour Charges	617.33	709.14
Advertisement, Publicity & Sales Promotion	263.70	517.13
Commission & Brokerage	1,283.00	1,275.58
Travelling & Conveyance	79.36	68.25
Freight & Forwarding	365.62	614.73
Loss on Disposal of Fixed Assets (Net)	4.89	-
Sundry Balance Written off	8.47	7.04
Bad Debts	19.84	-
Provision for Doubtful Trade Receivable	264.68	-
Insurance Claim written off relating to Stock	-	212.56
Professional Fees and Charges	35.24	51.09
Loss on foreign currency transactions and translation	166.01	-
Miscellaneous Expenses	611.00	750.10
Total	20,773.41	20,564.73

Payments to the auditors
(Amt. in Lakh)

Particulars	2016-17	2015-16
Payment to auditors (Including Service Tax)		
For statutory audit fees	16.10	16.10
For taxation matters	1.15	1.15
For other services	5.80	5.49
Total	23.05	22.74

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

26. Earnings Per Share

(Amt. in Lakh)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Profit after tax and exceptional item as per Statement of Profit & Loss	118.60	702.65
Profit available for Equity Share Holders	118.60	702.65
Weighted Average Number of Equity Shares	23,459,800	23,459,800
Weighted Average Number of Equity Shares in computing diluted EPS	23,459,800	23,459,800
Face Value of the Share – ₹	10.00	10.00
Basic and Diluted Earnings per Share – ₹	0.51	2.99

27. Employee benefits

As per Accounting Standard 15 “Employee Benefits”, the disclosures as defined in the Accounting Standard are give below:

(a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

(₹ in Lakh)

Particular	2016-17	2015-16
Employer's Contribution to Provident Fund	144.29	143.42
Employer's Contribution to ESIC	74.94	75.22

(b) Defined Benefit Plan

The employees' gratuity fund scheme managed by Life Insurance Corporation of India who invests the funds as per IRDA guidelines, is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated Absences is recognized in the same manner as gratuity.

(₹ in Lakh)

Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
a. Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation at beginning of the year	302.76	271.04	97.57	50.24
Current Service Cost	68.48	52.96	14.54	9.60
Past Service Cost	-	-	-	-
Interest Cost	24.46	21.58	7.88	4.00
Actuarial (gain)/ loss	52.05	0.39	16.97	49.31
Benefits paid	56.48	43.22	32.92	15.58
Defined Benefit obligation at year end	391.27	302.76	104.04	97.57

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
b. Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan asset at beginning of the year	329.07	244.29	-	-
Expected return on plan assets	26.59	19.45	-	-
Actuarial gain/(loss)	(5.40)	4.37	-	-
Employer contribution	106.71	101.84	-	-
Benefits Paid	54.18	40.89	-	-
Fair value of plan assets at year end	402.79	329.06	-	-
c. Reconciliation of fair value of assets and obligations				
Fair value of plan assets as at year end	402.79	329.06	-	-
Present value of obligation as at year end	391.27	302.76	104.04	97.57
Net Liability in the Balance Sheet	(11.52)	(26.30)	104.04	97.57
d. Expenses recognized during the year (Under the head "Employment Costs – Refer Note no –23)				
Current Service Cost	68.48	52.96	14.54	9.60
Past Service Cost	-	-	-	-
Interest Cost	24.46	21.58	7.88	4.00
Expected return on plan assets	26.59	19.45	-	-
Actuarial (gain) / loss	57.45	(3.98)	16.97	49.31
Net Cost	123.80	51.11	39.39	62.90
e. Actuarial assumptions				
Mortality	Indian Assured Lives Mortality (2006-08)	LIC 1994-96 mortality tables	Indian Assured Lives Mortality (2006-08)	LIC 1994-96 mortality tables
Expected return on plan assets	8.08%	8.08%	Nil	Nil
Discount rate (per annum)	8.08%	8.08%	7.34%	9.31%
Rate of escalation in salary (per annum)	6%	6%	6%	6%
Attrition Rate	2% p.a. for all age groups	2% p.a. for all age groups	2% p.a. for all age groups	2% p.a. for all age groups
Retirement Age	58 Years	58 Years	58 Years	58 Years

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

f. Experience History: (₹ in Lakh)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Defined Benefit Obligation at the end of the period	391.27	302.76	271.04	202.08	176.15
Plan Assets at the end of the period	402.79	329.06	244.29	201.38	141.23
Funded Status	(11.52)	(26.30)	26.75	0.70	34.92
Experience Adjustments on Plan Liabilities	-	-	-	-	-
Experience Adjustments on Plan Assets	-	-	-	-	-

- g. Contributions expected to be paid to the plan during the next financial year ₹ 65.88 Lakh (Previous Year ₹ 42.17 Lakh).

The estimates or rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor including supply and demand in the employment market. The above information is certified by the actuary.

28. Capital Commitments

The estimated amount of contracts remaining to be executed on capital accounts and not provided for ₹ 679.35 lakh (Previous Year ₹ 887.02 Lakh)

29. Contingent Liabilities in respect of: (₹ in Lakh)

Particular	31 st March, 2017	31 st March, 2016
a. Service Tax Matters disputed in appeal	55.44	55.44
b. Income Tax Matters disputed in appeal	24.80	24.80
c. Custom duty payable on pending export obligations	601.20	884.77
d. Corporate Guarantee	333.83	333.83

Note : In the opinion of the Company, the possibility relating to net outflow on the above accounts are remote.

