

Regd. Office : 191, Shahwadi, Narol - Sarkhej Highway, Nr. Old Octroi Naka, Narol, Ahmedabad.-382405.
Ph : +91 -79 -30417000, 30017000 Fax : +91 -79 -30417070 CIN : L17110GJ1988PLC010504
E-mail : info@aarvee-denims.com • Website : www.aarvee-denims.com

Date: 25.09.2018

To,
The Manager (Listing)
The Bombay Stock Exchange Ltd.
1st Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

To,
The Manager (Listing)
The National Stock Exchange of India Ltd
“Exchange Plaza”, 5th floor,
Plot No. C/1, G-Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

Company Code: 514274 (BSE)

Company Code: AARVEEDEN (NSE)

Dear Sir/ Madam,

Sub: Submission of Annual Report for the financial year 2017-18

Ref: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed Annual Report for the financial year 2017-18.

You are requested to kindly take the same on your records.

Thanking You,
Yours faithfully,

For, Aarvee Denims & Exports Limited



Yashaswini Pandey
Company Secretary & Compliance Officer
ACS 38402

ANNUAL
REPORT

29th

2017
2018



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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29th ANNUAL REPORT - 2017-2018

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. Rajesh P. Arora	Director
Mr. Parmanand T. Arora	Director (ceased to be director w.e.f. 11.08.2018)
Mr. Nipun V. Arora	Director (appointed as a whole time director w.e.f. 11.08.2018)
Mr. Sanjay S. Majmudar	Independent Director
Mr. Ashok C. Gandhi	Independent Director
Mr. Arvind D. Sanghvi	Independent Director
Mr. Amol R. Dalal	Independent Director
Ms. Shivani Shah	Independent Director (ceased to be director w.e.f. 26.02.2018)
Ms. Yashree Dixit	Independent Director (appointed as director w.e.f. 24.05.2018)

SENIOR EXECUTIVES

Mr. Nipun V. Arora	Vice President (Admin.) till 10.08.2018
Mr. Pankaj V. Arora	Vice President (Marketing)
Mr. Pankil K. Shah	Vice President (Garment)
Mr. Subhasish Bandopadhyay	CEO (Till 01.01.2018)
Mr. Bhavik Shukla	CFO
Mr. Sharvil B. Suthar	Company Secretary (upto. 31.03.2018)
Ms. Yashaswini Pandey	Company Secretary (W.e.f. 11.08.2018)

BANKERS

Bank of Baroda
State Bank of India
IDBI 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

Tuesday, 25th September, 2018

Time Venue

10:30 A.M.

Venue

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



AARVEE DENIMS AND EXPORTS LTD.

NOTICE OF 29TH ANNUAL GENERAL MEETING (CIN: L17110GJ1988PLC010504)

NOTICE is hereby given that the 29th Annual General Meeting of the Members of **AARVEE DENIMS AND EXPORTS LIMITED** will be held on Tuesday, 25th September, 2018 at 10:30 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 2018 together with the Reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Rajesh P. Arora, DIN: 00092200 who retires by rotation and being eligible, offers himself for reappointment; and
3. To ratify the re-appointment of Auditors and fix their remuneration and in this connection to consider and if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the rules framed hereunder, as amended from time to time, the ratification of appointment of the statutory auditors of company M/s Shah & Shah Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 113742W), who were appointed in the 28th Annual General Meeting dated 8th September 2017 to hold office till the conclusion of 33rd Annual general meeting of the company to be held in the calendar year 2022, subject to ratification of their appointment in every annual general meeting, be and is hereby confirmed on a remuneration as may be fixed by the board of directors of the company in consultation with them.”

SPECIAL BUSINESS:-

4. **Appointment of Ms. Yashree Dixit (DIN: 7775794) as an Independent Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions if any of the Companies Act, 2013 read with schedule IV and the rules framed thereunder as amended from time to time, and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, Ms. Yashree Dixit (DIN: 7775794), Independent Director of the Company, and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as an independent director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years commencing from 24th May, 2018 to 23rd May, 2023.

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.”

5. **Appointment of Mr. Nipun Arora (DIN: 00989835) as Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made there under read with Schedule V to the Act, Mr. Nipun Arora (DIN: 00989835), who was appointed as an Additional Director of the company by Board of Directors w.e.f. 11.08.2018 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member proposing his candidature along with deposit of requisite amount from member proposing candidature for the office of Director be and is hereby appointed as Executive Director of the company, liable to retire by rotation, in terms of provisions of the Articles of Association of the Company.

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."

6. Appointment of Mr. Nipun Arora (DIN: 00989835) as Whole Time Director of the Company

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

"RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Sections 196,197,198,203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V to the said Act, the consent of members of the Company be and is hereby accorded to the appointment of Mr. Nipun Arora (DIN: 00989835) as Whole Time Director, for a period of three years with effect from 11th August 2018 to an amount the details of which are given in the Explanatory Statement annexed hereto."

FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Nipun Arora (DIN: 00989835), office as Whole Time Director, the remuneration set out in the explanatory statement shall be paid or granted to Mr. Nipun Arora (DIN: 00989835), as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in Section II of Part II of Schedule V to the said Act or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof."

FURTHER RESOLVED THAT the Board of Directors or KMP of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable and to settle any question or doubt that may arises in relation thereto in order to give effect to the forgoing resolution and to amend, alter or otherwise vary the terms and conditions of appointment of Mr. Nipun Arora (DIN: 00989835), including his remuneration provided such remuneration does not exceeds limits prescribed under the provisions of the Companies Act, 2013 and any Statutory modifications or re-enactment thereof or any other guidelines relating to managerial remuneration as may be notified by the Government of India from time to time as may be considered by it to be in the best interest of the Company."

7. To consider and determine the fees for delivery of any document through a particular mode of delivery to a member and in this regard, to consider and, if thought fit, to pass the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, if any, whereby, a document may be served on any member by the Company by sending it to him/her by post, by registered post, by speed post, by electronic mode, or any other modes as may be prescribed, consent of the members be and is hereby accorded to charge from the member such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through registered post or speed post or by courier service or such other mode of delivery of documents pursuant to any request by the shareholder for delivery of documents, through a particular mode of service mentioned above provided such request along with requisite fees has been duly received by the Company at least 10 days in advance of dispatch of documents by the Company to the shareholder;

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance."



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, 2019, 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."

BY ORDER OF BOARD OF DIRECTORS

Yashaswini Pandey
Company Secretary
ACS 38402

Place : Ahmedabad

Date : 11/08/2018

Registered office:

191, Shahwadi,

Nr. Old Octroi Naka, Narol - Sarkhej Highway,

Narol, Ahmedabad - 382 405

CIN: L17110GJ1988PLC010504

Notes:-

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/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 29th 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 **Monday, 24th September, 2018 to Tuesday, 25th September, 2018** (both days inclusive).
7. The relevant details of the Directors seeking re-appointment/ appointment at 29th 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 29th Annual General meeting (AGM) by electronic means and the business may be transacted through the e-voting services provided by Central Depository Services (India) Limited (CDSL).

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

SECTION A - E-VOTING PROCESS

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	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. 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 **Saturday, 22nd September, 2018 (9.00 a.m. IST) and ends on Monday, 24th September, 2018 (5.00 p.m. IST)**. During this period, Members holding shares either in physical form or in dematerialized form, as on **18th September, 2018** 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 2017-18 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 2017-18 are being sent in the permitted mode.

Members may also note that the notice of the 29th Annual General Meeting and Annual Report for 2017-18 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 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 NO. 4

Ms. Yashree Dixit (DIN: 7775794) is proposed to be appointed as Independent directors to hold office for five consecutive years for a term up to the conclusion of 34th annual general meeting in the calendar year 2023 as required by Section 149, 152 read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Ms. Yashree Dixit (DIN: 7775794) being an independent director is not disqualified from being appointed as director in terms of Section 164 of the Act and has given her consent to act as Independent director. The Company has also received declarations from Ms. Yashree Dixit (DIN: 7775794) that she meets the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Company has received requisite notices in writing from members proposing the candidature of Ms. Yashree Dixit (DIN: 7775794) for appointment to the office of director as independent director. In the opinion of Board, Ms. Yashree Dixit (DIN: 7775794) has fulfill the conditions of appointment as independent directors as specified in the Act and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and are independent of management.

She shall not be liable to retire by rotation.

Copy of draft letters for respective appointment of Ms. Yashree Dixit (DIN: 7775794) as independent directors setting out the terms and conditions are available for inspection by members at the registered office of the Company during 11:00 a.m. to 1 p.m. on all working days.

Ms. Yashree Dixit (DIN: 7775794) is interested in the resolution which relates to her appointment respectively. Her relatives, if any, are also interested to the extent of their shareholding in the company.

None of the other directors/Key Managerial Personnel, including their relatives, are interested financially or otherwise in these resolutions.

Board of Directors recommends the passing of the resolution.

ITEM NO. 5 & 6

Mr. Nipun Arora (DIN: 00989835), was appointed as an Additional Director w.e.f. 11.08.2018 in accordance with the provisions of Section 149, 152, 161 of the Companies Act, 2013 and Article 78 of Article of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office upto the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Mr. Nipun Arora (DIN: 00989835) candidatures for

appointment as Director of the Company in accordance with the provisions of Section 160 and other applicable provisions of the Companies Act, 2013.

Board recommends the appointment of Mr. Nipun Arora (DIN: 00989835) as the director of the company who is working with the company as Vice President (Administration), for more than 15 years, hence recommends resolution no. 5 for adoption.

Further, Mr. Nipun Arora (DIN: 00989835) has been appointed as Whole-time Director of the Company for the period of three years with effect from 11th August 2018 under the provisions of the Companies Act, 2013, upon terms and conditions including remuneration as permissible pursuant to the provision of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V to the said Act, and recommended by Nomination and Remuneration Committee as well as by the Board & subject to the approval of the members in General Meeting. His tenure as Whole-time Director will be expired on 10th August 2021.

Terms & conditions of the appointment of Mr. Nipun Arora (DIN: 00989835), Whole-time Director of the company are as follows:-

A) SALARY:

In the scale of Rs.1,00,000/-p.m.

B) PERQUISITES (including allowances)

- i) Housing: Furnished/Unfurnished residential accommodation or house rent allowance of sixty percent of salary in lieu thereof.
- ii) The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income -Tax Rules, 1962.
- iii) Medical reimbursement: Expenses incurred for Mr. Nipun Arora (DIN: 00989835) and his family as per company rules.
- iv) Leave Travel Concession: For Mr. Nipun Arora (DIN: 00989835), and his family, incurred in accordance with the company rules.
- v) Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and the life membership fees.
- vi) Personal Accident Insurance: Premium as per company rules.
- vii) Contribution to Provident Fund, Superannuation Fund, Annuity Fund/Contribution to Gratuity as per company rules.
- viii) Encashment of leave not availed of, as per company rules.
- ix) Provision of car and telephone as per company Rules.
- x) Any other benefits, amenities and facilities including educational allowance for a child as per company rules for the time being in force or authorised by the Board.

"Family" means spouse, dependent children and dependent parents of Mr. Nipun Arora (DIN: 00989835).

C) MINIMUM REMUNERATION

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

- i) Contribution to provident fund, superannuation fund or annuity funds to the extent these, either singly or put together, is not taxable under the Income Tax Act, 1961.

- ii) Gratuity not exceeding half a month's salary for each completed year of service and
- iii) Encashment of leave as per company rules.
- iv) Interest free loan up to Rs. 15 lacs repayable payable in maximum 60 installments.
- v) Premium of Directors and officers liability Insurance policy.

This may also be treated as an abstract of the terms of Contract/Agreement of Mr. Nipun Arora (DIN: 00989835) as a Whole-time Director of the company under the provision of Section 190 of the Companies Act, 2013.

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

None of Director, KMP except Mr. Vinod Arora (Chairman and Managing Director) and Mr. Rajesh Arora (Director) being relative of Mr. Nipun Arora (DIN: 00989835) are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends resolution under item no. 6 to be passed as an ordinary resolution.

ITEM No. 7

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post, by speed post, by electronic mode, or any other modes as may be prescribed. Further a member may request the delivery of document through any other mode by paying such fees as maybe determined by the members in the Annual General Meeting. Accordingly, the Board recommends the passing of the Special Resolution at Item No. 7 of the accompanying Notice for member's approval.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no.7 of the accompanying Notice.

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, 2019 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, 2019.

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.

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 an 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,



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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.

