

30th

ANNUAL
REPORT | 2018
2019



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. Nipun V. Arora	Whole Time 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. Yashree Dixit	Independent Director (resigned w.e.f. 10.08.2019)

SENIOR EXECUTIVES

Mr. Pankaj V. Arora	Vice President (Marketing)
Mr. Pankil K. Shah	Vice President (Garment)
Mr. Bhavik Shukla	CFO
Ms. Yashaswini Pandey	Company Secretary (resigned w.e.f. 18.08.2019)

BANKERS

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

AUDITORS

Shah & Shah Associates	Statutory Auditors
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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, 27th September, 2019

Time Venue

11:00 A.M.

Venue

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



AARVEE DENIMS AND EXPORTS LTD.

NOTICE OF 30TH ANNUAL GENERAL MEETING (CIN: L17110GJ1988PLC010504)

NOTICE is hereby given that the 30th Annual General Meeting of the Members of **AARVEE DENIMS AND EXPORTS LIMITED** will be held on Friday, 27th September, 2019 at 11:00 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, standalone and consolidated, of the Company for the year ended 31st March 2019 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;

SPECIAL BUSINESS:-

3. RE-APPOINTMENT OF MR. SANJAY S. MAJMDAR, AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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 Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), as per the recommendation of the Nomination & Remuneration Committee, the approval of board be and is hereby accorded for the re-appointment of Mr. Sanjay Majmdar and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 1st April, 2019 upto 31st March, 2024."

FURTHER RESOLVED THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

4. RE-APPOINTMENT OF MR. ASHOK C. GANDHI, AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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 Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), the recommendation of the Members of the committee be and is hereby accorded for the approval of board for the re-appointment of Mr. Ashok Gandhi and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the

Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 1st April, 2019 upto 31st March, 2024."

FURTHER RESOLVED THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

5. RE-APPOINTMENT OF MR. ARVIND D. SANGHVI, AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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 Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), as per the recommendation of the Nomination & Remuneration Committee, the approval of board be and is hereby accorded for the re-appointment of Mr. Arvind Sanghvi and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 1st April, 2019 upto 31st March, 2024."

FURTHER RESOLVED THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

6. APPOINTMENT OF MR. AMOL R. DALAL, AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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 Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), as per the recommendation of the Nomination & Remuneration Committee, the approval of board be and is hereby accorded for the re-appointment of Mr. Amol Dalal and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 1st April, 2019 upto 31st March, 2024."

FURTHER RESOLVED THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

7. REAPPOINTMENT OF MR. ASHOK GANDHI AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY FOR SECOND TERM OF 5 YEARS, AFTER ATTAINING THE AGE OF 75 YEARS.

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

RESOLVED THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Amendment Regulations, 2018"), Mr. Ashok Gandhi on attaining the age of 75 (seventy five) years in the above term of re-appointment, the continuation of such appointment as an Independent Non-Executive Director of the Company for 5 years on the same terms and conditions of such re-appointment even after attaining the age of 75 years, will be considered as requisite approval from shareholders as required in the Amendment Regulations, 2018."

FURTHER RESOLVED THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

8. 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, 2020, be paid the remuneration of Rs. 60,000/- (Rupees Sixty Thousand only/-) plus Goods and service tax (GST) and out of pocket expenses, if any, incurred during the course of above audit."

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel or any director of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may deem fit."

9. 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.

FURTHER RESOLVED 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."

FURTHER RESOLVED 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."

10. 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, 2019 to 31st March, 2021 between the Company and related entities of Mr. Vinod P. Arora, Chairman & Managing Director, Mr. Rajesh P. Arora, Director for entering into contract or arrangement with the related parties as defined under the Act and the Rules made there under, 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."

BY ORDER OF BOARD OF DIRECTORS

Place : Ahmedabad

Date : 10/08/2019

Registered office:

191, Shahwadi,

Nr. Old Octroi Naka, Narol - Sarkhej Highway,

Narol, Ahmedabad - 382 405

CIN: L17110GJ1988PLC010504

Yashaswini Pandey

Company Secretary

ACS 38402

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/herself 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 30th Annual General Meeting is given at the end of the Notice.
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 Thursday, 26th September, 2019 to Friday, 27th September, 2019 both days inclusive).
7. The relevant details of the Directors seeking re-appointment/ appointment at 30th 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., 5th Floor, 506 to 508, Amarnath Business Center-I (ABC-I), Besides Gala Business Center, Nr. St. Xavier's College Croner, Off. C.G. Road, Navrangpura, Ahmedabad - 380 009, 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 our 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.

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 30th 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:

(vii)		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 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, 24th September, 2019 (9.00 a.m. IST) and ends on Thursday, 26th September, 2019 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 20th September, 2019 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 2018-19 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 2018-19 are being sent in the permitted mode.
- Members may also note that the notice of the 30th Annual General Meeting and Annual Report for 2018-19 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 Rs. 397498/- being unclaimed dividend amount for the Financial year 2010-11 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, 2011 or any subsequent



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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.

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 Nos. 3 to 6:

The Company had, pursuant to the provisions of Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with the recommendation of Nominations and remuneration Committee has recommended the Re-appointment of Mr. Sanjay S. Majmudar, Mr. Ashok C. Gandhi, Mr. Arvind D. Sanghvi and Mr. Amol R. Dalal as Independent Directors for tenure of 5 years effective from 1st April, 2019 upto 31st March, 2024 whose term shall not be subject to retirement by rotation, The details of four independent non rotational directors are:

Mr. Sanjay Majmudar, is practicing Chartered Accountant (CA) at Ahmedabad and also holds LL.B. and B.Com. degrees. He is 56 years old and having more than 32 years of rich and varied experience of corporate finance, project financing, taxation, corporate laws, joint ventures etc. He is holding independent directorship in various listed companies such as M/s. Dishman Pharmaceuticals and Chemicals Limited, M/s. AIA Engineering Ltd, M/s. Welcast Steels Ltd, M/s. Dishman Carbogen Amics Ltd, and M/s Ashima Ltd. As on 31st March, 2019 he does not hold any shares of the Company.

He is a Non-Executive & Independent Director of the Company and not related with any other Director(s) of the Company.

Mr. Ashok Gandhi is partner of well know Ahmedabad based advocate firm M/s. C. C. Gandhi & Co. He is 80 years old. He holds LL.B. and B.Com. degrees. He is having more than 48 years of rich experience of legal profession. He is holding independent directorship in various listed companies such as M/s. Dishman Pharmaceuticals and Chemicals Limited, M/s. Amol Minechem Ltd, M/s. bloom Dekor Ltd, M/s. Ahmedabad Steel craft Ltd, M/s. Dishman Carbogen Amcis Ltd. As on 31st March, 2019 he does not hold any shares of the Company.

He is a Non-Executive & Independent Director of the Company and not related with any other Director(s) of the Company.

Mr. Arvind D. Sanghvi is 62 year old. He is under graduate and having more than 40 year's vast experience in metal industries. He is founder of "Raajratna Metal Industries". He is independent director of the company since 1996. As on 31st March, 2019 he does not hold any shares of the Company.

He is a Non-Executive & Independent Director of the Company and not related with any other Director(s) of the Company

Mr. Amol R. Dalal is 63 years and commerce graduate and engaged in business of manufacturing of parts of various machineries. He is independent director of M/s. Real Strips Ltd. M/s Aye Ess Spinning Mills Pvt, Ltd. He is independent director of the Company since 2004. As on 31st March, 2019, he hold 1315 equity shares of Rs. 10/- each of the Company.

He is a Non-Executive & Independent Director of the Company and not related with any other Director(s) of the Company.

In the opinion of the Board, these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

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The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, by giving 2 days prior written notice.

The Board recommends the resolutions set forth in the Item Nos.3 to 6 of the Notice for approval of the members

ITEM NO. 7.

Pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Amendment Regulations, 2018"), the consent of the Members by way of Special Resolution is required for re-appointment of Mr. Ashok Gandhi even on attaining the age of 75 (seventy five) years in the above term of re-appointment and the continuation of such appointment as an Independent Non-Executive Director of the Company for 5 years on the same terms and conditions.

The Nomination & Remuneration Committee ('the Committee') and the Board of Directors of the Company ('the Board') are of the view that he is expert in his field and his experience and valuable guidance is beneficial to the Company. Hence, in order to take advantage of their counsel and advice, it would be appropriate that he continue to serve on the Board till the completion of terms of re-appointment. Accordingly, the Board at the meeting held on 13th February 2019, on the recommendation of the Committee, have recommended for the approval of the Members, the continuation of the terms of Mr. Ashok Gandhi as Independent Director of the Company w.e.f. 1 April 2019 till the end of 31st March, 2024, notwithstanding that he has attained the age of 75 years.

Mr. Ashok Gandhi is partner of well know Ahmedabad based advocate firm M/s. C. C. Gandhi & Co. He is 80 years old. He holds LL.B. and B.Com. Degree. He is having more than 48 years of rich experience of legal profession. He is holding independent directorship in various listed companies such as M/s. Dishman Pharmaceuticals and Chemicals Limited, M/s. Amol Minechem Ltd, M/s. bloom Dekor Ltd, M/s. Ahmedabad Steel craft Ltd, M/s.Dishman Carbogen Amcis Ltd. As on 31st March, 2019 he does not hold any shares of the Company.

He is a Non-Executive & Independent Director of the Company and not related with any other Director(s) of the Company.

In the opinion of the Board, Mr. Ashok Gandhi fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. Ashok Gandhi as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, by giving 2 days prior written notice.

The Board recommends the resolutions set forth in the Item Nos. 7 of the Notice for approval of the members.

ITEM NO. 8

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, 2020 at a remuneration of Rs. 60,000/- plus GST 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. 8 of the Notice for ratification of remuneration payable to Cost Auditors for financial year ending 31st March, 2020.

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. 8 of Notice.



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The Board recommends Ordinary Resolution set out at Item No. 8 of Notice for approval by the shareholders.

ITEM NO. 9.

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 a Special resolution as mentioned in item no. 9.

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.9 of the Notice for approval by the shareholders.

ITEM NO. 10.

The Board of Directors of the Company, at its meeting held on 13th February, 2019 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.

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 2019-20 and 2020-21 may cross the materiality threshold limit prescribed under SEBI Listing Regulations and thus would require approval of shareholders by Ordinary resolution

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

The Related party transactions as mentioned above are/were necessary, normal and incidental to business 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. 10 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 their relatives are in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 10 of this notice

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The Information in respect of the Company and Managerial personnel in respect of item No. 2,3,4,5 and 6 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:

(Rs. In Lakhs)

Particulars	2018-19	2017-18
Total Income	75434.03	82959.72
Profit before Tax	172.66	637.48
Tax Expense	63.78	76.62
Profit for the year	108.88	560.85

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

II. Information about the appointee:**Item No. 02**

- (1) Background Details: Mr. Rajesh P. Arora is having experience in Textile business for more than 30 years. He is looking after group marketing of the company from Delhi office
- (2) Past Remuneration: N.A.
- (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: N.A.
- (5) Remuneration Proposed: N.A.
- (6) The remuneration paid 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. Rajesh P. Arora is Son of Mr. Parmanand Arora, Director and Brother of Mr. Vinod P. Arora, Chairman & Managing Director. Mr. Rajesh P. Arora holds 10,72,645 equity shares representing 4.57% of share capital of the Company.

Item No. 03

- (1) Background Details: Mr. Sanjay Majmudar is being appointed as an Independent Director of the Company, he is practicing Chartered Accountant (CA) at Ahmedabad and also member of ICAI,
- (2) Past Remuneration: N.A.
- (3) Recognition and Award: N.A.
- (4) Job profile and her suitability: Being a member of board, He will work independently to guide the company in all applicable laws and in good corporate governance of the company
- (5) Remuneration Proposed: N.A.
- (6) He is not a relative of any director nor holds any share of the Company

Item No. 04

- (1) Background Details: Mr. Ashok Gandhi is partner of advocate firm M/s. C. C. Gandhi & Co. He is having more than 48 years of rich experience of legal profession in Ahmedabad.
- (2) Past Remuneration: N.A.
- (3) Recognition and Award: N.A.



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- (4) Job profile and her suitability: Being a member of board, He will work independently to guide the company in all applicable laws and in good corporate governance of the company
- (5) Remuneration Proposed: N.A.
- (6) He is not a relative of any director nor holds any share of the Company

Item No. 05.

- (1) Background Details: Mr. Arvind D. Sanghvi having more than 40year's vast experience in metal industries. He is founder of "Raajratna Metal Industries Ahmedabad.
- (2) Past Remuneration: N.A.
- (3) Recognition and Award: N.A.
- (4) Job profile and her suitability: Being a member of board, he will work independently to guide the company in all applicable laws and in good corporate governance of the company
- (5) Remuneration Proposed: N.A.
- (6) He is not a relative of any director nor holds any share of the Company

Item No. 06.

- (1) Background Details: Mr. Amol R. Dalal is 63 years old and engaged in business of manufacturing of parts of various machineries, Ahmedabad.
- (2) Past Remuneration: N.A.
- (3) Recognition and Award: N.A.
- (4) Job profile and her suitability: Being a member of board, he will work independently to guide the company in all applicable laws and in good corporate governance of the company
- (5) Remuneration Proposed: N.A.
- (6) He is not a relative of any director nor holds any share of the Company

III. Other Information:

During the year ended 31st March, 2019, the total income was Rs. 75434.03 Lakhs against Rs. 82959.72 Lakhs in the previous year. The profit before tax for the year has been 172.66 Lakhs against 637.48 Lakhs in previous year. The Profit after tax for the current year is 108.88 Lakhs, compared to Rs. 560.85 Lakhs 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

Place : Ahmedabad

Date : 10/08/2019

Registered office:

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

Yashaswini Pandey
Company Secretary
ACS 38402

AARVEE DENIMS AND EXPORTS LTD.**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. Sanjay S. Majmudar	Mr. Ashok C. Gandhi	Mr. Arvind D. Sanghvi	Mr. Amol R. Dalal
DIN	00092200	00091305	00022507	00435340	00458885
Date of Birth	24-10-1960	21-03-1963	04-12-1939	30-03-1957	13-04-1956
Date of Appointment	11-08-1992	14-11-2003	11-11-1995	03-02-1996	31-03-2004
Relationship with other Directors Inter se	Son of Mr. Parmanand Arora, Director and Brother of Mr. Vinod P. Arora, Chairman & Managing Director.	N.A.	N.A.	N.A.	N.A.
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	Mr. Sanjay S. Majmudar is a practicing Chartered Accountant (CA) at Ahmedabad having more than 32 years of rich and varied experience of corporate finance, project financing, taxation, corporate laws, joint ventures etc	Mr. Ashok Gandhi is partner of well know Ahmedabad based advocate firm M/s. C. C. Gandhi & Co having more than 48 years of rich experience of legal profession.	Mr. Arvind D. Sanghvi having more than 40year's vast experience in metal industries. He is founder of "Raajratna Metal Industries.	Mr. Amol R. Dalal is engaged in business of manufacturing of parts of various machineries
Qualification	Commerce Graduate	CA,B.com, LLB,	B.com, LLB,	under graduate	commerce graduate
No. of Equity Shares held in the Company	10,72,645	NIL	NIL	NIL	1315

List of other Companies in which Directorships are held	(1) New Ahmedabad Synthetics Pvt. Ltd. (2) Vee Bee	(1) M/s. Dishman Pharmaceuticals and Chemicals Limited, (2) M/s. AIA Engineering Ltd, (3) M/s. Welcast Steels Ltd, (4) M/s. Dishman Carbogen Amics Ltd, (5) M/s. Ashima Ltd (6) M/s. M & B Engineering Ltd (7) M/s. Keyur Financial Services Pvt Ltd.	(1) M/s. Dishman Pharmaceuticals and Chemicals Limited, (2) M/s. Amol Dicalite Ltd, (3) M/s. bloom Dekor Ltd, (4) M/s. Ahmedabad Steel craft Ltd, (5) M/s. Dishman carbogen Amcis Ltd.	(1) Raajratna Stainless Private Limited (2) Rainox Wires Private Limited (3) Raajratna Ventures Limited (4) Raaj Ratna Metal Industries Ltd.	(1) M/S. Real Strips Ltd (2) M/S. Aye Ess Spinning Mills Pvt Ltd.
List of committees of Board of Directors (across all other Companies) in which Chairmanship/Membership is held	Chairmanship Nil Membership Nil	Chairmanship Audit Committee- M/s. Dishman Carbogen Amics Ltd NRC Committee M/s. AIA Engineering Ltd M/s. Dishman Carbogen Amics Ltd SRC Committee M/s. Dishman Carbogen Amics Ltd Membership Audit Committee- M/s. AIA Engineering Ltd. M/s. M & B Engineering Ltd. M/s. Welcast Steels Ltd. M/s. .Ashima Ltd. SRC Committee- M/s. Welcast Steels Ltd. M/s. .Ashima Ltd.	Chairmanship SRC Committee M/S. Amol Dicalite Ltd, Membership Audit Committee- M/S. Amol Dicalite Ltd, M/S. Ahmedabad Steel Craft Ltd, M/S. Dishman Carbogen Amcis Ltd. M/S. Bloom Dekor Ltd, NRC Committee M/S. Amol Dicalite Ltd, M/S. Ahmedabad Steel Craft Ltd M/S. Dishman Carbogen Amcis Ltd. M/S. Bloom Dekor Ltd, SRC Committee M/S. Dishman Carbogen Amcis Ltd. M/S. Bloom Dekor Ltd	Chairmanship Nil Membership Nil	Chairmanship Audit Committee M/S. Real Strips Ltd Membership NRC Committee M/S. Real Strips Ltd

DIRECTORS' REPORT

(CIN: L17110GJ1988PLC010504)

To,
The Members,

Your Directors have pleasure in presenting the 30th Annual Report on the business and operations of your Company together with the audited accounts for the financial year ended 31st March, 2019.

1. FINANCIAL RESULTS

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

(₹ in Lakh)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Total Revenue	75434.03	82,959.72
Profit before Interest, Tax & Depreciation	8500.12	8277.93
Less: Net Interest & Finance Cost	4929.59	4,345.97
Less: Depreciation	3397.87	3,294.48
Profit before tax	172.66	637.48
Provision for Tax & Deferred tax	63.78	76.63
Profit for the year	108.88	560.85
Other comprehensive income	34.87	3.95
Total comprehensive income	143.75	564.80

2. PERFORMANCE DURING THE YEAR

During the year under review, the company has achieved revenue of Rs 75434.03 Lakh as compared to Rs. 82,959.72 Lakh for the previous financial year. The Net profit for the year stood at Rs. 143.75 Lakh against Rs. 564.80 Lakh in the previous year.

Your Company looks forward to strengthen its operations by curtailing expenditure, aggressive export marketing etc. This would help the Company to improve its results and profitability.

3. DIVIDEND

Your Directors do not recommend payment of any Dividend for the Financial year ended 31st March, 2019, 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.

4. INDIAN ACCOUNTING STANDARD (IND AS)

The company has adopted Indian Accounting Standards (IND AS) with effect from 1st April, 2017, pursuant to the notification of Companies (Indian Accounting Standard) Rules, 2015 issued by the Ministry of Corporate Affairs. Hence, previous year's figures have been regrouped and reclassified, wherever considered necessary to confirm the figures represented in the current period.

5. RESERVES AND SURPLUS

The Company has not transferred any amount to General Reserves for the Financial Year 2018-19.

6. SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2019 stood at Rs. 2345.98 Lakhs. During the year under review, the Company has neither made any issue of equity shares with differential voting rights nor has 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.

7. 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 Practicing Company Secretary confirming the compliance with the condition of Corporate Governance is attached to the Report on Corporate Governance.

8. 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

9. 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.

10. FIXED DEPOSITS

Your company has accepted/renewed the deposits aggregating to Rs. 6954.18 Lakhs 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.

11. 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.

12. SUBSIDIARY COMPANIES

On November 17, 2017, the company had incorporated a subsidiary company namely M/s. Aye Ess Spinning Mills Private Limited, Ahmedabad. There after it had acquired 100% equity shares of such company and accordingly, during the year, it becomes wholly owned subsidiary company of the company.

Further, during the period ended March 31, 2019 the subsidiary company has not started its' commercial operations and therefore no Statement of Profit and Loss has been prepared for such subsidiary for the year ended March 31, 2019. On account of above, standalone and consolidated financial results of the company for year ended March 31, 2019 remains same. However, Consolidated Financial Statements of Assets and Liabilities as at March 31, 2019 of the parent company after incorporating Financial Statements of Assets and Liabilities as at March 31, 2019 of such subsidiary has been prepared.

A statement in Form AOC-I pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 containing salient features of the financial statement of subsidiaries/ associate companies/joint venture is enclosed with this report as Annexure- A.

The board of directors of the company in its meeting held on 10.08.2019 has approved the striking off its wholly owned subsidiary company named M/s. Aye Ess Spinning Mills Private Limited, Ahmedabad

13. 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 2018-19, being arm's length transactions have been reported and annexed hereto in form AOC-2 as Annexure -B 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/investors/corporate-governance/>

14. 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.

15. 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.

16. 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.

17. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

1) Changes in Directors and Key Managerial Personnel

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.

Mr. Amol Dalal (DIN: 00458885), Mr. Arvind Sanghvi (DIN: 00435340), Mr. Ashok Gandhi (DIN: 00022507), Mr. Sanjay Majmudar (DIN: 00091305) being independent directors are not eligible for retire by rotation and hold office for five consecutive years for a term from the date of their appointment by the Board of Directors as per the provisions of Section 149, 152 read with Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ms. Yashree Dixit (DIN: 7775794) Independent director of the Company has resigned w.e.f. 10th August, 2019.

Information regarding the meeting of directors and remuneration etc. is given in the Corporate Governance report attached with the report.

The company is having following Key Managerial Personnel: -

S. No.	Key Managerial Personnel	Designation
1	Mr. Vinod P. Arora, DIN: 00007065	Chairman & Managing Director
2	Mr. Ashish V. Shah, DIN: 00007201	Managing Director
3	Mr. Kalpesh V. Shah, DIN: 00007262	Whole Time Director
4	Mr. Nipun Arora, DIN: 00989835	Whole Time Director
5	Mr. Bhavik Shukla	Chief Financial Officer
6	Ms. Yashaswini Pandey*	Company Secretary

*Ms. Yashaswini Pandey Company Secretary of the company has resigned w.e.f. 18.08.2019.

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.aarvee-denims.com/script-code-stock-exchanges.html>

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.

18. 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.

19. 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.

20. 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:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- 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, 2019 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.

21. 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-C to this report, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

22. 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 2018-19.

23. 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.aarvee-denims.com/pdfs/vigil-machanism.pdf>. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

24. 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.

25. AUDITORS**(1) Statutory Auditors**

M/s Shah & Shah Associates, Chartered Accountant, Ahmedabad (Firm Registration No. 113742W), Statutory Auditors of the Company were appointed in the 28th Annual General Meeting to hold office until the conclusion of the 33rd Annual General Meeting going to be held in the calendar year 2022.

(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 23rd May, 2019 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., Practicing Company Secretary (COP No. 2839) for conducting Secretarial Audit of the Company for the financial year ended on 31st March, 2019. The Secretarial Audit report of M/s Tapan Shah & Co. Company Secretaries for the financial year ended 31st March, 2019, is annexed as Annexure - D.

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

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

27. 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 - E.

28. 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 - F to this report.

29. 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- G to this report. Form- MGT-9 is uploaded on the website of the Company <http://www.aarvee-denims.com>.

30. INDUSTRIAL RELATIONS

The industrial relations continued to be generally peaceful and cordial.

31. 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 2018-19 to above stock exchanges.

32. 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

Vinod P. Arora
Chairman & Managing Director
DIN:00007065

Place : Ahmedabad

Date : 10.08.2019

REGISTERED OFFICE :

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

Annexure – A
form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

part a: subsidiaries

INFORMATION IN RESPECT OF EACH SUBSIDIARY TO BE PRESENTED WITH AMOUNTS INR.

Part-A : Subsidiaries

S. No.	Name of Subsidiary Company	Aye Ess Spinning Mills Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding company i.e. from 1 st April 2018 to 31 st March 2019
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR. This is an Indian subsidiary
A	Share Capital	Rs. 100000
B	Reserve & surplus	NIL
C	Total assets	NIL
D	Total Liabilities	Rs. 26000
E	Investment	NIL
F	Turnover	NIL
G	Profit before taxation	NIL
H	Provision for taxation	NIL
I	Profit/(Loss) after taxation	NIL
J	Proposed Dividend	NIL
K	% of shareholding	100%

Note : During the year ended March 31, 2019 the Subsidiaries company has not started its commercial operations.