30 Exceptional Item

During the previous year, the company had sold out it's Power Plant and recognised the loss of Rs 473.20 lakh in the books of account and the same was reflected as exceptional item.

31 Claim on Fire

- (a) On March 1, 2015, there was a fire in the packing department of Vijay Farm Unit of the Company resulting into a loss of finished goods, Work in Progress, Plant & Machinery, Factory Building, Furniture & Fixtures and other Miscellaneous items. The Company has the insurance policies of all the affected assets, so the Company has lodged claims with the insurance companies which include claim towards loss of the above stated assets and the Management believes that the amount of the claim has been ascertained as per the terms of the insurance policies and is certain about recovery of the claim based on its understanding of the terms of the insurance policies and related discussions with the representatives of the insurance companies at the time of putting up the claim. The carrying value of the assets destroyed in fire is estimated by the management at ₹ 1,732.21 lakh. The loss has been accounted for in the books of the Company and the amount of the insurance claims of ₹ 1,477.64 lakh had been recognized as revenue in the Statement of Profit & Loss during the year 2014-15. On the basis of the loss assessment report of Surveyor, the company had written off ₹ 212.56 lakh and charged to the Statement of Profit and Loss of the previous financial year. The Company has received ₹ 629.39 lakh from one of the two insurance companies during the year and the balance claim receivable as at 31st March, 2017 is ₹ 890.26 lakh.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

- (b) On October 23, 2015, there was a fire in the spinning department of Matoda Unit of the Company resulting into partial loss of Plant & Machinery and other Miscellaneous items. The Company has the insurance policy of all the affected machineries, so the Company has lodged claims with the insurance company and the Management believes that the amount of the claim has been ascertained as per the terms of the insurance policy and is certain about recovery of the claim based on its understanding of the terms of the insurance policies and related discussions with the representatives of the insurance companies at the time of putting up the claim. The carrying value of the machineries destroyed in fire is estimated by the management at ₹ 369.46 lakh. The claim has been accounted for in the books of the Company as insurance claim receivable. On the basis of the loss assessment report of Surveyor, the Company has received a part claim of ₹ 150.00 lakh from the insurance company during the year. The balance claim receivable as at 31st March, 2017 is ₹ 219.46 lakh.

32 Segment information

- (a) The Company has identified three reportable segments viz. Textile, Windmill and Power Generation Unit. Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organization structure and the internal financial reporting systems.
- (b) Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

A) Primary Segment

Business Segment

(₹ in Lakh)

Particulars	31/03/2017		31/03/2016	
	External Sales	Total	External Sales	Total
a. Segment Revenue				
Textile	81,185.81	81,185.81	80,658.09	80,658.09
Wind Mill	2,589.16	2,589.16	2,307.49	2,307.49
Power Plant	-	-	-	-
Segment Total		83,774.97		82,965.58
Eliminations		-		-
Total Revenue		83,774.97		82,965.58
b. Segment Results				
Textile		2,234.59		3,298.11
Wind Mill		1,611.14		1,368.40
Power Plant		-		(481.42)
Segment Total		3,845.73		4,185.09
Eliminations		-		481.42
Total		3,845.73		4,666.51
Unallocable Corporate Expenses / (Income)		(130.70)		(384.04)
Profit Before Interest etc.		3,976.43		5,050.55
Finance Costs		3,763.40		3,731.50
Profit Before Tax		213.03		1,319.05
Provision for Tax		94.43		143.20
Profit After Tax		118.60		702.65

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
c. Other Information
(₹ in Lakh)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Textile	76,178.65	53,661.19	74,085.90	53,711.92
Wind Mill	6,677.35	25.13	7,627.16	29.53
Power Plant	-	-	615.77	-
Segment Total	82,856.00	53,686.32	82,328.82	53,741.45

(₹ in Lakh)

Particular	2016-17			2015-16		
	Capital Expenditure	Depreciation	Non Cash Expenditure Other than Depreciation	Capital Expenditure	Depreciation	Non Cash Expenditure Other than Depreciation
Textile *	4,157.32	2,808.50	297.88	3,534.44	2,565.89	7.04
Wind Mill*	-	497.29	-	-	498.53	-
Power Plant	-	-	-	-	-	-
Segment Total	4,157.32	3,305.79	297.88	3,534.44	3,064.42	7.04

* Exchange difference on long term monetary items related to the acquisition of a depreciable capital asset as per AS-11 notified by Government of India on 31st March, 2009

B) Secondary Segment

Geographical Segment

(₹ in Lakh)

Particulars	Within India		Outside India		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Sales Revenue	75,274.09	64,280.34	8,500.88	18,685.24	83,774.97	82,965.58
Carrying amount of Segment Assets	80,171.07	74,589.87	2,684.93	7,738.95	82,856.00	82,328.82
Carrying amount of Segment Liabilities	49,368.46	42,968.07	6,720.46	12,971.71	56,088.92	55,939.78

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
33 Related party disclosures
Name of the party and relationships
(a) Companies and firms in which Directors/Directors' Relatives exercise control / significant influence:
Companies

New Ahmedabad Synthetics Pvt. Ltd.
 Vee Bee Textile Pvt. Ltd.
 Rentex Weavers Ltd.
 Twenty First Century Marketing Ltd.
 Ennbee Textiles Pvt. Ltd.
 V.B. Investment Pvt. Ltd.
 Pee Vee Synthetics Pvt. Ltd.
 Shipa Fabrics Pvt. Ltd.
 V.B. Investment Pvt. Ltd.
 Kashvi Investments Pvt. Ltd.
 Bhansali Tradelink Pvt. Ltd.