The Information in respect of the Company and Managerial personnel in respect of item No. 2,4 and 5 & 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	2017-18	2016-17
Revenue from Operations	82959.72	84614.24
Profit before Tax	637.48	213.03
Tax Expense	76.62	94.43
Profit for the year	560.85	176.05

- (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. 04

- (1) Background Details: Ms. Yashree Dixit is being appointed as an Independent Director of the Company. She is a Practicing Company Secretary in Ahmedabad and an associate member of ICSI, Ahmedabad.
- (2) Past Remuneration: N.A.
- (3) Recognition and Award: N.A.
- (4) Job profile and her suitability: Being a member of board, she 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) She is not a relative of any director nor holds any share of the Company

Item No. 05 & 06

- (1) Background Details: Mr. Nipun Arora is now being appointed as Executive Director of the Company who

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- was earlier working as Vice President (admin). He holds graduation degree and he is having more than 15 years of rich experience in textile industry.
- (2) Past Remuneration: Mr. Nipun Arora was paid Remuneration of Rs. 1299960/- during the Financial year 2017-18 as Vice President (Administration).
 - (3) Recognition and Award: The work done in discharge of his duties as Vice President (admin) has been recognized in the company.
 - (4) Job profile and his suitability: He was responsible for administration of the company. His rich experience and knowledge has helped the Company to the great extent.
 - (5) Remuneration Proposed: As approved by Nomination and Remuneration committee and board in the meeting held on 10.08.2016
 - (6) The remuneration proposed is commensurate with the industry and size of the business and keeping in mind the rich experience he is having and future responsibilities of job, the salary proposed is justified.
 - (7) Mr. Nipun Arora is son of Mr. Vinod Arora, Chairman and Managing Director of the Company. He holds 142475 equity shares representing 0.61% of share capital of the Company.

III. Other Information:

During the year ended 31st March, 2018, the total income was Rs. 82,959.72 Lakhs against Rs. 84,614.24 Lakhs in the previous year. The profit before tax for the year has been 637.48 Lakhs against 213.03 Lakhs in previous year. The Profit after tax for the current year is 560.85 Lakhs, compared to Rs. 176.05 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 : 11/08/2018

Registered office:

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

Yashaswini Pandey
Company Secretary
ACS 38402



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

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

Name of Director	Mr. Rajesh P. Arora	Ms. Yashree Dixit	Mr. Nipun Arora
DIN	00092200	7775794	00989835
Date of Birth	24-10-1960	19-07-1994	13-12-1974
Date of Appointment	11-08-1992	24-05-2018	11-08-2018
Relationship with other Directors Inter se	Son of Mr. Parmanand Arora, Director and Brother of Mr. Vinod P. Arora, Chairman & Managing Director.	N.A.	Son of Mr. Vinod Arora, Chairman and Managing Director of the Company
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	Ms. Yashree Dixit is being appointed as an Independent Director of the Company. She is a Practicing Company Secretary in Ahmedabad and an associate member of ICSI, Ahmedabad.	He is working as Vice President (admin) who is responsible for administration of the company. His rich experience and knowledge has helped the Company to the great extent.
Qualification	Commerce Graduate	CS	Commerce Graduate
No. of Equity Shares held in the Company	10,72,645	NIL	2,52,265
List of other Companies in which Directorships are held	(1) New Ahmedabad Synthetics Pvt. Ltd. (2) Vee Bee Textiles Private Limited	(1) Acron Ventures LLP (2) Ketan Construction Limited	(1) Twenty First Century Marketing Limited, (2) Ennbee Textiles Private Limited, (3) Pee Vee Synthetics Private Limited
List of committees of Board of Directors (across all other Companies) in which Chairmanship/Membership is held	Nil	Nil	Nil

DIRECTORS' REPORT

(CIN: L17110GJ1988PLC010504)

To,
The Members,

Your Directors have pleasure in presenting the 29th Annual Report on the business and operations of your Company together with the audited accounts for the financial year ended 31st March, 2018.

1. FINANCIAL RESULTS

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

(₹ in Lakh)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Total Revenue	82,959.72	84614.24
Profit before Interest, Tax & Depreciation	8277.93	7381.74
Less: Net Interest & Finance Cost	4,345.97	3763.40
Less: Depreciation	3,294.48	3347.86
Profit before tax	637.48	270.48
Provision for Tax & Deferred tax	76.62	94.43
Profit for the year	560.85	176.05
Other comprehensive income	3.95	(57.45)
Total Comprehensive Income	564.80	118.60

2. PERFORMANCE DURING THE YEAR

During the year under review, the company has achieved revenue of Rs 82,959.72 Lakh as compared to Rs. 84614.24 Lakh for the previous financial year.

The fall in revenue during the year under review was on account of introduction of Goods & Service Tax (GST) as the domestic textile industry (especially fabric) was not prepared for the GST compliances. This led to paralyze the domestic sales market for almost 2-3 months post GST implementation.

In this backdrop, your company has delivered a growth of 12.14% in Operating Earnings before Interest, Depreciation and Taxes (EBITDA) during FY 2017-18 and Profit after Tax (PAT) was up by more than 3 times during FY 2017-18.

Your Company looks forward to further strengthen its operations by consistently focusing in embarking its profits for the coming years.

During the year ended March 31, 2018 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, 2018. On account of above, standalone and consolidated financial results of the company for year ended March 31, 2018 remains same. However, Consolidated Financial Statements of Assets and Liabilities as at March 31, 2018 of the parent company after incorporating Financial Statements of Assets and Liabilities as at March 31, 2018 of such subsidiary has been prepared.

3. DIVIDEND

Your Directors do not recommend payment of any Dividend for the Financial year ended 31st March, 2018, 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 2017-18.

6. SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2018 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. 5110.23 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, 2018 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, 2018. On account of above, standalone and consolidated financial results of the company for year ended March 31, 2018 remains same. However, Consolidated Financial Statements of Assets and Liabilities as at March 31, 2018 of the parent company after incorporating Financial Statements of Assets and Liabilities as at March 31, 2018 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**.

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 2017-18, being arm's length transactions have been reported and annexed hereto in form AOC-2 as **Annexure - A** forming part of this report.

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

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

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.

Ms. Yashree Dixit (DIN: 7775794), has fulfilled all the criteria to become an Independent Director of the company hence Board has categorized her as an Independent Director w.e.f. 24.05.2018. Ms. Yashree Dixit (DIN: 7775794) is proposed to be appointed as Independent directors to hold office for five consecutive years for a term from the date of his 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.

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.

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

Ms. Shivani Shah (DIN: 06693408), Independent Director has resigned from the company w.e.f. 26th February 2018.

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

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.SubhasishBandyopadhyay*	Chief Executive Officer
5	Mr.Sharvil B. Suthar**	Company Secretary
6	Ms.YashaswiniPandey**	Company Secretary
7	Mr.Bhavik Shukla	Chief Financial Officer
8	Mr. Nipun Arora***	Whole Time Director

* Mr. Subhasish Bandyopadhyay has resigned as a CEO of the company w.e.f. 01.01.2018

**Mr. Sharvil B. Suthar, Company Secretary has resigned w.e.f. 31st March, 2018 and in place of him Company has appointed Ms. Yashaswini Pandey as Company Secretary and Compliance Officer of the company w.e.f. 11.08.2018.

***Mr. Nipun Arora has been appointed as Whole Time Director w.e.f. 11 August, 2018

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, five 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:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders' Grievances and Relationship Committee
- d. Corporate Social Responsibility Committee
- e. 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:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 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 2017-18.

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 subject to ratification of their appointment in every annual general meeting. The Company has received a letter from the auditors to the effect that ratification of their appointment, to hold office from the conclusion of this annual general meeting till the conclusion of next annual general meeting, if made, would be within the prescribed limits, they fulfill the criteria provided in Section 141 of the Companies Act, 2013 and are not disqualified for such ratification of their appointment under the Companies Act, 2013, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As per their letter there were no proceedings against them pending with respect to professional matters of conduct. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules framed there under it is therefore proposed to ratify their appointment to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

(2) Cost Auditors

The company has received a consent letter from the cost auditors M/s. N. D. Birla and Co., Cost Accountant to the effect that their appointment, if made, would be within the prescribed limits under section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for appointment. The board of Directors of the company at its meeting held on 24th May, 2018 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, 2018. The Secretarial Audit report of M/s Tapan Shah & Co. Company Secretaries for the financial year ended 31st March, 2018, 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

AARVEE DENIMS AND EXPORTS LTD.



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 Annexed-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 : 11.08.2018

REGISTERED OFFICE :

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



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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 2017 to 31 st March 2018
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	NIL
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, 2018 the Subsidiaries company has not started its commercial operations.

Part-B Joint Venture : None

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 Bhogila & Co.	Associated Concern	Job Charges (Weaving)	2017-18	32366221.25	In the Board meetings held in financial year 2017-18	Nil
2	A V Enterprise (HUF)				3055353.25		
3	B Kalpeshkumar & Co.				2066142.00		
4	K V Enterprise (HUF)				3122820.00		
5	Namit Enterprise				9719071.50		
6	B S Textiles				30894103.00		
7	Arora Agencies	Associated Concern	Commission On Sale Of Fabric	2017-18	36005684.00	In the Board meetings held in financial year 2017-18	Nil
8	Parmanand Vinodkumar				49296564.00		
9	Namit Enterprise				132308.00		
10	Panch Rattan Fabrics	Associated Concern	Sale of Fabric	2017-18	943325481.00	In the Board meetings held in financial year 2017-18	Nil
11	Pari Bhogilal Laxmichand				7443067.00		
12	Textile India				105023760.00		
13	Techtex	Associated Concern	Lease Rent Income	2017-18	240000.00	In the Board meetings held in financial year 2017-18	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. 816.65 Lakhs.**
- 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 16.33 Lakhs.**
- 5. Details of CSR spent for the financial year:**
 - (a) Total amount to be spent for the financial year: Rs. 16.33 Lakhs (2017-18)
 - (b) Amount unspent, if any: Rs. 16.33 Lakhs
 - (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 progra ms wise	(vi) Amount spend on projects or programs Sub - heads : (1) Direct expenditure on project or programs (2) Overheads	(vii) Cumulat ive expendi ture upto the reportin g period	(viii) Amount spent : Direct or through impleme nting agency	(ix) Details of impleme nting 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. 16.33 Lakhs 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



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Annexure – D

SECRETARIAL AUDIT REPORT

For the financial year ended 31/03/2018

[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, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 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.

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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. However, the Company has not spent any amount towards the Corporate Social Responsibility in the current financial year as prescribed under Section 135 of the Companies Act, 2013 and Rules made there under.

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

- i. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- vi. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investments 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 except after resignation of woman Independent Director, w.e.f. 26/2/2018, there was no Woman Director on the Board and total Independent Directors were 4 instead of required 5, till close of the financial year. The changes in the Key Managerial Person (KMP) that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

I further report that during the audit period there were 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:



AARVEE DENIMS AND EXPORTS LTD.

- I. Reappointment of Mr. Vinod Arora as a Chairman and Managing Director, Mr. Ashish Shah as a Managing Director and Mr. Kalpesh Shah as Whole Time Director of the company w.e.f. 1st October, 2017 for the further period of the three years.
- II. The Company has incorporated its wholly owned Subsidiary Company, namely M/s Aye Ess Spinning Mills Private Limited and made investment of Rs 1 Lac in that.

Place : Ahmedabad
Date : 11/08/2018

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 : 11/08/2018

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, 2018.

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

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

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

(Rs. In Lakhs)

Particulars	2017-18	2016-17
1. Electricity		
(a) Purchased Units KWH in Lac	922.96	902.36
Total Amount (Rs. in Lac)	7320.12	6902.88
Rate/unit (Rs./KWH)	7.93	7.65
(b) Wind Turbine (Units KWH in Lac)	305.14	359.62
2. Coal & Lignite		
Quantity (in MT)	35783.81	44147.49
Total Cost(Rs in Lac)	1552.20	1704.60
Cost/MT	4337.71	3861.16

III. CONSUMPTION PER UNIT OF PRODUCTION:

Particulars	2017-18		2016-17	
	FABRIC (PER MTR)	YARN (PER KG)	FABRIC (PER MTR)	YARN (PER KG)
Electricity (KWH)	1.64	1.44	1.45	1.77
Coal (Kg)	0.64	Nil	0.71	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



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(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

(iv) The expenditure incurred on Research and Development.

(Rs. in Lakh)

	2017-18	2016-17
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	2017-18	2016-17
Foreign Exchange Earning	6192.24	8595.30
Foreign Exchange Outgo	3833.50	12485.96

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. Parmanand T. Arora	Director	Nil	-	Nil
5	Mr. Rajesh P. Arora	Director	Nil	-	Nil
6	Mr. Nipun Arora*	Director	1299960/-	-	Nil
7	Mr. Subhasish Bandyopadhyay**	CEO	1543000/-	-	Nil
8	Mr. Bhavik Shukla	CFO	2119934/-	-	12.16%
9	Mr. Sharvil B. Suthar***	CS	393553/-	-	Nil
10	Ms. Yashaswini Pandey***	CS	-	-	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

**Mr. Subhasish Bandyopadhyay has resigned as a CEO of the company w.e.f. 01.01.2018

***Mr. Sharvil B. Suthar, Company Secretary has resigned w.e.f. 31st March, 2018 and in place of him Company has appointed Ms. Yashaswini Pandey as Company Secretary and Compliance Officer of the company w.e.f. 11.08.2018.

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 2017-18 as compared



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to Financial Year 2017-16. Therefore, there is no justification and information, regarding exceptional circumstances for increase in Managerial Remuneration, to be disclosed.