Part-B Joint Vanture : None



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Annexure – B 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)	2018-19	28673826.96	In the Board meetings held in financial year 2018-19	Nil
2	A V Enterprise (HUF)				1199812.1		
3	B Kalpeshkumar & Co.				1201694.25		
4	K V Enterprise (HUF)				1199372.09		
5	Namit Enterprise				7703609.35		
6	B S Textiles				24682340.82		
7	Arora Agencies	Associated Concern	Commission On Sale Of Fabric	2018-19	18895928.61	In the Board meetings held in financial year 2018-19	Nil
8	Parmanand Vinodkumar				19651938.00		
10	PARI BHOGILAL LAXMICHAND	Associated Concern	Sale of Fabric	2018-19	16,917,826	In the Board meetings held in financial year 2018-19	Nil
11	Panch Rattan fabrics				754,246,373		
12	VIRENDRABHAI BHOGILAL & CO.				16,668,111.56		
13	B S TEXTILES				19,396,216.65		
14	NAMIT ENTERPRISE				7,643,431.02		
15	Techtex	Associated Concern	Lease Rent Income	2018-19	203400	In the Board meetings held in financial year 2018-19	Nil

Annexure – C**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.aarvee-denims.com/pdfs/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: Rs. 709.68 Lakh
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):
5. Details of CSR spent for the financial year: Not Applicable
- (a) Total amount to be spent for the financial year: Rs. 14.19 Lakh (2018-19)
- (b) Amount unspent, if any: Rs. 14.19 Lakh
- (c) Manner in which the amount spent during the financial year is detailed below: Not Applicable.

Annexure to CSR Report								
(i) Sr. No	(ii) CSR Project or activity identified	(iii) Sector in Which the Project is covered	(iv) Projects or programs (1) Local area or other(2) Specify the state and district where projects and programs undertaken.	(v) Amount outlay (budget) project or programs wise	(vi) Amount spent on projects or programs Sub - heads : (1) Direct expenditure on project or programs (2) Overheads	(vii) Cumulative expenditure upto the reporting period	(viii) Amount spent : Direct or through implementing agency	(ix) 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.
 - Board of Directors could not initiate CSR activities considering the current cash flow position of the Company.



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The Company has an unspent amount of Rs. Rs.16.33 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 – D
SECRETARIAL AUDIT REPORT

For the financial year ended 31/03/2019

[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, 2019 generally complied with the statutory provisions listed hereunder (except few observation given) 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, 2019 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 thereunder to the extent of Foreign Direct Investment ;
- (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, 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, only 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, except few observations like: 1. 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; 2. The Company had no woman Director on the Board till 24th May, 2018 and due to that total Independent Directors on the Board were 4 instead of required 5 till that date; and 3. The Company had no Company Secretary (KMP) for the period 1st April, 2018 to 23rd July, 2018.

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 2018; and
- v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018;
- vi. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investments and External Commercial Borrowings;

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 Board of Directors and 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 few specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:

I. Appointment of Ms. Yashree Dixit (DIN: 7775794) as Independent Director of the company w.e.f. 24th May, 2018 for the period of the five consecutive years.

AARVEE DENIMS AND EXPORTS LTD.



II. Appointment of Mr. Nipun Arora (DIN: 00989835) as Whole Time Director of the Company w.e.f 11th August, 2018 for the period of three years.

III. Cessation of Mr. Parmanand Arora (DIN: 00093659) as Director of the Company w.e.f 11th August, 2018.

IV. The Company has appointment of Ms. Yashashwini Pandey, as a Company Secretary w.e.f. 11th August, 2018.

Place : Ahmedabad

Date : 10/08/2019

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 : 10/08/2019

Signature:

Name of Company Secretary in practice: Tapan Shah

FCS No.: 4476

C P No.: 2839

ANNEXURE - E

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, 2019.

(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.

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

(Rs. In Lakhs)

Particulars	2018-19	2017-18
1. Electricity		
(a) Purchased Units KWH in Lac	879.90	922.96
Total Amount (Rs. in Lac)	7391.10	7320.12
Rate/unit (Rs./KWH)	8.40	7.93
(b) Wind Turbine (Units KWH in Lac)	344.75	305.14
2. Coal & Lignite		
Quantity (in MT)	34514.32	35783.81
Total Cost(Rs in Lac)	1880.47	1552.20
Cost/MT	5448.38	4337.71

III. CONSUMPTION PER UNIT OF PRODUCTION:

Particulars	2018-19		2017-18	
	FABRIC (PER MTR)	YARN(PER KG)	FABRIC (PER MTR)	YARN (PER KG)
Electricity (KWH)	1.87	1.66	1.64	1.44
Coal (Kg)	0.73	Nil	0.64	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

AARVEE DENIMS AND EXPORTS LTD.

(iv) The expenditure incurred on Research and Development.

(Rs. in Lakh)

	2018-19	2017-18
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-

(Rs. in Lakh)

Particulars	2018-19	2017-18
Foreign Exchange Earning	10382.20	6192.24
Foreign Exchange Outgo	2363.12	3833.50

Annexure - F
[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 Rs.)

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. Nipun Arora*	Whole Time Director	8,00,000/-		Nil
5	Mr. Parmanand T. Arora	Director	Nil	-	Nil
6	Mr. Rajesh P. Arora	Director	Nil	-	Nil
7	Mr. Bhavik Shukla	CFO	20,83,353/-		
8	Ms. Yashaswini Pandey**	CS	3,20,252/-		Nil

* Mr. Nipun Arora is being working as Vice President of the company and the remuneration was also paid to him under this category.

He has not received any payment as a director for the financial year 2017-18 as he was appointed as director by board on 11.08.2018

** Ms. Yashaswini Pandey Company Secretary of the company has resigned w.e.f. 18.08.2019

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
2. The number of permanent employees on the rolls of Company:
3. There was no increase in the Managerial Remuneration for the Financial Year 2018-19 as compared to Financial Year 2017-18. 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 Rs. 1

AARVEE DENIMS AND EXPORTS LTD.



Crore and 2 Lakh per annum or employed in part of the financial year with an average salary above Rs. 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.



AARVEE DENIMS AND EXPORTS LTD.

ANNEXURE - G FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2019

[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: 079-68147000, 68147000 Fax : +91-79-68147070
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd, 5th Floor, 506 to 508, Amarnath Business Centre-1, (ABC-1), Beside Gala Business Centre, Nr. St. Xaviers College Corner, Off C G Road, Navrangpura, Ahmedabad - 380009. Tel. Nos.079-26465179, Fax No 079-26465179, Email: ahmedabad@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	17121	96.74%
2	Power Generation – Wind Mill	40108	3.26%

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
WHOLLY OWNED SUBSIDIARY COMPANY - AYE ESS SPINNING MILLS PRIVATE LIMITED			

Company having AYE ESS SPINNING MILLS PRIVATE LIMITED as Wholly owned Subsidiary Company but such subsidiary Company does not contribute 10 % or more of the total turnover to the company.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

	Category of Shareholders	Shareholding at the beginning of the year (As on 1-April-2018)				Shareholding at the end of the year (As on 31-March-2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	8482325	0	8482325	'36.1569	8482325	0	8482325	'36.1569	'0.0000
(b)	Central Government / State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	6953978	0	6953978	'29.6421	6953978	0	6953978	'29.6421	'0.0000
	Sub Total (A)(1)	15436303	0	15436303	'65.7990	15436303	0	15436303	'65.7990	'0.0000
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	15436303	0	15436303	'65.7990	15436303	0	15436303	'65.7990	'0.0000
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Venture Capital Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Alternate Investment Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(f)	Financial Institutions / Banks	0	300	300	'0.0013	0	300	300	'0.0013	'0.0000
(g)	Insurance Companies	493758	0	493758	'2.1047	493758	0	493758	'2.1047	'0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	493758	300	494058	'2.1060	493758	300	494058	'2.1060	'0.0000
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	216195	0	216195	'0.9216	0	0	0	'0.0000	'-0.9216
	Sub Total (B)(2)	216195	0	216195	'0.9216	0	0	0	'0.0000	'-0.9216
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	2942265	461413	3403678	'14.5086	2930279	442513	3372792	'14.3769	'-0.1317

	Category of Shareholders	Shareholding at the beginning of the year (As on 1-April-2018)				Shareholding at the end of the year (As on 31-March-2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1396578	0	1396578	'5.9531	1573426	0	1573426	'6.7069	'0.7538
(b)	NBFCs registered with RBI	0	0	0	'0.0000	100	0	100	'0.0004	'0.0004
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	IEPF 0	0	0	'0.0000	216195	0	216195	'0.9216	'0.9216	
	Trusts	80000	0	80000	'0.3410	80000	0	80000	'0.3410	'0.0000
	Hindu Undivided Family	352947	0	352947	'1.5045	229817	0	229817	'0.9796	'-0.5249
	Non Resident Indians (Non Repat)	71488	0	71488	'0.3047	34081	0	34081	'0.1453	'-0.1594
	Non Resident Indians (Repat)	1601458	0	1601458	'6.8264	1698309	0	1698309	'7.2392	'0.4128
	Clearing Member	106966	0	106966	'0.4560	76985	0	76985	'0.3282	'-0.1278
	Bodies Corporate	300129	0	300129	'1.2793	247734	0	247734	'1.0560	'-0.2233
	Sub Total (B)(3)	6851831	461413	7313244	'31.1735	7086926	442513	7529439	'32.0951	'0.9216
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	7561784	461713	8023497	'34.2010	7580684	442813	8023497	'34.2010	'0.0000
	Total (A)+(B)	22998087	461713	23459800	'100.0000	23016987	442813	23459800	'100.0000	'0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total (A)+(B)+(C)	22998087	461713	23459800	'100.0000	23016987	442813	23459800	'100.0000	

(ii) Shareholding of Promoter

Sr No.	Shareholder's Name	Shareholding at the beginning of the year as on 1-April-2018			Shareholding at the end of the year as on 31-March-2019			% 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.	2320900	9.8931	0.0000	2320900	9.8931	0.0000	0.0000
2	PARMANAND ARORA	1899533	8.0970	0.0000	1899533	8.0970	0.0000	0.0000
3	KASHVI INVESTMENTS PVT.LTD.	1388200	5.9174	0.0000	1388200	5.9174	0.0000	0.0000
4	TWENTY FIRST CENTURY MARKETING LTD.	1154250	4.9201	0.0000	1154250	4.9201	0.0000	0.0000
5	RAJESH ARORA	1072645	4.5723	0.0000	1072645	4.5723	0.0000	0.0000
6	RITA ARORA	823362	3.5097	0.0000	823362	3.5097	0.0000	0.0000
7	PARI BHOGILAL LAXMICHAND	718932	3.0645	0.0000	718932	3.0645	0.0000	0.0000
8	SHIPA FABRICS PVT. LTD.	685900	2.9237	0.0000	685900	2.9237	0.0000	0.0000
9	ASHISH SHAH	252265	1.0753	0.0000	252265	1.0753	0.0000	0.0000
10	ENNBEE TEXTILES PVT. LTD.	579600	2.4706	0.0000	579600	2.4706	0.0000	0.0000

AARVEE DENIMS AND EXPORTS LTD.


Sr No.	Shareholder's Name	Shareholding at the beginning of the year as on 1-April-2017			Shareholding at the end of the year as on 31-March-2018			% 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	
11	RENTEX WEAVERS LTD.	569850	2.4290	0.0000	569850	2.4290	0.0000	0.0000
12	KALPESH SHAH	465300	1.9834	0.0000	465300	1.9834	0.0000	0.0000
13	PARUL SHAH	425641	1.8143	0.0000	425641	1.8143	0.0000	0.0000
14	BELA SHAH	363991	1.5516	0.0000	363991	1.5516	0.0000	0.0000
15	SUSHILABEN SHAH	290600	1.2387	0.0000	290600	1.2387	0.0000	0.0000
16	PANKIL K. SHAH	269600	1.1492	0.3730	269600	1.1492	0.3730	0.0000
17	KASHVI KALPESHBHAI SHAH	261935	1.1165	0.0000	261935	1.1165	0.0000	0.0000
18	ANUJ ASHISH SHAH	244389	1.0417	0.3730	244389	1.0417	0.3730	0.0000
19	PANKIL KALPESHBHAI SHAH	224164	0.9555	0.0000	224164	0.9555	0.0000	0.0000
20	NIPUN V. ARORA	142475	0.6073	0.3730	142475	0.6073	0.3730	0.0000
21	VEE BEE TEXTILES PRIVATE LIMITED	140000	0.5968	0.0000	140000	0.5968	0.0000	0.0000
22	PANKAJ V. ARORA	132425	0.5645	0.3730	132425	0.5645	0.3730	0.0000
23	HEENA KHANNA	122951	0.5241	0.0000	122951	0.5241	0.0000	0.0000
24	SOMNI ARORA	116760	0.4977	0.0000	116760	0.4977	0.0000	0.0000
25	KARISHMA PANKILBHAI SHAH	110000	0.4689	0.0000	110000	0.4689	0.0000	0.0000
26	VINOD P. ARORA	80000	0.3410	0.0000	80000	0.3410	0.0000	0.0000
27	JHANVI NIPUNKUMAR ARORA	75790	0.3231	0.0000	75790	0.3231	0.0000	0.0000
28	SARTHAK PANKAJKUMAR ARORA	75790	0.3231	0.0000	75790	0.3231	0.0000	0.0000
29	CHINMAYA PANKAJKUMAR ARORA	75786	0.3230	0.0000	75786	0.3230	0.0000	0.0000
30	BHRIGU NIPUNKUMAR ARORA	75785	0.3230	0.0000	75785	0.3230	0.0000	0.0000
31	BHANSALI TRADELINK PRIVATE LIMITED	62500	0.2664	0.0000	62500	0.2664	0.0000	0.0000
32	SHAH KALPESH VIRENDRABHAI	60300	0.2570	0.0000	60300	0.2570	0.0000	0.0000
33	PEE VEE SYNTHETICS PVT. LTD.	52778	0.2250	0.0000	52778	0.2250	0.0000	0.0000
34	T.P. VINODKUMAR	35000	0.1492	0.0000	35000	0.1492	0.0000	0.0000
35	ANOLI ASHISHBHAI SHAH	23600	0.1006	0.0000	23600	0.1006	0.0000	0.0000
36	RENU V. ARORA	23306	0.0993	0.0000	23306	0.0993	0.0000	0.0000
37	PREETI N. ARORA	10000	0.0426	0.0000	10000	0.0426	0.0000	0.0000
38	SHIKHA P. ARORA	10000	0.0426	0.0000	10000	0.0426	0.0000	0.0000
	Total	15436303	65.7990	1.4920	15436303	65.7990	1.4920	0.0000

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

Sr No.		Shareholding at the beginning of the year as on 1-April-2018		Transactions during the year		Cumulative Shareholding at the end of the year as on 31-March-2019	
	Name & Type of Transaction	NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
NIL							

Note:

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 23459800 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(iv) Shareholding Pattern of top ten Shareholders:

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

Sr No.		Shareholding at the beginning of the year as on 1-April-2018		Transactions during the year		Cumulative Shareholding at the end of the year as on 31-March-2019	
	Name & Type of Transaction	NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	DEVANGKUMAR NARENDRAKUMAR SANGHAVI	1490000	6.3513			1490000	6.3513
	AT THE END OF THE YEAR					1490000	6.3513
2	SANTOSH SITARAM GOENKA	410388	1.7493			410388	1.7493
	Transfer			27 Apr 2018	2876	413264	1.7616
	Transfer			11 May 2018	3707	416971	1.7774
	Transfer			18 May 2018	6056	423027	1.8032
	Transfer			25 May 2018	12066	435093	1.8546
	Transfer			01 Jun 2018	8348	443441	1.8902
	Transfer			08 Jun 2018	27377	470818	2.0069
	Transfer			13 Jul 2018	1836	472654	2.0147
	Transfer			27 Jul 2018	2553	475207	2.0256
	Transfer			14 Sep 2018	4500	479707	2.0448
	Transfer			29 Sep 2018	2011	481718	2.0534
	Transfer			02 Nov 2018	4212	485930	2.0713
	Transfer			09 Nov 2018	3082	489012	2.0845
	Transfer			16 Nov 2018	15899	504911	2.1522
	Transfer			21 Dec 2018	401	505312	2.1539
	Transfer			04 Jan 2019	3536	508848	2.1690

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year as on 1-April-2018		Transactions during the year		Cumulative Shareholding at the end of the year as on 31-March-2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			25 Jan 2019	2710	511558	2.1806
	Transfer			15 Feb 2019	996	512554	2.1848
	Transfer			01 Mar 2019	376	512930	2.1864
	AT THE END OF THE YEAR					512930	2.1864
3	UNITED INDIA INSURANCE COMPANY LIMITED	493758	2.1047			493758	2.1047
	AT THE END OF THE YEAR					493758	2.1047
4	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	0	0.0000			0	0.0000
	AT THE END OF THE YEAR					0	0.0000
5	SUNITA SANTOSH GOENKA	113809	0.4851			113809	0.4851
	Transfer			13 Apr 2018	10686	124495	0.5307
	Transfer			04 May 2018	2502	126997	0.5413
	Transfer			11 May 2018	19298	146295	0.6236
	Transfer			18 May 2018	3204	149499	0.6373
	Transfer			01 Jun 2018	5416	154915	0.6603
	Transfer			15 Jun 2018	550	155465	0.6627
	Transfer			20 Jul 2018	177	155642	0.6634
	Transfer			07 Sep 2018	1250	156892	0.6688
	Transfer			14 Sep 2018	12255	169147	0.7210
	Transfer			29 Sep 2018	1802	170949	0.7287
	Transfer			12 Oct 2018	1205	172154	0.7338
	Transfer			04 Jan 2019	1789	173943	0.7415
	Transfer			25 Jan 2019	8892	182835	0.7794
	Transfer			01 Feb 2019	625	183460	0.7820
	Transfer			08 Feb 2019	1820	185280	0.7898
	AT THE END OF THE YEAR					185280	0.7898
6	SUPRIYA PUNIT AGARWAL	86459	0.3685			86459	0.3685
	Transfer			27 Apr 2018	2230	88689	0.3780
	Transfer			04 May 2018	(10000)	78689	0.3354
	Transfer			11 May 2018	4328	83017	0.3539
	Transfer			15 Jun 2018	8422	91439	0.3898
	Transfer			20 Jul 2018	7000	98439	0.4196
	Transfer			27 Jul 2018	2232	100671	0.4291
	Transfer			21 Sep 2018	4352	105023	0.4477
	Transfer			29 Sep 2018	2647	107670	0.4590
	Transfer			05 Oct 2018	14280	121950	0.5198
	Transfer			16 Nov 2018	1000	122950	0.5241

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year as on 1-April-2018		Transactions during the year		Cumulative Shareholding at the end of the year as on 31-March-2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			23 Nov 2018	8648	131598	0.5610
	Transfer			30 Nov 2018	1327	132925	0.5666
	Transfer			07 Dec 2018	4155	137080	0.5843
	Transfer			21 Dec 2018	303	137383	0.5856
	Transfer			28 Dec 2018	13136	150519	0.6416
	Transfer			01 Feb 2019	1614	152133	0.6485
	AT THE END OF THE YEAR					152133	0.6485
7	LAL TOLANI	29828	0.1271			29828	0.1271
	Transfer			06 Apr 2018	2000	31828	0.1357
	Transfer			20 Apr 2018	2101	33929	0.1446
	Transfer			27 Apr 2018	2000	35929	0.1532
	Transfer			04 May 2018	2000	37929	0.1617
	Transfer			11 May 2018	2000	39929	0.1702
	Transfer			18 May 2018	2000	41929	0.1787
	Transfer			25 May 2018	2000	43929	0.1873
	Transfer			08 Jun 2018	1530	45459	0.1938
	Transfer			15 Jun 2018	759	46218	0.1970
	Transfer			22 Jun 2018	2000	48218	0.2055
	Transfer			06 Jul 2018	4000	52218	0.2226
	Transfer			07 Sep 2018	5630	57848	0.2466
	Transfer			14 Sep 2018	417	58265	0.2484
	Transfer			05 Oct 2018	5656	63921	0.2725
	Transfer			12 Oct 2018	2000	65921	0.2810
	Transfer			19 Oct 2018	2200	68121	0.2904
	Transfer			26 Oct 2018	2000	70121	0.2989
	Transfer			02 Nov 2018	4829	74950	0.3195
	Transfer			23 Nov 2018	2000	76950	0.3280
	Transfer			30 Nov 2018	6000	82950	0.3536
	Transfer			07 Dec 2018	4000	86950	0.3706
	Transfer			04 Jan 2019	2582	89532	0.3816
	Transfer			11 Jan 2019	2000	91532	0.3902
	Transfer			18 Jan 2019	4034	95566	0.4074
	Transfer			25 Jan 2019	4610	100176	0.4270
	Transfer			01 Feb 2019	7729	107905	0.4600
	Transfer			08 Feb 2019	1936	109841	0.4682
	Transfer			15 Feb 2019	3926	113767	0.4849
	Transfer			01 Mar 2019	4078	117845	0.5023
	Transfer			08 Mar 2019	4000	121845	0.5194
	Transfer			22 Mar 2019	2403	124248	0.5296
	Transfer			29 Mar 2019	541	124789	0.5319
	AT THE END OF THE YEAR					124789	0.5319

AARVEE DENIMS AND EXPORTS LTD.

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year as on 1-April-2018		Transactions during the year		Cumulative Shareholding at the end of the year as on 31-March-2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
8	MAHENDRA GIRDHARILAL	37716	0.1608			37716	0.1608
	Transfer			30 Jun 2018	2284	40000	0.1705
	Transfer			03 Aug 2018	14184	54184	0.2310
	Transfer			10 Aug 2018	1249	55433	0.2363
	Transfer			17 Aug 2018	9281	64714	0.2759
	Transfer			24 Aug 2018	32411	97125	0.4140
	Transfer			07 Sep 2018	4000	101125	0.4311
	Transfer			26 Oct 2018	4653	105778	0.4509
	Transfer			16 Nov 2018	8662	114440	0.4878
	Transfer			01 Mar 2019	1261	115701	0.4932
	AT THE END OF THE YEAR					115701	0.4932
9	ASHU KHANNA	100149	0.4269			100149	0.4269
	Transfer			22 Feb 2019	3923	104072	0.4436
	Transfer			01 Mar 2019	771	104843	0.4469
	Transfer			08 Mar 2019	880	105723	0.4507
	AT THE END OF THE YEAR					105723	0.4507
10	SHAHNAZ MEMORIAL TRUST	79900	0.3406			79900	0.3406
	AT THE END OF THE YEAR					79900	0.3406

(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 1-April-2018		Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year as on 31-March-2019	
		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	252265	1.07	No Transaction			252265	1.07
3	Mr. Kalpesh V Shah	465,300	1.98	No Transaction			465,300	1.98
4	Mr. Nipun V. Arora*	142475	0.61	No Transaction			142475	0.61
5	Mr. Paramanand T Arora**	1,899,533	8.10	No Transaction			1,899,533	8.10
6	Mr. Rajesh P Arora	1,072,645	4.57	No Transaction			1,072,645	4.57
7	Mr. Sanjay S. Majmudar	0	0.00	No Transaction			0	0.00
8	Mr. Ashok C Gandhi	0	0.00	No Transaction			0	0.00
9	Mr. Arvind D Sanghvi	0	0.00	No Transaction			0	0.00
10	Ms. Yashree K. Dixit***	0	0	No Transaction			0	0.00
11	Mr. Amol R. Dalal	4904	0.00				1315	0.00
12	Mr. Bhavik Shukla (CFO)	0	0.00	No Transaction			0	0.00
13	Ms. Yashaswini Pandey (CS)****	0	0.00	No Transaction			0	0.00

*Mr. Nipun Arora (DIN: 00989835), has also been appointed as an Whole time Director of the company by Board of Directors w.e.f. 11.08.2018.

** Mr. Parmanand Arora (DIN: 00093659) has resigned from the office of the director of the Company with effect from 11th August, 2018.

*** Ms. Yashree Dixit (DIN: 7775794) Independent director of the Company has resigned w.e.f. 10th August, 2019.

****Ms. Yashaswini Pandey Company Secretary of the company has resigned w.e.f. 18.08.2019.

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	27540.33	2202.58	8188.98	37931.89
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	31.74	0	353.33	385.07
Total (i+ii+iii)	27572.07	2202.58	8542.31	38316.96
Change in Indebtedness during the financial year				
* Addition	4910.93	266.32	1990.32	7167.57
* Reduction	1328.39	165.19	1051.54	2545.12
Net Change	3582.54	101.14	938.78	4622.46
Indebtedness at the end of the financial year				
i) Principal Amount	31,103.61	2303.72	9,481.09	42888.42
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	51.00	0	0	51.00
Total (i+ii+iii)	31154.61	2303.72	9481.09	42939.42

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

(Amount in ₹)

SN.	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)	*Mr.Nipun V. Arora (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	8,00,000	92,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (A)	36,00,000	30,00,000	18,00,000	8,00,000	92,00,000
	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. Yashree Dixit*	
1	Fee for attending board/committee meetings	45000	35000	5000	45000	20000	150000
2	Commission	NIL	NIL	NIL	NIL	NIL	NIL
3	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
Total (1)							150000

* Ms. Yashree Dixit (DIN: 7775794) Independent director of the Company has resigned w.e.f. 10th August, 2019.

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)				1,50,000
Total Managerial Remuneration				1,50,000
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. 2018-19, which were within the limits prescribed under the Companies Act, 2013.		

* Mr. Parmanand Arora (DIN: 00093659) has resigned from the office of the director of the Company with effect from 11.08.2018.

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

(Amount in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
		Ms.Yashaswini Pandey *	Mr. Bhavik Shukla	
1	Gross salary	3,20,252	20,80,353	24,006,05
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(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	3,20,252	20,80,353	24,006,05

* Ms. Yashaswini Pandey Company Secretary of the company has resigned w.e.f.18.08.2019.