Firms

B. Kalpeshkumar & Co.
 Parmanand Rajeshkumar
 Virendra Bhogilal & Co.
 Arora Agencies
 Parmanand Vinodkumar
 Pari Bhogilal Laxmichand
 Parmanand Arora & Sons, HUF
 T.P. Vinodkumar, HUF
 T.P. Rajeshkumar, HUF
 K.V. Enterprise
 A.V. Enterprise
 A Star Fibres
 Namit Enterprise
 B.S.Textile
 Techtex
 Triveni International
 Panch Rattan Fabrics
 Textile India
 Ashish V. Shah HUF
 Kalpesh V. Shah HUF

(b) Key management personnel

Vinodkumar P. Arora
 Parmanand T. Arora
 Kalpesh V. Shah

Rajesh P. Arora
 Ashish V. Shah

(c) Relatives of key management personnel

Nipun V. Arora
 Pankaj V. Arora
 Heena Khanna
 Chinmaya P. Arora
 Jahanvi N. Arora
 Bela A. Shah
 Preeti N. Arora
 Somni Chawla
 Anuj A Shah
 Sela D. Jhaveri
 Anoli Shah

Renu Arora
 Rita Arora
 Kastura Rani Arora
 Bhrgu N. Arora
 Parul K. Shah
 Pankil K. Shah
 Shikha Arora
 Sarthak P Arora
 Sushila Shah
 Kashvi Shah

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Transactions carried out with related parties referred in (1) above, in ordinary course of business:

(₹ in Lakh)

	Related Referred in 34(a) above	Related Referred in 34(b) above	Related Referred in 34(c) above	Total
PART - I : Volume of transactions				
Unsecured Loans / Advance Taken	164.00 (226.80)	-	-	164.00 (226.80)
Unsecured Loan / Advance Repaid	238.73 (227.05)	-	-	238.73 (227.05)
Fixed Deposits Taken	- -	628.00 (13.00)	657.80 (3720.50)	1285.80 (3733.50)
Sale of Goods	9973.70 (7652.06)	-	-	9973.70 (7652.06)
Job Work Charges Paid	769.00 (733.49)	-	-	769.00 (733.49)
Purchase of Goods	- (16.45)	-	-	- (16.45)
Interest on Loans / Advance / FDs	264.13 (243.65)	222.06 (105.94)	271.82 (161.02)	758.01 (510.61)
Remuneration / Salary	- -	84.00 (84.00)	38.40 (37.18)	122.40 (121.18)
Rent Income	2.40 (2.40)	-	-	2.40 (2.40)
Commission & Brokerage	796.92 (592.70)	-	-	796.92 (592.70)
Sale of License	- (12.37)	-	-	- (12.37)
PART - II : Balances as at year end				
Unsecured Loans / Advance	2,125.57 (1981.42)	-	-	2,125.57 (1981.42)
Fixed Deposits	217.50 (193.00)	2469.00 (1657.00)	3060.15 (2626.85)	5746.65 (4476.85)
Sundry Debtors	3742.70 (1782.07)	-	-	3742.70 (1782.07)
Unpaid Job Work Charges	58.64 (39.67)	-	-	58.64 (39.67)
Unpaid Interest on Loans/Advance/FDs	245.04 (226.03)	134.92 (99.52)	132.02 (102.30)	511.98 (427.85)
Unpaid Remuneration / Salary	- -	5.55 (5.25)	2.86 (2.71)	8.41 (7.96)
Unpaid Rent	0.54 (0.54)	-	-	0.54 (0.54)
Unpaid Commission	289.34 (119.10)	-	-	289.34 (119.10)

Note: Figures in brackets represent Previous Year's amounts.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
Disclosure in respect of material transactions with related parties (₹ in Lakh)