4. It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.
5. **Particulars of employee in terms of Sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

There was no employee of the Company employed throughout the financial year with salary above Rs. 1 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.

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

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2018

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

I. REGISTRATION & OTHER DETAILS

1.	CIN	L17110GJ1988PLC010504
2.	Registration Date	28-03-1988
3.	Name of the Company	AARVEE DENIMS AND EXPORTS LIMITED
4.	Category/Sub-category of the Company	Public Company/ Limited by Shares
5.	Address of the Registered office & contact details	191, Shahwadi, Narol- Sarkej Highway, Near Old Octroi Naka, Narol, Ahmedabad- 382405 Ph:+91-79-30417000, 30017000 Fax : +91-79-30417070
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd, 506 to 508, Amarnath Business Centre-1, (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380009. Phone & Fax Nos. 079-26465179 Email: ahmedabad@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Fabrics	17121	97.34%
2	Power Generation – Wind Mill	40108	2.66%

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-2017)				Shareholding at the end of the year (As on 31-March-2018)				% 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	8815060	0	8815060	37.5752	8482325	0	8482325	36.1569	-1.4183
(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	6621243	0	6621243	28.2238	6953978	0	6953978	29.6421	1.4183
	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	3365600	0	3365600	14.3462	0	0	0	0.0000	-14.3462
(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)	3859358	300	3859658	16.4522	493758	300	494058	2.1060	-14.3462
[2]	Central Government/ State Government(s)/President of India									
	Central Government / State Government(s)	0	0	0	0.0000	216195	0	216195	0.9216	0.9216
	Sub Total (B)(2)	0	0	0	0.0000	216195	0	216195	0.9216	0.9216
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1384275	677813	2062088	8.7899	2942265	461413	3403678	14.5086	5.7187

	Category of Shareholders	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 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	207763	0	207763	0.8856	1396578	0	1396578	5.9531	5.0675
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Trusts	80000	0	80000	0.3410	80000	0	80000	0.3410	0.0000
	Hindu Undivided Family	104360	0	104360	0.4448	352947	0	352947	1.5045	1.0597
	Non Resident Indians(Non Repat)	25677	0	25677	0.1095	71488	0	71488	0.3047	0.1952
	Non Resident Indians (Repat)	1509208	0	1509208	6.4332	1601458	0	1601458	6.8264	0.3932
	Clearing Member	43582	0	43582	0.1858	106966	0	106966	0.4560	0.2702
	Bodies Corporate	131161	0	131161	0.5591	300129	0	300129	1.2793	0.7202
	Sub Total (B)(3)	3486026	677813	4163839	17.7488	6851831	461413	7313244	31.1735	13.4247
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	7345384	678113	8023497	34.2010	7561784	461713	8023497	34.2010	0.0000
	Total (A)+(B)	22781687	678113	23459800	100.0000	22998087	461713	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)	22781687	678113	23459800	100.0000	22998087	461713	23459800	100.0000	

(ii) Shareholding of Promoter

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	
1	V. B. INVESTMENT PVT. LTD.	1988165	8.4748	0.0000	2320900	9.8931	0.0000	1.4183
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	585000	2.4936	0.0000	252265	1.0753	0.0000	-1.4183
10	ENNBEE TEXTILES PVT. LTD.	579600	2.4706	0.0000	579600	2.4706	0.0000	0.0000

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	SARTHA 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.	Name & Type of Transaction	Shareholding at the beginning of the year as on 1-April-2017		Transactions during the year		Cumulative Shareholding at the end of the year as on 31-March-2018	
		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	V. B. INVESTMENT PVT. LTD.	1988165	8.4748			1988165	8.4748
	Transfer			03 Nov 2017	332735	2320900	9.8931
	AT THE END OF THE YEAR					2320900	9.8931
2	KASHVI KALPESHBHAI SHAH	261935	1.1165			261935	1.1165
	Transfer			03 Nov 2017	(232735)	29200	0.1245
	Transfer			17 Nov 2017	232735	261935	1.1165
	AT THE END OF THE YEAR					261935	1.1165
3	ASHISH SHAH	585000	2.4936			585000	2.4936
	Transfer			17 Nov 2017	(332735)	252265	1.0753
	AT THE END OF THE YEAR					252265	1.0753
4	KARISHMA PANKILBHAI SHAH	110000	0.4689			110000	0.4689
	Transfer			03 Nov 2017	(100000)	10000	0.0426
	Transfer			17 Nov 2017	100000	110000	0.4689
	AT THE END OF THE YEAR					110000	0.4689

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.	Name & Type of Transaction	Shareholding at the beginning of the year as on 1-April-2017		Transactions during the year		Cumulative Shareholding at the end of the year as on 31-March-2018	
		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	UNITED INDIA INSURANCE COMPANY LIMITED	493758	2.1047			493758	2.1047
	AT THE END OF THE YEAR					493758	2.1047
3	SANTOSH SITARAM GOENKA	0	0.0000			0	0.0000
	Transfer			10 Nov 2017	53507	53507	0.2281
	Transfer			17 Nov 2017	7303	60810	0.2592
	Transfer			24 Nov 2017	4173	64983	0.2770
	Transfer			01 Dec 2017	6677	71660	0.3055
	Transfer			15 Dec 2017	78283	149943	0.6391
	Transfer			22 Dec 2017	22528	172471	0.7352
	Transfer			29 Dec 2017	4580	177051	0.7547
	Transfer			05 Jan 2018	19199	196250	0.8365
	Transfer			12 Jan 2018	19360	215610	0.9191
	Transfer			19 Jan 2018	85144	300754	1.2820
	Transfer			02 Feb 2018	53226	353980	1.5089
	Transfer			09 Feb 2018	17235	371215	1.5823
	Transfer			16 Feb 2018	4954	376169	1.6035
	Transfer			23 Feb 2018	34219	410388	1.7493
	AT THE END OF THE YEAR					410388	1.7493
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	SHARAD AGRAWAL	0	0.0000			0	0.0000
	Transfer			26 Jan 2018	125000	125000	0.5328
	AT THE END OF THE YEAR					125000	0.5328
6	SUNITA SANTOSH GOENKA	0	0.0000			0	0.0000
	Transfer			10 Nov 2017	12795	12795	0.0545
	Transfer			17 Nov 2017	3000	15795	0.0673
	Transfer			08 Dec 2017	72006	87801	0.3743
	Transfer			15 Dec 2017	20000	107801	0.4595
	Transfer			29 Dec 2017	4263	112064	0.4777
	Transfer			19 Jan 2018	1745	113809	0.4851
	AT THE END OF THE YEAR					113809	0.4851

AARVEE DENIMS AND EXPORTS LTD.


Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year as on 1-April-2017		Transactions during the year		Cumulative Shareholding at the end of the year as on 31-March-2018	
		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
7	ASHU KHANNA	88449	0.3770			88449	0.3770
	Transfer			07 Apr 2017	3700	92149	0.3928
	Transfer			18 Aug 2017	8000	100149	0.4269
	AT THE END OF THE YEAR					100149	0.4269
8	SUPRIYA PUNIT AGARWAL	0	0.0000			0	0.0000
	Transfer			24 Nov 2017	35812	35812	0.1527
	Transfer			15 Dec 2017	34874	70686	0.3013
	Transfer			22 Dec 2017	8466	79152	0.3374
	Transfer			29 Dec 2017	7307	86459	0.3685
	AT THE END OF THE YEAR					86459	0.3685
9	SHAHNAZ MEMORIAL TRUST	0	0.0000			0	0.0000
	Transfer			09 Mar 2018	79900	79900	0.3406
	AT THE END OF THE YEAR					79900	0.3406
10	ANGEL BROKING PRIVATE LIMITED	30981	0.1321			30981	0.1321
	Transfer			07 Apr 2017	1795	32776	0.1397
	Transfer			14 Apr 2017	2195	34971	0.1491
	Transfer			21 Apr 2017	942	35913	0.1531
	Transfer			28 Apr 2017	1223	37136	0.1583
	Transfer			05 May 2017	505	37641	0.1604
	Transfer			12 May 2017	4748	42389	0.1807
	Transfer			19 May 2017	(1956)	40433	0.1724
	Transfer			26 May 2017	(311)	40122	0.1710
	Transfer			02 Jun 2017	(1913)	38209	0.1629
	Transfer			09 Jun 2017	(18)	38191	0.1628
	Transfer			16 Jun 2017	571	38762	0.1652
	Transfer			23 Jun 2017	(687)	38075	0.1623
	Transfer			30 Jun 2017	(575)	37500	0.1598
	Transfer			07 Jul 2017	(502)	36998	0.1577
	Transfer			14 Jul 2017	(391)	36607	0.1560
	Transfer			21 Jul 2017	(178)	36429	0.1553
	Transfer			28 Jul 2017	334	36763	0.1567
	Transfer			04 Aug 2017	(3580)	33183	0.1414
	Transfer			11 Aug 2017	1847	35030	0.1493
	Transfer			18 Aug 2017	9158	44188	0.1884
	Transfer			25 Aug 2017	45040	89228	0.3803
	Transfer			01 Sep 2017	(33330)	55898	0.2383
	Transfer			08 Sep 2017	27032	82930	0.3535
	Transfer			15 Sep 2017	16225	99155	0.4227
	Transfer			22 Sep 2017	(7652)	91503	0.3900

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year as on 1-April-2017		Transactions during the year		Cumulative Shareholding at the end of the year as on 31-March-2018	
		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			29 Sep 2017	(9758)	81745	0.3484
	Transfer			06 Oct 2017	(9603)	72142	0.3075
	Transfer			13 Oct 2017	(4873)	67269	0.2867
	Transfer			20 Oct 2017	(789)	66480	0.2834
	Transfer			27 Oct 2017	(7105)	59375	0.2531
	Transfer			03 Nov 2017	(147)	59228	0.2525
	Transfer			10 Nov 2017	(2924)	56304	0.2400
	Transfer			17 Nov 2017	23444	79748	0.3399
	Transfer			24 Nov 2017	(30785)	48963	0.2087
	Transfer			01 Dec 2017	2966	51929	0.2214
	Transfer			08 Dec 2017	(1302)	50627	0.2158
	Transfer			15 Dec 2017	14789	65416	0.2788
	Transfer			22 Dec 2017	(2799)	62617	0.2669
	Transfer			29 Dec 2017	2067	64684	0.2757
	Transfer			05 Jan 2018	11534	76218	0.3249
	Transfer			12 Jan 2018	(107)	76111	0.3244
	Transfer			19 Jan 2018	32918	109029	0.4647
	Transfer			26 Jan 2018	(9091)	99938	0.4260
	Transfer			02 Feb 2018	(3045)	96893	0.4130
	Transfer			09 Feb 2018	(4331)	92562	0.3946
	Transfer			16 Feb 2018	(7936)	84626	0.3607
	Transfer			23 Feb 2018	(24513)	60113	0.2562
	Transfer			02 Mar 2018	(2092)	58021	0.2473
	Transfer			09 Mar 2018	(1462)	56559	0.2411
	Transfer			16 Mar 2018	2145	58704	0.2502
	Transfer			23 Mar 2018	(2593)	56111	0.2392
	Transfer			31 Mar 2018	6640	62751	0.2675
	AT THE END OF THE YEAR					62751	0.2675

(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-2017		Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year as on 31-March-2018	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Vinod P Arora	80,000	0.34	No Transaction			80,000	0.34
2	Mr. Ashish V Shah	585,000	2.49	Sale	332735	1.42	252265	1.07
3	Mr. Kalpesh V Shah	465,300	1.98	No Transaction			465,300	1.98
4	Mr. Paramanand T Arora	1,899,533	8.10	No Transaction			1,899,533	8.10
5	Mr. Rajesh P Arora	1,072,645	4.57	No Transaction			1,072,645	4.57
6	Mr. Sanjay S. Majmudar	0	0.00	No Transaction			0	0.00
7	Mr. Ashok C Gandhi	0	0.00	No Transaction			0	0.00
8	Mr. Arvind D Sanghvi	0	0.00	No Transaction			0	0.00
9	Mr. Amol R. Dalal	4904	0.00	No Transaction			4904	0.00
11	Ms. Shivani Shah*	0	0.00	No Transaction			0	0.00
12	Mr. Subhasish Bandyopadhyay (CEO) From 1/12/2016 to 01/01/2018	0	0.00	No Transaction			0	0.00
13	Mr. Bhavik Shukla (CFO)	0	0.00	No Transaction			0	0.00
14	Mr. Sharvil B. Suthar(CS) *** From 29/08/2016 to 31/03/2018	0	0.00	No Transaction			0	0.00

*Ms. Shivani Shah (DIN: 06693408), Independent Director has resigned from the company w.e.f. 26th February 2018.