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, 2019

Name of Director	Category	Inter-se Relations hip	Numbers of Board Meetings		No. of outside Directorships held as on 31-03-2019	No. of Outside Committee position held		Whether attended last AGM held on 25-09-2019
			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	2	0	0	Yes
Mr. Kalpesh V. Shah (Whole Time Director)	Promoter, Non Independent and Executive Director	Brother of Mr. Ashish Shah	4	4	0	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	2	0	0	0	No
Mr. Rajesh P. Arora (Director)	Promoter, Non Independent and Non-Executive Director	Son of Mr. Parmanand Arora and Brother of Mr. Vinod Arora	4	3	0	0	0	No

AARVEE DENIMS AND EXPORTS LTD.

Name of Director	Category	Inter-se Relations hip	Numbers of Board Meetings		No. of outside Directorships held as on 31-03-2019	No. of Outside Committee position held		Whether attended last AGM held on 25-09-2019
			Held during the year	Attended during the Year		as member	as Chairman	
Mr. Sanjay S. Majmudar (Director)	Independent Non-executive	NA	4	4	5	6	4	Yes
Mr. Ashok C. Gandhi (Director)	Independent Non-executive	NA	4	3	4	10	1	Yes
Mr. Arvind D. Sanghvi (Director)	Independent Non-executive	NA	4	1	2	1	0	No
Mr. Amol R. Dalal (Director)	Independent Non-executive	NA	4	4	1	1	1	Yes
**Mr. Yashree Dixit (Director)	Independent Non-executive	NA	4	4	0	0	0	Yes
***Mr. Nipun Arora (Director)	Non Independent and Executive Director	Son of Mr. Vinod Arora, Chairman and Managing Director of the Company	4	2	1	0	0	Yes

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.

* Mr. Parmanand Arora (DIN: 00093659) has resigned from the office of the director of the Company with effect from 11th August, 2018.

** Ms. Yashree Dixit (DIN: 7775794) Independent director of the Company has resigned w.e.f. 10th August, 2019.

***Mr. Nipun Arora (DIN: 00989835), has also been appointed as an Whole time Director of the company by Board of Directors w.e.f. 11.08.2018.

The Company held 4 Board Meetings during 2018-19 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings held were: 24th May, 2018, 11th August, 2018, 5th November, 2018, and 13th February, 2019.

Shareholding of Non-Executive Directors as on 31st March, 2019

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	1315
Mr. Arvind Sanghvi	-
Ms. Yashree Dixit**	-

* Mr. Parmanand Arora (DIN: 00093659) has resigned from the office of the director of the Company with effect from 11th August, 2018.

** Ms. Yashree Dixit (DIN: 7775794) Independent director of the Company has resigned w.e.f. 10th August, 2019.

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/investors/corporate-governance/>

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	3
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: 24th May, 2018, 11th August, 2018, 5th November, 2018, and 13th February, 2019. 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 25th September, 2018.

4. NOMINATION & REMUNERATION COMMITTEE

(I) Brief description of terms of reference

The Company has complied with the 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	3	3
Mr. Ashok C. Gandhi	Member	Independent – Non-Executive Director	3	3
Mr. Amol Dalal	Member	Independent – Non-Executive Director	3	3

The Committee met three times during the year, on 24th May, 2018, 11th August, 2018 and 13th February, 2019.

The Chairman of the Nomination and Remuneration Committee, Mr. Sanjay Majmudar was present at the Annual General Meeting of the Company held on 25th September, 2018.

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.aarveedenims.com

(IV) Details of remuneration of Directors

The details of remuneration paid to Directors for the year ended 31st March, 2019 are as follows:

(Amount in Rs.)			
Name of Director	Salaries	Sitting Fees	Total
Mr. Vinod P. Arora	3,600,000.00	-	3,600,000.00
Mr. Ashish V. Shah	3,000,000.00	-	3,000,000.00
Mr. Kalpesh V. Shah	1,800,000.00	-	1,800,000.00
Mr. Nipun V. Arora*	8,00,000.00	-	8,00,000.00
Mr. Parmanand T. Arora**	-	-	-
Mr. Rajesh P. Arora	-	-	-
Mr. Sanjay S. Majmudar	-	45000	45000
Mr. Ashok C. Gandhi	-	35000	35000
Mr. Amol R. Dalal	-	45000	45000
Mr. Arvind D. Sanghvi	-	5000	5000
Ms. Yashree Dixit***	-	20000	20000

*Mr. Nipun Arora (DIN: 00989835), has also been appointed as an Whole time Director of the company by Board of Directors w.e.f. 11.08.2018.

** Mr. Parmanand Arora (DIN: 00093659) has resigned from the office of the director of the Company with effect from 11.08.2018.

*** Ms. Yashree Dixit (DIN: 7775794) Independent director of the Company has resigned w.e.f. 10th August, 2019.

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. 24th May, 2018, 11th August, 2018, 5th November, 2018, and 13th February, 2019 and all three members of committee were present at above meetings.

Name and Designation of Compliance officer: Ms. Yashaswini Pandey has been appointed as Company Secretary of the company w.e.f. 11.08.2018 and resigned w.e.f. 18.08.2019

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	00	00	Nil
3.	Query regarding demat credit	-	-	-
4.	Others	01	01	Nil
	Total	01	01	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 Managing Director 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 no 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 18th February, 2019, 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

In compliance with the Section 135 of the Companies Act, 2013, Corporate Social Responsibility (CSR) Committee of the Board has been constituted. The Committee recommends the amount to be spent on the CSR activities to the Board for a particular financial year and monitor the CSR activities undertaken by the Company.

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 2018-19 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 2018-19 viz. 13th February, 2019.

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
25th September, 2018	191, Shahwadi, Nr. Old Octroi Naka, Narol Sarkhej Highway, Narol, Ahmedabad: 382 405	10:00 A.M.	2
8th September, 2017	191, Shahwadi, Nr. Old Octroi Naka, Narol Sarkhej Highway, Narol, Ahmedabad: 382 405	10:00 A.M.	1
28th September, 2016	191, Shahwadi, Nr. Old Octroi Naka, Narol Sarkhej Highway, Narol, Ahmedabad: 382 405	10:00 A.M.	1

- 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 2018-19 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 behavior, 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.
- (iv) **CFO Certification:** The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Part B of Schedule II to the Listing Regulations pertaining to CFO certification for the Financial Year ended 31st March, 2019.
- (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.
 - c. The Internal Auditors report directly place 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/investors/corporate-governance/>

9. MEANS OF COMMUNICATION

- (i) The quarterly, half-yearly and yearly financial results are published in the national English newspaper- Indian Express (English) and in Financial Express (Gujarati Edition of Ahmedabad).
- (ii) The quarterly results are submitted to the Stock Exchanges, wherein the equity shares of the company are listed and traded, by way of online filing in listing center of such Stock Exchanges.
- (iii) The financial results are also posted on the Company's website [www. Aarvee-denims.com](http://www.Aarvee-denims.com)

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 : 27th September 2019

Time : 11:00 A.M.

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

ii. Financial year: 1st April 2019 to 31st March 2020.

Financial results will be declared as per the following schedule:

Particular	Tentative schedule
Quarterly un-audited results	
Quarter ending 30th June, 2019	On or before 14th August, 2019
Quarter ending 30th September, 2019	On or before 14th November, 2019
Quarter ending 31st December, 2019	On or before 14th February, 2020
Annual audited result	
Year ended 31st March, 2020	On or before 30th May, 2020

iii. Date of Book Closure : 26th September 2019 to 27th September 2019 (Both days inclusive)

iv. Dividend Payment Date : Director of the company is not recommended any dividend for the financial year ended on 31st March, 2019.

v. Listing on stock exchange : The Company's Equity Shares are listed on Bombay Stock Exchange (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 2018-19.

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-18	51	42.8	51.42333	50	41.5	183.57
May-18	47	37	36.4215	48	33.9	226.67
Jun-18	37.9	30.45	15.63612	37.8	31	98.13
Jul-18	34	28.05	17.64613	33.95	28.5	85.12
Aug-18	38.5	26.05	48.62041	37.9	27.55	182.1
Sep-18	32.9	25	21.99599	30.9	24.3	83.3
Oct-18	25.45	22.15	9.80246	26.4	22.55	54.66
Nov-18	28.5	23	16.38971	29.35	23.5	59.03
Dec-18	26.85	23.55	4.17687	27.4	22.6	54.32
Jan-19	34.1	22.5	98.88897	33.65	21.8	243.59
Feb-19	24.5	19.55	4.67278	24.4	19.25	34.68
Mar-19	26.55	22.1	11.04684	26.7	21.55	99.63

**viii. Registrar and Share Transfer Agent**

Link Intime India Pvt. Ltd 5TH Floor, 506 TO 508, Amarnath Business Centre - 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Opp. C G Road, Navrangpura, Ahmedabad - 380009. Tel. Nos.079-26465179, Fax No 079-26465179, Email: ahmedabad@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 2018-19. 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 31-03-2019

Sr. No.	Category (Shares)	Shareholders		Shareholding	
		Numbers	Percentage	Numbers	Percentage
1	1-500	9630	86.7646	1428174	6.0878
2	501-1000	711	6.4060	593355	2.5292
3	1001-2000	380	3.4237	596778	2.5438
4	2001-3000	117	1.0541	300235	1.2798
5	3001-4000	46	0.4145	164139	0.6997
6	4001-5000	54	0.4865	253493	1.0805
7	5001-10000	77	0.6938	558125	2.3791
8	Above 10000	84	0.7568	19565501	83.4001
	Total	11099	100.0	2,34,59,800	100.00

xii. Shareholding Pattern as on 31-03-2019

Category	No. of Shares held	% of Shareholding
Corporate Bodies (Promoter Co)	6953978	29.6421
Promoters	8482325	36.1569
Clearing Members	76985	0.3282
Other Bodies Corporate	247734	1.0560
Investor Education And Protection Fund	216195	0.9216
Hindu Undivided Family	229817	0.9796
Non Nationalized Banks	300	0.0013
Non Resident Indians	1698309	7.2392
Non Resident (Non Repatriable)	34081	0.1453
Public	4946218	21.0838
Trusts	80000	0.3410
Insurance Companies	493758	2.1047
NBFCs registered with RBI	100	0.0004
TOTAL	23459800	100

xiii. Dividend declared for the last 10 years

Financial Year	% Dividend per shares
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. Dematerialization of Shares and liquidity

Electronic/ Physical	No of Shares	Percentage %
NSDL	2828144	12.05
CDSL	20188843	86.06
Physical	442813	1.89
TOTAL	2,34,59,800	100.00

As on 31st March, 2019, 230,16,987 (98.11%) 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- 68147000

Fax : 91-079- 68147070

Email : cs@aarvee-denims.com

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

Name : Link Intime India Pvt. Ltd.

Address : 5TH Floor, 506 TO 508, Amarnath Business Centre - 1

(ABC-1), Beside Gala Business Centre, Nr. St. Xavier's

College Corner, Off C G Road, Navrangpura, Ahmedabad - 380009.

Phone : 91-079- 26465179

Fax : 91-079- 26465179

Email : ahmedabad@linkintime.co.in

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



AARVEE DENIMS AND EXPORTS LTD.

Annexure to Corporate Governance Report

To,
The Members of Aarvee Denims and Exports Limited

**Declaration by the Managing Director 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, 2019.

Date : 10.08.2019
Place : Ahmedabad

Vinod Arora
(Chairman & Managing Director)

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 2019** 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 we 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 : 10.08.2019
Place : Ahmedabad

Ashish Shah
Managing Director

Bhavik Shukla
CFO

AARVEE DENIMS AND EXPORTS LTD.



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No.: L17110GJ1988PLC010504

Nominal Capital: Rs. 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 & EXPORTS LIMITED**, for the year ended on March 31, 2019 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, 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 as stipulated in 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, except: 1. The Company had no woman Director on the Board till 24th May, 2018 and due to that total Independent Directors on the Board were 4 instead of required 5 till this date; and 2. The Company had no Company Secretary (KMP) for the period 1st April, 2018 to 23rd July, 2018.

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.

Place : Ahmedabad

Date : 10.08.2019

TAPAN SHAH

Practicing Company Secretary

Membership No. : **FCS4476**

C P No. : **2839**

**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.

Overview of the Economy

During 2017, the global economy began its journey with estimated global economic growth of 3.8%. During second half of the year 2018, this rate of development had gradually declined due to US-China trade war tensions and weak economic situation in some developed countries.

The Indian economy closed fiscal year 2018-19 with a real GDP growth of 7.3%. India continues to be one of the fastest growing major economies in the world and is expected to be among the world's top three economic powers in future.

Overview of Indian Textile Market

India's textile industry is one of the largest contributors to the economy accounting for around 4% of GDP. The growth of textile sector is largely depends on consumer spending and multiple factors like actual and perceived economic condition, disposable income and employment. The textile industry overall, is going through tough times due to structural transformation after GST and due to the weak market position in the domestic as well as export markets. The coupled with low cotton production and increased prices, is putting pressure on prices and margins.

Review of Operations

(Rs. in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Revenue from Operations	75434.03	82,959.72
EBITDA	8500.12	8277.93
Profit after Tax	143.75	564.80
Earnings per Share (Rs.)	0.46	2.39

Revenue

There has been a decrease in Revenue from Operations by around 10% to Rs. 75434 Lakh mainly due to slower demand and oversupply situation of the textile products in the markets.

EBITDA & PAT

EBITDA had increased to Rs. 8500 Lakh from Rs. 8278 Lakh during previous financial year on account of reduction in costs - other expenses. However Profit after Tax (PAT) was down to Rs. 144 Lakh from Rs. 565 Lakh during previous financial year due to higher interest expenses on account of increase in working capital cycle.

Raw Material Consumption

Average cotton prices during the year under review were higher by almost 10% as compared to previous year. Hence Cotton consumption cost had increased to Rs. 30105 Lakh from Rs. 29594 Lakh during previous financial year despite reduction in overall production and sales during previous financial year.

Employee benefits expenses

Employee benefits expenses decreased to Rs. 5439 Lakh from 5566 Lakh during the previous year.

Finance Cost

Finance cost increased by 13% to Rs. 4930 Lakh from Rs. 4346 Lakh during the previous year mainly due to increase in average interest rate and utilization of high cost funds instead of low cost funds.

Other Expenses

Other expenses decreased by 4% to Rs. 18276 Lakh as compared to Rs. 19036 Lakh during previous year mainly due to cost cutting measures taken by the management in overall manufacturing as well as administrative expenses. Store and Spares consumption have considerable decreased to Rs. 1078 Lakh from Rs. 1830 Lakh during previous year. Other major expenses like labour cost, job work cost, packing material cost have also been considerably decreased during the year under review as compared to previous year.

Working Capital

Working capital requirement in the business went up post GST implementation garment manufacturers and in turn dealers struggled to cope up with new tax regime.

Subsidiary Company

During the year ended March 31, 2019 the subsidiary company has not started its' commercial operations and therefore no Statement of Profit and Loss has been prepared for such subsidiary for the year ended March 31, 2019. On account of above, standalone and consolidated financial results of the company for year ended March 31, 2019 remains same. However, Consolidated Financial Statements of Assets and Liabilities as at March 31, 2019 of the parent company after incorporating Financial Statements of Assets and Liabilities as at March 31, 2019 of such subsidiary has been prepared.

The board of directors of the company in its meeting held on 10.08.2019 has approved the striking of its wholly owned subsidiary company named M/s. Aye Ess Spinning Mills Private Limited, Ahmedabad.

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

Business environment for Textile Industry where your company operates remained highly volatile in recent past and its adverse impact decayed performance of the company. Traditionally textile Industry has more or less remained outside the purview of indirect taxation. Implementation of GST led to a significant disruption in the highly unorganized sector which prevailed much longer than expected. In spite of lots of challenges



AARVEE DENIMS AND EXPORTS LTD.

like introduction of new tax regime, sluggish export as well as domestic market and high volatility in the prices of raw materials, the performance of the company was satisfactory. 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.

To conclude, the performance of the company during the year 2018-19 remained at satisfactory level.

AARVEE DENIMS AND EXPORTS LTD.



Shah & Shah Associates
Chartered Accountants

702, ANIKET, Nr. MUNICIPAL MARKET,
C.G. ROAD, NAVRANGPURA,
AHMEDABAD - 380 009.
PHONE: 26465433
FAX : 079 - 26406983
Email: ca@shahandshah.co.in

INDEPENDENT AUDITOR'S REPORT

To the Members of
AARVEE DENIMS AND EXPORTS LIMITED

Report on the Ind AS standalone financial statements

Opinion

We have audited the Ind AS standalone financial statements of **AARVEE DENIMS & EXPORTS LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (Collectively referred to as 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 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 (financial position) of the Company as at March 31, 2019, and its profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the

financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified 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 of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with Standards on Auditing ('SAs'), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit

matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2016.
 - e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 B"**.
 - g. With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/ provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
 - h. 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SHAH & SHAH ASSOCIATES**
Chartered Accountants
FRN:113742W

SUNIL K. DAVE
PARTNER
Membership Number: 047236

Place : Ahmedabad.
Date : May 23, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

Report of even date on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act

1. In respect of its fixed assets:
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company and based on the examinations 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 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 confirmations received from landers. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the standalone financial statements, the lease agreements are in the name of the company, where the company is the lessee in the agreement.
2. As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. The discrepancies noticed on physical verification during the year have been properly dealt with in the books of accounts.
3. The company has not granted any loans, secured or unsecured to companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the investments made. Further, during the year under review, the company has not granted any loans or provide guarantees.
5. 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 Deposit) Rules, 2014(as amended). 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.
6. In respect of business activities of the Company, maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company and are of the opinion that prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made detailed examinations of the records with a view to determining whether they are accurate or complete.
7.
 - a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
 - b) There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
 - c) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, goods and service tax, excise duty and cess which have not been deposited on account of any dispute, except for the following:

AARVEE DENIMS AND EXPORTS LTD.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in Lakhs)	Amount Unpaid (Rs. In Lakhs)
Central Excise Act, 1944	Service Tax	Customs, 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

8. Based on our audit procedures and as per the information and explanations given by the management, the company has not defaulted in repayment of loans or borrowings from banks, financial institution. Further, during the year under review, the company has not issued debentures; hence the question of reporting for default in repayment of debentures does not arise.
9. The company has not raised money by way of initial public offer or further public offer including debt instruments. In our opinion, and accordingly 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. However, as explained to us, the company has obtained loans from companies which have been utilised for the purpose for which the same have been obtained.
10. 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 under review.
11. In our opinion and according to the information and explanation given to us, managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. The Company has entered in to transactions with related parties in compliance with Sections 177 and 188 of Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Accounting Standard (AS) 24, Related Party Disclosures specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the company.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **SHAH & SHAH ASSOCIATES**
Chartered Accountants
FRN:113742W

SUNIL K. DAVE
PARTNER
Membership Number: 047236

Place : Ahmedabad.
Date : May 23, 2019



AARVEE DENIMS AND EXPORTS LTD.

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section 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 Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **AARVEE DENIMS & EXPORTS LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS standalone 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 Companies Act, 2013, 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 standalone 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 standalone 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 standalone 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 standalone 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.

AARVEE DENIMS AND EXPORTS LTD.



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 March 31, 2019, based on the criteria for internal financial control over financial reporting 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.

For **SHAH & SHAH ASSOCIATES**
Chartered Accountants
FRN:113742W

Place : Ahmedabad.
Date : May 23, 2019

SUNIL K. DAVE
PARTNER
Membership Number: 047236



AARVEE DENIMS AND EXPORTS LTD.

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. In Lakh)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5A	38,841.90	36,201.01
(b) Intangible assets	5A	54.91	72.14
(c) Financial assets			
(i) Investments	6	1.00	1.00
(ii) Other financial assets	7	209.28	207.40
(d) Non-current tax assets (net)	8	1,535.81	1,481.79
(e) Other non-current assets	9	11.14	56.03
Total non-current assets		40,654.04	38,019.37
2 Current assets			
(a) Inventories	10	22,324.35	19,984.68
(b) Financial assets			
(i) Trade receivables	11	28,759.09	29,515.01
(ii) Cash and cash equivalents	12	200.58	190.58
(iii) Other bank balance	13	1,553.68	2,117.45
(iv) Other financial assets	14	2,167.63	1,444.05
(c) Other current assets	15	571.79	596.48
Total current assets		55,577.12	53,848.25
TOTAL ASSETS		96,231.16	91,867.62
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	2,345.98	2,345.98
(b) Other equity	17	24,966.57	24,822.84
Total equity		27,312.55	27,168.82
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	13,255.53	8,322.87
(ii) Other financial liabilities	19	417.39	391.96
(b) Other non current liabilities	20	198.58	240.65
(c) Provisions	21	73.59	71.30
(d) Deferred tax liabilities (net)	22	4,363.74	4,302.10
Total non-current liabilities		18,308.83	13,328.88
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	29,632.89	29,348.09
(ii) Trade payables	24		
(iia) Total Outstanding due of Micro and small enterprise		449.51	-
(iib) Total Outstanding due of creditor other than Micro and small enterprise		19,294.44	20,751.23
(iii) Other financial liabilities	25	919.93	927.30
(b) Other current liabilities	26	155.70	167.72
(c) Provisions	27	112.68	101.68
(d) Current tax liabilities (net)	28	44.63	73.90
Total current liabilities		50,609.78	51,369.92
TOTAL EQUITY AND LIABILITIES		96,231.16	91,867.62
See accompanying notes forming part of standalone financial statements	38-54		

In terms of our report attached of even date

For Shah & Shah Associates

Chartered Accountants

(Firm Reg. No. 113742W)

Sunil K. Dave

Partner

(Membership No. 047236)

For and on behalf of the Board of Directors

Aarvee Denims and Exports Limited

Vinod P. Arora

Chairman & MD

(DIN:00007065)

Bhavik N. Shukla

Chief Financial Officer

Place : Ahmedabad

Date : 23rd May 2019

Kalpesh V. Shah

Whole Time Director

(DIN:00007262)

Yashaswini Panday

Company Secretary

Place : Ahmedabad

Date : 23rd May 2019

AARVEE DENIMS AND EXPORTS LTD.**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

(Rs. In Lakh)

Particulars	Note	2018-19	2017-18
I. Income:			
Revenue from operations	29	75,155.52	82,705.71
Other income	30	278.51	254.01
III. Total Income (I + II)		75,434.03	82,959.72
IV. Expenses:			
Cost of materials consumed	31	47,043.53	54,270.79
Changes in inventories of finished goods and work in progress	32	(3,824.30)	(4,191.24)
Employee benefits expense	33	5,438.79	5,566.08
Finance costs	34	4,929.59	4,345.97
Depreciation and amortization expense	5	3,397.87	3,294.48
Other expenses	35	18,275.89	19,036.16
V. Total expenses		75,261.37	82,322.24
VI. Profit / (Loss) before Tax (III- V)		172.66	637.48
VII. Tax expense:	36		
Current tax		46.19	83.88
Short tax provision in earlier years		-	-
Mat Credit Entitlement		(44.04)	(80.32)
Deferred tax		61.63	73.07
VIII. Profit / (Loss) for the year (VI-VII)		108.88	560.85
IX. Other comprehensive income (net of tax)		34.87	3.95
X. Total comprehensive income for the year (VIII + IX)		143.75	564.80
XI. Earnings per equity share of face value of Rs. 10 each	37		
Basic & Diluted (in Rs.)		0.46	2.39
See accompanying notes forming part of standalone financial statements	38 to 54		

In terms of our report attached of even date

For Shah & Shah Associates

Chartered Accountants

(Firm Reg. No. 113742W)

Sunil K. Dave

Partner

(Membership No. 047236)

For and on behalf of the Board of Directors

Aarvee Denims and Exports Limited**Vinod P. Arora**

Chairman & MD

(DIN:00007065)

Bhavik N. Shukla

Chief Financial Officer

Place : Ahmedabad

Date : 23rd May 2019**Kalpesh V. Shah**

Whole Time Director

(DIN:00007262)

Yashaswini Panday

Company Secretary

Place : Ahmedabad

Date : 23rd May 2019



AARVEE DENIMS AND EXPORTS LTD.