Transaction	Name of the related party	Transaction With the Parties		Balance as at	
		31/03/2017	31/03/2016	31/03/2017	31/03/2016
Loans/Advance taken	Ennbee Textiles Pvt.Ltd	5.00	23.00	205.27	202.64
	Rentex Weavers Ltd	5.00	8.00	128.28	125.93
	Shipa Fabrics Pvt.Ltd	-	20.00	128.23	128.48
	Twenty First Century Mktg. Ltd.	139.00	175.00	1,387.11	1,283.60
	Pee Vee Synthetics Pvt. Ltd.	-	-	2.72	2.65
	Vee Bee Textile Pvt. Ltd.	-	0.80	3.56	3.40
	New Ahmedabad Synt.Pvt. Ltd.	15.00	-	266.81	231.42
Loans/ Advance Repaid	Ennbee Textiles Pvt.Ltd	23.61	22.78	205.27	202.64
	Rentex Weavers Ltd	15.78	18.68	128.28	125.93
	Shipa Fabrics Pvt.Ltd	13.74	29.06	128.23	128.48
	Twenty First Century Mktg. Ltd.	178.10	156.40	1,387.11	1,283.60
	Bhansali Tradelink Pvt. Ltd.	0.10	0.02	3.58	3.31
	Pee Vee Synthetics Pvt. Ltd.	0.20	0.05	2.72	2.65
	New Ahmedabad Synt.Pvt. Ltd.	7.00	-	266.81	231.42
Fixed Deposits taken	Vee Bee Textile Pvt. Ltd.	0.20	0.06	3.56	3.40
	Pankajbhai V Arora	20.00	123.50	254.20	234.20
	Nipun V Arora	70.00	125.50	298.85	228.85
	Rajesh Arora	132.00	200.00	332.00	200.00
	Rita Arora	137.00	360.00	497.00	360.00
	Parmanand Arora	427.00	900.00	1,327.00	900.00
	Vinod Arora	69.00	606.00	810.00	757.00
	Preeti N Arora	45.85	504.00	559.85	514.00
	Parmanand Arora & Sons, HUF	10.00	-	60.00	50.00
	T.P. Vinodkumar, HUF	4.50	13.00	87.50	83.00
	T.P. Rajeshkumar, HUF	10.00	-	70.00	60.00
	Kastura Rani Arora	3.00	3.00	6.00	3.00
	Renu Arora	234.60	593.50	987.60	753.00
	Sarthak P Arora	-	-	2.50	2.50
	Chinmaya P. Arora	-	-	2.10	2.10
	Bhriugu N Arora	-	-	1.90	1.90
	Jahanvi N Arora	-	-	1.80	1.80
	Shikha Arora	107.85	305.00	433.35	325.50
	Heena Khanna	2.00	-	2.00	-
	Somani Chawla	13.00	-	13.00	-
Sale of goods	Arora Agencies	-	(1.88)	-	-
	Parmanand Vinodkumar	-	(1.62)	-	-
	Pari Bhogilal Laxmichand	138.03	258.52	5.91	27.54
	Panch Rattan Fabrics	7,747.45	4,937.29	2,237.54	1,754.53
	Triveni International	-	2,459.75	-	-
	Virendra Bhogilal & Co.	286.09	-	-	-
	Namit Enterprise	64.91	-	33.68	-
	B. S. Textile	339.06	-	67.40	-
	Textile India	1,398.17	-	1,398.17	-
Lease Rent	Techtex	2.40	2.40	0.54	0.54

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakh)

Transaction	Name of the related party	Transaction With the Parties		Balance as at	
		31/03/2017	31/03/2016	31/03/2017	31/03/2016
Job Work	Virendrabhai Bhogilal & Co.	293.31	264.54	21.54	25.15
Charges	A.V. Enterprise	34.20	36.00	2.96	2.92
	B.Kalpeshkumar & Co.	22.80	24.00	1.94	1.91
	B S Textiles	306.21	302.11	22.69	6.36
	K.V. Enterprise	34.20	36.00	2.94	2.94
	Techtex	-	12.34	-	(6.46)
	Namit Enterprise	78.28	58.50	6.56	6.84
Purchase of Goods	Techtex	-	16.45	-	(6.46)
Interest on Loans/ Advance/ FDs	Vinod P Arora	77.08	51.23	810.00	36.65
	Parmanand Arora	119.58	54.71	1,327.00	49.13
	Rajesh Arora	25.40	15.27	332.00	13.74
	Pankaj V Arora	24.21	19.97	254.20	9.19
	Nipunbhai V Arora	26.09	19.32	298.85	9.48
	Chinmaya P. Arora	0.21	0.21	2.10	0.05
	Sarthak P Arora	0.25	0.25	2.50	0.08
	Shikha Arora	36.83	17.51	433.35	14.16
	Jahanvi N Arora	0.18	0.18	1.80	0.06
	Bhrigu N Arora	0.19	0.19	1.90	0.06
	Renu Arora	86.51	48.11	987.60	33.91
	Rita Arora	43.52	13.03	497.00	11.73
	Kastura Rani Arora	0.41	0.28	6.00	0.25
	Preeti N Arora	52.86	26.69	559.85	23.33
	Heena Khanna	0.07	-	2.00	-
	Somani Chawla	0.50	-	13.00	-
	Parmanand Arora & Sons, HUF	5.89	4.92	60.00	0.01
	T.P. Rajeshkumar H.U.F.	6.88	5.90	70.00	0.01
	T.P. Vinodkumar H.U.F.	8.17	6.89	87.50	0.07
	Ennbee Textiles Pvt.Ltd	23.59	21.97	205.27	21.97
	New Ahmedabad Synt.Pvt.Ltd.	30.43	26.06	266.81	26.06
	Rentex Weavers Ltd	14.60	14.91	128.28	14.91
	Twenty First Century Marketing Ltd	158.46	146.38	1,387.11	146.38
	Bhansali Tradelink Pvt. Ltd.	0.41	0.37	3.58	0.37
	Pee Vee Synthetics Pvt. Ltd.	0.31	0.30	2.72	0.30
	Vee Bee Textile Pvt. Ltd.	0.40	0.31	3.56	0.31
	Shipa Fabrics Pvt.Ltd	14.99	15.64	128.23	15.64
Commission & Brokerage	Parmanand Vinodkumar	411.23	334.41	126.62	69.22
	Arora Agencies	385.07	258.29	162.12	49.88
	Namit Enterprise	0.63	-	0.59	-
Licence Sales	Virendra Bhogilal & Co.	-	6.18	-	-
	B. S. Textile	-	3.10	-	-
	Namit Enterprise	-	3.10	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakh)