** Mr. Subhasish Bandyopadhyay has resigned as a CEO of the company w.e.f. 01.01.2018

***Mr. Sharvil B. Suthar, Company Secretary has resigned w.e.f. 31st March, 2018

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	26,543.66	2,125.56	6,865.93	35,535.16
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	16.67	0	316.38	333.05
Total (i+ii+iii)	26,560.33	2,125.56	7,182.31	35,868.20
Change in Indebtedness during the financial year				
* Addition	3,391.90	331.80	1,690.05	5,413.75
* Reduction	2,380.16	254.78	330.05	2,964.99
Net Change	1,011.74	77.02	1,360.00	2,448.76
Indebtedness at the end of the financial year				
i) Principal Amount	27,540.33	2,202.58	8,188.98	37,931.89
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)	27,572.07	2,202.58	8,542.31	38,316.96

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

(Amount in ₹)

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

B. Remuneration to other directors
1. Independent Director

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Sanjay Majmudar	Mr. Ashok Gandhi	Mr. Arvind Sanghvi	Mr. Amol Dalal	Ms. Shivani Shah*	
1	Fee for attending board/committee meetings	55000	55000	15000	55000	10000	190000
2	Commission	NIL	NIL	NIL	NIL	NIL	NIL
3	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
Total (1)							190000

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)				1,90,000
Total Managerial Remuneration				1,90,000
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. 2017-18, which were within the limits prescribed under the Companies Act, 2013.		

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

(Amount in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
		Mr. Subhasish Bandyopadhyay*	Mr. Sharvil Suthar**	Mr. Bhavik Shukla	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1543000	393553	2119934	4056487
	(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	1543000	393553	2119934	4056487

** Mr. Subhasish Bandyopadhyay has resigned as a CEO of the company w.e.f. 01.01.2018

***Mr. Sharvil B. Suthar, Company Secretary has resigned w.e.f. 31st March, 2018

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, 2018

Name of Director	Category	Inter-se Relations hip	Numbers of Board Meetings		No. of outside Directorships held as on 31-03-2018	No. of Outside Committee position held		Whether attended last AGM held on 08-09-2017
			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	5	5	2	0	0	Yes
Mr. Ashish V. Shah (Managing Director)	Promoter, Non Independent and Executive Director	Brother of Mr. Kalpesh Shah	5	4	2	0	0	Yes
Mr. Kalpesh V. Shah (WholeTime Director)	Promoter, Non Independent and Executive Director	Brother of Mr. Ashish Shah	5	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	5	5	0	0	0	No

Name of Director	Category	Inter-se Relations hip	Numbers of Board Meetings		No. of outside Directorship s held as on 31-03-2018	No. of Outside Committee position held		Whether attended last AGM held on 08-09-2017
			Held during the year	Attended during the Year		as member	as Chairman	
Mr. Rajesh P. Arora (Director)	Promoter, Non Independent and Non-Executive Director	Son of Mr.ParmanandArora and Brother of Mr.VinodArora	5	5	0	0	0	No
Mr. Sanjay S. Majmudar (Director)	Independent Non-executive	NA	5	5	4	4	4	Yes
Mr. Ashok C. Gandhi (Director)	Independent Non-executive	NA	5	5	4	10	1	Yes
Mr.Arvind D. Sanghvi (Director)	Independent Non-executive	NA	5	2	2	1	0	No
Mr.Amol R. Dalal (Director)	Independent Non-executive	NA	5	5	1	1	2	Yes
**Ms.Shiavni Shah (Director)	Independent Non-executive	NA	5	2	0	0	0	No
***Mr.Yashree Dixit (Director)	Independent Non-executive	NA	NA	NA	1	0	0	NA
****Mr.Nipun Arora (Director)	Non Independent and Executive Director	Son of Mr.Vinod Arora, Chairman and Managing Director of the Company	NA	NA	1	0	0	NA

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. Shivani Shah (DIN: 06693408), Independent Director has resigned from the company w.e.f. 26th February 2018

***Ms. Yashree Dixit (DIN: 7775794), has been appointed as Independent directors w.e.f. 24.05.2018

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

The Company held 5 Board Meetings during 2017-18 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held were: 26th May, 2017, 28th July, 2017, 14th September, 2017, 11th December, 2017 and 10th February, 2018.

Shareholding of Non-Executive Directors as on 31st March, 2018

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.AmolDalal	4904
Mr.ArvindSanghvi	-
Ms.Shivani Shah**	-
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. Shivani Shah (DIN: 06693408), Independent Director has resigned from the company w.e.f. 26th February 2018

***Ms. Yashree Dixit (DIN: 7775794), has been appointed as Independent directors w.e.f. 24.05.2018

Familiarization Programme for Independent Directors

The Company has formulated a policy to familiarize the Independent Directors with the Company, their roles, rights, responsibilities of Company, nature of Industry in which the Company operates, business model of the Company etc., through various programmes are regularly updated on the website of the Company. Web link is: <http://www.aarveedenims.com/wp-content/uploads/2018/03/Familiarisation-Programme-Independent-Director.pdf>

3. AUDIT COMMITTEE

(i) Brief Description of Terms of reference

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

(ii) Composition and Attendance during the year

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

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

Name of Member	Designation	Category	No. of Meetings	Meetings attended
Mr. Sanjay Majmudar	Chairman	Independent – Non-Executive Director	5	5
Mr. Ashok C. Gandhi	Member	Independent – Non-Executive Director	5	5
Mr. Amol Dalal	Member	Independent – Non-Executive Director	5	5

The Audit Committee met 5 times during the year and gap between two meetings did not exceed four months. The dates on which Audit Committee Meetings were held were: 26th May, 2017, 28th July, 2017, 14th September, 2017, 11th December, 2017 and 10th February, 2018. 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 8th September, 2017.

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	1	1
Mr. Ashok C. Gandhi	Member	Independent – Non-Executive Director	1	1
Mr. Amol Dalal	Member	Independent – Non-Executive Director	1	1

The Committee met one times during the year, on 28th July, 2017.

The Chairman of the Nomination and Remuneration Committee, Mr. Sanjay Majmudar was present at the Annual General Meeting of the Company held on 8th September, 2017.

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, 2018 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. Parmanand T. Arora	-	-	-
Mr. Rajesh P. Arora	-	-	-
Mr. Sanjay S. Majmudar	-	55,000.00	55,000.00
Mr. Ashok C. Gandhi	-	55,000.00	55,000.00
Mr. Amol R. Dalal	-	55,000.00	55,000.00
Mr. Arvind D. Sanghvi	-	15,000.00	15,000.00
Ms. Shivani D. Shah	-	10,000.00	10,000.00
Ms. Yahsree Dixit	-	-	-

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. 26th May, 2017, 28th July, 2017, 11th December, 2017 and 10th February, 2018 and all three members of committee were present at above meetings.

Name and Designation of Compliance officer: Mr. Sharvil B. Suthar, Company Secretary, who has resigned w.e.f 31.03.2018

Ms. Yashaswini Pandey has been appointed as Company Secretary of the company w.e.f. 11.08.2018.

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	03	03	Nil
3.	Query regarding demat credit	-	-	-
4.	Others	-	-	-
	Total	03	03	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 14th March, 2018, 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 2017-18 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

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
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
28th September, 2015	191, Shahwadi, Nr. Old Octroi Naka, Narol Sarkhej Highway, Narol, Ahmedabad: 382 405	10:00 A.M.	4

- 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 2017-18 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, 2018.
- (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:
- 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.
 - The Company has appointed separate persons to the posts of Chairman and Managing Director.
 - 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/wp-content/uploads/2017/02/related-party-transaction-policy.pdf>

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 : 25th September 2018

Time : 10:30 A.M.

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

ii. Financial year: 1st April 2017 to 31st March 2018

Financial results will be declared as per the following schedule:

Particular	Tentative schedule
Quarterly un-audited results	
Quarter ending 30th June, 2018	On or before 14th September, 2018
Quarter ending 30th September, 2018	On or before 14th November, 2018
Quarter ending 31st December, 2018	On or before 14th February, 2019
Annual audited result	
Year ended 31st March, 2019	On or before 30th May, 2019

iii. Date of Book Closure : 24th September 2018 to 25th September 2018 (Both days inclusive)

iv. Dividend Payment Date : Director of the company is not recommended any dividend for the financial year ended on 31st March, 2018.

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

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

vi. Stock Code

Stock Code on BSE : 514274

Stock Code on NSE : AARVEEDEN

Demat ISIN No. for NSDL and CDSL : INE273D01019

vii. Market price

MONTH	BSE			NSE		
	High (₹)	Low (₹)	Turnover (₹)	High (₹)	Low (₹)	Turnover (₹)
Apr-17	77.35	70.00	56.02	77.00	70.00	276.38
May-17	77.05	57.05	103.62	77.70	57.20	443.73
Jun-17	68.80	58.00	42.29	69.00	55.50	172.52
Jul-17	69.50	60.00	27.82	68.80	58.20	187.04
Aug-17	67.20	26.55	1103.19	67.80	26.50	1669.96
Sep-17	57.00	41.25	1212.37	57.45	41.15	2719.42
Oct-17	47.90	42.00	86.91	47.85	41.25	263.07
Nov-17	50.60	42.00	226.96	50.25	42.00	517.10
Dec-17	51.50	43.75	138.91	51.75	44.10	562.19
Jan-18	58.00	48.50	424.37	57.05	48.00	1326.62
Feb-18	57.00	41.85	68.80	57.00	41.00	390.29
Mar-18	51.50	39.00	39.64	51.00	39.00	162.14


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, Off 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 2017-18. 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 31-03-2018

Sr. No.	Category (Shares)	Shareholders		Shareholding	
		Numbers	Percentage	Numbers	Percentage
1	1-500	10073	86.8811	1495972	6.3767
2	501-1000	773	6.6672	648365	2.7637
3	1001-2000	355	3.0619	558917	2.3824
4	2001-3000	126	1.0868	318806	1.3589
5	3001-4000	54	0.4658	192560	0.8208
6	4001-5000	50	0.4313	235062	1.0020
7	5001-10000	73	0.6296	531364	2.2650
8	Above 10000	90	0.7763	19478754	83.0303
	Total	11594	100.00	2,34,59,800	100.00

xii. Shareholding Pattern as on 31-03-2018

Category	No. of Shares held	% of Shareholding
Corporate Bodies (Promoter Co)	6953978	29.6421
Promoters	8482325	36.1569
Clearing Members	106966	0.4560
Other Bodies Corporate	300129	1.2793
Government Companies	216195	0.9216
Hindu Undivided Family	352947	1.5045
Non Nationalized Banks	300	0.0013
Non Resident Indians	1601458	6.8264
Non Resident (Non Repatriable)	71488	0.3047
Public	4800256	20.4616
Trusts	80000	0.3410
Insurance Companies	493758	2.1047
TOTAL	23459800	100

xiii. Dividend declared for the last 10 years

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

xiv. Dematerialization of Shares and liquidity

Electronic/ Physical	No of Shares	Percentage %
NSDL	2,01,85,185	86.04
CDSL	28,12,902	11.99
Physical	4,61,713	1.97
TOTAL	2,34,59,800	100.00

As on 31st March, 2018, 2,29,98,087 (98.03%) Equity Shares of the Company were dematerialized. 100% promoters share holdings are in dematerialized form.

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

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

b. Narol Unit

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

c. Spinning Plant-I

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

d. Spinning Plant-II

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

xvi. Address for correspondence

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

Company Secretary

Aarvee Denims and Exports Limited

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

Phone : 91-079- 30417000 **Fax :** 91-079- 30417070

Email : cs@aarvee-denims.com

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

Name : Link Intime India Pvt. Ltd.

Address : 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.

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, 2018.

Date : 11.08.2018
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 2018** 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 : 11.08.2018
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 AND EXPORTS LIMITED**, for the year ended on March 31, 2018 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulations 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), as amended (the Listing Regulations) (applicable criteria) with respect to Corporate Governance, pursuant to the Listing Agreement of the said Company with stock exchanges.

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the mandatory conditions of corporate governance as mentioned in paragraph 1 above under Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year ended March 31, 2018, except after resignation of woman Independent Director, w.e.f. 26/2/2018, there was no Woman Director on the Board and total Independent Directors were 4 instead of required 5, till close of the financial year.

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 : 11.08.2018

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 grew at 3.8%, highest since 2011. It was majorly driven by rise in profits, improved market sentiments, and robust growth in emerging markets and developing economies along with improvement in commodity exporters. In 2017, faster growth was experienced by around two-thirds of the countries accounting for almost 75% of the global output in comparison to 2016. Recuperation in investment spending in the advanced economies along with stabilization in investment in commodity exporting emerging markets and developing economies are the key drivers of growth. Global growth is projected to edge up to 3.1% in 2018, as the cyclical momentum continues.

The Indian economy headed for slower growth at 6.7% in 2017-18 after registering a GDP growth of over 7% for the third year in succession in 2016-17. The year under review was marked by structural reforms: GST introduction, addressing bank non-performing assets, FDI liberalization, bank recapitalization and privatization of coal mines. Foreign exchange reserves rose to US\$ 414 billion as on January 2018.