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(Rs. In Lakh)

Particulars	2018-19	2017-18
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per the Statement of Profit and Loss	172.64	637.49
Adjustments for :	-	-
Depreciation and amortization expense	3,397.87	3,294.48
Unrealised Foreign Exchange Fluctuation (Gain)/Loss	-	-
Foreign Exchange (Gain)/Loss -Others	-	(6.05)
Impact of retained earning	34.87	3.95
Interest and Financial Expenses	4,929.59	4,345.97
Net Loss/(Profit) on sale of Fixed Assets	-	(15.08)
Interest Received	(123.24)	(107.70)
Provision for Expected Credit Loss	41.28	21.16
Bad Debts	-	-
Sundry Balance written off	5.63	-
Insurance Claim Written off / (Receivable)	-	216.03
Operating profit before working capital changes	8,458.65	8,390.25
Adjustments for :	-	-
Trade Receivables	709.00	(5,533.67)
Inventories	(2,339.67)	(4,334.58)
Other Current Assets	24.69	(84.54)
Other Non Current Assets	44.89	(72.31)
Other financial assets non current	(1.87)	-
Other financial assets current	(723.58)	(242.60)
Current Borrowings	(1,177.47)	1,323.05
Other current financial liabilities	(7.37)	(1,283.59)
Other current liabilities	(12.02)	(4.68)
Current provisions	(18.27)	101.17
Non current provisions	63.93	72.77
Other non current financial liabilities	25.42	1.73
Other non current liabilities	(42.07)	(42.07)
Trade Payables	(1,007.27)	5,556.17
Cash Generated From Operations	3,996.98	3,847.10
Income Taxes Paid	(117.80)	(70.17)
Net Cash From Operating Activities (A)	3879.19	3776.93
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(6,339.95)	(1,751.77)
Sale of Fixed Assets	318.41	204.91
Investment in Wholly owned subsidiary	-	(1.00)
Bank Balances not considered as Cash and Cash Equivalents - Matured / (Placed)	563.77	(433.77)
Interest Received	123.24	107.70
Net Cash used in Investing Activities (B)	(5,334.53)	(1,873.93)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018
 (Rs. In Lakh)

Particulars	2018-19	2017-18
C. CASH FLOW FROM FINANCING ACTIVITIES	-	-
Proceeds/ (Repayment) of Non current borrowings (Net)	4,932.66	(91.24)
Proceeds/ (Repayment) from current borrowings (Net)	1,462.27	2,536.89
Interest & Finance cost	(4,929.59)	(4,345.97)
Dividend paid	0.00	3.99
Gain /(Loss) on forward covers and derivative instrument	-	-
Net Cash used in Financing Activities (C)	1465.34	(1,896.33)
Net changes in Cash & Cash Equivalents (A+B+C)	10.00	6.67
Cash and Cash Equivalents at the beginning of the year (Refer Note 16 (i))	190.58	183.91
Cash and Cash Equivalents at the end of the year (Refer Note 16 (i))	200.58	190.58

In terms of our report attached of even date

For Shah & Shah Associates

 Chartered Accountants
 (Firm Reg. No. 113742W)

Sunil K. Dave

 Partner
 (Membership No. 047236)

 Place : Ahmedabad
 Date : 23rd May 2019

For and on behalf of the Board of Directors

Aarvee Denims and Exports Limited
Vinod P. Arora

 Chairman & MD
 (DIN:00007065)

Bhavik N. Shukla

Chief Financial Officer

 Place : Ahmedabad
 Date : 23rd May 2019

Kalpesh V. Shah

 Whole Time Director
 (DIN:00007262)

Yashaswini Panday

Company Secretary



AARVEE DENIMS AND EXPORTS LTD.

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A Equity share capital (Rs. In Lakh)

Particulars	Note	No. of Shares	Amount
As at 1st April, 2017		2,34,59,800	2,345.98
Changes in equity share capital	16a	-	-
As at 31st March, 2018		2,34,59,800	2,345.98
Changes in equity share capital	16a	-	-
As at 31st March, 2019		2,34,59,800	2,345.98

B Other equity

Particulars	Capital Redemption Reserve	Securities Premium Account	General reserve	Foreign Currency Monetary Item Trns.Diff	Retained Earning	Total
Balance as at 1st April, 2017	1,499.13	2,807.10	562.73	6.06	19,389.06	24,264.08
Profit for the year	-	-	-	-	560.85	560.85
Other comprehensive Income for the year (net)	-	-	-	-	3.95	3.95
Total Comprehensive Income for the year	-	-	-	-	564.80	564.80
Foreign currency monetary transition difference	-	-	-	(6.04)	-	(6.04)
Balance as at 31st March, 2018	1,499.13	2,807.10	562.73	0.02	19,953.86	24,822.84
Balance as at 1st April, 2018	1,499.13	2,807.10	562.73	0.02	19,953.86	24,822.84
Profit for the year	-	-	-	-	108.88	108.88
Other comprehensive Income for the year (net)	-	-	-	-	34.87	34.87
Total Comprehensive Income for the year	-	-	-	-	143.75	143.75
Foreign currency monetary transition difference	-	-	-	-	-	-
Balance as at 31st March, 2019	1,499.13	2,807.10	562.73	0.02	20,097.61	24,966.57

This is the Standalone Statement of Changes in Equity referred to in our report of even date

In terms of our report attached of even date

For Shah & Shah Associates

Chartered Accountants
(Firm Reg. No. 113742W)

Sunil K. Dave

Partner
(Membership No. 047236)

Place : Ahmedabad

Date : 23rd May 2019

For and on behalf of the Board of Directors

Aarvee Denims and Exports Limited

Vinod P. Arora

Chairman & MD
(DIN:00007065)

Bhavik N. Shukla

Chief Financial Officer

Place : Ahmedabad

Date : 23rd May 2019

Kalpesh V. Shah

Whole Time Director
(DIN:00007262)

Yashaswini Panday

Company Secretary

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**1 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, 2013 ("the Act" erstwhile Companies Act, 1956). Its equity shares are listed on two stock exchanges in India. The company is engaged in the manufacturing and selling of denim and non denim Fabrics. The company caters to both domestic and international markets.

2 Statement of Compliance and Basis of Preparation of Financial Statements**2.1 Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer note - 51 for details of first time adoption exemptions availed by the Company.

The standalone Ind AS financial statements are presented in Indian Rupees and all values are rounded to the nearest lakh (Rupees 00,000), except where otherwise indicated. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

2.2 Basis of preparation of Financial Statement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. "Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; "Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and "Level 3 inputs are unobservable inputs for the asset or liability.

3 SIGNIFICANT ACCOUNTING POLICIES**3.1 Property, plant and equipment**

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land & properties under construction) less their residual values over their useful lives, as indicated in the Companies Act, 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. However, 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

Leasehold Land is amortised over the period of lease.

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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date (except to the extent of any adjustment permissible under other accounting standard).

Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any. Amortization is done over their estimated useful life on straight line basis from the date that they are available for intended use, subjected to impairment test.

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

3.2 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.3 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.4 Investments in Subsidiary Company

Investments in subsidiary Company is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

3.5 Government Grants

Government Grants related to assets are treated as deferred income and are recognized in the statement of profit and loss on a systematic and rationale basis over the useful life of the assets. Government Grants related to revenue are recognized on a systematic basis in a statement of profit and loss over the period necessary to match them with the related cost which they are intended to compensate. Specifically, Government Grants whose primary condition is that the company should purchase, construct or otherwise acquire non current assets are recognized as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

3.6 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

3.7 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before 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.

3.8 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.

3.9 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.10 Financial assets**Initial recognition and measurement**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognized at fair value. In case of financial assets which are recognized at fair value through profit and loss (FVTPL), its transaction costs are recognized in the Statement of Profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as a FVTPL. Interest income is recognized in profit or loss and is included in the "Other Income" line item.

Classification of financial assets:

Financial assets measured at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowances, if any.

Financial assets measured at FVTOCI

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal on the principal amount outstanding.

Financial assets measured at FVTPL

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the Company. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend Income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of group of similar financial assets) is derecognised (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- a) The contractual rights to cash flows from the financial assets expires,
- b) The company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- c) The Company retains the contractual rights to receive cash flows but assumes a contractual

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

obligation to pay the cash flows without material delay to one or more recipients under a 'pass through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

- d) The Company neither transfer nor retains substantially all risk and rewards of ownership and does not retain control over the financial assets.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset; in that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Impairment of financial assets

The Company applies expected credit losses (ECL) model for recognising impairment loss on financial assets measured at amortised cost and trade receivables. In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. For the purpose of measuring lifetime expected credit loss, for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. The expected credit loss allowance is computed based on a provision matrix which takes in to account historical credit loss experience and adjusted for forward looking information. For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if the credit risk has increased significantly, then the impairment loss is provided based on lifetime ECL. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expenses in the Statement of profit and loss under the head 'Other expense'.

Financial liabilities and equity instruments
Debt and Equity Instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instruments.

Equity instruments:

An equity instruments is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities, Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities:
Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Financial liabilities at FVTPL

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

3.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.12 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

3.13 Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorized into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for Identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or Liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorized at the end of each reporting period and discloses the same.

3.14 Allowance for doubtful trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are derived based on a provision matrix which takes into account various factors such as customer specific risks, geographical region, product type, currency fluctuation risk, repatriation policy of the country, country specific economic risks, customer rating, and type of customer, etc. Individual trade receivables are written off when the management deems them not to be collectable.

3.15 Revenue recognition

Revenue from sale of goods and services is measured at the fair value of the consideration received or receivable, net of estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and it is probable that the economic benefits associated with the transaction will flow to the Company.

Rendering of services

Revenue from rendering of services recognised when services are rendered and related cost are incurred.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis.

Export benefits

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**3.16 Foreign currencies**

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.17 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.

3.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.19 Employee benefits**Defined benefit plans**

The Company has an obligation towards a defined benefit retirement plan covering eligible employees through Group Gratuity Scheme of Life Insurance Corporation of India. The Company accounts for the liability for the gratuity benefits payable in future based on an independent actuarial valuation carried out using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.

Defined benefit costs in the nature of current and past service cost and net interest expense or income are recognized in the statement of profit and loss in the period in which they occur. Actuarial gains and losses on measurement is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur and is reflected immediately in retained earnings and not reclassified to profit or loss. Past service cost is recognized in profit and loss in the period of a plan amendment.

Defined Contribution plan

The Company recognize contribution payable to a defined contribution plan as an expenses in the Statement of profit and loss when the employee render services to the Company during the reporting period.

Compensated Absences

Provisions for Compensated Absences and its classifications between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per the projected unit credit method as at the reporting date.

Short term employee benefits:

They are recognized at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**3.20 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantially enacted by end of reporting periods.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.21 Earnings Per Share

Basic earnings per share are 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 the effects of dividend interest and other charges relating to the dilutive potential equity shares by weighted average number of shares plus dilutive potential equity shares.

4 Significant accounting judgments, estimates and assumptions**Significant accounting judgements**

The application of the Company's accounting policies in the preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

future periods. Actual results may differ from these estimates which could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using ECL model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(b) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not recognised in the financial statements. The policy for the same has been explained above in note 3.6.

5A. Property, plant & equipments

(Rs. In Lakh)

[illegible]

- (i) The Company has adopted the provisions of Ind AS 21 - 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) Addition of an amount of Rs. NIL (Previous Year deletion Rs. 57.12 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 Rs. 224.30 Lakh (Previous Year Rs. 220.99 Lakh) due to addition, being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset.
- (ii) Refer Note 18a, 18b & 18c for information on property, plant and equipment pledged as security by the Company.
- (iii) Refer Note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (iv) Refer Note 45 or Government grant related to property, plant and equipment.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**6 Investments (Non - current) (Rs. In Lakh)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment in equity instrument :		
Unquoted (At cost)		
Subsidiary :		
10,000 Equity Shares of Rs. 10 each fully paid up of AYE ESS SPINNING MILLS PVT. LTD.	1.00	1.00
Total	1.00	1.00

7 Other financial assets (Non - current) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security deposits		
Unsecured, considered good	21.14	19.26
-Balance with government authorities	188.14	188.14
Total	209.28	207.40

8 Non-current tax assets (net) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance tax and TDS receivable (net of provision)	178.36	168.39
-MAT credit entitlements	1357.45	1,313.40
Total	1,535.81	1,481.79

9 Other non-current assets (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital advances		
Unsecured, considered good	10.96	55.85
	10.96	55.85
Other loans and advances		
Unsecured, considered good		
Staff advances and others	0.18	0.18
	0.18	0.18
Total	11.14	56.03



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

10 Inventories (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw materials	1050.45	2,492.54
Work in progress	8027.78	4,172.11
Finished goods	12901.80	12,471.69
Goods in transit (Finished goods)	118.78	580.25
Stores and spares	225.54	268.09
Total	22,324.35	19,984.68

11 Trade receivables (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured, considered good	-	-
Unsecured, considered good	28,759.09	29,515.01
Unsecured, considered doubtful	62.44	21.16
Less: Allowance for unsecured doubtful debts (Expected credit loss allowance) (Refer Note 43B)	(62.44)	(21.16)
Total	28,759.09	29,515.01

12 Cash and cash equivalents (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash on hand	3.37	6.05
Balances in current accounts with banks	197.21	184.53
Total	200.58	190.58

13 Other bank balance (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
In unclaimed dividend accounts	2.27	2.27
In deposit accounts for margin money	1551.41	2,115.18
Total	1,553.68	2,117.45

(Above deposit includes Rs. 784.62 lakh (Previous year Rs.1350.97 lakh) under bank lien for margin money).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
14 Other financial assets (Current) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered good)		
Advances to subsidiary	0.26	0.26
Loans and advance to staff	0.18	2.26
Loans and advance to others	91.67	3.63
Goods and service tax receivable	2,063.01	1,394.08
Interest receivable on margin money	12.51	43.82
Total	2,167.63	1,444.05

15 Other current assets (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Export benefit receivable	269.97	204.54
Advance to creditors	211.37	219.10
Balance with government authorities	1.64	7.31
Prepaid expenses	88.81	165.53
Total	571.79	596.48

16 Share capital (Rs. In Lakh)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 10/- each	3,50,00,000	3,500.00	3,50,00,000	3,500.00
13% Cumulative Redeemable Non Convertible Preference Shares of Rs. 10/- each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Issued, Subscribed & Fully Paid up				
Equity Shares of Rs. 10/- each fully paid up	2,34,59,800	2,345.98	2,34,59,800	2,345.98
Total	2,34,59,800	2,345.98	2,34,59,800	2,345.98



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

- a. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the Year;

(Rs. In Lakh)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,34,59,800	23,45,98,000	2,34,59,800	2,345.98
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,34,59,800	23,45,98,000	2,34,59,800	2,345.98

- b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.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 proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2019, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL (31st March 2018: Rs.NIL).

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. Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount	Number	Amount
Devangkumar Narendrakumar Sanghavi	14,90,000	6.35	14,90,000	6.35
Parmanand T. Arora	18,99,533	8.10	18,99,533	8.10
V.B. Investment Private Limited	23,20,900	9.89	23,20,900	9.89
Kashvi Investment Private Limited	13,88,200	5.92	13,88,200	5.92

17 Other equity

(Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital redemption reserve	1,499.13	1,499.13
Securities premium account	2,807.10	2,807.10
General reserve	562.73	562.73
Foreign currency monetary item trns.diff		
As per last Balance Sheet	0.02	6.06
Foreign currency monetary trns. diff	-	(6.04)
	0.02	0.02

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**Retained earning**

As per last Balance Sheet	19,953.86	19,389.06
Add: Net profit for the current year	108.88	560.85
Other comprehensive income (net of tax)		
Amortisation of loan processing fees	-	-
Re-measurement gain / (losses) on defined benefit plans	34.87	3.95
Balance at the end of year	20,097.59	19,953.86
Total	24,966.57	24,822.84

Nature and purpose of reserves**Capital redemption reserve**

The company has recognized capital redemption reserve, for cumulative redeemable non convertible preference shares. The amount of capital redemption reserve is equal to nominal amount of the preference shares.

General reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Security premium

The amount received in excess of face value of the equity shares, in relation to issuance of equity, is recognized in securities premium reserve.

Retained earning

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to the shareholders.

18 Borrowings (Non - current) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured loans		
Term loans from banks & financial institutional : (Refer Note a, c & d below)	4736.46	1,000.55
Less: Current maturities of long-term Loan (Refer Note 25)	(522.22)	(252.40)
	4,214.24	748.15
Buyers credit from banks: (Refer Note c below)	-	1,122.54
Less: Current maturities of long-term buyers credit (Refer Note 25)	-	-
	-	1,122.54
Vehicle loans: (Refer Note b & d below)	44.84	23.51
Less: Current maturities of long-term vehicle loans (Refer Note 25)	(11.47)	(8.53)
	33.37	14.98
	4,247.61	1,885.67



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Unsecured		
Public deposits (Refer Note 42)		
From directors	1085.75	1,270.00
From others	5618.45	2,964.62
	6,704.20	4,234.62
Loans from related parties (Refer Note 42)	2303.72	2,202.58
	2,303.72	2,202.58
Total	13,255.53	8,322.87

Nature of Securities:

- Secured by mortgage of all fixed assets of Unit- I (Narol), Unit- II (Sari), Unit- III (Vijay Farm) & Unit-IV (Sari) and first charge by way of hypothecation of fixed assets and second charge on the current assets 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.
- Term of Repayment

(Rs. In Lakh)

Term Loan & Corporate Loan	Repayment Schedule	As at 31st March, 2019	As at 31st March, 2018
YES Bank (Term Loan)	15 Quarterly inst. Starting from 03/12/18 of ₹ 60,64,000 each	785.47	-
IDBI Bank (Term Loan)	1st Installment as on 03/09/2017 ₹ 10000000, next 18 Quarterly inst. Starting from 03/12/17 of ₹ 63,10,000 each and last 1 Quarterly inst. as on 03/06/2022 of ₹ 26,20,000	-	1,000.55
TATA Capital (Term Loan)	60 Quarterly inst. Starting from 15/04/17 of ₹ 26,50,000 each	502.33	-
SCB - ECB Loan	22 Quarterly inst. Starting from 11/08/19 of USD 2,27,272.72 each	3448.66	-

(Rs. In Lakh)

Vehicle Loans	Repayment Schedule	As at 31st March, 2019	As at 31st March, 2018
Kotak Bank Ltd.	36 Monthly inst. Starting from 05/01/16 of ₹ 38,300 each	-	3.31
Kotak Bank Ltd.	36 Monthly inst. Starting from 01/05/15 of ₹ 29,142 each	-	0.29
Kotak Bank Ltd.	36 Monthly inst. Starting from 20/03/17 of ₹ 12,860 each	1.35	2.68
ICICI Bank Ltd.	60 Monthly inst. Starting from 01/06/18 of ₹ 71,260 each	29.86	-
HDFC Bank Ltd	60 Monthly inst. Starting from 05/06/17 of ₹ 16,412 each	5.45	6.89
HDFC Bank Ltd	60 Monthly inst. Starting from 05/06/17 of ₹ 12,310 each	4.09	5.17
HDFC Bank Ltd	60 Monthly inst. Starting from 05/06/17 of ₹ 12,310 each	4.09	5.17

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**19 Other financial liabilities (Non - current) (Rs. In Lakh)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade deposits	417.39	391.96
Total	417.39	391.96

20 Other non - current liabilities (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred income on government grant (Refer Note 46)	198.58	240.65
Total	198.58	240.65

21 Provisions (Non - current) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits		
Compensated absences	73.59	71.30
Total	73.59	71.30

22 Deferred tax liabilities (Net) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred tax liability		
Related to fixed assets	4,460.20	4,368.23
Remeasurement benefit of the defined benefits plans through OCI	-	-
Deferred tax assets		
Deferred tax imposed on employee benefits	62.18	57.19
Provision for doubtful debt	20.84	6.99
Deferred tax on amortisation of loan processing fees	-	-
Remeasurement benefit of the defined benefits plans through OCI	13.44	1.95
Total	4363.74	4,302.10



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

23 Borrowings (Current) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured		
Loans from banks		
Working capital loans (Refer Note b below)	26,856.00	25,393.73
Buyers credit-working capital (Refer Note b below)	-	-
	26,856.00	25,393.73
Unsecured		
Public deposits (Refer Note 42)		
From directors	1122.38	1,808.75
From others	1654.51	2,145.61
	2,776.89	3,954.36
Total	29,632.89	29,348.09

a. Public deposit includes deposit accepted from directors

Particulars	As at 31st March, 2019	As at 31st March, 2018
Monery received from directors during the year	574.75	659.75

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.

24 Trade payables (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Acceptances	1350.24	2,442.31
Trade payables (Refer Note 42 & 49)		
Total outstanding due of creditor Micro and small enterprise	449.51	-
Total outstanding due of creditor other than Micro and small enterprise	17,944.20	18,308.92
Total	19,743.95	20,751.23

Acceptances includes credit availed by the company from banks for payment to suppliers for goods purchased by the company the arrangements are interest bearing and the same are payable at due date

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**25 Other financial liabilities (Current) (Rs. In Lakh)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturities of long-term borrowings	533.69	260.93
Interest accrued but not due on borrowings	51.00	385.07
Unclaimed dividends	2.26	2.26
Other payables	332.98	279.04
Total	919.93	927.30

26 Other current liabilities (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Other liabilities		
Advances from customers	155.70	167.72
Total	155.70	167.72

27 Provisions (Current) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits		
Compensated absences	31.45	31.87
Gratuity payable	81.23	69.81
Total	112.68	101.68

28 Current tax liabilities (net) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Others		
Provision for taxation (net of advance tax and TDS)	44.63	73.90
Total	44.63	73.90

29 Revenue from operations (Rs. In Lakh)

Particulars	2018-19	2017-18
Sale of products	74,790.29	82,441.64
Other operating revenues :		
Export incentive income	365.23	264.07
Total	75,155.52	82,705.71

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note : The Government of India introduced Goods and Service Tax (GST) with effect from 1st July 2017 which partly replaced excise duty. Consequently the revenue from operations for period 1st July 2017 to 31st March 2018 is net of GST. However, the revenue from operations for the period of 1st April 2017 to 30th June 2017 includes excise duty recovered on sales of Rs. Nil.

30 Other income (Rs. In Lakh)

Particulars	2018-19	2017-18
Interest income	123.24	107.70
Gain on disposal of Property plant and equipments (net)	-	15.08
Apportioned income from government grant (Refer Note 45)	42.07	42.07
Gain on foreign currency transactions and translation (net)	-	65.81
Other non-operating income	113.2	23.35
Total	278.51	254.01

31 Cost of materials consumed (Rs. In Lakh)

Particulars	2018-19	2017-18
Opening stock	2,492.54	2,552.50
Add : Purchases	45,601.45	54,210.83
	48,093.99	56,763.33
Less : Closing stock	1,050.45	2,492.54
Cost of raw materials consumed	47,043.53	54,270.79

32 Changes in inventories of finished goods and work in progress (Rs. In Lakh)

Particulars	2018-19	2017-18
Inventories at the end of the year		
Work in progress	8,027.78	4,172.11
Finished goods	13,020.57	13,051.94
	21,048.35	17,224.05
Inventories at the beginning of the year		
Work in progress	4,172.11	3,888.14
Finished goods	13,051.94	9,144.67
	17,224.05	13,032.81
Net (Increase) / Decrease in stock	(3,824.30)	(4,191.24)

33 Employee benefits expense (Rs. In Lakh)

Particulars	2018-19	2017-18
Salaries, wages and bonus	5,005.64	5,159.95
Contributions to provident fund & others funds (Refer Note 38)	399.86	358.90
Staff welfare expenses	33.30	47.23
Total	5,438.79	5,566.08

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**34 Finance costs (Rs. In Lakh)**

Particulars	2018-19	2017-18
Interest expense	4,291.08	3,736.69
Other borrowing costs	638.51	609.28
Total	4,929.59	4,345.97

35 Other Expenses (Rs. In Lakh)

Particulars	2018-19	2017-18
Consumption of stores and spare parts	1,077.57	1,830.07
Power and fuel	11,786.30	11,234.31
Payment to auditors (Refer note below)	9.00	9.00
Rent	24.96	43.74
Repairs to building	161.51	199.60
Repairs to machineries	958.54	983.96
Insurance	201.10	221.58
Rates & taxes	66.28	102.14
Job work charges	703.87	912.61
Packing materials	495.92	506.95
Folding charges	39.99	54.13
Labour charges	521.21	413.01
Advertisement, publicity & sales promotion	18.13	23.65
Commission & brokerage	1,017.08	1,310.66
Travelling & conveyance	60.11	70.32
Freight & forwarding	359.61	252.77
Sundry balance written off	5.63	-
Allowance for unsecured doubtful debts	41.28	21.16
Insurance claim written off relating to stock	-	216.03
Professional fees and charges	55.40	39.50
Loss on foreign currency transactions and translation (net)	64.71	-
Miscellaneous expenses	607.71	590.97
Total	18,275.89	19,036.16

Payments to the auditors (Rs. In Lakh)

Particulars	2018-19	2017-18
Payment to auditors		
For statutory audit fees	9.00	9.00
For taxation matters	-	-
For other services	-	-
Total	9.00	9.00

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
36 Income tax expenses

Particulars	2018-19	2017-18
A. The major components of income tax expense for the year are as under :		
(i) Income tax recognised in the Statement of Profit and Loss:		
Current Tax :		
In respect of current year	46.19	83.88
Adjustments in respect of previous year	-	-
MAT Credit entitlement	(44.04)	(80.32)
Deferred Tax :		
In respect of current year	61.63	73.07
Income Tax expense recognised in the Statement of Profit and Loss	63.78	76.63
(ii) Income Tax expense recognised in OCI		
Deferred Tax :		
Remeasurement of defined benefits plan (Gain)/Loss	48.31	5.90
Income Tax Expenses on Remeasurement of defined benefits plan	(13.44)	(1.95)
Income tax expense recognised in OCI	34.87	3.95
B. Reconciliation of tax expense and the accounting profit for the year is as under:		
Profit before tax	172.66	637.48
Income tax expense calculated at @ 33.063%	48.03	210.77
MAT credit recognized	(44.04)	(80.32)
Deferred tax charged to statement of profit and loss	61.63	73.07
Interest on Income tax	2.15	3.56
Short provision of income tax of earlier years	-	-
Effect of tax on deductions claimed under chapter VI-A of Income tax act 1961 (net)	-	(80.52)
Difference in rate of tax between MAT rate and normal rate	(3.99)	(49.93)
Effective Tax Rate at 36.94% (P.Y. 12.02%)	63.78	76.63