Transaction	Name of the related party	Transaction With the Parties		Balance as at	
		31/03/2017	31/03/2016	31/03/2017	31/03/2016
Remuneration	Vinodbhai P Arora	36.00	36.00	2.37	2.21
	Ashishbhai V Shah	30.00	30.00	2.04	1.86
	Kalpeshbhai V Shah	18.00	18.00	1.14	1.19
Salary	Nipunbhai V Arora	12.00	12.00	0.89	0.84
	Pankajbhai V Arora	12.00	12.00	0.89	0.84
	Pankilbhai K Shah	12.00	12.00	0.89	0.84
	Anuj A. Shah	2.40	1.18	0.20	0.20

34 Derivative transactions:
I. The Company has entered into the following derivative instruments;

- (a) The Company uses forward exchange contracts to hedge its risks associated with foreign currency fluctuations relating to outstanding receivables, certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Company's strategy which provides principles on use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

The information on outstanding Forward Exchange Contracts entered into by the Company on accounts of receivables:

(₹ in Lakh)

As at	No. of Contracts	US \$ Equivalent	INR Equivalent
March 31, 2017	0	0.00	-
March 31, 2016	1	4.40	291.86

- (b) Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts: 2 (4 No. of contracts as at 31 March, 2016).

II. The year end Foreign currency exposures that have not been hedged by a derivative instruments or otherwise are given below;

(₹ in Lakh)

Particulars	2016-17		2015-16	
	Amount (Foreign Currency)	Amount (₹)	Amount (Foreign Currency)	Amount (₹)
Amount payable in foreign currency	\$86.51	5,609.76	\$194.87	12,920.33
	€ 54	37.05	€ 65	51.38
Amount receivable in foreign currency	\$24.02	1,557.85	\$73.23	4,857.33
	€ 09	6.83	€ 14	85.49
	CHF 0.00	0.22	CHF 2.84	194.11
	JPY 0.82	0.46	JPY 5.84	3.41

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
35. CIF Value of imports (₹ in Lakh)

Particular	2016-17	2015-16
Cotton	6,928.74	9,574.16
Stores & Spare	319.74	369.14
Capital Goods	2,516.15	637.66
Colour & Chemical	2,123.91	2,243.59
Yarn	237.81	333.02
Total	12,126.35	13,157.57

36. Expenditure in foreign currency (₹ in Lakh)

Particular	2016-17	2015-16
Traveling	8.63	5.23
Commission on Export Sales	315.24	479.03
Freight & Forwarding Charges	17.47	13.01
Subscription Fees	6.74	3.14
ECB Charges	11.53	4.94
Total	359.61	505.35

37. Earnings in foreign currency (₹ in Lakh)

Particular	2016-17	2015-16
FOB value of Export Sales	8,595.30	18,381.68

38. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March, 31 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification are given below :

Particulars	SBNs	Other denomination Notes	Total
Closing Cash in hand as on November 8, 2016	160.00	164.10	324.10
(+) Permitted Receipts	-	19.94	19.94
(-) Permitted Payments	-	(172.50)	(172.50)
(-) Amount Deposited in Banks	(160.00)	(0.08)	(160.08)
Closing Cash in hand as on December 30, 2016	-	11.46	11.46

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

39. During the year, the gross amount to be spent by the Company for Corporate Social Responsibility expenditure is ₹ 17.10 Lakh and amount spent is ₹ NIL.

40. Previous Year figures have been regrouped/ rearranged wherever considered necessary.

In terms of our report attached

For N.C.Shah & Associates
Chartered Accountants
(Firm Reg. No. 109692W)
Nitin C. Shah
Proprietor
(Membership No. 34633)

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Reg. No. 117365W)
Gaurav J. Shah
Partner
(Membership No. 35701)

For and on behalf of the Board of Directors

Vinod P. Arora
Chairman & MD
(DIN:00007065)
Sharvil B. Suthar
Company Secretary
Place : Ahmedabad
Date : 26th May 2017

Kalpesh V. Shah
Whole Time Director
(DIN:00007262)
Bhavik N. Shukla
C.F.O.

Place : Ahmedabad
Date : 26th May 2017

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AARVEE DENIMS AND EXPORTS LIMITED

CIN: L17110GJ1988PLC010504

Regd. Office: 191, Shahwadi, Narol- Sarkhej Highway, Nr. Old Octroi Naka, Narol, Ahmedabad – 382 405.

Phone: 079-30417000, Fax: 079-30417070

Email: info@aarvee-denims.com; Website: www.aarvee-denims.com

Form No. MGT- 11**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

Name of Members : _____

Registered Address : _____

E-mail Address : _____

Folio No. | Client ID : _____

DP Id : _____

I/we, being the member(s) of _____ shares of Aarvee Denims and
Exports Ltd, hereby appoint:

1. Name : _____

Address : _____

E-mail id : _____

Signature : _____, or failing him _____

2. Name : _____

Address : _____

E-mail id : _____

Signature : _____, or failing him _____

3. Name : _____

Address : _____

E-mail id : _____

Signature : _____, or failing him _____

AARVEE DENIMS AND EXPORTS LIMITED

CIN: L17110GJ1988PLC010504

Regd. Office: 191, Shahwadi, Narol- Sarkhej Highway, Nr. Old Octroi Naka, Narol, Ahmedabad – 382 405.