Overview of Indian Textile Market

The growth of textile sector is largely depends on consumer spending and multiple factors like actual and perceived economic condition, disposable income, employment and consumer credit availability are affecting consumer spending. Though the demonetization and GST implementation were to boost the economy, the short term negative impact on consumer demand has adversely impacted the Textile sector as a significant portion of the textile industry was getting operated as unorganized sector. Post GST, import duty has come down sharply, thus making imports cheaper for the domestic apparel industry which has placed pressure on selling prices for textile industry as a whole.

Further, Government reduced the duty incentives on textile exports in October, 2017, which has impacted the garmenting sector quite negatively and exports of garments saw a sharp decline. Indian currency also remained strong throughout the year, impacting the cost competitiveness to Indian textile players vis-à-vis global peers. Domestic textile market was also weak post the implementation of GST. The trade channel, which was not subjected to tax earlier, took time to adjust to the new tax regime, resulting in a sharp fall in domestic demand. While we believe that the medium term demand drivers remain intact, it will take a couple of quarters for the demand to normalise. Over time, we believe growing Indian economy and higher disposable income will lead to strong domestic demand which augurs well for textile industry.

Review of Operations

(Rs. in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017	Y-O-Y Growth
Revenue from Operations	82,959.72	84614.24	(2)%
EBITDA	8277.93	7381.74	12%
Profit after Tax	560.85	118.60	372%
Earnings per Share (Rs.)	2.39	0.72	232%

**Revenue**

There has been a decrease in Revenue from Operations by a mere 2% to Rs. 82959.72 Lakh.

EBITDA & PAT

The company has delivered a growth of 12.14% in Operating Earnings before Interest, Depreciation and Taxes (EBITDA) during FY 2017-18 and Profit after Tax (PAT) was up by more than 3 times during FY 2017-18.

Raw Material Consumption

Consumption of Raw Materials increased by 3.82% to Rs. 54271 Lakh from Rs. 52274 Lakh, mainly due to sharp rise in Cotton prices. Average cotton prices during the year under review were higher by almost 20% as compared to previous year. However outside yarn consumption cost has considerably reduced to Rs. 8530 Lakh from 10292 Lakh and the consumption of colour and chemicals have also reduced to Rs. 6634 Lakh from Rs. 7799 Lakh.

Employee benefits expenses

Employee benefits expenses increased by 2.50% to Rs. 5566 Lakh from 5430 Lakh during the previous year.

Finance Cost

Finance cost increased by 15% to Rs. 4346 Lakh from Rs. 3763 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 9% to Rs. 19036 Lakh as compared to Rs. 20793 Lakh during previous year mainly due to decrease in overall manufacturing as well as administrative expenses. Power and Fuel cost remained at the same level of Rs. 112334 Lakh as compared to Rs. 11223 Lakh during previous year. Store and Spares consumption have considerably decreased to Rs. 1830 Lakh from Rs. 2527 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

Current assets at the end of the year were up by 24% while current liabilities were higher by 8%. 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.

Debt

Total debt at the end of the year stood at Rs. 27279 Lakh. Our debt went up during the year in line with the increase in the working capital requirements in the business.

Subsidiary Company

During the year ended March 31, 2018 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, 2018. On account of above, standalone and consolidated financial results of the company for year ended March 31, 2018 remains same. However, Consolidated Financial Statements of Assets and Liabilities as at March 31, 2018 of the parent company after incorporating Financial Statements of Assets and Liabilities as at March 31, 2018 of such subsidiary has been prepared.

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 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 2017-18 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 Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **AARVEE DENIMS AND EXPORTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2018, and its profit (including other comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these standalone Ind AS financial statements, are based on the previously issued audited financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by another auditors, whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 26th May, 2017 and 28th May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditors' Report) Order, 2017 ("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, 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 Control 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 other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its standalone Ind AS financial position in its standalone Ind AS financial statements;
 - ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the company.

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

Place : Ahmedabad.
Date : 24.05.2018

SUNIL K. DAVE
PARTNER
Membership Number: 047236



AARVEE DENIMS AND EXPORTS LTD.

"Annexure A" to the Independent Auditors' Report of even date on the standalone Ind AS Financial Statements of AARVEE DENIMS AND EXPORTS LIMITED,

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind AS financial statements of the Company for the year ended March 31, 2018:

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 (Ind 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: 24.05.2018



AARVEE DENIMS AND EXPORTS LTD.

"Annexure B" to the Independent Auditors' Report of even date on the standalone Ind AS Financial Statements of AARVEE DENIMS AND EXPORTS LIMITED.

Referred to in paragraph 2(f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind AS financial statements of the Company for the year ended March 31, 2018.

Report on the Internal Financial Controls 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 AND EXPORTS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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.

Auditors' 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 based on the assessed risk. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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 Ind AS 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, 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, 2018, 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".

For **SHAH & SHAH ASSOCIATES**

Chartered Accountants

FRN:113742W

SUNIL K. DAVE

PARTNER

Membership Number: 047236

Place : Ahmedabad.

Date : 24.05.2018



AARVEE DENIMS AND EXPORTS LTD.

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. In Lakh)

Particulars	Note	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	5A	36,201.01	37,391.46	36,908.25
(b) Capital work-in-progress	5B	-	539.00	66.68
(c) Intangible assets	5A	72.14	75.25	0.81
(d) Financial assets				
(i) Investments	6	1.00	-	-
(ii) Other financial assets	7	19.26	19.26	19.26
(e) Non-current tax assets (net)	8	168.39	174.84	217.85
(f) Other non-current assets	9	1,557.57	1,485.26	2,324.17
Total non-current assets		38,019.37	39,685.07	39,537.02
2 Current assets				
(a) Inventories	10	19,984.68	15,866.13	17,663.04
(b) Financial assets				
(i) Trade receivables	11	29,515.01	24,002.49	21,228.60
(ii) Cash and cash equivalents	12	190.58	183.91	465.56
(iii) Other bank balance	13	2,117.45	1,687.67	971.42
(iv) Other financial assets	14	1,444.05	1,201.45	1,988.09
(c) Other current assets	15	596.48	511.94	816.84
Total current assets		53,848.25	43,453.59	43,133.55
TOTAL ASSETS		91,867.62	83,138.66	82,670.57
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16	2,345.98	2,345.98	2,345.98
(b) Other equity	17	24,822.84	24,264.08	23,866.84
Total equity		27,168.82	26,610.06	26,212.82
Liabilities				
1 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	8,322.87	4,179.49	4,563.25
(ii) Other financial liabilities	19	391.96	390.23	403.20
(b) Other non current liabilities	20	240.65	282.72	219.33
(c) Provisions	21	71.30	71.60	126.26
(d) Deferred tax liabilities (net)	22	4,302.10	4,229.04	4,140.05
Total non-current liabilities		13,328.88	9,153.08	9,452.09
2 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	29,348.09	29,722.77	30,231.32
(ii) Trade payables	24	20,751.23	15,195.05	12,515.71
(iii) Other financial liabilities	25	927.30	2,210.88	4,003.53
(b) Other current liabilities	26	167.72	172.40	99.38
(c) Provisions	27	101.68	34.47	33.25
(d) Current tax liabilities (net)	28	73.90	39.95	122.47
Total current liabilities		51,369.92	47,375.52	47,005.66
TOTAL EQUITY AND LIABILITIES		91,867.62	83,138.66	82,670.57
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 : 24th May 2018

Kalpesh V. Shah

Whole Time Director

(DIN:00007262)

AARVEE DENIMS AND EXPORTS LTD.
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018
 (Rs. In Lakh)

Particulars	Note	2017-18	2016-17
I. Income:			
Revenue from operations	29	82,705.71	84,441.47
II. Other income	30	254.01	172.77
III. Total Income (I + II)		82,959.72	84,614.24
IV. Expenses:			
Cost of materials consumed	31	54,270.79	52,273.89
Changes in inventories of finished goods and work in progress	32	(4,191.24)	(1,264.62)
Employee benefits expense	33	5,566.08	5,429.74
Finance costs	34	4,345.97	3,763.40
Depreciation and amortization expense	5A	3,294.48	3,347.86
Other expenses	35	19,036.16	20,793.49
V. Total expenses		82,322.24	84,343.76
VI. Profit / (Loss) before Tax (III- V)		637.48	270.48
VII. Tax expense:	36		
Current tax		83.88	100.80
Short tax provision in earlier years		-	2.05
Mat Credit Entitlement		(80.32)	(97.40)
Deferred tax		73.07	88.98
VIII. Profit / (Loss) for the year (VI-VII)		560.85	176.05
IX. Other comprehensive income (net of tax)		3.95	(57.45)
X. Total comprehensive income for the year (VIII + IX)		564.80	118.60
XI. Earnings per equity share of face value of Rs. 10 each	37		
Basic & Diluted (in Rs.)		2.39	0.75
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 : 24th May 2018**Kalpesh V. Shah**

Whole Time Director

(DIN:00007262)

Place : Ahmedabad

Date : 24th May 2018



AARVEE DENIMS AND EXPORTS LTD.

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakh)

Particulars	2017-18	2016-17
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per the Statement of Profit and Loss	637.49	270.49
Adjustments for :		
Depreciation and amortization expense	3,294.48	3,347.85
Foreign exchange (gain)/loss	(6.05)	259.44
Impact of retained earning	3.95	(38.25)
Interest and financial expenses	4,345.97	3,763.40
Net loss/(profit) on sale of fixed assets	(15.08)	4.89
Interest received	(107.70)	(109.27)
Provision for expected credit loss	21.16	264.68
Bad debts	-	19.84
Sundry balance written off	-	8.47
Insurance claim written off / (receivable)	216.03	-
Operating profit before working capital changes	8,390.25	7,791.54
Adjustments for :		
Trade receivables	(5,533.67)	(3,058.42)
Inventories	(4,334.58)	1,796.91
Other current assets	(84.54)	304.90
Other non current assets	(72.31)	838.91
Other financial assets current	(242.60)	786.65
Current borrowings	1,323.05	1,665.74
Other current financial liabilities	(1,283.59)	(1,792.65)
Other current liabilities	(4.68)	73.02
Current provisions	101.17	(81.30)
Non current provisions	72.77	34.32
Other non current financial liabilities	1.73	(12.97)
Other non current liabilities	(42.07)	63.39
Trade payables	5,556.17	2,679.32
Cash generated from operations	3,847.10	11,089.36
Income taxes paid	(70.17)	(51.43)
Net cash from operating activities (A)	3,776.93	11,037.93
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,751.77)	(4,743.53)
Sale of fixed assets	204.91	352.39
Investment in wholly owned subsidiary	(1.00)	-
Bank balances not considered as cash and cash equivalents		
- matured / (placed)	(433.77)	(718.78)
Interest received	107.70	109.27
Net cash used in investing activities (B)	(1,873.93)	(5,000.65)

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

Particulars	2017-18	2016-17
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (repayment) of non current borrowings (net)	(91.24)	(383.76)
Proceeds/ (repayment) from current borrowings (net)	2,536.89	(2,174.30)
Interest & finance cost	(4,345.97)	(3,763.40)
Dividend paid	3.99	2.53
Net cash used in financing activities (C)	(1,896.33)	(6,318.93)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	6.67	(281.65)
Cash and cash equivalents at the beginning of the year (Refer Note 12)	183.91	465.56
Cash and cash equivalents at the end of the year (Refer Note 12)	190.58	183.91
See accompanying notes forming part of standalone financial statements		

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 : 24th May 2018

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 : 24th May 2018**Kalpesh V. Shah**

Whole Time Director

(DIN:00007262)



AARVEE DENIMS AND EXPORTS LTD.