The tax rate used for reconciliation above is the corporate tax rate of 20.5868% (P.Y 20.389%) as per MAT payable by corporate entities in India on taxable profits under Indian tax law. However, deferred tax is calculated at rate which enacted/substantially enacted as at March 31, 2019 at applicable @ 27.82% (P.Y @ 33.063%).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**37 Earnings per share**

Particulars	2018-19	2017-18
Profit available for equity share holders (Rs. In Lakh)	108.88	560.85
Weighted average number of equity shares in computing basic & diluted EPS (Nos.)	2,34,59,800	2,34,59,800
Face value of the share – Rs.	10.00	10.00
Basic and Diluted earnings per share – Rs.	0.46	2.39

38 Employee benefits

As per Ind AS 19 “Employee Benefits”, the disclosures of Employee benefits as defined in the accounting Standard are given below:

1 Defined benefits plans**I. Expenses recognised in the Statement of Profit and Loss and other comprehensive income for the year:**

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH, 2019	YEAR ENDED 31st MARCH, 2018
Current service cost	94.48	77.40
Net interest cost	5.49	(0.85)
Past service cost	-	24.88
Amount recognised in profit and loss accounts (Refer note 33)	99.97	101.43
Acturial (gain)/Loss		
a) arising from changes in financial assumption	2.91	(22.54)
b) arising from experience adjustments	(46.42)	12.30
Return on plan assets excluded amount included in interest income	8.65	6.29
Amount recognised in other comprehensive income	(34.86)	(3.95)
Total	65.11	97.48

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
II. Reconciliation of opening and closing balances of defined benefit obligation:

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH,2019	YEAR ENDED 31st MARCH,2018
Defined benefits obligation at beginning of the year	445.55	391.27
Interest cost	35.02	28.72
Current service cost	94.48	77.40
Past service cost	-	24.87
Actuarial losses (gains)	(43.51)	(10.23)
Benefits paid	(83.99)	(66.48)
Defined benefits obligation at the end of the year	447.55	445.55

III. Reconciliation of opening and closing balances of fair value of plan assets :

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH,2019	YEAR ENDED 31st MARCH,2018
Fair value of plan assets at beginning of the year	375.74	402.79
Interest Income	29.53	29.56
Contributions by employer	46.06	15.70
Benefits paid	(76.38)	(66.02)
Return on plan assets excluded amount included in interest income	(8.65)	(6.29)
Fair value of plan assets at year end	366.30	375.74

IV. Investment details:

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH,2019	YEAR ENDED 31st MARCH,2018
Investment with insurer (Investment in policy of LIC)	98.00%	98.33%
Investment with insurer (Investment in policy of India First)	2.00%	1.67%

V. The Principal assumption used in determining gratuity obligations are as follows:

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH,2019	YEAR ENDED 31st MARCH,2018
Mortality table (LIC)	2006-08(Ultimate)	2006-08(Ultimate)
Discount rate (per annum)	7.79%	7.86%
Rate of escalation in salary (per annum)	6.00%	6.00%

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

These plans typically expose the Company to actuarial risks such as interest rate risk, salary risk and Investment Risk.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

- a) Interest risk: A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- b) Salary risk: The present value of defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- c) Investment risk : The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

VI Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH, 2019	YEAR ENDED 31st MARCH, 2018
Projected benefit obligation on current assumptions	447.54	445.55
Delta effect of +1% change in rate of discounting	(38.23)	(37.78)
Delta effect of -1% change in rate of discounting	45.93	45.39
Delta effect of +1% change in rate of salary increase	43.91	43.48
Delta effect of -1% change in rate of salary increase	(37.14)	(36.80)
Delta effect of +1% change in rate of employee turnover	6.55	6.89
Delta effect of -1% change in rate of employee turnover	(7.92)	(8.31)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

VII Effect of plan on entity's future cash flows

- (i) Funding arrangements and Funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the company, Any deficit in the assets arising as a result of such valuation is funded by the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(ii) Expected contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year is Rs. 163.08 Lakhs.

IX. Expected outflow in future years (as provided in actuarial report)

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH, 2019	YEAR ENDED 31st MARCH, 2018
Expected outflow in 1st year	95.27	100.03
Expected outflow in 2nd year	13.88	11.02
Expected outflow in 3rd year	26.97	20.99
Expected outflow in 4th year	28.69	27.93
Expected outflow in 5th year	25.06	29.12
Expected outflow in 6th to 10th year	121.06	129.91

2 Defined contribution plans

Contribution of Defined Contribution Plan, recognised as expense for the year are as under:

Particulars	(Rs. in Lakh)	
	YEAR ENDED 31st MARCH, 2019	YEAR ENDED 31st MARCH, 2018
Employer's contribution to provident fund	177.80	157.16
Employer's contribution to ESIC	113.39	100.31
Total	291.19	257.47

39 Capital commitments

(Rs. in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	85.38	116.23

40 Contingent liabilities in respect of:

(Rs. in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a. Service tax matters disputed in appeal	55.44	55.44
b. Income tax matters disputed in appeal	24.81	24.81
c. Custom duty payable on pending export obligations	738.98	620.06
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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
41 Segment information

Operating segment have been identified on the basis of products / services and have been identified as per the quantitative criteria specified in the IND AS 108.

The Company has identified two reportable segments viz. Textile and Windmill. 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.

Disclosures required under Ind AS 108 - Operating Segments are as under

A) Primary segment : Business segment

Particulars	31-03-2019		31-03-2018	
	External Sales	Total	External Sales	Total
a. Segment revenue				
Textile	72,706.73	72,706.73	80,510.55	80,510.55
Wind mill	2,448.79	2,448.79	2,195.16	2,195.16
Segment total		75,155.52		82,705.71
Eliminations		-		-
Total revenue		75,155.52		82,705.71
b. Segment results				
Textile		3,525.50		3,598.04
Wind mill		1,453.51		1,277.71
Segment total		4,979.01		4,875.75
Eliminations				-
Total		4,979.01		4,875.75
Unallocable corporate expenses / (Income)		(123.24)		(107.70)
Profit before interest etc.		5,102.25		4,983.45
Finance costs		4,929.60		4,345.97
Profit before tax		172.66		637.48
Provision for tax		63.78		76.63
Profit after tax		108.88		560.85
Other comprehensive income		34.87		3.95
Other comprehensive income for the year		143.75		564.80
c. Other information				
Depreciation and amortisation (allocable)				
Textile		2900.58		2797.19
Wind mill		497.29		497.29
Segment total		3397.87		3294.48



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

d. Segment assets and liabilities

(Rs. in Lakh)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Textile	90,564.31	68,620.66	85,671.88	64,589.21
Wind Mill	5,666.85	297.95	6,195.74	109.59
Segment Total	96,231.16	68,918.61	91,867.62	64,698.80

B) Secondary segment : Geographical segment

(Rs. in Lakh)

Particulars	2018--19	2017-18
Segment revenue		
a) In India	64,773.32	76,484.74
b) Outside India	10,382.20	6,220.97
Total	75,155.52	82,705.71

Particulars	As at 31st March, 2019	As at 31st March, 2018
Carrying cost of segment assets		
a) In India	92,432.78	89,227.13
b) Outside India	3798.38	2,640.49
Total	96,231.16	91,867.62
Carrying cost of segment liabilities		
a) In India	59,743.23	57,862.96
b) Outside India	9,175.38	6,835.84
Total	68,918.61	64,698.80

42 Related party disclosures

Related parties and their relationship

(a) Subsidiary company : Wholly own subsidiary company

AYE ESS Spinning Mills Private Limited

(b) Entity controlled by one or more Key management personnel

Companies	Firms
New Ahmedabad Synthetics Pvt. Ltd.	B. Kalpeshkumar & Co.
Vee Bee Textile Pvt. Ltd.	Parmanand Rajeshkumar
Rentex Weavers Ltd.	Virendra Bhogilal & Co.
Twenty First Century Marketing Ltd.	Arora Agencies
Ennbee Textiles Pvt. Ltd.	Parmanand Vinodkumar
V.B. Investment Pvt. Ltd.	Pari Bhogilal Laxmichand
Pee Vee Synthetics Pvt. Ltd.	Parmanand Arora & Sons, HUF

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Shipa Fabrics Pvt. Ltd.	T.P. Vinodkumar, HUF
Kashvi Investments Pvt. Ltd.	T.P. Rajeshkumar, HUF
Bhansali Tradelink Pvt. Ltd.	K.V. Enterprise
	A.V. Enterprise
	A Star Fibres
	Namit Enterprise
	B.S.Textile
	Techtex
	Triveni International
	Panch Rattan Fabrics
	Textile India
	M/s. Kashvi
	Ashish V. Shah HUF
	Kalpesh V. Shah HUF

(c) Key management personnel

Vinodkumar P. Arora	Rajesh P. Arora
Kalpesh V. Shah	Ashish V. Shah
Nipun V. Arora (w.e.f. 11.08.2018)	Bhavik Shukla
Yashaswini Pandey (w.e.f. 11.08.2018)	Sharvil B Suthar (Up to 31.03.2018)
Parmanand T Arora (Up to 11.08.2018)	Subhashish Bandhopadhyay (Up to 31.12.2017)

(d) Non - Executive Directors

Sanjay S. Majmudar	Arvind D. Sanghvi
Ashok C. Gandhi	Yashree Dixit (w.e.f. 24.05.2018)
Amol R. Dalal	

(e) Relatives of key management personnel

Anoli Shah	Renu Arora
Pankaj V. Arora	Rita Arora
Heena Khanna	Kastura Rani Arora
Chinmaya P. Arora	Bhriugu N. Arora
Jahanvi N. Arora	Parul K. Shah
Bela A. Shah	Pankil K. Shah
Preeti N. Arora	Shikha Arora
Somni Chawla	Sarthak P. Arora
Anuj A Shah	Sushila Shah
Sela D. Jhaveri	Kashvi Shah
Nipun V Arora (Up to 10.08.2018)	

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
Disclosure in respect of material transactions with related parties
(Rs. in Lakh)

Transaction	Name of the related party	Transaction With the Parties		Balance as at	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018
Loans / Advancetaken	Ennbee Textiles Pvt.Ltd	-	9.00	223.34	213.83
	Rentex Weavers Ltd	-	10.00	144.98	138.33
	Shipa Fabrics Pvt.Ltd	-	-	130.48	127.80
	Twenty First Century Mktg. Ltd.	12.00	66.00	1,481.70	1,423.64
	New Ahmedabad Synt.Pvt. Ltd.	-	-	313.07	289.25
Loans/ Advance Repaid	Ennbee Textiles Pvt.Ltd	12.28	21.15	223.34	213.83
	Rentex Weavers Ltd	7.52	13.37	144.98	138.33
	Shipa Fabrics Pvt.Ltd	10.34	13.34	130.48	127.80
	Twenty First Century Mktg. Ltd.	102.01	175.11	1,481.70	1,423.64
	Bhansali Tradelink Pvt. Ltd.	0.22	0.35	3.76	3.60
	Pee Vee Synthetics Pvt. Ltd.	0.20	0.38	2.69	2.62
	New Ahmedabad Synt.Pvt. Ltd.	7.00	6.00	313.07	289.25
	Vee Bee Textile Pvt. Ltd.	0.19	0.40	3.70	3.51
Fixed Deposits taken	Pankajbhai V Arora	26.00	23.50	303.70	277.70
	Nipun V Arora	16.00	27.50	342.35	326.35
	Rajesh Arora	95.00	390.00	817.00	722.00
	Rita Arora	-	205.00	702.00	702.00
	Parmanand Arora	455.00	125.00	1,907.00	1,452.00
	Vinod Arora	71.00	144.75	947.75	904.75
	Preeti N Arora	49.75	44.75	654.35	604.60
	Parmanand Arora & Sons, HUF	5.80	5.30	71.10	65.30
	T.P. Vinodkumar, HUF	-	11.00	98.50	98.50
	T.P. Rajeshkumar, HUF	7.00	6.50	83.50	76.50
	Kastura Rani Arora	6.10	40.00	52.10	46.00
	Renu Arora	112.00	217.00	1,266.60	1,154.60
	Sarthak P Arora	-	4.00	6.50	6.50
	Chinmaya P. Arora	-	4.00	6.10	6.10
	M/S. Kashvi	-	46.00	-	46.00
	Kashviben Kalpeshbhai Shah	60.00	10.00	60.00	10.00
	Virendra Bhogilal & Co.	-	50.00	-	50.00
	Shikha Arora	37.00	79.75	550.10	513.10
	Heena Khanna	10.50	10.50	23.00	12.50
	BHRIGU N. ARORA	3.00	-	4.90	-
	Somani Chawla	10.50	40.50	64.00	53.50
Loans/ Advance Given	AYE ESS Spinning Mills Pvt. Ltd.	-	0.26	0.26	0.26
Investment in subsidiary	AYE ESS Spinning Mills Pvt. Ltd.	-	1.00	1.00	1.00
Sale of goods	Pari Bhogilal Laxmichand	169.18	74.43	90.14	-
	Panch Rattan Fabrics	7,542.46	9,433.25	4,592.94	4,662.63
	Virendra Bhogilal & Co.	166.68	-	84.22	-
	Namit Enterprise	76.43	(2.08)	-	-
	B. S. Textile	193.96	(9.19)	116.32	-
	Textile India	-	1,050.24	-	-
Lease Rent	Techtex	2.03	2.03	4.34	2.16
Car sales	ENNBEE TEXTILE PVT. LTD	16.42	-	-	-

AARVEE DENIMS AND EXPORTS LTD.**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

(Rs. in Lakh)

Transaction	Name of the related party	Transaction With the Parties		Balance as at	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018
Job Work Charges	Virendrabhai Bhogilal & Co.	286.74	323.66	57.28	26.38
	A.V. Enterprise	12.00	30.55	5.28	1.69
	B.Kalpeshkumar & Co.	12.02	20.66	5.17	1.66
	B STextiles	246.82	308.94	21.51	22.28
	K.V. Enterprise	11.99	31.23	5.27	1.69
	Techtex	-	-	-	-
	Namit Enterprise	77.04	97.19	41.97	9.07
Interest on Loans / Advance/ FDs	Vinod P Arora	90.18	79.79	947.75	904.75
	Parmanand Arora	175.98	140.21	1,907.00	1,452.00
	Rajesh Arora	79.30	51.51	817.00	722.00
	Pankaj V Arora	28.10	26.31	303.70	277.70
	Nipunbhai V Arora	33.04	30.93	342.35	326.35
	Chinmaya P. Arora	0.60	0.52	6.10	6.10
	Sarthak P Arora	0.64	0.56	6.50	6.50
	Shikha Arora	52.21	45.37	550.10	513.10
	Jahanvi N Arora	0.18	0.18	1.80	1.80
	Bhriugu N Arora	0.48	0.19	4.90	1.90
	Renu Arora	120.24	103.98	1,266.60	1,154.60
	Rita Arora	68.94	55.66	702.00	702.00
	Kastura Rani Arora	4.96	3.01	52.10	46.00
	Preeti N Arora	61.92	57.45	654.35	604.60
	Heena Khanna	2.15	0.35	23.00	12.50
	Somani Chawla	6.08	2.54	64.00	53.50
	Parmanand Arora & Sons, HUF	6.94	6.40	71.10	65.30
	T.P. Rajeshkumar H.U.F.	8.14	7.41	83.50	76.50
	T.P. Vinodkumar H.U.F.	9.63	8.91	98.50	98.50
	M/S. Kashvi	-	1.49	-	46.00
	Kashviben Kalpeshbhai Shah	5.33	0.37	60.00	10.00
	Virendra Bhogilal & Co.	2.88	1.86	-	50.00
	Ennbee Textiles Pvt.Ltd	24.21	23.02	223.34	213.83
	New Ahmedabad Synt.Pvt.Ltd.	34.25	31.60	313.07	289.25
	Rentex Weavers Ltd	15.74	14.90	144.98	138.33
	Twenty First Century Marketing Ltd	164.53	161.82	1,481.70	1,423.64
	Bhansali Tradelink Pvt. Ltd.	0.42	0.41	3.76	3.60
	Pee Vee Synthetics Pvt. Ltd.	0.30	0.30	2.69	2.62
	Vee Bee Textile Pvt. Ltd.	0.41	0.40	3.70	3.51
	Shipa Fabrics Pvt.Ltd	14.46	14.36	130.48	127.80
Commission & Brokerage	Parmanand Vinodkumar	196.52	492.97	433.17	331.68
	Arora Agencies	188.96	360.06	363.44	254.92
	Namit Enterprise	-	1.32	-	1.50

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakh)

Transaction	Name of the related party	Transaction With the Parties		Balance as at	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018
Remuneration	Vinodbhai P Arora	36.00	36.00	2.42	2.41
	Ashishbhai V Shah	30.00	30.00	2.09	2.08
	Nipunbhai V Arora (w.e.f. 11/08/2018)	7.66	-	0.83	-
	Kalpeshbhai V Shah	18.00	18.00	1.25	1.44
Salary	Nipunbhai V Arora (Up to 10/08/2018)	4.34	12.00	-	0.80
	Pankajbhai V Arora	12.00	12.00	0.83	0.80
	Pankilbhai K Shah	12.00	12.00	0.83	0.80
	Anuj A. Shah	-	2.62	-	0.22
	Bhavik Shukla	20.80	21.20	-	1.15
	Hardik Modi	-	-	-	-
	Sharvil B. Suthar	-	3.94	-	0.31
	Suket Shah	-	-	-	-
	Subhasish Bandhopadhyay	-	15.43	-	-
Sitting Fees	Sanjay S. Majmudar	0.45	0.55	-	-
	Ashok C. Gandhi	0.35	0.55	-	-
	Amol R. Dalal	0.45	0.55	-	-
	Arvind D. Sanghvi	0.05	0.15	-	-
	Shivani D. Shah	-	0.10	-	-
	Yashree Dixit	0.20	-	-	-

43 Financial risk management

The Company's financial liabilities comprise mainly of borrowing, trade payables and other payables. The Company's financial assets comprise mainly of cash and cash equivalent, other balance with banks, loans, trade receivable and other receivable. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

(A) Market risk

The Company is exposed to market risks on account of changes in interest rates, foreign exchange rates, liquidity and other market changes. These risks affect income and expenses of the Company. The objective of the Management of the Company is to maintain this risk within the acceptable parameters, while optimising returns.

(i) Interest rate risk

The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. The Company monitors fluctuations in interest rate continuously and has laid policies and guidelines including to minimise impact of interest rate risk.

Interest rate sensitivity

A change in 50 bps in interest rates would have following impact on profit before tax

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. In Lakh)

Particulars	31st March 2019	31st March 2018
50 bps increase would decrease the profit before tax by	155.52	136.40
50 bps decrease would increase the profit before tax by	155.52	136.40

(ii) Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchased from overseas suppliers in various foreign currencies.

Exposure on foreign currency sales and purchases are managed through the Company's hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

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

(Rs. in Lakh)

Particulars	2018-19		2017-18	
	Amount	Amount	Amount	Amount
	(Foreign Currency)	(Rs.)	(Foreign Currency)	(Rs.)
Amount payable in foreign currency	\$113.23	7,844.77	\$78.06	5,081.15
	€ 0.48	37.64	€ 0.32	22.13
	-	-	JPY 1,824.08	1,122.54
Amount receivable in foreign currency	\$33.92	2,349.95	\$29.00	1,886.46
	€ 0.27	21.21	€ 0.01	0.44
	-	-	CHF 0.16	10.98
	JPY 214.83	134.27	JPY 215.65	132.71

(B) Credit risk

Credit risk is the risk of financial loss to the company if customers or counter party to a financial instruments fails to meet its contractual obligations and arises principally from the company's receivables from customers.

All trade receivables are subject to credit risk exposure. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognized from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and relevant information that is available without undue cost or effort. This

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The reconciliation of ECL (Expected Credit Loss) is as follows:

(Rs. In Lakh)		
Particulars	31st March 2019	31st March 2018
Balance at the beginning of the year	21.16	264.68
Provision made / (reversed) during the year	41.28	(243.52)
Balance at the end of the year	62.44	21.16

(C) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Rs. In Lakh)				
Particulars	<1 year	>1 year but <5 years	More than 5 years	Total
Year ended 31st March, 2019				
Interest bearing borrowings	30,166.58	13,255.53	-	43,422.11
Trade payables	19,743.95	-	-	19,743.95
Other financial liabilities	386.24	-	417.39	803.63
Total	50,296.77	13,255.53	417.39	63,969.70
Year ended 31st March, 2018				
Interest bearing borrowings	29,609.02	8,322.87	-	37,931.89
Trade payables	20,751.23	-	-	20,751.23
Other financial liabilities	666.37	-	391.96	1,058.33
Total	51,026.62	8,322.87	391.96	59,741.45

44 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure with a view to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

a) The net debt to equity ratio at the end of the reporting period was as follows:

(Rs. In Lakh)		
Particulars	31st March 2019	31st March 2018
Non-Current borrowings	13,255.53	8,322.87
Current maturities of non-current borrowings	533.69	260.93
Current borrowings	29,632.89	29,348.09

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Interest accrued but not due on borrowings	51.00	385.07
Total Debt	43,473.11	38,316.96
Less: Cash and bank balances	1,751.99	2,305.76
Net Debt	41,721.12	36,011.20
Equity	27,312.55	27,168.82
Net debt to equity ratio	1.53	1.33

b) Catagories of financial instruments:

(Rs. In Lakh)

Particulars	31st March 2019		31st March 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Investments (non current)	1.00	1.00	1.00	1.00
Security deposit	21.14	21.14	19.26	19.26
Trade receivable	28,759.09	28,759.09	29,515.01	29,515.01
Cash and cash equivalent	200.58	200.58	190.58	190.58
Other bank balances	1,553.68	1,553.68	2,117.45	2,117.45
Other financial assets	2,167.63	2,167.63	1,444.05	1,444.05
Total financial assets at amortised cost (A)	32,703.12	32,703.12	33,287.35	33,287.35
Measured at fair value through other comprehensive income (B)	-	-	-	-
Measured at fair value through profit and loss (C)	-	-	-	-
Total financial assets (A + B + C)	32,703.12	32,703.12	33,287.35	33,287.35
Financial liabilities				
Measured at amortised cost				
Borrowings non current	13,255.53	13,255.53	8,322.87	8,322.87
Borrowings current	29,632.89	29,632.89	29,348.09	29,348.09
Trade payables	19,743.95	19,743.95	20,751.23	20,751.23
Other financial liabilities	1,337.32	1,337.32	1,319.26	1,319.26
Total financial liabilities carried at amortised cost	63,969.69	63,969.69	59,741.45	59,741.45

45 Government Grant

Export Promotion Capital Goods (EPCG): This scheme allows import of certain capital goods including spares at zero duty subject to an export obligation for the duty saved on such capital goods. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as a Capital Grant as stated in the Accounting policy on Government Grant.

The Government Grant above represents unamortised amount of the subsidy referred to below, with the corresponding adjustment to the carrying amount of property, plant and equipment.



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

46 Expenditure in foreign currency

	(Rs. In Lakh)	
Particulars	2018-19	2017-18
Traveling	2.21	2.21
Commission on Export Sales	487.87	315.44
Freight & Forwarding Charges	-	-
Subscription Fees	2.97	3.02
ECB Charges	-	-
Sales Promotion	-	10.02
Labouratory & Testing Fees	-	0.60
Total	493.05	331.29

47 Earnings in foreign currency

	(Rs. in Lakh)	
Particulars	2018-19	2017-18
FOB value of Export Sales	10,382.20	6,192.24

- 48 During the year, the gross amount to be spent by the Company for Corporate Social Responsibility expenditure is Rs. 14.19 Lakh and amount spent is Rs. NIL (As at 31.03.2018 Rs. 16.33 Lakh and amount spent is Rs. NIL).

49 Disclosure under the MSMED Act, 2006

The Following disclosure are made for the amounts due to the Micro, Small, and Medium enterprise as at 31st March-2019.

Particulars	2018-19	2017-18
The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
Principal amount due to micro and small enterprise	449.51	-
Interest due thereon outstanding to any supplier	47.90	-
Interest paid by the Company	-	-
Interest due and payable for the period of delay in making payment	-	-
Interest accrued and remaining unpaid	47.90	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of allowance as a deductible expenditure under section 23 of MSMEDA	-	-

50 New Standard / Amendments issued but not yet effective:

The ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules has notified the following new and amendments to existing standards. These amendments are effective for annual periods beginning from April 1, 2019. The Company will adopt these new standards and amendments to existing standards once it become effective & are applicable to it.

Ind AS 116 - Leases

Ind AS 116 'Leases' replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessee

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The accounting from Lessor perspective largely remain unchanged from the existing standard - i.e. lessor will continue to classify the leases as finance or operating leases.

Based on the preliminary assessment and current conditions, the Company does not expect any significant impacts on transition to Ind AS 116. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

- 51** The Ministry of Corporate Affairs (MCA), on 28th March 2018, notified Ind AS 115 "Revenue from Contracts with Customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is effective for accounting periods beginning on or after 1st April, 2018. The adoption of the standard did not have any impact on the financial of the Company.

52 Events occurring after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 23rd, May, 2019 there were no subsequent events to be recognized or reported that are not already disclosed.