ATTENDANCE SLIP

DP ID* _____ FOLIO _____

CLIENT ID* _____ NO. OF SHARES _____

NAME AND ADDRESS OF THE SHAREHOLDER _____

I hereby record my presence at the **28th ANNUAL GENERAL MEETING** of the Company held on Friday, 8th day
of September, 2017 at 10:00 a.m. at Registered office of the Company situated at 191, Shahwadi, Nr. Old
Octroi Naka, Narol - Sarkhej Highway, Narol, Ahmedabad - 382 405.

Signature of the Shareholder | Proxy _____

* Applicable for investors holding shares in electronic form.

and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Friday, 8th day of September, 2017 at 10:00 a.m. at Registered office of the Company situated at 191, Shahwadi, Nr. Old Octroi Naka, Narol - Sarkhej Highway, Narol, Ahmedabad - 382 405 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr.	Resolutions
ORDINARY BUSINESS	
1	Adoption of Financial Statements for the year ended on 31 st March, 2017
2	Appointment of Mr. Rajesh P. Arora (DIN: 00092200) as Director of the Company who retires by rotation.
3	Appointment of M/s. Shah & Shah Associates, Chartered Accountant, Ahmedabad as Statutory Auditors
SPECIAL BUSINESS	
4	Ratification of Cost Auditors' remuneration
5	Approval of Related parties Transactions
6	Acceptance of Deposit under the companies (acceptance of deposits) Rules, 2014
7	Re-appointment of Mr. Vinod P. Arora (DIN: 00007065) as Chairman and Managing Director
8	Re-appointment of Mr. Ashish V. Shah (DIN: 00007201) as Managing Director
9	Re-appointment of Mr. Kalpesh V. Shah (DIN: 00007262) as Whole Time Director

Signed this _____ day of _____ 2017

Signature of Shareholder : _____

Affix
Revenue
Stamp

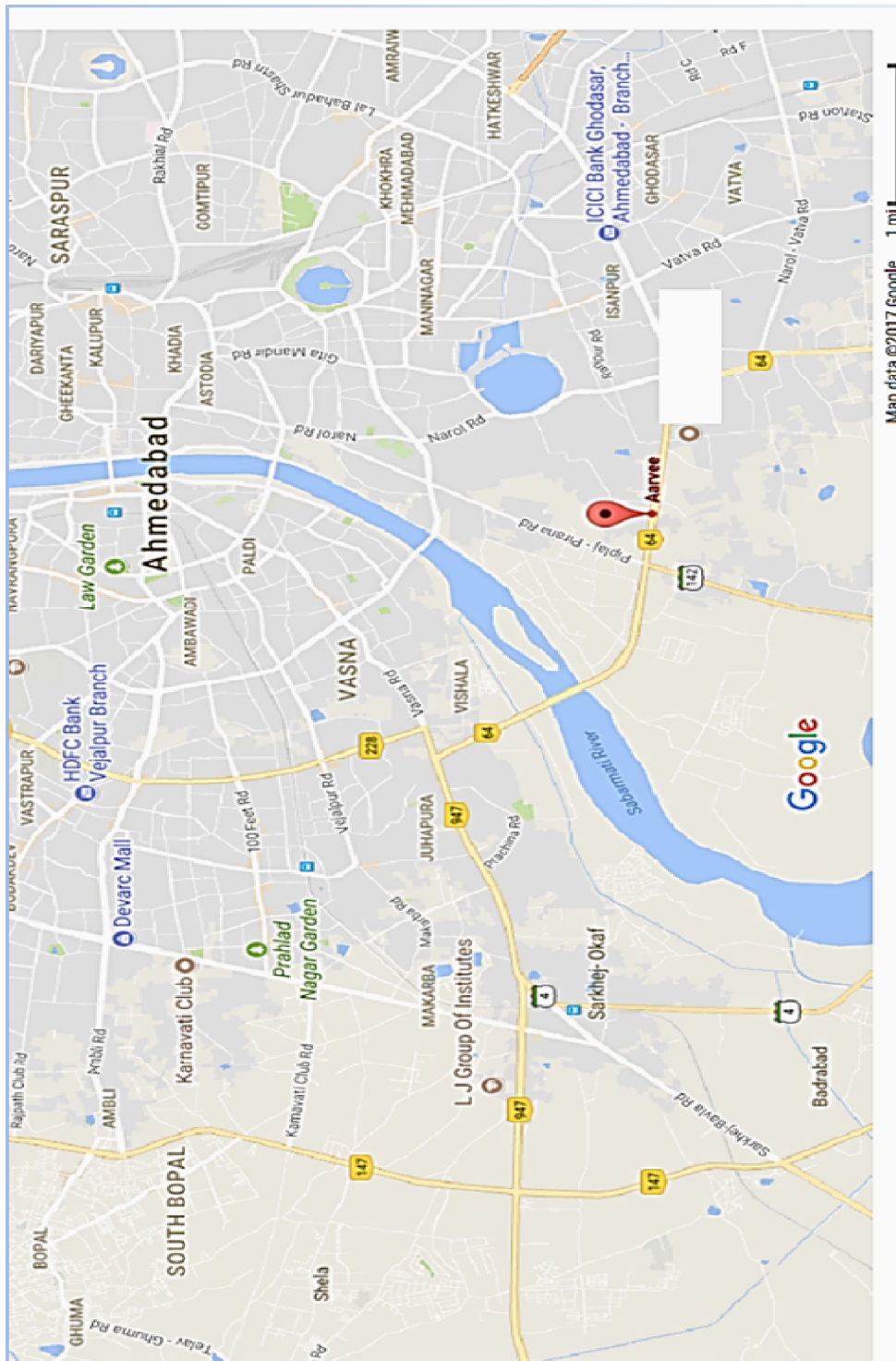
Signature of first proxy
holder

Signature of Second proxy
holder

Signature of Third proxy
holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