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A Equity share capital (Rs. In Lakh)

Particulars	Note	No. of Shares	Amount
As at 1st April, 2016		2,34,59,800	2,345.98
Changes in equity share capital	16a	-	-
As at 31st March, 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

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, 2016	1,499.13	2,807.10	562.73	(253.38)	19,251.26	23,866.84
Profit for the year	-	-	-	-	176.05	176.05
Other comprehensive Income for the year (net)	-	-	-	-	(38.25)	(38.25)
Total Comprehensive Income for the year	-	-	-	-	137.80	137.80
Foreign currency monetary transition difference	-	-	-	259.44	-	259.44
Balalance as at 31st March, 2017	1,499.13	2,807.10	562.73	6.06	19,389.06	24,264.08
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)
Balalance as at 31st March, 2018	1,499.13	2,807.10	562.73	0.02	19,953.86	24,822.84

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

For Shah & Shah Associates

Chartered Accountants
(Firm Reg. No. 113742W)
Sunil K. Dave
Partner
(Membership No. 047236)

Place : Ahmedabad
Date : 24th May 2018

For and on behalf of the Board of Directors
Aarvee Denims and Exports Limited

Vinod P. Arora **Kalpesh V. Shah**
Chairman & MD Whole Time Director
(DIN:00007065) (DIN:00007262)
Bhavik N. Shukla
Chief Financial Officer
Place : Ahmedabad
Date : 24th May 2018

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
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 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 under lying contract or estimated period of its economic life.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**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 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
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.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**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 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**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 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**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, not 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.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
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 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**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

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**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 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**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 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 asignificant 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

5A. Property, plant & equipments

(Rs. In Lakh)

Particulars	Tangible Assets								Intangible Assets	
	Lease hold land	Land & Land Development	Buildings	Plant & Machinery	Electric Installations	Furniture & Fixtures	Office Equipments	Vehicles	Computer	Total
Deemed Cost										
As at April 1, 2016	78.60	1,301.11	9,539.91	24,220.47	1,093.64	367.08	165.64	127.62	14.18	36,908.25
Additions	-	-	243.35	3,878.49	14.45	1.64	35.47	5.58	3.09	4,182.07
Disposals	-	-	0.42	696.94	0.04	-	-	5.46	-	702.86
As at March 31, 2017	78.60	1,301.11	9,782.84	27,402.02	1,108.05	368.72	201.11	127.74	17.27	40,387.46
Additions	-	-	255.13	1,982.41	1.07	0.28	12.54	25.68	-	2,277.11
Disposals	-	-	1.06	662.24	0.10	-	-	25.12	-	688.52
As at March 31, 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
Accumulated Depreciation										
As at April 1, 2016	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	7.20	-	381.32	2,532.65	263.94	59.44	67.42	24.39	5.23	3,341.59
Eliminated on Disposal of Assets	-	-	-	342.70	-	-	-	2.89	-	345.59
As at March 31, 2017	7.20	-	381.32	2,189.95	263.94	59.44	67.42	21.50	5.23	2,996.00
Depreciation for the year	7.20	-	391.31	2,569.87	179.72	49.98	50.40	24.42	4.83	3,277.73
Eliminated on Disposal of Assets	-	-	-	481.17	-	-	-	17.52	-	498.69
As at March 31, 2018	14.40	-	772.63	4,278.65	443.66	109.42	117.82	28.40	10.06	5,775.04
Net Block										
As at March 31, 2018	64.20	1,301.11	9,264.28	24,443.54	665.36	259.58	95.83	98.90	7.21	36,201.01
As at March 31, 2017	71.40	1,301.11	9,401.52	25,212.07	844.11	309.28	133.69	106.24	12.04	37,391.46
As at April 1, 2016	78.60	1,301.11	9,539.91	24,220.47	1,093.64	367.08	165.64	127.62	14.18	36,908.25
										0.81
										80.71
										-
										81.52
										13.64
										-
										95.16
										-
										-
										6.27
										-
										6.27
										16.75
										-
										23.02
										72.14
										75.25
										0.81

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respective assets and depreciated over the remaining useful life of such assets. As a result - (a) Addition or an amount of Rs. 97.12 Lakh (Previous Year deletion Rs. 144.94 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. 220.99 Lakh (Previous Year Rs. 237.72 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 46 or Government grant related to property, plant and equipment.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. In Lakh)

(v) Bifurcation of closing net carrying value of property, plant and equipment as at April 01, 2016

Particulars	Tangible Assets								Intangible Assets		
	Lease hold land	Land & Land Development	Buildings	Plant & Machinery	Electric Installations	Furniture & Fixtures	Office Equipments	Vehicles	Computer	Total	Computer Software
As at April 1, 2016											
Gross carrying amount	144.00	1,301.11	12,500.91	46,514.91	2,594.59	743.20	573.54	218.45	95.45	64,686.16	21.57
Less : Accumulated depreciation	(65.40)	-	(2,961.00)	(22,294.44)	(1,500.95)	(376.12)	(407.90)	(90.83)	(81.27)	(27,777.91)	(20.76)
Net carrying amount	78.60	1,301.11	9,539.91	24,220.47	1,093.64	367.08	165.64	127.62	14.18	36,908.25	0.81

5B. Capital work in progress

(Rs. In Lakh)

Particulars	As at		As at	
	31st March, 2018		31st March, 2017	
As at 1st April, 2016				
Opening capital work in progress	539.00	66.68	221.14	66.68
Add : Addition during the year	-	549.67	66.68	221.14
Less : Capitalised during the year	539.00	77.35	221.14	66.68
Closing capital work in progress	-	539.00	66.68	66.68



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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

6 Investments (Non - current) (Rs. In Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
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	-	-
Total	1.00	-	-

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security deposits			
Unsecured, considered good	19.26	19.26	19.26
Total	19.26	19.26	19.26

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance tax and TDS receivable (net of provision)	168.39	174.84	217.85
Total	168.39	174.84	217.85

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital advances			
Unsecured, considered good	55.85	60.12	1,004.23
	55.85	60.12	1,004.23
Other loans and advances			
Unsecured, considered good			
Balance with government authorities	188.14	188.14	180.71
MAT credit entitlements	1,313.40	1,233.08	1,135.68
Staff advances and others	0.18	3.92	3.55
	1,501.72	1,425.14	1,319.94
Total	1,557.57	1,485.26	2,324.17

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**10 Inventories (Rs. In Lakh)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw materials	2,492.54	2,552.50	5,433.87
Work in progress	4,172.11	3,888.14	3,759.63
Finished goods	12,471.69	8,875.00	7,572.22
Goods in transit (Finished goods)	580.25	269.67	436.34
Stores and spares	268.09	280.82	460.98
Total	19,984.68	15,866.13	17,663.04

11 Trade receivables (Rs. In Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured, considered good	-	-	-
Unsecured, considered good	29,515.01	24,002.49	21,228.60
Unsecured, considered doubtful	21.16	264.68	-
Less: Allowance for unsecured doubtful debts (Expected credit loss allowance) (Refer Note 44B)	(21.16)	(264.68)	-
Total	29,515.01	24,002.49	21,228.60

12 Cash and cash equivalents (Rs. In Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash on hand	6.05	6.34	24.85
Balances in current accounts with banks	184.53	177.57	440.71
Total	190.58	183.91	465.56

13 Other bank balance (Rs. In Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
In unclaimed dividend accounts	2.27	6.26	8.79
In deposit accounts for margin money	2,115.18	1,681.41	962.63
Total	2,117.45	1,687.67	971.42

(Above deposit includes ₹ 1350.97 lakh (Previous year ₹ 1073.40 lakh) under bank lien for margin money).



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

14 Other financial assets (Current) (Rs. In Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, considered good)			
Advances to subsidiary	0.26	-	-
Loans and advance to staff	2.26	10.03	26.45
Loans and advance to others	3.63	3.27	14.45
Goods and service tax receivable	1,394.08	-	-
Gratuity advance	-	11.52	26.30
Insurance claim receivable	-	1,109.72	1,889.11
Interest receivable on margin money	43.82	66.91	31.78
Total	1,444.05	1,201.45	1,988.09

15 Other current assets (Rs. In Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Export benefit receivable	204.54	282.27	534.47
Advance to creditors	219.10	72.93	171.14
Balance with government authorities	7.31	5.93	0.75
Prepaid expenses	165.53	150.81	110.48
Total	596.48	511.94	816.84

16 Share capital (Rs. In Lakh)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number	Amount	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	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	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	2,34,59,800	2,345.98
Total	2,34,59,800	2,345.98	2,34,59,800	2,345.98	2,34,59,800	2,345.98

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**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,2018		As at 31st March,2017		As at 1st April,2016	
	Number	Amount	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	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	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 2018, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL (31st March 2017: 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,2018		As at 31st March,2017		As at 1st April,2016	
	No. of Share held	Amount	No. of Share held	Amount	No. of Share held	Amount
DEG - Deutsche Investitions – undEntwicklungsgesellsc haftmbH	-	-	33,65,600	14.34	33,73,100	14.38
DevangkumarNarendrakumarSanghavi	14,90,000	6.35	14,90,000	6.35	14,90,000	6.35
Parmanand T. Arora	18,99,533	8.10	18,99,533	8.10	18,99,533	8.10
V.B. Investment Private Limited	23,20,900	9.89	19,88,165	8.47	8,83,200	3.76
Kashvi Investment Private Limited	13,88,200	5.92	13,88,200	5.92	7,07,600	3.02



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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

17 Other equity (Rs. In Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital redemption reserve	1,499.13	1,499.13	1,499.13
Securities premium account	2,807.10	2,807.10	2,807.10
General reserve	562.73	562.73	562.73
Foreign currency monetary item trns.diff			
As per last Balance Sheet	6.06	(253.38)	(344.77)
Foreign currency monetary trns. diff	(6.04)	259.44	91.39
	0.02	6.06	(253.38)
Retained earning			
As per last Balance Sheet	19,389.06	19,251.26	18,548.61
Add: Net profit for the current year	560.85	176.05	702.65
<u>Other comprehensive income (net of tax)</u>			
Amortisation of loan processing fees	-	19.20	-
Re-measurement gain / (losses) on defined benefit plans	3.95	(57.45)	-
Balance at the end of year	19,953.86	19,389.06	19,251.26
Total	24,822.84	24,264.08	23,866.84

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
18 Borrowings (Non - current) (Rs. In Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured loans			
Term loans from banks:			
(Refer Note a, c & d below)	1,000.55	2,578.60	4,757.58
Less : Current maturities of long-term Loan (Refer Note 25)	(252.40)	(1,588.20)	(3,394.45)
	748.15	990.40	1,363.13
Term loans from financial institution:			
(Refer Note c & d below)	-	-	1,190.81
Less : Current maturities of long-term Loan (Refer Note 25)	-	-	-
	-	-	1,190.81
Buyers credit from banks:			
(Refer Note c below)	1,122.54	1,057.24	-
Less: Current maturities of long-term buyers credit (Refer Note 25)	-	-	-
	1,122.54	1,057.24	-
Vehicle loans : (Refer Note b & d below)	23.51	31.78	53.63
Less: Current maturities of long-term vehicle loans (Refer Note 25)	(8.53)	(25.49)	(25.74)
	14.98	6.29	27.89
	1,885.67	2,053.93	2,581.83
Unsecured			
Public deposits (Refer Note 42)			
From directors	1,270.00	-	-
From others	2,964.62	-	-
	4,234.62	-	-
Loans from related parties (Refer Note 42)	2,202.58	2,125.56	1,981.42
	2,202.58	2,125.56	1,981.42
Total	8,322.87	4,179.49	4,563.25

Nature of Securities:

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



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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

d. Term of Repayment

(Rs. In Lakh)

Term Loan & Corporate Loan	Repayment Schedule	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
IDBI Bank (Term Loan)	8 Quarterly inst. Starting from 22/02/16 of ₹ 25,00,000 each	-	75.00	175.00
IDBI Bank (Term Loan)	7 Quarterly inst. Starting from 22/05/16 of ₹ 25,00,000 each	-	75.00	175.00
IDBI Bank (Term Loan)	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	1,242.80	-
TATA Capital (Term Loan)	60 Quarterly inst. Starting from 15/04/17 of ₹ 26,50,000 each	-	-	1,190.81
BOB - ECB Loan	June-13, Sept-13, Dec-13, March-14 of 93,750 USD each	-	769.89	2,280.13
	June-14, Sept-14, Dec-14, March-15 of 2,18,750 USD each			
	June-15, Sept-15, Dec-15, March-16 of 3,90,650 USD each			
	June-16, Sept-16, Dec-16, March-17 of 5,62,500 USD each			
	June-17 of 5,93,750 USD & Sept-17 of 5,63,650 USD			
SCB - ECB Loan	19 Quarterly inst. Starting from 04/10/12 of USD 3,28,947 each	-	213.29	1,091.00
SCB - ECB Loan new	16 Quarterly inst. Starting from 05/07/13 of USD 3,12,500 each	-	202.62	1,036.45

(Rs. In Lakh)

Vehicle Loans	Repayment Schedule	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
TATA Capital	36 Monthly inst. Starting from 03/10/14 of ₹ 21,440 each	-	1.25	3.53
AXIS Bank Ltd	36 Monthly inst. Starting from 15/02/15 of ₹ 16,251 each	-	1.54	3.23
Kotak Bank Ltd.	36 Monthly inst. Starting from 05/01/16 of ₹ 38,300 each	3.31	7.38	11.08
Kotak Bank Ltd.	36 Monthly inst. Starting from 01/05/15 of ₹ 29,142 each	0.29	3.56	6.51

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

BMW India Financial Services Pvt. Ltd.	60.Monthly inst. Starting from 01/03/13 of ₹ 63,725 each	-	12.16	25.44
Kotak Bank Ltd.	36 Monthly inst. Starting from 20/03/17 of ₹ 12,860 each	2.68	3.88	-
ICICI Bank Ltd.	36 Monthly inst. Starting from 15/04/15 of ₹ 17,876 each	-	2.01	3.84
HDFC Bank Ltd	60 Monthly inst. Starting from 05/06/17 of ₹ 16,412 each	6.89	-	-
HDFC Bank Ltd	60 Monthly inst. Starting from 05/06/17 of ₹ 12,310 each	5.17	-	-
HDFC Bank Ltd	60 Monthly inst. Starting from 05/06/17 of ₹ 12,310 each	5.17	-	-

19 Other financial liabilities (Non - current) (Rs. In Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade deposits	391.96	390.23	403.20
Total	391.96	390.23	403.20