- 53** Previous Year figures have been regrouped/ rearranged wherever considered necessary.

- 54** The financial statements were approved for issue by the board of directors on 23rd May, 2019.

In terms of our report attached of even date

For Shah & Shah Associates

Chartered Accountants

(Firm Reg. No. 113742W)

Sunil K. Dave

Partner

(Membership No. 047236)

Place : Ahmedabad

Date : 23rd May 2019

For and on behalf of the Board of Directors

Aarvee Denims and Exports Limited

Vinod P. Arora

Chairman & MD

(DIN:00007065)

Bhavik N. Shukla

Chief Financial Officer

Place : Ahmedabad

Date : 23rd May 2019

Kalpesh V. Shah

Whole Time Director

(DIN:00007262)

Yashaswini Panday

Company Secretary



AARVEE DENIMS AND EXPORTS LTD.

Shah & Shah Associates
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of
AARVEE DENIMS AND EXPORTS LIMITED.

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **AARVEE DENIMS AND EXPORTS LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019; and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group as at March 31, 2019, of consolidated profit (financial performance including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If,

based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income) and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- 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 of the aforesaid consolidated financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015.
- On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/ provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

AARVEE DENIMS AND EXPORTS LTD.



- i. There were no pending litigations which would impact the consolidated financial position of the Group.
- ii. The Group did not have any material foreseeable losses 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 Holding Company. Further, there were no amount which was required to be transferred to the Investor Education and Protection Fund by its subsidiaries company incorporated in India.

For **SHAH & SHAH ASSOCIATES**
Chartered Accountants
FRN:113742W

SUNIL K. DAVE
PARTNER
Membership Number: 047236

Place : Ahmedabad.
Date : May 23, 2019



AARVEE DENIMS AND EXPORTS LTD.

"Annexure A" to the Independent Auditor's Report

Annexure to the independent auditor's report of even date on the Consolidated financial statements of AARVEE DENIMS AND EXPORTS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **AARVEE DENIMS AND EXPORTS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its subsidiary company which are companies incorporated in India, are 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 (ICAI). 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 the 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 ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India 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 ~ 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 and the audit evidence obtained by the other auditors in terms .of their reports referred to in the Other Matters paragraph below, 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, the Holding Company and its subsidiary company, which are companies incorporated in India, have, 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 March 31, 2019, 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **SHAH & SHAH ASSOCIATES**
Chartered Accountants
FRN:113742W

SUNIL K. DAVE
PARTNER
Membership Number: 047236

Place : Ahmedabad.
Date : May 23, 2019



AARVEE DENIMS AND EXPORTS LTD.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. In Lakh)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5A	38,841.90	36,201.01
(b) Intangible assets	5A	54.91	72.14
(c) Financial assets			
(i) Investments	6	-	-
(ii) Other financial assets	7	209.28	207.40
(d) Non-current tax assets (net)	8	1,535.81	1,481.79
(e) Other non-current assets	9	11.14	56.03
Total non-current assets		40,653.04	38,018.37
2 Current assets			
(a) Inventories	10	22,324.35	19,984.68
(b) Financial assets			
(i) Trade receivables	11	28,759.09	29,515.01
(ii) Cash and cash equivalents	12	201.58	191.58
(iii) Other bank balance	13	1,553.68	2,117.45
(iv) Other financial assets	14	2,167.37	1,443.79
(c) Other current assets	15	572.05	596.74
Total current assets		55,578.12	53,849.25
TOTAL ASSETS		96,231.16	91,867.62
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	2,345.98	2,345.98
(b) Other equity	17	24,966.57	24,822.84
Total equity		27,312.55	27,168.82
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	13,255.53	8,322.87
(ii) Other financial liabilities	19	417.39	391.96
(b) Other non current liabilities	20	198.58	240.65
(c) Provisions	21	73.59	71.30
(d) Deferred tax liabilities (net)	22	4,363.74	4,302.10
Total non-current liabilities		18,308.83	13,328.88
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	29,632.89	29,348.09
(ii) Trade payables	24		
(iia) Total Outstanding due of Micro and small enterprise		449.51	-
(iib) Total Outstanding due of creditor other than Micro and small enterprise		19,294.44	20,751.23
(iii) Other financial liabilities	25	919.93	927.30
(b) Other current liabilities	26	155.70	167.72
(c) Provisions	27	112.68	101.68
(d) Current tax liabilities (net)	28	44.63	73.90
Total current liabilities		50,609.78	51,369.92
TOTAL EQUITY AND LIABILITIES		96,231.16	91,867.62
See accompanying notes forming part of consolidated financial statements	38-54		

In terms of our report attached of even date

For Shah & Shah Associates

Chartered Accountants

(Firm Reg. No. 113742W)

Sunil K. Dave

Partner

(Membership No. 047236)

For and on behalf of the Board of Directors

Aarvee Denims and Exports Limited

Vinod P. Arora

Chairman & MD

(DIN:00007065)

Bhavik N. Shukla

Chief Financial Officer

Place : Ahmedabad

Date : 23rd May 2019

Kalpesh V. Shah

Whole Time Director

(DIN:00007262)

Yashaswini Panday

Company Secretary

Place : Ahmedabad

Date : 23rd May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019
(Rs. In Lakh)

Particulars	Note	2018-19	2017-18
I. Income:			
Revenue from operations	29	75,155.52	82,705.71
II. Other income	30	278.51	254.01
III. Total Income (I + II)		75,434.03	82,959.72
IV. Expenses:			
Cost of materials consumed	31	47,043.53	54,270.79
Changes in inventories of finished goods and work in progress	32	(3,824.30)	(4,191.24)
Employee benefits expense	33	5,438.79	5,566.08
Finance costs	34	4,929.59	4,345.97
Depreciation and amortization expense	5A	3,397.87	3,294.48
Other expenses	35	18,275.89	19,036.16
V. Total expenses		75,261.37	82,322.24
VI. Profit / (Loss) before Tax (III- V)		172.66	637.48
VII. Tax expense:	36		
Current tax		46.19	83.88
Short tax provision in earlier years		-	-
Mat Credit Entitlement		(44.04)	(80.32)
Deferred tax		61.63	73.07
VIII. Profit / (Loss) for the year (VI-VII)		108.88	560.85
IX. Other comprehensive income (net of tax)		34.87	3.95
X. Total comprehensive income for the year (VIII + IX)		143.75	564.80
XI. Net profit attributable to:			
a) Owners of the company		108.88	560.85
b) Non - Controlling interest		-	-
XII. Other comprehensive income attributable to:			
a) Owners of the company		34.87	3.95
b) Non - Controlling interest		-	-
XIII. Total comprehensive income attributable to:			
a) Owners of the company		143.75	564.80
b) Non - Controlling interest		-	-
XIV. Earnings per equity share of face value of Rs.10 each	37		
Basic & Diluted (in Rs.)		0.46	2.39
See accompanying notes forming part of consolidated financial statements	38 to 54		

In terms of our report attached of even date

For Shah & Shah Associates

Chartered Accountants

(Firm Reg. No. 113742W)

Sunil K. Dave

Partner

(Membership No. 047236)

For and on behalf of the Board of Directors

Aarvee Denims and Exports Limited
Vinod P. Arora

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(DIN:00007065)

Bhavik N. Shukla

Chief Financial Officer

Place : Ahmedabad

Date : 23rd May 2019

Kalpesh V. Shah

Whole Time Director

(DIN:00007262)

Yashaswini Panday

Company Secretary

Place : Ahmedabad

Date : 23rd May 2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019
(Rs. In Lakh)

Particulars	2018-19	2017-18
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per the Statement of Profit and Loss	172.64	637.49
Adjustments for :	-	-
Depreciation and amortization expense	3,397.87	3,294.48
Unrealised Foreign Exchange Fluctuation (Gain)/Loss	-	-
Foreign Exchange (Gain)/Loss -Others	-	(6.05)
Impact of retained earning	34.87	3.95
Interest and Financial Expenses	4,929.59	4,345.97
Net Loss/(Profit) on sale of Fixed Assets	-	(15.08)
Interest Received	(123.24)	(107.70)
Provision for Expected Credit Loss	41.28	21.16
Bad Debts	-	-
Sundry Balance written off	5.63	-
Insurance Claim Written off / (Receivable)	-	216.03
Operating profit before working capital changes	8,458.65	8,390.25
Adjustments for :	-	-
Trade Receivables	709.00	(5,533.67)
Inventories	(2,339.67)	(4,334.58)
Other Current Assets	24.69	(84.54)
Other Non Current Assets	44.89	(72.31)
Other financial assets non current	(1.87)	-
Other financial assets current	(723.58)	(242.60)
Current Borrowings	(1,177.47)	1,323.05
Other current financial liabilities	(7.37)	(1,283.59)
Other current liabilities	(12.02)	(4.68)
Current provisions	(18.27)	101.17
Non current provisions	63.93	72.77
Other non current financial liabilities	25.42	1.73
Other non current liabilities	(42.07)	(42.07)
Trade Payables	(1,007.27)	5,556.17
Cash Generated From Operations	3,996.98	3,847.10
Income Taxes Paid	(117.80)	(70.17)
Net Cash From Operating Activities (A)	3879.19	3776.93
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(6,339.95)	(1,751.77)
Sale of Fixed Assets	318.41	204.91
Bank Balances not considered as Cash and Cash		
Equivalents - Matured / (Placed)	563.77	(433.77)
Interest Received	123.24	107.70
Net Cash used in Investing Activities (B)	(5,334.53)	(1,872.93)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**(Rs. In Lakh)**

Particulars	2018-19	2017-18
C. CASH FLOW FROM FINANCING ACTIVITIES	-	-
Proceeds/ (Repayment) of Non current borrowings (Net)	4,932.66	(91.24)
Proceeds/ (Repayment) from current borrowings (Net)	1,462.27	2,536.89
Interest & Finance cost	(4,929.59)	(4,345.97)
Dividend paid	0.00	3.99
Gain /(Loss) on forward covers and derivative instrument	-	-
Net Cash used in Financing Activities (C)	1465.34	(1,896.33)
Net changes in Cash & Cash Equivalents (A+B+C)	10.00	7.67
Cash and Cash Equivalents at the beginning of the year (Refer Note 16 (i))	191.58	183.91
Cash and Cash Equivalents at the end of the year (Refer Note 16 (i))	201.58	191.58

In terms of our report attached of even date

For Shah & Shah Associates

Chartered Accountants

(Firm Reg. No. 113742W)

Sunil K. Dave

Partner

(Membership No. 047236)

Place : Ahmedabad

Date : 23rd May 2019

For and on behalf of the Board of Directors

Aarvee Denims and Exports Limited**Vinod P. Arora**

Chairman & MD

(DIN:00007065)

Bhavik N. Shukla

Chief Financial Officer

Place : Ahmedabad

Date : 23rd May 2019**Kalpesh V. Shah**

Whole Time Director

(DIN:00007262)

Yashaswini Panday

Company Secretary



AARVEE DENIMS AND EXPORTS LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A Equity share capital (Rs. In Lakh)

Particulars	Note	No. of Shares	Amount
As at 1st April, 2018		2,34,59,800	2,345.98
Changes in equity share capital	16a	-	-
As at 31st March, 2019		2,34,59,800	2,345.98

B Other equity

Particulars	Capital Redemption Reserve	Securities Premium Account	General reserve	Foreign Currency Monetary Item Trns.Diff	Retained Earning	Total
Balance as at 1st April, 2018	1,499.13	2,807.10	562.73	0.02	19,953.86	24,822.84
Profit for the year	-	-	-	-	108.88	108.88
Other comprehensive Income for the year (net)	-	-	-	-	34.87	34.87
Total Comprehensive Income for the year	-	-	-	-	143.75	143.75
Foreing currency monetary transition difference	-	-	-	-	-	-
Balalance as at 31st March, 2018	1,499.13	2,807.10	562.73	0.02	20,097.61	24,966.57

This is the Standalone Statement of Changes in Equity referred to in our report of even date

In terms of our report attached of even date

For Shah & Shah Associates

Chartered Accountants
(Firm Reg. No. 113742W)

Sunil K. Dave

Partner

(Membership No. 047236)

Place : Ahmedabad

Date : 23rd May 2019

For and on behalf of the Board of Directors

Aarvee Denims and Exports Limited

Vinod P. Arora

Chairman & MD

(DIN:00007065)

Bhavik N. Shukla

Chief Financial Officer

Place : Ahmedabad

Date : 23rd May 2019

Kalpesh V. Shah

Whole Time Director

(DIN:00007262)

Yashaswini Panday

Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**1 Corporate Information**

The consolidated financial statements comprise financial statements of AARVEE DENIMS AND EXPORTS LIMITED ("the parent company") and its subsidiary AYE ESS SPINNING MILLS PRIVATE LIMITED (collectively, the "Group" for the year ended 31.03.2018).

The parent company is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013 ("the Act" erstwhile Companies Act, 1956). Its equity shares are listed on two stock exchanges in India. The company is engaged in the manufacturing and selling of denim and non denim fabrics. The company caters to both domestic and international markets.

2 Statement of Compliance and Basis of Preparation of Financial Statements**2.1 Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2017, the group prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer note - 51 for details of firsttime adoption exemptions availed by the group.

The consolidated Ind AS financial statements are presented in Indian Rupees and all values are rounded to the nearest lakh (Rupees 00,000), except where otherwise indicated. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

2.2 Basis of preparation of Financial Statement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs for the asset or liability.

Principles of consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intecompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adapted by the group.

Non-controlling interests, if any, in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

3 SIGNIFICANT ACCOUNTING POLICIES
3.1 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees for qualifying assets, borrowing costs capitalised in accordance with the group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land & properties under construction) less their residual values over their useful lives, as indicated in the Companies Act, 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. However, 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

Leasehold Land is amortised over the period of lease.

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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

For transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date (except to the extent of any adjustment permissible under other accounting standard).

Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any. Amortization is done over their estimated useful life on straight line basis from the date that they are available for intended use, subjected to impairment test.

Amortisation 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.

3.2 Impairment of tangible and intangible assets

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.3 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.4 Investments in Subsidiary Company

Investments in subsidiary Company is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
3.5 Government Grants

Government Grants related to assets are treated as deferred income and are recognized in the statement of profit and loss on a systematic and rationale basis over the useful life of the assets. Government Grants related to revenue are recognized on a systematic basis in a statement of profit and loss over the period necessary to match them with the related cost which they are intended to compensate. Specifically, Government Grants whose primary condition is that the group should purchase, construct or otherwise acquire non current assets are recognized as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

3.6 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

3.7 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before 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 group are segregated based on the available information.

3.8 Operating Cycle

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

3.9 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**3.10 Financial assets****Initial recognition and measurement**

Financial assets are recognized when the group becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognized at fair value. In case of financial assets which are recognized at fair value through profit and loss (FVTPL), its transaction costs are recognized in the Statement of Profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as a FVTPL. Interest income is recognized in profit or loss and is included in the "Other Income" line item.

Classification of financial assets:**Financial assets measured at amortized cost**

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the group. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowances, if any.

Financial assets measured at FVTOCI

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal on the principal amount outstanding.

Financial assets measured at FVTPL

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the group. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend Income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of group of similar financial assets) is derecognised (i.e. removed from the group's Balance Sheet) when any of the following occurs:

- a) The contractual rights to cash flows from the financial assets expires,
- b) The group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- c) The group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- d) The group neither transfer nor retains substantially all risk and rewards of ownership and does not retain control over the financial assets.

In cases where group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset; in that case, the group also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Impairment of financial assets

The group applies expected credit losses (ECL) model for recognising impairment loss on financial assets measured at amortised cost and trade receivables. In case of trade receivables, the group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. For the purpose of measuring lifetime expected credit loss, for trade receivables, the group has used a practical expedient as permitted under Ind AS 109. The expected credit loss allowance is computed based on a provision matrix which takes in to account historical credit loss experience and adjusted for forward looking information. For recognition of impairment loss on other financial assets and risk exposure, the group determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if the credit risk has increased significantly, then the impairment loss is provided based on lifetime ECL. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the group reverts to recognizing impairment loss allowance based on 12-month ECL. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expenses in the Statement of profit and loss under the head 'Other expense'.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**Financial liabilities and equity instruments****Debt and Equity Instruments:**

Debt and equity instruments issued by the group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instruments.

Equity instruments:

An equity instruments is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities, Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities:**Initial recognition and measurement**

Financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Financial liabilities at FVTPL

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the group's documented risk management;

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
3.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.12 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the group.

3.13 Fair Value

The group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorized into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for Identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or Liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorized at the end of each reporting period and discloses the same.

3.14 Allowance for doubtful trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are derived based on a provision matrix which takes into account various factors such as customer specific risks, geographical region, product type, currency fluctuation risk, repatriation policy of the country, country specific economic risks, customer rating, and type of customer, etc. Individual trade receivables are written off when the management deems them not to be collectable.

3.15 Revenue recognition

Revenue from sale of goods and services is measured at the fair value of the consideration received or receivable, net of estimated customer returns, rebates and other similar allowances.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**Sale of goods**

Revenue from the sale of goods is recognised the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and it is probable that the economic benefits associated with the transaction will flow to the group.

Rendering of services

Revenue from rendering of services recognised when services are rendered and related cost are incurred.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis.

Export benefits

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

3.16 Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.17 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.

3.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.19 Employee benefits**Defined benefit plans**

The group has an obligation towards a defined benefit retirement plan covering eligible employees through Group Gratuity Scheme of Life Insurance Corporation of India. The group accounts for the liability for the gratuity benefits payable in future based on an independent actuarial valuation carried out using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.

Defined benefit costs in the nature of current and past service cost and net interest expense or income are recognized in the statement of profit and loss in the period in which they occur. Actuarial gains and losses on measurement is reflected immediately in the balance sheet with a charge or credit

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

recognized in other comprehensive income in the period in which they occur and is reflected immediately in retained earnings and not reclassified to profit or loss. Past service cost is recognized in profit and loss in the period of a plan amendment.

Defined Contribution plan

The group recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employee renders services to the group during the reporting period.

Compensated Absences

Provisions for Compensated Absences and its classifications between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per the projected unit credit method as at the reporting date.

Short term employee benefits:

They are recognized at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

3.20 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The group's current tax is calculated using tax rates that have been enacted or substantially enacted by end of reporting periods.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.21 Earnings Per Share

Basic earnings per share are 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

dividing the profit after tax as adjusted for the effects of dividend interest and other charges relating to the dilutive potential equity shares by weighted average number of shares plus dilutive potential equity shares.

3.21 Preliminary Expenses

Preliminary expenses are written off in the year of commencement of business operations of the company.

4 Significant accounting judgments, estimates and assumptions**Significant accounting judgements**

The application of the group's accounting policies in the preparation of the group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acgrouping disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and future periods. Actual results may differ from these estimates which could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

(a) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using ECL model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(b) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Provisions and Contingent Liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not recognised in the financial statements. The policy for the same has been explained above in note 3.6.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
5A. Property, plant & equipments
(Rs. In Lakh)

Particulars	Tangible Assets								Intangible Assets	
	Lease hold land	Land & Land Development	Buildings	Plant & Machineries	Electric Installations	Furniture & Fixtures	Office Equipments	Vehicles	Computer	Total
As at April 1, 2018	78.60	1,301.11	10,036.91	28,722.19	1,109.02	369.00	213.65	128.30	17.27	41,976.05
Additions	-	-	107.66	6,143.53	12.47	-	19.45	56.04	-	6,339.15
Disposals	-	-	-	1,707.27	-	-	-	42.11	-	1,749.38
As at March 31, 2019	78.60	1,301.11	10,144.57	33,158.45	1,121.49	369.00	233.10	142.23	17.27	46,565.82
Accumulated Depreciation										
As at April 1, 2018	14.40	-	772.63	4,278.65	443.66	109.42	117.82	28.40	10.06	5,775.04
Depreciation for the year	7.20	-	392.50	2,701.68	173.31	45.49	33.28	23.10	3.28	3,379.84
Eliminated on Disposal of Assets	-	-	-	1,405.29	-	-	-	25.68	-	1,430.97
As at March 31, 2019	21.60	-	1,165.13	5,575.04	616.97	154.91	151.10	25.82	13.34	7,723.91
Net Block										
As at March 31, 2019	57.00	1,301.11	8,979.44	27,583.41	504.52	214.09	82.00	116.41	3.93	38,841.90
As at March 31, 2018	64.20	1,301.11	9,264.28	24,443.54	665.36	259.58	95.83	99.90	7.21	36,201.01

(i) The Company has adopted the provisions of Ind AS 21 - 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) Addition of an amount of Rs. NIL (Previous Year deletion Rs. 57.12 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 Rs. 224.30 Lakh (Previous Year Rs. 220.99 Lakh) due to addition, being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset.

(ii) Refer Note 18a, 18b & 18c for information on property, plant and equipment pledged as security by the Company.

(iii) Refer Note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) Refer Note 45 or Government grant related to property, plant and equipment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**6 Investments (Non - current) (Rs. In Lakh)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment in equity instrument :		
Unquoted (At cost)	-	-
Total	-	-

7 Other financial assets (Non - current) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security deposits		
Unsecured, considered good	21.14	19.26
-Balance with government authorities	188.14	188.14
Total	209.28	207.40

8 Non-current tax assets (net) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance tax and TDS receivable (net of provision)	178.36	168.39
-MAT credit entitlements	1357.45	1313.40
Total	1,535.81	1481.79

9 Other non-current assets (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital advances		
Unsecured, considered good	10.96	55.85
	10.96	55.85
Other loans and advances		
Unsecured, considered good		
Balance with government authorities	-	-
MAT credit entitlements	-	-
Staff advances and others	0.18	0.18
	0.18	0.18
Total	11.14	56.03



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

10 Inventories (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw materials	1050.45	2,492.54
Work in progress	8027.78	4,172.11
Finished goods	12901.80	12,471.69
Goods in transit (Finished goods)	118.78	580.25
Stores and spares	225.54	268.09
Total	22,324.35	19,984.68

11 Trade receivables (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured, considered good	-	-
Unsecured, considered good	28,759.09	29,515.01
Unsecured, considered doubtful	62.44	21.16
Less: Allowance for unsecured doubtful debts (Expected credit loss allowance) (Refer Note 43B)	(62.44)	(21.16)
Total	28,759.09	29,515.01

12 Cash and cash equivalents (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash on hand	3.37	6.05
Balances in current accounts with banks	198.21	185.53
Total	201.58	191.58

13 Other bank balance (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
In unclaimed dividend accounts	2.27	2.27
In deposit accounts for margin money	1551.41	2,115.18
Total	1,553.68	2,117.45

(Above deposit includes Rs. 784.62 lakh (Previous year Rs.1350.97 lakh) under bank lien for margin money).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
14 Other financial assets (Current) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered good)		
Loans and advance to staff	0.18	2.26
Loans and advance to others	91.67	3.63
Goods and service tax receivable	2,063.01	1,394.08
Interest receivable on margin money	12.51	43.82
Total	2,167.37	1,443.79

15 Other current assets (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Preliminary Expenses	0.26	0.26
Export benefit receivable	269.97	204.54
Advance to creditors	211.37	219.10
Balance with government authorities	1.64	7.31
Prepaid expenses	88.81	165.53
Total	572.05	596.74

16 Share capital (Rs. In Lakh)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 10/- each	3,50,00,000	3,500.00	3,50,00,000	3,500.00
13% Cumulative Redeemable Non Convertible Preference Shares of Rs. 10/- each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Issued, Subscribed & Fully Paid up				
Equity Shares of Rs. 10/- each fully paid up	2,34,59,800	2,345.98	2,34,59,800	2,345.98
Total	2,34,59,800	2,345.98	2,34,59,800	2,345.98

a. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the Year; (Rs. In Lakh)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,34,59,800	2,345.98	2,34,59,800	2,345.98
Shares Issued during the year	-	-		
Shares bought back during the year	-	-		
Shares outstanding at the end of the year	2,34,59,800	2,345.98	2,34,59,800	2,345.98

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.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 proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2019, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL (31st March 2018: Rs.NIL).

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. Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount	Number	Amount
Devangkumar Narendrakumar Sanghavi	14,90,000	6.35	14,90,000	6.35
Parmanand T. Arora	18,99,533	8.10	18,99,533	8.10
V.B. Investment Private Limited	23,20,900	9.89	23,20,900	9.89
Kashvi Investment Private Limited	13,88,200	5.92	13,88,200	5.92

17 Other equity
(Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital redemption reserve	1,499.13	1,499.13
Securities premium account	2,807.10	2,807.10
General reserve	562.73	562.73
Foreign currency monetary item trns.diff		
As per last Balance Sheet	0.02	6.06
Foreign currency monetary trns. diff	-	(6.04)
	0.02	0.02
Retained earning		
As per last Balance Sheet	19,953.86	19,389.06
Add: Net profit for the current year	108.86	560.85
Other comprehensive income (net of tax)		
Amortisation of loan processing fees	-	-
Re-measurement gain / (losses) on defined benefit plans	34.87	3.95
Balance at the end of year	20,097.59	19,953.86
Total	24,966.57	24,822.84

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**Nature and purpose of reserves****Capital redemption reserve**

The group has recognized capital redemption reserve, for cumulative redeemable non convertible preference shares. The amount of capital redemption reserve is equal to nominal amount of the preference shares.

General reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Security premium

The amount received in excess of face value of the equity shares, in relation to issuance of equity, is recognized in securities premium reserve.

Retained earning

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to the shareholders.

18 Borrowings (Non - current)**(Rs. In Lakh)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured loans		
Term loans from banks & financial institutional : (Refer Note a, c & d below)	4736.46	1,000.55
Less: Current maturities of long-term Loan (Refer Note 25)	(522.22)	(252.40)
	4,214.24	748.15
Buyers credit from banks: (Refer Note c below)	-	1,122.54
Less: Current maturities of long-term buyers credit (Refer Note 25)	-	-
	-	1,122.54
Vehicle loans: (Refer Note b & d below)	44.84	23.51
Less: Current maturities of long-term vehicle loans (Refer Note 25)	(11.47)	(8.53)
	33.37	14.98
	4,247.61	1,885.67
Unsecured		
Public deposits (Refer Note 42)		
From directors	1085.75	1,270.00
From others	5618.45	2,964.62
	6,704.20	4,234.62
Loans from related parties (Refer Note 42)	2303.72	2,202.58
	2,303.72	2,202.58
Total	13,255.53	8,322.87

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
Nature of Securities:

- Secured by mortgage of all fixed assets of Unit- I (Narol), Unit- II (Sari), Unit- III (Vijay Farm) & Unit-IV (Sari) and first charge by way of hypothecation of fixed assets and second charge on the current assets 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.
- Term of Repayment

(Rs. In Lakh)

Term Loan & Corporate Loan	Repayment Schedule	As at 31st March, 2019	As at 31st March, 2018
YES Bank (Term Loan)	15 Quarterly inst. Starting from 03/12/18 of ₹ 60,64,000 each	785.47	-
IDBI Bank (Term Loan)	1st Installment as on 03/09/2017 ₹ 10000000, next 18 Quarterly inst. Starting from 03/12/17 of ₹ 63,10,000 each and last 1 Quarterly inst. as on 03/06/2022 of ₹ 26,20,000	-	1,000.55
TATA Capital (Term Loan)	60 Quarterly inst. Starting from 15/04/17 of ₹ 26,50,000 each	502.33	-
SCB - ECB Loan	22 Quarterly inst. Starting from 11/08/19 of USD 2,27,272.72 each	3448.66	-

(Rs. In Lakh)

Vehicle Loans	Repayment Schedule	As at 31st March, 2019	As at 31st March, 2018
Kotak Bank Ltd.	36 Monthly inst. Starting from 05/01/16 of ₹ 38,300 each	-	3.31
Kotak Bank Ltd.	36 Monthly inst. Starting from 01/05/15 of ₹ 29,142 each	-	0.29
Kotak Bank Ltd.	36 Monthly inst. Starting from 20/03/17 of ₹ 12,860 each	1.35	2.68
ICICI Bank Ltd.	60 Monthly inst. Starting from 01/06/18 of ₹71,260 each	29.86	-
HDFC Bank Ltd	60 Monthly inst. Starting from 05/06/17 of ₹ 16,412 each	5.45	6.89
HDFC Bank Ltd	60 Monthly inst. Starting from 05/06/17 of ₹ 12,310 each	4.09	5.17
HDFC Bank Ltd	60 Monthly inst. Starting from 05/06/17 of ₹ 12,310 each	4.09	5.17

19 Other financial liabilities (Non - current)

(Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade deposits	417.39	391.96
Total	417.39	391.96

20 Other non - current liabilities

(Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred income on government grant (Refer Note 45)	198.58	240.65
Total	198.58	240.65

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**21 Provisions (Non - current) (Rs. In Lakh)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits		
Compensated absences	73.59	71.30
Total	73.59	71.30

22 Deferred tax liabilities (Net) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred tax liability		
Related to fixed assets	4,460.20	4,368.23
Deferred tax assets		
Deferred tax imposed on employee benefits	62.18	57.19
Provision for doubtful debt	20.84	6.99
Remeasurement benefit of the defined benefits plans through OCI	13.44	1.95
Total	4,363.74	4,302.10

23 Borrowings (Current) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured		
Loans from banks		
Working capital loans (Refer Note b below)	26,856.00	25,393.73
	26,856.00	25,393.73
Unsecured		
Public deposits (Refer Note 42)		
From directors	1122.38	1,808.75
From others	1654.51	2,145.61
	2,776.89	3,954.36
Total	29,632.89	29,348.09

a. Public deposit includes deposit accepted from directors (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Monery received from directors during the year	574.75	659.75

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
24 Trade payables (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Acceptances	1350.24	2,442.31
Trade payables (Refer Note 42 & 49)		
Total outstanding due of creditors Micro and small enterprise	449.51	-
Total outstanding due of creditors other than Micro and small enterprise	17,944.20	18,308.92
Total	19,743.95	20,751.23

Acceptances includes credit availed by the company from banks for payment to suppliers for goods purchased by the company the arrangements are interest bearing and the same are payable at due date

25 Other financial liabilities (Current) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturities of long-term borrowings	533.69	260.93
Interest accrued but not due on borrowings	51.00	385.07
Unclaimed dividends	2.26	2.26
Other payables	332.98	279.04
Total	919.93	927.30

26 Other current liabilities (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Other liabilities		
Advances from customers	155.70	167.72
Total	155.70	167.72

27 Provisions (Current) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits		
Compensated absences	31.45	31.87
Gratuity payable	81.23	69.81
Total	112.68	101.68

28 Current tax liabilities (net) (Rs. In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Others		
Provision for taxation (net of advance tax and TDS)	44.63	73.90
Total	44.63	73.90

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**29 Revenue from operations (Rs. In Lakh)**

Particulars	2018-19	2017-18
Sale of products	74,790.29	82,441.64
Other operating revenues :		
Export incentive income	365.23	264.07
Total	75,155.52	82,705.71

Note : The Government of India introduced Goods and Service Tax (GST) with effect from 1st July 2017 which partly replaced excise duty. Consequently the revenue from operations for period 1st July 2017 to 31st March 2018 is net of GST. However, the revenue from operations for the period of 1st April 2017 to 30th June 2017 includes excise duty recovered on sales of Rs. Nil.

30 Other income (Rs. In Lakh)

Particulars	2018-19	2017-18
Interest income	123.24	107.70
Gain on disposal of Property plant and equipments (net)	-	15.08
Apportioned income from government grant (Refer Note 45)	42.07	42.07
Gain on foreign currency transactions and translation (net)	-	65.81
Other non-operating income	113.20	23.35
Total	278.51	254.01

31 Cost of materials consumed (Rs. In Lakh)

Particulars	2018-19	2017-18
Opening stock	2,492.54	2,552.50
Add : Purchases	45,601.45	54,210.83
	48,093.99	56,763.33
Less : Closing stock	1,050.45	2,492.54
Cost of raw materials consumed	47,043.54	54,270.79

32 Changes in inventories of finished goods and work in progress (Rs. In Lakh)

Particulars	2018-19	2017-18
Inventories at the end of the year		
Work in progress	8,027.78	4,172.11
Finished goods	13,020.57	13,051.94
	21,048.35	17,224.05
Inventories at the beginning of the year		
Work in progress	4,172.11	3,888.14
Finished goods	13,051.94	9,144.67
	17,224.05	13,032.81
Net (Increase) / Decrease in stock	(3,824.30)	(4,191.24)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
33 Employee benefits expense (Rs. In Lakh)

Particulars	2018-19	2017-18
Salaries, wages and bonus	5,005.64	5,159.95
Contributions to provident fund & others funds (Refer Note 38)	399.86	358.90
Staff welfare expenses	33.30	47.23
Total	5,438.79	5,566.08

34 Finance costs (Rs. In Lakh)

Particulars	2018-19	2017-18
Interest expense	4,291.08	3,736.69
Other borrowing costs	638.51	609.28
Total	4,929.59	4,345.97

35 Other Expenses (Rs. In Lakh)

Particulars	2018-19	2017-18
Consumption of stores and spare parts	1,077.57	1,830.07
Power and fuel	11,786.30	11,234.31
Payment to auditors (Refer note below)	9.00	9.00
Rent	24.96	43.74
Repairs to building	161.51	199.60
Repairs to machineries	958.54	983.96
Insurance	201.10	221.58
Rates & taxes	66.28	102.14
Job work charges	703.87	912.61
Packing materials	495.92	506.95
Folding charges	39.99	54.13
Labour charges	521.21	413.01
Advertisement, publicity & sales promotion	18.13	23.65
Commission & brokerage	1,017.08	1,310.66
Travelling & conveyance	60.11	70.32
Freight & forwarding	359.61	252.77
Allowance for unsecured doubtful debts	41.28	21.16
Insurance claim written off relating to stock	-	216.03
Sundry balance written off	5.63	-
Professional fees and charges	55.40	39.50
Loss on foreign currency transactions and translation (net)	64.71	-
Miscellaneous expenses	607.71	590.97
Total	18,275.89	19,036.16

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Payments to the auditors		(Rs. In Lakh)
Particulars	2018-19	2017-18
Payment to auditors		
For statutory audit fees	9.00	9.00
For taxation matters	-	-
For other services	-	-
Total	9.00	9.00

36 Income tax expenses

Particulars	2018-19	2017-18
A. The major components of income tax expense for the year are as under :		
(i) Income tax recognised in the Statement of Profit and Loss:		
Current Tax :		
In respect of current year	46.19	83.88
Adjustments in respect of previous year	-	-
MAT Credit entitlement	(44.04)	(80.32)
Deferred Tax :		
In respect of current year	61.63	73.07
Income Tax expense recognised in the Statement of Profit and Loss	63.78	76.63
(ii) Income Tax expense recognised in OCI		
Deferred Tax :		
Remeasurement of defined benefits plan (Gain)/Loss	-	5.90
Income Tax Expenses on Remeasurement of defined benefits plan	-	(1.95)
Income tax expense recognised in OCI	-	3.95
B. Reconciliation of tax expense and the accounting profit for the year is as under:		
Profit before tax	172.66	637.48
Income tax expense calculated at @ 33.063%	48.03	210.77
MAT credit recognized	(44.04)	(80.32)
Deferred tax charged to statement of profit and loss	61.63	73.07
Interest on Income tax	2.15	3.56
Short provision of income tax of earlier years	-	-
Effect of tax on deductions claimed under chapter VI-A of Income tax act 1961 (net)	-	(80.52)
Difference in rate of tax between MAT rate and normal rate	(3.99)	(49.93)
Effective Tax Rate at 36.94% (P.Y. 12.02%)	63.78	76.63

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

The tax rate used for reconciliation above is the corporate tax rate of 20.5868% (P.Y 20.389%) as per MAT payable by corporate entities in India on taxable profits under Indian tax law. However, deferred tax is calculated at rate which enacted/substantially enacted as at March 31, 2019 at applicable @ 27.82% (P.Y @ 33.063%).

37 Earnings per share

Particulars	2018-19	2017-18
Profit available for equity share holders (Rs. In Lakh)	108.88	560.85
Weighted average number of equity shares in computing basic & diluted EPS (Nos.)	2,34,59,800	2,34,59,800
Face value of the share – Rs.	10.00	10.00
Basic and Diluted earnings per share – Rs.	0.46	2.39

38 Employee benefits

As per Ind AS 19 “Employee Benefits”, the disclosures of Employee benefits as defined in the accounting Standard are given below:

1 Defined benefits plans
I. Expenses recognised in the Statement of Profit and Loss and other comprehensive income for the year:

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH,2019	YEAR ENDED 31st MARCH,2018
Current service cost	94.48	77.40
Net interest cost	5.49	(0.85)
Past service cost	-	24.88
Amount recognised in profit and loss accounts (Refer note 33)	99.97	101.43
Actuarial (gain)/Loss		
a) arising from changes in financial assumption	2.91	(22.54)
b) arising from experience adjustments	(46.42)	12.30
Return on plan assets excluded amount included in interest income	8.65	6.29
Amount recognised in other comprehensive income	(34.86)	(3.95)
Total	65.11	97.48

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

II. Reconciliation of opening and closing balances of defined benefit obligation:

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH,2019	YEAR ENDED 31st MARCH,2018
Defined benefits obligation at beginning of the year	445.55	391.27
Interest cost	35.02	28.72
Current service cost	94.48	77.40
Past service cost	-	24.87
Actuarial losses (gains)	(43.51)	(10.23)
Benefits paid	(83.99)	(66.48)
Defined benefits obligation at the end of the year	447.55	445.55

III. Reconciliation of opening and closing balances of fair value of plan assests :

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH,2019	YEAR ENDED 31st MARCH,2018
Fair value of plan assets at beginning of the year	375.74	402.79
Interest Income	29.53	29.56
Contributions by employer	46.06	15.70
Benefits paid	(76.38)	(66.02)
Return on plan assets excluded amount included in interest income	(8.65)	(6.29)
Fair value of plan assets at year end	366.30	375.74

IV. Investment details:

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH,2019	YEAR ENDED 31st MARCH,2018
Investment with insurer (Investment in policy of LIC)	98.00%	98.33%
Investment with insurer (Investment in policy of India First)	2.00%	1.67%

V. The Principal assumption used in determining gratuity obligations are as follows:

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH,2019	YEAR ENDED 31st MARCH,2018
Mortality table (LIC)	2006-08(Ultimate)	2006-08(Ultimate)
Discount rate (per annum)	7.79%	7.86%
Rate of escalation in salary (per annum)	6.00%	6.00%

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

These plans typically expose the Company to actuarial risks such as interest rate risk, salary risk and Investment Risk.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

- a) Interest risk: A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- b) Salary risk: The present value of defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- c) Investment risk : The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

VI Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH, 2019	YEAR ENDED 31st MARCH, 2018
Projected benefit obligation on current assumptions	447.54	445.55
Delta effect of +1% change in rate of discounting	(38.23)	(37.78)
Delta effect of -1% change in rate of discounting	45.93	45.39
Delta effect of +1% change in rate of salary increase	43.91	43.48
Delta effect of -1% change in rate of salary increase	(37.14)	(36.80)
Delta effect of +1% change in rate of employee turnover	6.55	6.89
Delta effect of -1% change in rate of employee turnover	(7.92)	(8.31)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

VII Effect of plan on entity's future cash flows

- (i) Funding arrangements and Funding policy

The group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the group. Any deficit in the assets arising as a result of such valuation is funded by the group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(ii) Expected contribution during the next annual reporting period

The group's best estimate of Contribution during the next year is Rs. 164.29 Lakhs.

IX. Expected outflow in future years (as provided in actuarial report)

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH, 2019	YEAR ENDED 31st MARCH, 2018
Expected outflow in 1st year	95.27	100.03
Expected outflow in 2nd year	13.88	11.02
Expected outflow in 3rd year	26.97	20.99
Expected outflow in 4th year	28.69	27.93
Expected outflow in 5th year	25.06	29.12
Expected outflow in 6th to 10th year	121.06	129.91

2 Defined contribution plans

Contribution of Defined Contribution Plan, recognised as expense for the year are as under:

Particulars	(Rs. in Lakh)	
	YEAR ENDED 31st MARCH, 2019	YEAR ENDED 31st MARCH, 2018
Employer's contribution to provident fund	177.80	157.16
Employer's contribution to ESIC	113.39	100.31
Total	291.19	257.47

39 Capital commitments

(Rs. in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	85.38	116.23

40 Contingent liabilities in respect of:

(Rs. in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a. Service tax matters disputed in appeal	55.44	55.44
b. Income tax matters disputed in appeal	24.81	24.81
c. Custom duty payable on pending export obligations	738.98	620.06
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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
41 Segment information

Operating segment have been identified on the basis of products / services and have been identified as per the quantitative criteria specified in the IND AS 108.

The Company has identified two reportable segments viz. Textile and Windmill. 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.

Disclosures required under Ind AS 108 - Operating Segments are as under

A) Primary segment : Business segment

Particulars	31-03-2019		31-03-2018	
	External Sales	Total	External Sales	Total
a. Segment revenue				
Textile	72,706.73	72,706.73	80,510.55	80,510.55
Wind mill	2,448.79	2,448.79	2,195.16	2,195.16
Segment total		75,155.52		82,705.71
Eliminations		-		-
Total revenue		75,155.52		82,705.71
b. Segment results				
Textile		3,525.50		3,598.04
Wind mill		1,453.51		1,277.71
Segment total		4,979.01		4,875.75
Eliminations				-
Total		4,979.01		4,875.75
Unallocable corporate expenses / (Income)		(123.24)		(107.70)
Profit before interest etc.		5,102.25		4,983.45
Finance costs		4,929.60		4,345.97
Profit before tax		172.66		637.48
Provision for tax		63.78		76.63
Profit after tax		108.88		560.85
Other comprehensive income		34.87		3.95
Other comprehensive income for the year		143.75		564.80
c. Other information				
Depreciation and amortisation (allocable)				
Textile		2900.58		2797.19
Wind mill		497.29		497.29
Segment total		3397.87		3294.48

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
d. Segment assets and liabilities

(Rs. in Lakh)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Textile	90,564.31	68,620.66	85,671.88	64,589.21
Wind Mill	5,666.85	297.95	6,195.74	109.59
Segment Total	96,231.16	68,918.61	91,867.62	64,698.80

B) Secondary segment : Geographical segment

(Rs. in Lakh)

Particulars	2018--19	2017-18
Segment revenue		
a) In India	64,773.32	76,484.74
b) Outside India	10,382.20	6,220.97
Total	75,155.52	82,705.71

Particulars	As at 31st March, 2019	As at 31st March, 2018
Carrying cost of segment assets		
a) In India	92,432.78	89,227.13
b) Outside India	3798.38	2,640.49
Total	96,231.16	91,867.62
Carrying cost of segment liabilities		
a) In India	59,743.23	57,862.96
b) Outside India	9,175.38	6,835.84
Total	68,918.61	64,698.80

42 Related party disclosures
Related parties and their relationship
(a) Subsidiary company : Wholly own subsidiary company

AYE ESS Spinning Mills Private Limited

(b) Entity controlled by one or more Key management personnel

Companies	Firms
New Ahmedabad Synthetics Pvt. Ltd.	B. Kalpeshkumar & Co.
Vee Bee Textile Pvt. Ltd.	Parmanand Rajeshkumar
Rentex Weavers Ltd.	Virendra Bhogilal & Co.
Twenty First Century Marketing Ltd.	Arora Agencies
Ennbee Textiles Pvt. Ltd.	Parmanand Vinodkumar
V.B. Investment Pvt. Ltd.	Pari Bhogilal Laxmichand
Pee Vee Synthetics Pvt. Ltd.	Parmanand Arora & Sons, HUF



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Shipa Fabrics Pvt. Ltd.	T.P. Vinodkumar, HUF
Kashvi Investments Pvt. Ltd.	T.P. Rajeshkumar, HUF
Bhansali Tradelink Pvt. Ltd.	K.V. Enterprise
	A.V. Enterprise
	A Star Fibres
	Namit Enterprise
	B.S.Textile
	Techtex
	Triveni International
	Panch Rattan Fabrics
	Textile India
	M/s. Kashvi
	Ashish V. Shah HUF
	Kalpesh V. Shah HUF

(c) Key management personnel

Vinodkumar P. Arora	Rajesh P. Arora
Kalpesh V. Shah	Ashish V. Shah
Nipun V. Arora (w.e.f. 11.08.2018)	Bhavik Shukla
Yashaswini Pandey (w.e.f. 11.08.2018)	Sharvil B Suthar (Up to 31.03.2018)
Parmanand T Arora (Up to 11.08.2018)	Subhashish Bandhopadhyay (Up to 31.12.2017)

(d) Non - Executive Directors

Sanjay S. Majmudar	Arvind D. Sanghvi
Ashok C. Gandhi	Yashree Dixit (w.e.f. 24.05.2018)
Amol R. Dalal	

(e) Relatives of key management personnel

Anoli Shah	Renu Arora
Pankaj V. Arora	Rita Arora
Heena Khanna	Kastura Rani Arora
Chinmaya P. Arora	Bhriugu N. Arora
Jahanvi N. Arora	Parul K. Shah
Bela A. Shah	Pankil K. Shah
Preeti N. Arora	Shikha Arora
Somni Chawla	Sarthak P. Arora
Anuj A Shah	Sushila Shah
Sela D. Jhaveri	Kashvi Shah
Nipun V Arora (Up to 10.08.2018)	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
Disclosure in respect of material transactions with related parties
(Rs. in Lakh)

Transaction	Name of the related party	Transaction With the Parties		Balance as at	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018
Loans / Advancetaken	Ennbee Textiles Pvt.Ltd	-	9.00	223.34	213.83
	Rentex Weavers Ltd	-	10.00	144.98	138.33
	Shipa Fabrics Pvt.Ltd	-	-	130.48	127.80
	Twenty First Century Mktg. Ltd.	12.00	66.00	1,481.70	1,423.64
	New Ahmedabad Synt.Pvt. Ltd.	-	-	313.07	289.25
Loans/ Advance Repaid	Ennbee Textiles Pvt.Ltd	12.28	21.15	223.34	213.83
	Rentex Weavers Ltd	7.52	13.37	144.98	138.33
	Shipa Fabrics Pvt.Ltd	10.34	13.34	130.48	127.80
	Twenty First Century Mktg. Ltd.	102.01	175.11	1,481.70	1,423.64
	Bhansali Tradelink Pvt. Ltd.	0.22	0.35	3.76	3.60
	Pee Vee Synthetics Pvt. Ltd.	0.20	0.38	2.69	2.62
	New Ahmedabad Synt.Pvt. Ltd.	7.00	6.00	313.07	289.25
	Vee Bee Textile Pvt. Ltd.	0.19	0.40	3.70	3.51
Fixed Deposits taken	Pankajbhai V Arora	26.00	23.50	303.70	277.70
	Nipun V Arora	16.00	27.50	342.35	326.35
	Rajesh Arora	95.00	390.00	817.00	722.00
	Rita Arora	-	205.00	702.00	702.00
	Parmanand Arora	455.00	125.00	1,907.00	1,452.00
	Vinod Arora	71.00	144.75	947.75	904.75
	Preeti N Arora	49.75	44.75	654.35	604.60
	Parmanand Arora & Sons, HUF	5.80	5.30	71.10	65.30
	T.P. Vinodkumar, HUF	-	11.00	98.50	98.50
	T.P. Rajeshkumar, HUF	7.00	6.50	83.50	76.50
	Kastura Rani Arora	6.10	40.00	52.10	46.00
	Renu Arora	112.00	217.00	1,266.60	1,154.60
	Sarthak P Arora	-	4.00	6.50	6.50
	Chinmaya P. Arora	-	4.00	6.10	6.10
	M/S. Kashvi	-	46.00	-	46.00
	Kashviben Kalpeshbhai Shah	60.00	10.00	60.00	10.00
	Virendra Bhogilal & Co.	-	50.00	-	50.00
	Shikha Arora	37.00	79.75	550.10	513.10
	Heena Khanna	10.50	10.50	23.00	12.50
	BHRIGU N. ARORA	3.00	-	4.90	-
	Somani Chawla	10.50	40.50	64.00	53.50
Sale of goods	Pari Bhogilal Laxmichand	169.18	74.43	90.14	-
	Panch Rattan Fabrics	7,542.46	9,433.25	4,592.94	4,662.63
	Virendra Bhogilal & Co.	166.68	-	84.22	-
	Namit Enterprise	76.43	(2.08)	-	-
	B. S. Textile	193.96	(9.19)	116.32	-
	Textile India	-	1,050.24	-	-
Lease Rent	Techtex	2.03	2.03	4.34	2.16
Car sales	ENNBEE TEXTILE PVT. LTD	16.42	-	-	-



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakh)

Transaction	Name of the related party	Transaction With the Parties		Balance as at	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018
Job Work Charges	Virendrabhai Bhogilal & Co.	286.74	323.66	57.28	26.38
	A.V. Enterprise	12.00	30.55	5.28	1.69
	B.Kalpeshkumar & Co.	12.02	20.66	5.17	1.66
	B STextiles	246.82	308.94	21.51	22.28
	K.V. Enterprise	11.99	31.23	5.27	1.69
	Techtex	-	-	-	-
	Namit Enterprise	77.04	97.19	41.97	9.07
Interest on Loans / Advance/ FDs	Vinod P Arora	90.18	79.79	947.75	904.75
	Parmanand Arora	175.98	140.21	1,907.00	1,452.00
	Rajesh Arora	79.30	51.51	817.00	722.00
	Pankaj V Arora	28.10	26.31	303.70	277.70
	Nipunbhai V Arora	33.04	30.93	342.35	326.35
	Chinmaya P. Arora	0.60	0.52	6.10	6.10
	Sarthak P Arora	0.64	0.56	6.50	6.50
	Shikha Arora	52.21	45.37	550.10	513.10
	Jahanvi N Arora	0.18	0.18	1.80	1.80
	Bhriku N Arora	0.48	0.19	4.90	1.90
	Renu Arora	120.24	103.98	1,266.60	1,154.60
	Rita Arora	68.94	55.66	702.00	702.00
	Kastura Rani Arora	4.96	3.01	52.10	46.00
	Preeti N Arora	61.92	57.45	654.35	604.60
	Heena Khanna	2.15	0.35	23.00	12.50
	Somani Chawla	6.08	2.54	64.00	53.50
	Parmanand Arora & Sons, HUF	6.94	6.40	71.10	65.30
	T.P. Rajeshkumar H.U.F.	8.14	7.41	83.50	76.50
	T.P. Vinodkumar H.U.F.	9.63	8.91	98.50	98.50
	M/S. Kashvi	-	1.49	-	46.00
	Kashviben Kalpeshbhai Shah	5.33	0.37	60.00	10.00
	Virendra Bhogilal & Co.	2.88	1.86	-	50.00
	Ennbee Textiles Pvt.Ltd	24.21	23.02	223.34	213.83
	New Ahmedabad Synt.Pvt.Ltd.	34.25	31.60	313.07	289.25
	Rentex Weavers Ltd	15.74	14.90	144.98	138.33
	Twenty First Century Marketing Ltd	164.53	161.82	1,481.70	1,423.64
	Bhansali Tradelink Pvt. Ltd.	0.42	0.41	3.76	3.60
	Pee Vee Synthetics Pvt. Ltd.	0.30	0.30	2.69	2.62
	Vee Bee Textile Pvt. Ltd.	0.41	0.40	3.70	3.51
	Shipa Fabrics Pvt.Ltd	14.46	14.36	130.48	127.80
Commission & Brokerage	Parmanand Vinodkumar	196.52	492.97	433.17	331.68
	Arora Agencies	188.96	360.06	363.44	254.92
	Namit Enterprise	-	1.32	-	1.50

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakh)

Transaction	Name of the related party	Transaction With the Parties		Balance as at	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018
Remuneration	Vinodbhai P Arora	36.00	36.00	2.42	2.41
	Ashishbhai V Shah	30.00	30.00	2.09	2.08
	Nipunbhai V Arora (w.e.f. 11/08/2018)	7.66	-	0.83	-
	Kalpeshbhai V Shah	18.00	18.00	1.25	1.44
Salary	Nipunbhai V Arora (Up to 10/08/2018)	4.34	12.00	-	0.80
	Pankajbhai V Arora	12.00	12.00	0.83	0.80
	Pankilbhai K Shah	12.00	12.00	0.83	0.80
	Anuj A. Shah	-	2.62	-	0.22
	Bhavik Shukla	20.80	21.20	-	1.15
	Hardik Modi	-	-	-	-
	Sharvil B. Suthar	-	3.94	-	0.31
	Suketu Shah	-	-	-	-
	Subhasish Bandhopadhyay	-	15.43	-	-
Sitting Fees	Sanjay S. Majmudar	0.45	0.55	-	-
	Ashok C. Gandhi	0.35	0.55	-	-
	Amol R. Dalal	0.45	0.55	-	-
	Arvind D. Sanghvi	0.05	0.15	-	-
	Shivani D. Shah	-	0.10	-	-
	Yashree Dixit	0.20	-	-	-

43 Financial risk management

The Company's financial liabilities comprise mainly of borrowing, trade payables and other payables. The Company's financial assets comprise mainly of cash and cash equivalent, other balance with banks, loans, trade receivable and other receivable. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

(A) Market risk

The Company is exposed to market risks on account of changes in interest rates, foreign exchange rates, liquidity and other market changes. These risks affect income and expenses of the Company. The objective of the Management of the Company is to maintain this risk within the acceptable parameters, while optimising returns.