ROUTE MAP TO THE AGM VENUE



FORM DPT-1
CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING UNSECURED DEPOSITS

[Pursuant to section 73 (2)(a) and section 76 and rule 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014]

1. GENERAL INFORMATION:
a. Name, address, website and other contact details of the company;

AARVEE DENIMS AND EXPORTS LIMITED

Regd. Office: 191, Shahwadi, Narol- Sarkhej Highway,

Nr. Old Octroi Naka, Narol, Ahmedabad – 382 405.

Tel No:+91-79-30417000, 30017000 Fax: 91-79-30417070

E-mail: info@aarvee-denims.com Website: www.aarvee-denims.com

CIN: L17110GJ1988PLC010504

b. Date of incorporation of the company: 28th March, 1988.
c. Business carried on by the company and its subsidiaries with the details of branches or units, if any:

The Company is one of the leading manufacturer and exporter of denims and non-denims fabrics and denims apparels. The Company is not having any subsidiary.

d. Brief particulars of the management of the company:

The Company is managed by the Chairman & Managing Director, Managing Director, Whole-time Director and a team of experts and experienced professional managers, subject to the superintendence, control and directions of the Board of Directors.

e. Names, addresses, DIN and occupations of the directors:

Name	Designation	Address	DIN	Occupation
Mr. Vinod P. Arora	Chairman & Managing Director	"OMKAR" S.No. 239/2 ,F.P.No.12/01/B Hebatpur Shilaj Road, Opp. Ami Mangal Bunglow-3, Thaltej, Ahmedabad-380054	00007065	Industrialist
Mr. Ashish V. Shah	Managing Director	2, Jain Marchant Society Paladi, Ahmedabad -380 007	00007201	Industrialist
Mr. Kalpesh V. Shah	Whole-time Director	20, Merchant Park Society, B/h. Jain Merchant Society, Paladi, Ahmedabad- 380 007	00007262	Industrialist
Mr. Parmanand T. Arora	Director	A/20, Gujaranwala Town, Part- I, Main G.T. Road, Delhi-110 033	00093659	Industrialist
Mr. Rajesh P. Arora	Director	A/20, Gujaranwala Town, Part- I, Main G.T. Road, Delhi- 110 033	00092200	Industrialist
Mr. Sanjay S. Majmudar	Independent Director	24, Sumadhur Co-Op HSG. Soc. Ltd. B/h. Ocean Park, Ambawadi, Ahmedabad-380 015	00091305	Chartered Accountant
Mr. Ashok C. Gandhi	Independent Director	2, Prabhat Society, Paladi, Ahmedabad -380 007	00022507	Advocate
Mr. Amol R. Dalal	Independent Director	C/11/12, Prathana Flats, Opp. Ankur School, Fatehpura, Paladi, Ahmedabad- 380 007.	00458885	Industrialist
Mr. Arvind D Sanghvi	Independent Director	15, Shantiniketan Society, Opp. Gujarat College, Ellisbridge, Ahmedabad- 380 007	00435340	Industrialist
Ms. Shivani Shah	Independent Director	1-B Shantiniketan-1, Opp. Suvidha Shopping Center, Geetabaug Society, Ahmedabad-380007	06693408	Chartered Accountant

f. Management's perception of risk factors:

Aarvee Denims and Exports Limited have been in the denims and textile segments for nearly 27 years and having good domestic and international market share. The Management believes that demand of denim will increase when the economic scenario improves. The domestic denim market is facing challenges of oversupply, slowdown of consumer demand due to high inflation. The Company hopes that in midterm the global economic scenario will change and demand of denims will bust up which help to improve profitability of the Company in forth coming years.

g. Details of default, including the amount involved, duration of default and present status, in repayment of –

- i) Statutory dues: NIL
- ii) Debentures and interest thereon: NIL
- iii) Loan from any bank or financial institution and interest thereon: NIL

2. PARTICULARS OF THE DEPOSIT SCHEME
a. Date of passing of board resolution: 28th July, 2017
b. Date of passing of resolution in the general meeting authorizing the invitation of such deposits: 8th September, 2017
c. Type of deposits, i.e., whether secured or unsecured: UNSECURED
d. Amount which the company can raise by way of deposits as per the Act and the rules made thereunder:

- A. Aggregate of deposits actually held on 31st March, 2017: ₹ 4396.93 Lakhs
- B. Aggregate of deposits on the date of issue of the advertisement: ₹ 4593.43 Lakhs
- C. Amount of deposits to be raised: ₹ 75,00.00 Lakhs
- D. Amount of deposits repayable in the current financial year 2017-18: ₹ 4396.93 Lakhs

e. Terms of rising of deposits:

Sr. No.	Period (Months)	Minimum Amount	Rate of Interest
1.	12	10,000/-	9.50% payable quarterly
2.	24	10,000/-	9.80% payable annually