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred income on government grant (Refer Note 46)	240.65	282.72	219.33
Total	240.65	282.72	219.33

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for employee benefits			
Compensated absences	71.30	71.60	64.32
Other provisions			
Provision for estimated loss on derivatives	-	-	61.94
Total	71.30	71.60	126.26

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
22 Deferred tax liabilities (Net) (Rs. In Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred tax liability			
Related to fixed assets	4,368.23	4,334.50	4,163.61
Remeasurement benefit of the defined benefits plans through OCI	-	18.99	-
Deferred tax assets			
Deferred tax imposed on employee benefits	57.19	30.59	23.56
Provision for doubtful debt	6.99	87.51	-
Deferred tax on amortisation of loan processing fees	-	6.35	-
Remeasurement benefit of the defined benefits plans through OCI	1.95	-	-
Total	4,302.10	4,229.04	4,140.05

23 Borrowings (Current) (Rs. In Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
Loans from banks			
Working capital loans (Refer Note b below)	25,393.73	22,856.84	24,768.95
Buyers credit-working capital (Refer Note b below)	-	-	262.18
	25,393.73	22,856.84	25,031.13
Unsecured			
Public deposits (Refer Note 42)			
From directors	1,808.75	2,469.00	1,857.00
From others	2,145.61	4,396.93	3,343.19
	3,954.36	6,865.93	5,200.19
Total	29,348.09	29,722.77	30,231.32

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Monery received from directors during the year	659.75	628.00	1,706.00

b. Nature of Securities:

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
24 Trade payables (Rs. In Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Acceptances	2,442.31	1,231.41	689.65
Trade payables (Refer Note 42 & 47)	18,308.92	13,963.64	11,826.06
Total	20,751.23	15,195.05	12,515.71

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, 2018	As at 31st March, 2017	As at 1st April, 2016
Current maturities of long-term borrowings	260.93	1,613.69	3,420.19
Interest accrued but not due on borrowings	385.07	333.05	330.86
Unclaimed dividends	2.26	6.26	8.78
Other payables	279.04	257.88	243.70
Total	927.30	2,210.88	4,003.53

26 Other current liabilities (Rs. In Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Other liabilities			
Advances from customers	167.72	172.40	99.38
Total	167.72	172.40	99.38

27 Provisions (Current) (Rs. In Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for employee benefits			
Compensated absences	31.87	32.44	33.25
Gratuity payable	69.81	-	-
Provision for estimated loss on derivatives	-	2.03	-
Total	101.68	34.47	33.25

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Others			
Provision for taxation (net of advance tax and TDS)	73.90	39.95	122.47
Total	73.90	39.95	122.47



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

29 Revenue from operations (Rs. In Lakh)

Particulars	2017-18	2016-17
Sale of products	82,441.64	83,774.97
Other operating revenues :		
Export incentive income	264.07	666.50
Total	82,705.71	84,441.47

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 and year ended 31st March 2017 includes excise duty recovered on sales of Rs. 20.08 Lakhs.

30 Other income (Rs. In Lakh)

Particulars	2017-18	2016-17
Interest income	107.70	109.27
Gain on disposal of Property plant and equipments (net)	15.08	-
Apportioned income from government grant (Refer Note 46)	42.07	42.07
Gain on foreign currency transactions and translation (net)	65.81	-
Other non-operating income	23.35	21.43
Total	254.01	172.77

31 Cost of materials consumed (Rs. In Lakh)

Particulars	2017-18	2016-17
Opening stock	2,552.50	5,433.87
Add : Purchases	54,210.83	49,392.52
	56,763.33	54,826.39
Less : Closing stock	2,492.54	2,552.50
Cost of raw materials consumed	54,270.79	52,273.89

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

Particulars	2017-18	2016-17
Inventories at the end 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
Inventories at the beginning of the year		
Work in progress	3,888.14	3,759.63
Finished goods	9,144.67	8,008.56
	13,032.81	11,768.19
Net (Increase) / Decrease in stock	(4,191.24)	(1,264.62)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**33 Employee benefits expense (Rs. In Lakh)**

Particulars	2017-18	2016-17
Salaries,wages and bonus	5,159.95	5,106.82
Contributions to provident fund & others funds (Refer Note 38)	358.90	285.58
Staff welfare expenses	47.23	37.34
Total	5,566.08	5,429.74

34 Finance costs (Rs. In Lakh)

Particulars	2017-18	2016-17
Interest expense	3,736.69	3,304.25
Other borrowing costs	609.28	459.15
Total	4,345.97	3,763.40

35 Other Expenses (Rs. In Lakh)

Particulars	2017-18	2016-17
Consumption of stores and spare parts	1,830.07	2,527.24
Power and fuel	11,234.31	11,223.33
Payment to auditors (Refer note below)	9.00	23.05
Rent	43.74	33.34
Repairs to building	199.60	179.71
Repairs to machineries	983.96	955.11
Insurance	221.58	242.01
Rates & taxes	102.14	165.83
Job work charges	912.61	1,048.04
Packing materials	506.95	593.12
Folding charges	54.13	63.49
Labour charges	413.01	617.33
Advertisement, publicity & sales promotion	23.65	263.70
Commission & brokerage	1,310.66	1,283.00
Travelling & conveyance	70.32	79.36
Freight & forwarding	252.77	365.62
Loss on disposal of property, plant & equipment (net)	-	4.89
Sundry balance written off	-	8.47
Bad debts written off	-	19.84
Allowance for unsecured doubtful debts	21.16	264.68
Insurance claim written off relating to stock	216.03	-
Professional fees and charges	39.50	35.24
Loss on foreign currency transactions and translation (net)	-	166.01
Miscellaneous expenses	590.97	631.08
Total	19,036.16	20,793.49

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Payments to the auditors		(Rs. In Lakh)
Particulars	2017-18	2016-17
Payment to auditors		
For statutory audit fees	9.00	16.10
For taxation matters	-	1.15
For other services	-	5.80
Total	9.00	23.05

36 Income tax expenses

Particulars	2017-18	2016-17
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	83.88	100.80
Adjustments in respect of previous year	-	2.05
MAT Credit entitlement	(80.32)	(97.40)
Deferred Tax :		
In respect of current year	73.07	88.98
Income Tax expense recognised in the Statement of Profit and Loss	76.63	94.43
(ii) Income Tax expense recognised in OCI		
Deferred Tax :		
Remeasurement of defined benefits plan (Gain)/Loss	5.90	(85.83)
Income Tax Expenses on Remeasurement of defined benefits plan	(1.95)	28.38
Income tax expense recognised in OCI	3.95	(57.45)
B. Reconciliation of tax expense and the accounting profit for the year is as under:		
Profit before tax	637.48	270.48
Income tax expense calculated at @ 33.063%	210.77	89.43
MAT credit recognized	(80.32)	(97.40)
Deferred tax charged to statement of profit and loss	73.07	88.98
Interest on Income tax	3.56	3.40
Short provision of income tax of earlier years	-	2.05
Effect of tax on deductions claimed under chapter VI-A of Income tax act 1961 (net)	(80.52)	(45.99)
Difference in rate of tax between MAT rate and normal rate	(49.93)	53.96
Effective Tax Rate at 12.02% (P.Y. 34.91%)	76.63	94.43

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

The tax rate used for reconciliation above is the corporate tax rate of 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, 2018 at applicable @ 33.063%.

37 Earnings per share

Particulars	2017-18	2016-17
Profit available for equity share holders (Rs. In Lakh)	560.85	176.05
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.	2.39	0.75

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,2018	YEAR ENDED 31st MARCH,2017
Current service cost	77.40	68.48
Net interest cost	(0.85)	(2.13)
Past service cost	24.88	-
Amount recognised in profit and loss accounts (Refer note 33)	101.43	66.35
Actuarial (gain)/Loss		
a) arising from changes in financial assumption	(22.54)	28.55
b) arising from experience adjustments	12.30	23.50
Return on plan assets excluded amount included in interest income	6.29	5.40
Amount recognised in other comprehensive income	(3.95)	57.45
Total	97.48	123.80

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
II. Reconciliation of opening and closing balances of defined benefit obligation:

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH,2018	YEAR ENDED 31st MARCH,2017
Defined benefits obligation at beginning of the year	391.27	302.76
Interest cost	28.72	24.46
Current service cost	77.40	68.48
Past service cost	24.87	-
Actuarial losses (gains)	(10.23)	52.05
Benefits paid	(66.48)	(56.48)
Defined benefits obligation at the end of the year	445.55	391.27

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

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH,2018	YEAR ENDED 31st MARCH,2017
Fair value of plan assets at beginning of the year	402.79	329.07
Interest Income	29.56	26.59
Contributions by employer	15.70	106.71
Benefits paid	(66.02)	(54.18)
Return on plan assets excluded amount included in interest income	(6.29)	(5.40)
Fair value of plan assets at year end	375.74	402.79

IV. Investment details:

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH,2018	YEAR ENDED 31st MARCH,2017
Investment with insurer (Investment in policy of LIC)	98.33%	98.54%
Investment with insurer (Investment in policy of India First)	1.67%	1.46%

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

Particulars	Gratuity (Rs.in Lakh)	
	YEAR ENDED 31st MARCH,2018	YEAR ENDED 31st MARCH,2017
Mortality table (LIC)	2006-08(Ultimate)	2006-08(Ultimate)
Discount rate (per annum)	7.86%	7.34%
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, 2018

- 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,2018	YEAR ENDED 31st MARCH,2017
Projected benefit obligation on current assumptions	445.55	391.27
Delta effect of +1% change in rate of discounting	(37.78)	(37.71)
Delta effect of -1% change in rate of discounting	45.39	45.43
Delta effect of +1% change in rate of salary increase	43.48	45.48
Delta effect of -1% change in rate of salary increase	(36.80)	(38.47)
Delta effect of +1% change in rate of employee turnover	6.89	3.26
Delta effect of -1% change in rate of employee turnover	(8.31)	(4.13)

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, 2018

(ii) Expected contribution during the next annual reporting period

The Company'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,2018	YEAR ENDED 31st MARCH,2017
Expected outflow in 1st year	100.03	62.45
Expected outflow in 2nd year	11.02	9.08
Expected outflow in 3rd year	20.99	14.97
Expected outflow in 4th year	27.93	19.22
Expected outflow in 5th year	29.12	25.29
Expected outflow in 6th to 10th year	129.91	118.47

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,2018	YEAR ENDED 31st MARCH,2017
Employer's contribution to provident fund	157.16	144.29
Employer's contribution to ESIC	100.31	74.94
Total	257.47	219.23

39 Capital commitments

(Rs. in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	116.23	679.35	887.02

40 Contingent liabilities in respect of:

(Rs. in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a. Service tax matters disputed in appeal	55.44	55.44	55.44
b. Income tax matters disputed in appeal	24.81	24.81	24.81
c. Custom duty payable on pending export obligations	620.06	601.20	884.77
d. Corporate guarantee	333.83	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, 2018
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	31-03-2018		31-03-2017	
	External Sales	Total	External Sales	Total
a. Segment revenue				
Textile	80,510.55	80,510.55	81,852.31	81,852.31
Wind mill	2,195.16	2,195.16	2,589.16	2,589.16
Segment total		82,705.71		84,441.47
Eliminations		-		-
Total revenue		82,705.71		84,441.47
b. Segment results				
Textile		3,598.04		2,292.04
Wind mill		1,277.71		1,611.14
Segment total		4,875.75		3,903.18
Eliminations		-		-
Total		4,875.75		3,903.18
Unallocable corporate expenses/ (Income)		(107.70)		(130.70)
Profit before interest etc.		4,983.45		4,033.88
Finance costs		4,345.97		3,763.40
Profit before tax		637.48		270.48
Provision for tax		76.63		94.43
Profit after tax		560.85		176.05
Other comprehensive income		3.95		(57.45)
Other comprehensive income for the year		564.80		118.60
c. Other information				
Depreciation and amortisation (allocable)				
Textile		2797.19		2,850.57
Wind mill		497.29		497.29
Segment total		3294.48		3,347.86



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

d. Segment assets and liabilities

(Rs. in Lakh)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Textile	85,671.88	64,589.21	76,461.31	56,503.47	75,043.41	56,428.22
Wind Mill	6,195.74	109.59	6,677.35	25.13	7,627.16	29.53
Segment Total	91,867.62	64,698.80	83,138.66	56,528.60	82,670.57	56,457.75

B) Secondary segment : Geographical segment

(Rs. in Lakh)

Particulars	2017--18	2016-17	2015-16
Segment revenue			
a) In India	76,484.74	75,940.59	65,437.26
b) Outside India	6,220.97	8,500.88	18,685.24
Total	82,705.71	84,441.47	84,122.50

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Carrying cost of segment assets			
a) In India	89,227.13	80,453.73	74,931.62
b) Outside India	2,640.49	2,684.93	7,738.95
Total	91,867.62	83,138.66	82,670.57
Carrying cost of segment liabilities			
a) In India	57,862.96	49,808.14	43,486.04
b) Outside India	6,835.84	6,720.46	12,971.71
Total	64,698.80	56,528.60	56,457.75