(i) Interest rate risk

The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. The Company monitors fluctuations in interest rate continuously and has laid policies and guidelines including to minimise impact of interest rate risk.

Interest rate sensitivity

A change in 50 bps in interest rates would have following impact on profit before tax

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. In Lakh)

Particulars	31st March 2019	31st March 2018
50 bps increase would decrease the profit before tax by	155.52	136.40
50 bps decrease would increase the profit before tax by	155.52	136.40

(ii) Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchased from overseas suppliers in various foreign currencies.

Exposure on foreign currency sales and purchases are managed through the Company's hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

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

(Rs. in Lakh)

Particulars	2018-19		2017-18	
	Amount	Amount	Amount	Amount
	(Foreign Currency)	(Rs.)	(Foreign Currency)	(Rs.)
Amount payable in foreign currency	\$113.23	7,844.77	\$78.06	5,081.15
	€ 0.48	37.64	€ 0.32	22.13
	-	-	JPY 1,824.08	1,122.54
Amount receivable in foreign currency	\$33.92	2,349.95	\$29.00	1,886.46
	€ 0.27	21.21	€ 0.01	0.44
	-	-	CHF 0.16	10.98
	JPY 214.83	134.27	JPY 215.65	132.71

(B) Credit risk

Credit risk is the risk of financial loss to the company if customers or counter party to a financial instruments fails to meet its contractual obligations and arises principally from the company's receivables from customers.

All trade receivables are subject to credit risk exposure. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognized from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and relevant information that is available without undue cost or effort. This

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The reconciliation of ECL (Expected Credit Loss) is as follows:

	(Rs. In Lakh)	
Particulars	31st March 2019	31st March 2018
Balance at the beginning of the year	21.16	264.68
Provision made / (reversed) during the year	41.28	(243.52)
Balance at the end of the year	62.44	21.16

(C) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	(Rs. In Lakh)			
Particulars	<1 year	>1 year but <5 years	More than 5 years	Total
Year ended 31st March, 2019				
Interest bearing borrowings	30,166.58	13,255.53	-	43,422.11
Trade payables	19,743.95	-	-	19,743.95
Other financial liabilities	386.24	-	417.39	803.63
Total	50,296.77	13,255.53	417.39	63,969.70
Year ended 31st March, 2018				
Interest bearing borrowings	29,609.02	8,322.87	-	37,931.89
Trade payables	20,751.23	-	-	20,751.23
Other financial liabilities	666.37	-	391.96	1,058.33
Total	51,026.62	8,322.87	391.96	59,741.45

44 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure with a view to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

a) The net debt to equity ratio at the end of the reporting period was as follows:

	(Rs. In Lakh)	
Particulars	31st March 2019	31st March 2018
Non-Current borrowings	13,255.53	8,322.87
Current maturities of non-current borrowings	533.69	260.93
Current borrowings	29,632.89	29,348.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Interest accrued but not due on borrowings	51.00	385.07
Total Debt	43,473.11	38,316.96
Less: Cash and bank balances	1,751.99	2,305.76
Net Debt	41,721.12	36,011.20
Equity	27,312.55	27,168.82
Net debt to equity ratio	1.53	1.33

b) Catagories of financial instruments:

(Rs. In Lakh)

Particulars	31st March 2019		31st March 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Investments (non current)	1.00	1.00	1.00	1.00
Security deposit	21.14	21.14	19.26	19.26
Trade receivable	28,759.09	28,759.09	29,515.01	29,515.01
Cash and cash equivalent	200.58	200.58	190.58	190.58
Other bank balances	1,553.68	1,553.68	2,117.45	2,117.45
Other financial assets	2,167.63	2,167.63	1,444.05	1,444.05
Total financial assets at amortised cost (A)	32,703.12	32,703.12	33,287.35	33,287.35
Measured at fair value through other comprehensive income (B)	-	-	-	-
Measured at fair value through profit and loss (C)	-	-	-	-
Total financial assets (A + B + C)	32,703.12	32,703.12	33,287.35	33,287.35
Financial liabilities				
Measured at amortised cost				
Borrowings non current	13,255.53	13,255.53	8,322.87	8,322.87
Borrowings current	29,632.89	29,632.89	29,348.09	29,348.09
Trade payables	19,743.95	19,743.95	20,751.23	20,751.23
Other financial liabilities	1,337.32	1,337.32	1,319.26	1,319.26
Total financial liabilities carried at amortised cost	63,969.69	63,969.69	59,741.45	59,741.45

45 Government Grant

Export Promotion Capital Goods (EPCG): This scheme allows import of certain capital goods including spares at zero duty subject to an export obligation for the duty saved on such capital goods. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as a Capital Grant as stated in the Accounting policy on Government Grant.

The Government Grant above represents unamortised amount of the subsidy referred to below, with the corresponding adjustment to the carrying amount of property, plant and equipment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**46 Expenditure in foreign currency****(Rs. In Lakh)**

Particulars	2018-19	2017-18
Traveling	2.21	2.21
Commission on Export Sales	487.87	315.44
Freight & Forwarding Charges	-	-
Subscription Fees	2.97	3.02
ECB Charges	-	-
Sales Promotion	-	10.02
Labouratory & Testing Fees	-	0.60
Total	493.05	331.29

47 Earnings in foreign currency**(Rs. in Lakh)**

Particulars	2018-19	2017-18
FOB value of Export Sales	10,382.20	6,192.24

- 48** During the year, the gross amount to be spent by the Company for Corporate Social Responsibility expenditure is Rs. 14.19 Lakh and amount spent is Rs. NIL (As at 31.03.2018 Rs. 16.33 Lakh and amount spent is Rs. NIL).

49 Disclosure under the MSMED Act, 2006

The Following disclosure are made for the amounts due to the Micro, Small, and Medium enterprise as at 31st March-2019.

Particulars	2018-19	2017-18
The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
Principal amount due to micro and small enterprise	449.51	-
Interest due thereon outstanding to any supplier	47.90	-
Interest paid by the Company	-	-
Interest due and payable for the period of delay in making payment	-	-
Interest accrued and remaining unpaid	47.90	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of allowance as a deductible expenditure under section 23 of MSMEDA	-	-

50 New Standard / Amendments issued but not yet effective:

The ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules has notified the following new and amendments to existing standards. These amendments are effective for annual periods beginning from April 1, 2019. The Company will adopt these new standards and amendments to existing standards once it become effective & are applicable to it.



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Ind AS 116 - Leases

Ind AS 116 'Leases' replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessee to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The accounting from Lessor perspective largely remain unchanged from the existing standard - i.e. lessor will continue to classify the leases as finance or operating leases.

Based on the preliminary assessment and current conditions, the Company does not expect any significant impacts on transition to Ind AS 116. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

- 51 The Ministry of Corporate Affairs (MCA), on 28th March 2018, notified Ind AS 115 "Revenue from Contracts with Customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is effective for accounting periods beginning on or after 1st April, 2018. The adoption of the standard did not have any impact on the financial of the Company.

52 Events occurring after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 23rd, May, 2019 there were no subsequent events to be recognized or reported that are not already disclosed.

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

- 54 The financial statements were approved for issue by the board of directors on 23rd May, 2019.

In terms of our report attached of even date

For Shah & Shah Associates

Chartered Accountants

(Firm Reg. No. 113742W)

Sunil K. Dave

Partner

(Membership No. 047236)

Place : Ahmedabad

Date : 23rd May 2019

For and on behalf of the Board of Directors

Aarvee Denims and Exports Limited

Vinod P. Arora

Chairman & MD

(DIN:00007065)

Bhavik N. Shukla

Chief Financial Officer

Place : Ahmedabad

Date : 23rd May 2019

Kalpesh V. Shah

Whole Time Director

(DIN:00007262)

Yashaswini Panday

Company Secretary

AARVEE DENIMS AND EXPORTS LTD.**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 30th Annual General Meeting of **Aarvee Denims & Exports Ltd.** held on Friday, 27th day of September, 2019 at 11.00 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.

AARVEE DENIMS AND EXPORTS LIMITED

CIN: L17110GJ1988PLC010504

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

Phone: 079-68147000, Fax: 079-68147070

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 _____



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 30th Annual General Meeting of Aarvee Denims & Exports Ltd. To be held on Friday, 27th day of September, 2019 at 11.00 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	To receive, consider and adopt the Audited Financial Statements, standalone and consolidated, of the Company for the year ended 31st March 2019 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
SPECIAL BUSINESS	
3	Re-Appointment Of Mr. Sanjay S. Majmudar, As An Independent Director Of The Company
4	Re-Appointment Of Mr. Ashok C. Gandhi, As An Independent Director Of The Company
5	Re-Appointment Of Mr. Arvind D. Sanghvi, As An Independent Director Of The Company
6	Re-Appointment Of Mr. Amol R. Dalal, As An Independent Director Of The Company
7	Re-Appointment Of Mr. Ashok Gandhi As An Independent Non-Executive Director Of The Company For Second Term Of 5 Years, After Attaining The Age Of 75 Years
8	To Approve Cost Auditors' Remuneration
9	Acceptance of Unsecured Deposits under the Companies (Acceptance of Deposits) Rules, 2014
10	To approve related party transactions.

Signed this _____ day of _____ 2019

Signature of Shareholder : _____

Affix
Revenue
Stamp

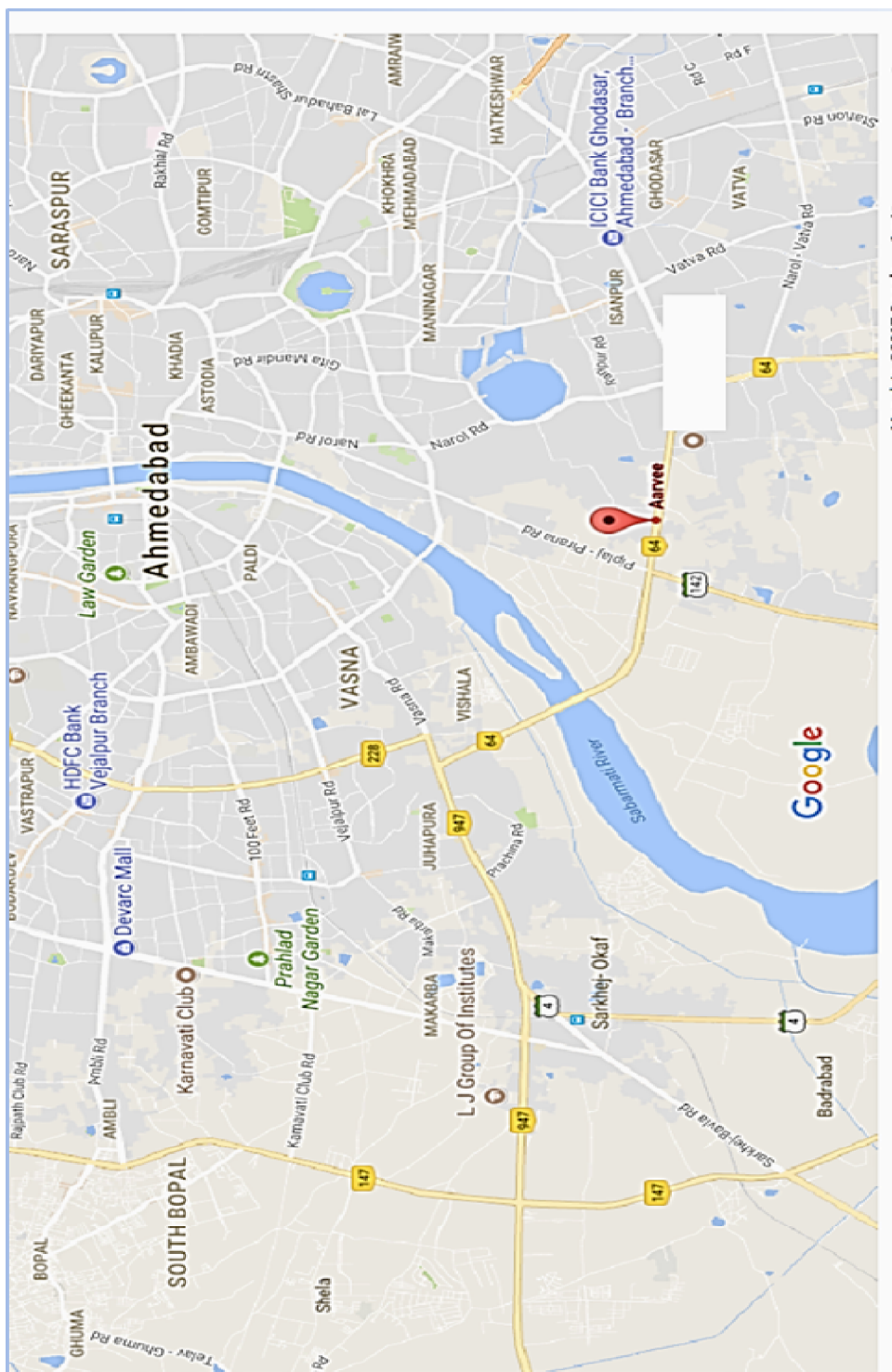
Signature of first proxy
holder

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





AARVEE DENIMS AND EXPORTS LTD.

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: 079-68147000, Fax: 079-68147070

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:

i. Business carried on by the company:- The Company is one of the leading manufacturer and exporter of denims and non-denims fabrics and denims apparels

ii. Units of the company:

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

iii. Details of Subsidiaries:-

A) Name : AYE ESS SPINNING MILLS PRIVATE LIMITED

a. Status: Wholly Owned Subsidiary of Aarvee Denims And Exports Limited

b. Address: Block No. 217, Village-Sari, N.H. No. 8A, Sarkhej Bavala Road, Ta-Sanand, Sari Ahmedabad - 382210

c. Business activities: spinning of cotton to yarn

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 Paldi, Ahmedabad -380 007	00007201	Industrialist
Mr. Kalpesh V. Shah	Whole-time Director	20, Merchant Park Society, B/h. Jain Merchant Society Paldi, Ahmedabad- 380 007	00007262	Industrialist

Mr. Rajesh P. Arora	Director	A/20, Gujaranwala Town, Part- I, Main G.T. Road, Delhi- 110 033	00092200	Industrialist
Mr. Nipun Arora	Whole-time Director	Survey No.239/2, No.12/C, Omkar Hebatpur Road, Opp. Ami Mangal Bunglow-3, Thaltej, Ahmedabad-380059	00989835	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 Paldi, Ahmedabad -380 007	00022507	Advocate
Mr. Amol R. Dalal	Independent Director	C/11/12, Prathana Flats Opp. Ankur School Fatehpura, Paldi, Ahmedabad- 380 007.	00458885	Industrialist
Mr. Arvind D Sanghvi	Independent Director	15, Shantiniketan Society, Opp. Gujarat College, Ellisbridge. Ahmedabad- 380 007	00435340	Industrialist

f. Management's perception of risk factors:

Aarvee Denims and Exports Limited have been in the denims and textile segments for nearly 30 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

1. **Date of passing of board resolution:** 10th August, 2019.
2. **Date of passing of resolution in the general meeting authorizing the invitation of such deposits:** 27th September 2019
3. **Type of deposits, i.e., whether secured or unsecured:** UNSECURED
4. **Amount which the company can raise by way of deposits as per the Act and the rules made thereunder:**
 - i. Aggregate of deposits actually held on 31st March, 2019: Rs. 7272.96 Lakhs
 - ii. Aggregate of deposits on the date of issue of the advertisement: Rs. 7002.36 Lakhs
 - iii. Amount of deposits to be raised: Rs. 9034.69 Lakhs
 - iv. Amount of deposits repayable in the current financial year 2019-20: Rs. 3442.83 Lakhs

a. 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.

Mode of payment and repayment: By cheques/Demand Drafts/transfer to bank account.

- b. **Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid:**
1. Date of opening the scheme: 10th August 2019
 2. 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, 2020 or the date of the Company's annual general meeting, whichever is earlier.
- c. **Reasons or objects of raising the deposits:** For meeting short term and medium term financial requirements of the Company
- d. **Credit rating obtained:**
- | | |
|------------------------------------|---|
| Name of the Credit Rating Agencies | India Ratings & Research |
| Rating obtained | IND tA-/Stable |
| 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 | 05-04-2019 |
- e. **Extent of deposit insurance, Name of the Insurance Company, terms of the insurance coverage, duration of coverage, extent of coverage, procedure for claim in case of default etc.;** The same is not applicable.
- f. **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.
- g. **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**
- a. **Amount Outstanding** ; Rs 7002.36 Lakh
 - b. **Date of acceptance** ; Over last one year
 - c. **Total amount accepted** ; Rs. 7272.96/- (As on 31.03.2019)
 - d. **Rate of interest** ; 9.5% p.a. (yield 9.84 % p.a.).
 - e. **Total number of depositors** ; 67 depositors (Excluding Directors)
 - 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:** There was no default in repayment of deposit and in payment of interest thereon
 - 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, 2017	213.03	213.03	118.60
31st March, 2018	537.48	537.48	560.85
31st March, 2019	172.66	172.66	108.88

- 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, 2017	NIL	1.03
31 st March, 2018	NIL	1.13
31 st March, 2019	NIL	1.02

- 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)

S. No.	Particulars	As on 31.03.2019	As on 31.03.2018	As on 31.03.2017
I	Equity and Liabilities			
1	Share Capital	2,345.98	2,345.98	2,345.98
2	Reserves & Surplus	24966.57	24,822.84	24,264.08
3	Non-Current Liabilities	18308.83	13,328.88	9,153.08
4	Current Liabilities	50609.78	51,369.92	47,375.54
	Total	96231.16	91,867.62	83,138.66
II	Assets			
1	Non-Current Assets	40654.04	38,019.37	39,685.07
2	Current Assets	55577.12	53,848.25	43,453.59
	Total	96231.16	91,867.62	83,138.66

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

(₹ In Lakhs)

		31 st March, 2019	31 st March, 2018	31 st March, 2017
i)	Cash flows from operating activities	3879.19	3,776.93	11,037.93
ii)	Cash flows from investing activities	(5334.53)	(1,873.93)	(5,000.65)
iii)	Cash flows from financing activities	1465.34	(1,896.33)	(6,318.93)
iv)	Net increase/(decrease) in cash & cash equivalents	10.00	6.67	(281.65)

- 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:-

We, Directors of Aarvee Denims and Exports Limited do hereby declare 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;



AARVEE DENIMS AND EXPORTS LTD.

- e. 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).
- f. In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
- g. 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 10th August 2019, 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
Ashok Gandhi
Nipun Arora

Ashish V. Shah
Arvind Sanghvi
Sanjay Majmudar

Date: 10.08.2019
Place: Ahmedabad

	Regd. Office 191 Shahwadi, Nr. Old Octroi Naka, Narol, Ahmedabad - 382 405, (Guj.) INDIA. Phone: 91-79- 68147000, * Fax: 91-79-68147070 E-mail: info@aarvee-denims.com * Website: www.aarvee-denims.com CIN: L17110GJ1988PLC010504					
SR.NO. 						
FOR OFFICE USE ONLY						
Date of Receipt	FDR No.	Fixed Deposit Amount RS.	Date of Realisation	Date of Maturity	Maturity Amount RS.	Checked by
<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
APPLICATION FORM FOR FIXED DEPOSIT TO BE FILED IN BY APPLICANT USE BLOCK LETTERS & TICK () WHEREVER APPLICABLE						
Date :.....						
AMOUNT OF DEPOSIT :		Rs. <div></div> in words. <div></div> Paid by cash/cheque/DD No. <div></div> Date: <div></div> Drawn on : <div></div> Branch : <div></div> Renewal FDR No. <div></div> Date: <div></div>				
PERIOD (IN MONTHS)		12 <input type="checkbox"/> 24 <input type="checkbox"/> INTEREST : 9.5 % PAYABLE QUARTERLY 9.8 % PAYABLE ANNUALLY				
STATUS :		<input type="checkbox"/> Resident individual <input type="checkbox"/> Trust <input type="checkbox"/> Domestic Company <input type="checkbox"/> Others (Specify)				
CATEGORY :		<input type="checkbox"/> Shareholder L.F. No. <div></div> <input type="checkbox"/> Employee <input type="checkbox"/> Public				
AND OTHER DEPOSIT WITH THE COMPANY		DP ID No.: <div></div> <input type="checkbox"/> Yes, FDR no. <div></div> <input type="checkbox"/> NO				
FORM 15H & 15G APPLICABLE		<input type="checkbox"/> Yes, <input type="checkbox"/> NO (if yes, please enclose 15H/15G duly completed)				
PAN/GIR NO. :		<div></div>				
PAN Mandatory						
DEPOSIT PAYABLE TO :		<input type="checkbox"/> FIRST DEPOSITOR <input type="checkbox"/> ANY ONE/OR SURVIVOR <input type="checkbox"/> JOINTLY TO ALL DEPOSITORS				
DECLARATION :		NOMINATION				
I/We hereby declare that the amount being deposited is not of any funds acquired by me/us by borrowing or accepting deposits from any other person. I/We declare that I am/We are residents of India and am/are not depositing this amount as nominees/s of any person/s residing outside India I/We declare that the named depositor mentioned in our application is the beneficial owner of this deposit and as such he/she should be treated as the payee for the purpose of deduction of tax under section 194 A of the income tax act, 1961 I/We have read and agree to abide by the attached terms and conditions governing the deposit. I/We declare that what is stated in this application is true and correct.		(Applicable in Case of Deposit in Single Name) Name :..... Address :.....				
PARTICULARS OF APPLICANT/S		AGE		SIGNATURE/S		
1 Mr./Mrs./Miss		<div></div>		<div></div>		
* Guardian's Name		<div></div>		<div></div>		
2 Mr./Mrs./Miss		<div></div>		<div></div>		
3 Mr./Mrs./Miss		<div></div>		<div></div>		
Address : (First Applicant)		<div></div>		<div></div>		
		PIN:		<div></div>		
AARVEE DENIMS AND EXPORTS LIMITED- Fixed Deposit acknowledgement slip						
Received with thanks from Mr./Mrs./Ms /						
Cheque/DD/FDR No.						
Bank & branch details:						
as Fixed deposit Scheme A B for periods of *Subject to realisation of cheque						
For, Aarvee Denims And Exports Ltd.						

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REGISTERED OFFICE

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