Additional amount in multiples of ₹ 1000/-. Rate of interest will be same for public & shareholders of the company.

f. Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid:

The Fixed deposit scheme shall be opened with effect from as and when this advertisement issued and shall be valid till 30th September, 2018 or the date of the Company's annual general meeting, whichever is earlier.

g. Reasons or objects of raising the deposits: For meeting short term and medium term financial requirements of the Company
h. Credit rating obtained:

Name of the Credit Rating Agencies	India Ratings & Research
Rating obtained	"IND tA-"
Meaning of the rating obtained	Indicates an adequate capacity for timely payment of financial commitments relatives to other issues or issues in the country. However, such capacity is more susceptible to near-term adverse changes than for financial commitments in higher rated categories.
Date on which rating was obtained	05-10-2016

- i. **Extent of deposit insurance:** The Ministry of Corporate Affairs vide notification dated 11th May, 2017 has allowed Company to accept deposits without deposit insurance contract till March 31, 2018 or till the availability of a deposit insurance product, whichever is earlier.
 - j. **Short particulars of the charge created or to be created for securing such deposits, if any:** Not applicable, since the Company will be accepting only unsecured deposits.
 - k. **Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons:** No such interest, the rate of interest is same for Directors, Promoters, KMP, Public & Members.
- 3. DETAILS OF ANY OUTSTANDING DEPOSITS (As on 28th July, 2017)**
- a. **Amount Outstanding** : ₹ 4593.43 Lakhs
 - b. **Date of acceptance** : Over last one year
 - c. **Total amount accepted** : ₹ 4396.93 Lakhs (as on 31/03/2017)
 - d. **Rate of interest** : 9.5% p.a. (yield 9.84 % p.a.).
 - e. **Total number of depositors** : 72 (Seventy Two)
 - f. **Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved:** NIL
 - g. **Any waiver by the depositors, of interest accrued on deposits:** No
- 4. FINANCIAL POSITION OF THE COMPANY**
- a. **Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular or advertisement:**

(₹ in Lakhs)

For the financial year ended	Profit before Exceptional items & taxes	Profit before taxes	Profit after taxes
31 st March, 2015	339.40	339.40	18.77
31 st March, 2016	1,319.05	845.85	702.65
31 st March, 2017	213.03	213.03	118.60

- b. **Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid or interest paid):**

For the financial year ended	Dividends	Interest coverage ratio
31 st March, 2015	NIL	1.10
31 st March, 2016	NIL	1.19
31 st March, 2017	NIL	1.03

AARVEE DENIMS AND EXPORTS LTD.

- c. A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement:

(₹ In Lakhs)

Liabilities	As on 31 st March, 2017	As on 31 st March, 2016	As on 31 st March, 2015	Assets	As on 31 st March, 2017	As on 31 st March, 2016	As on 31 st March, 2015
Share Capital	2,345.98	2,345.98	2,345.98	Non-Current Assets	39,227.55	39,099.89	38,744.77
Reserves & Surplus	24,421.10	24,043.06	23,249.02	Current Assets	43,628.45	43,228.93	38,431.58
Non-Current Liabilities	8,713.38	9,056.57	10,656.56				
Current Liabilities	47,375.54	46,883.21	40,834.79				
TOTAL	82,856.00	82,328.82	77,086.35	TOTAL	82,856.00	82,328.82	77,086.35

- d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement:

(₹ In Lakhs)

		31 st March, 2017	31 st March, 2016	31 st March, 2015
i)	Cash flows from operating activities	9,660.09	7,493.11	4,679.25
ii)	Cash flows from investing activities	(3,802.05)	(3,763.53)	(1,099.17)
iii)	Cash flows from financing activities	(6,133.33)	(3,274.22)	(3,619.31)
iv)	Net increase/(decrease) in cash & cash equivalents	(275.29)	455.36	(39.23)

- e. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company: No change in the accounting policies.

5. A DECLARATION BY THE DIRECTORS THAT:-

- the company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest there on;
- the board of directors have satisfied themselves fully with respect to the affairs and prospects of the company and that they are of the opinion that having regard to the estimated future financial position of the company, the company will be able to meet its liabilities as and when they become due and that the company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;
- the company has complied with the provisions of the Act and the rules made thereunder;
- the compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;
- the deposits accepted by the company before the commencement of the Act have been repaid (or will be repaid along with interest thereon on maturity and until they are repaid, they shall be treated as unsecured and ranking pari-passu with other unsecured liabilities);
- In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
- the deposits shall be used only for the purposes indicated in the Circular or circular in the form of advertisement;

- h. the deposits accepted by the company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank pari-passu with other unsecured liabilities of the company.

This circular is issued on the authorities and in the name of the Board of Directors of the Company, the text hereof has been approved by the Board of Directors at its meeting held on 28th July 2017, and a copy thereof signed by a majority of the Directors of the Company, has been filed with the Registrar of the Companies, Gujarat.

BY ORDER OF THE BOARD

Vinod P. Arora
Kalpesh V. Shah
Rajesh P. Arora
Ashok Gandhi
Arvind Sanghvi

Ashish V. Shah
Parmanand T. Arora
Sanjay Majmudar
Amol R. Dalal
Shivani Shah

Ahmedabad, 28th July, 2017

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REGISTERED OFFICE

191, Shahwadi, Narol-Sarkhej Highway,
Nr. Old Octroi Naka, Narol,
Ahmedabad-382405