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Pee Vee Synthetics Pvt. Ltd.	Parmanand Arora & Sons, HUF
Shipa Fabrics Pvt. Ltd.	T.P. Vinodkumar, HUF
V.B. Investment Pvt. Ltd.	T.P. Rajeshkumar, HUF
Kashvi Investments Pvt. Ltd.	K.V. Enterprise
Bhansali Tradelink Pvt. Ltd.	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
Parmanand T. Arora	Ashish V. Shah
Kalpesh V. Shah	Bhavik Shukla
Hardik Modi (Upto 04.07.2016)	Sharvil B. Suthar (Upto 31.03.2018)
Suketu Shah (Upto 31.12.2016)	Subhasish Bandhopadhyay (Upto 31.12.2017)

(d) Non - Executive Directors

Sanjay S. Majmudar	Arvind D. Sanghvi
Ashok C. Gandhi	Shivani D. Shah
Amol R. Dalal	

(e) Relatives of key management personnel

Nipun V. Arora	Renu Arora
Pankaj V. Arora	Rita Arora
Heena Khanna	Kastura Rani Arora
Chinmaya P. Arora	Bhriku 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
Anoli Shah	



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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		
		31-03-2018	31-03-2017	31-03-2018	31-03-2017	01-04-2016
Loans / Advance taken	Ennbee Textiles Pvt.Ltd	9.00	5.00	213.83	205.27	202.64
	Rentex Weavers Ltd	10.00	5.00	138.33	128.28	125.93
	Shipa Fabrics Pvt.Ltd	-	-	127.80	128.23	128.48
	Twenty First Century Mktg. Ltd.	66.00	139.00	1,423.64	1,387.11	1,283.60
	New Ahmedabad Synt.Pvt. Ltd.	-	15.00	289.25	266.81	231.42
Loans/ Advance Repaid	Ennbee Textiles Pvt.Ltd	21.15	23.61	213.83	205.27	202.64
	Rentex Weavers Ltd	13.37	15.78	138.33	128.28	125.93
	Shipa Fabrics Pvt.Ltd	13.34	13.74	127.80	128.23	128.48
	Twenty First Century Mktg. Ltd.	175.11	178.10	1,423.64	1,387.11	1,283.60
	Bhansali Tradelink Pvt. Ltd.	0.35	0.10	3.60	3.58	3.31
	Pee Vee Synthetics Pvt. Ltd.	0.38	0.20	2.62	2.72	2.65
	New Ahmedabad Synt.Pvt. Ltd.	6.00	7.00	289.25	266.81	231.42
	Vee Bee Textile Pvt. Ltd.	0.40	0.20	3.51	3.56	3.40
Fixed Deposits taken	Pankajbhai V Arora	23.50	20.00	277.70	254.20	234.20
	Nipun V Arora	27.50	70.00	326.35	298.85	228.85
	Rajesh Arora	390.00	132.00	722.00	332.00	200.00
	Rita Arora	205.00	137.00	702.00	497.00	360.00
	Parmanand Arora	125.00	427.00	1,452.00	1,327.00	900.00
	Vinod Arora	144.75	69.00	904.75	810.00	757.00
	Preeti N Arora	44.75	45.85	604.60	559.85	514.00
	Parmanand Arora & Sons, HUF	5.30	10.00	65.30	60.00	50.00
	T.P. Vinodkumar, HUF	11.00	4.50	98.50	87.50	83.00
	T.P. Rajeshkumar, HUF	6.50	10.00	76.50	70.00	60.00
	Kastura Rani Arora	40.00	3.00	46.00	6.00	3.00
	Renu Arora	217.00	234.60	1,154.60	987.60	753.00
	Sarthak P Arora	4.00	-	6.50	2.50	2.50
	Chinmaya P. Arora	4.00	-	6.10	2.10	2.10
	M/S. Kashvi	46.00	-	46.00	-	-
	Kashviben Kalpeshbhai Shah	10.00	-	10.00	-	-
	Virendra Bhogilal & Co.	50.00	-	50.00	-	-
	Shikha Arora	79.75	107.85	513.10	433.35	325.50
	Heena Khanna	10.50	2.00	12.50	2.00	-
	Somani Chawla	40.50	13.00	53.50	13.00	-
Loans/ Advance Given	AYE ESS Spinning Mills Pvt. Ltd.	0.26	-	0.26	-	-
Investment in subsidiary	AYE ESS Spinning Mills Pvt. Ltd.	1.00	-	1.00	-	-

AARVEE DENIMS AND EXPORTS LTD.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakh)

Transaction	Name of the related party	Transaction With the Parties		Balance as at		
		31-03-2018	31-03-2017	31-03-2018	31-03-2017	01-04-2016
Sale of goods	Pari Bhogilal Laxmichand	74.43	138.03	-	5.91	27.54
	Panch Rattan Fabrics	9,433.25	7,747.45	4,662.63	2,237.54	1,754.53
	Virendra Bhogilal & Co.	-	286.09	-	-	-
	Namit Enterprise	(2.08)	64.91	-	33.68	-
	B. S. Textile	(9.19)	339.06	-	67.40	-
	Textile India	1,050.24	1,398.17	-	1,398.17	-
Lease Rent	Techtex	2.03	2.09	2.16	0.54	0.54
Job Work Charges	Virendrabhai Bhogilal & Co.	323.66	293.31	26.38	21.54	25.16
	A.V. Enterprise	30.55	34.20	1.69	2.96	2.92
	B.Kalpeshkumar & Co.	20.66	22.80	1.66	1.94	1.91
	B S Textiles	308.94	306.21	22.28	22.69	6.36
	K.V. Enterprise	31.23	34.20	1.69	2.94	2.94
	Namit Enterprise	97.19	78.28	9.07	6.56	6.84
Interest on Loans / Advance/ FDs	Vinod P Arora	79.79	77.08	904.75	810.00	36.65
	Parmanand Arora	140.21	119.58	1,452.00	1,327.00	49.13
	Rajesh Arora	51.51	25.40	722.00	332.00	13.74
	Pankaj V Arora	26.31	24.21	277.70	254.20	9.19
	Nipunbhai V Arora	30.93	26.09	326.35	298.85	9.48
	Chinmaya P. Arora	0.52	0.21	6.10	2.10	0.05
	Sarthak P Arora	0.56	0.25	6.50	2.50	0.08
	Shikha Arora	45.37	36.83	513.10	433.35	14.16
	Jahanvi N Arora	0.18	0.18	1.80	1.80	0.06
	Bhriugu N Arora	0.19	0.19	1.90	1.90	0.06
	Renu Arora	103.98	86.51	1,154.60	987.60	33.91
	Rita Arora	55.66	43.52	702.00	497.00	11.73
	Kastura Rani Arora	3.01	0.41	46.00	6.00	0.25
	Preeti N Arora	57.45	52.86	604.60	559.85	23.33
	Heena Khanna	0.35	0.07	12.50	2.00	-
	Somani Chawla	2.54	0.50	53.50	13.00	-
	Parmanand Arora & Sons, HUF	6.40	5.89	65.30	60.00	0.01
	T.P. Rajeshkumar H.U.F.	7.41	6.88	76.50	70.00	0.01
	T.P. Vinodkumar H.U.F.	8.91	8.17	98.50	87.50	0.07
	M/S. Kashvi	1.49	-	46.00	-	-
	Kashviben Kalpeshbhai Shah	0.37	-	10.00	-	-
	Virendra Bhogilal & Co.	1.86	-	50.00	-	-
	Ennbee Textiles Pvt.Ltd	23.02	23.59	213.83	205.27	21.97
	New Ahmedabad Synt.Pvt.Ltd.	31.60	30.43	289.25	266.81	26.06
	Rentex Weavers Ltd	14.90	14.60	138.33	128.28	14.91
	Twenty First Century Marketing Ltd	161.82	158.46	1,423.64	1,387.11	146.38
	Bhansali Tradelink Pvt. Ltd.	0.41	0.41	3.60	3.58	0.37
	Pee Vee Synthetics Pvt. Ltd.	0.30	0.31	2.62	2.72	0.30
	Vee Bee Textile Pvt. Ltd.	0.40	0.40	3.51	3.56	0.31
	Shipa Fabrics Pvt.Ltd	14.36	14.99	127.80	128.23	15.64
Commission & Brokerage	Parmanand Vinodkumar	492.97	411.23	331.68	126.62	69.22
	Arora Agencies	360.06	385.07	254.92	162.12	49.88
	Namit Enterprise	1.32	0.63	1.50	0.59	-



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakh)

Transaction	Name of the related party	Transaction With the Parties		Balance as at		
		31-03-2018	31-03-2017	31-03-2018	31-03-2017	01-04-2016
Remuneration	Vinodbhai P Arora	36.00	36.00	2.41	2.37	2.21
	Ashishbhai V Shah	30.00	30.00	2.08	2.04	1.86
	Kalpeshbhai V Shah	18.00	18.00	1.44	1.14	1.19
Salary	Nipunbhai V Arora	12.00	12.00	0.80	0.89	0.84
	Pankajbhai V Arora	12.00	12.00	0.80	0.89	0.84
	Pankilbhai K Shah	12.00	12.00	0.80	0.89	0.84
	AnujA. Shah	2.62	2.40	0.22	0.20	0.20
	Bhavik Shukla	21.20	18.90	1.15	0.79	1.31
	Hardik Modi	-	1.20	-	-	0.37
	Sharvil B. Suthar	3.94	1.98	0.31	0.28	-
	Suketu Shah	-	29.64	-	-	2.39
	Subhasish Bandhopadhyay	15.43	6.68	-	-	-
Sitting Fees	Sanjay S. Majmudar	0.55	0.50	-	-	-
	Ashok C. Gandhi	0.55	0.50	-	-	-
	Amol R. Dalal	0.55	0.50	-	-	-
	Arvind D. Sanghvi	0.15	0.05	-	-	-
	Shivani D. Shah	0.10	0.14	-	-	-

43 Derivative transactions:

The Company has entered into the following derivative instruments;

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

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

(Rs. in Lakh)

As at	No. of Contracts	US \$ Equivalent	INR Equivalent
March 31, 2018	-	-	-
March 31, 2017	-	-	-
April 1, 2016	1	4.40	291.86

- (b) Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts: Nil 31 March, 2018 (2 No. of contracts 31 March, 2017, 4 No. of contracts as at 31 March, 2016).

44 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,

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

Particulars	(Rs. In Lakh)	
	31st March 2018	31st March 2017
50 bps increase would decrease the profit before tax by	136.40	124.55
50 bps decrease would increase the profit before tax by	136.40	124.55

(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;

Particulars	2017-18		2016-17		2015-16	
	Amount (Foreign Currency)	Amount (Rs.)	Amount (Foreign Currency)	Amount (Rs.)	Amount (Foreign Currency)	Amount (Rs.)
Amount payable in foreign currency	\$78.06	5,081.15	\$86.51	5,609.76	\$194.87	12,920.33
	€ 0.32	22.13	€ 0.54	37.05	€ 0.65	51.38
	JPY 1,824.08	1,122.54	JPY 1,824.08	1,057.24	-	-
Amount receivable in foreign currency	\$29.00	1,886.46	\$24.02	1,557.85	\$73.23	4,857.33
	€ 0.01	0.44	€ 0.09	6.83	€ 1.14	85.49
	CHF 0.16	10.98	CHF 0.00	0.22	CHF 2.84	194.11
	JPY 215.65	132.71	JPY 0.82	0.46	JPY 5.84	3.41



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(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 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 2018	31st March 2017
Balance at the beginning of the year	264.68	-
Provision made / (reversed) during the year	(243.52)	264.68
Balance at the end of the year	21.16	264.68

(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, 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
Year ended 31st March, 2017				
Interest bearing borrowings	31,336.46	4,179.49	-	35,515.95
Trade payables	15,195.05	-	-	15,195.05
Other financial liabilities	597.19	-	390.23	987.42
Total	47,128.70	4,179.49	390.23	51,698.42

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**45 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:

Particulars	(Rs. In Lakh)	
	31st March 2018	31st March 2017
Non-Current borrowings	8,322.87	4,179.49
Current maturities of non-current borrowings	260.93	1,613.69
Current borrowings	29,348.09	29,722.77
Interest accrued but not due on borrowings	385.07	333.05
Total Debt	38,316.96	35,849.00
Less: Cash and bank balances	2,305.76	1,865.32
Net Debt	36,011.20	33,983.68
Equity	27,168.82	26,610.06
Net debt to equity ratio	1.33	1.28

b) Categories of financial instruments:

Particulars	(Rs. In Lakh)					
	31st March 2018		31st March 2017		1st April 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
Measured at amortised cost						
Investments (non current)	1.00	1.00	-	-	-	-
Security deposit	19.26	19.26	19.26	19.26	19.26	19.26
Trade receivable	29,515.01	29,515.01	24,002.49	24,002.49	21,228.60	21,228.60
Cash and cash equivalent	190.58	190.58	183.91	183.91	465.56	465.56
Other bank balances	2,117.45	2,117.45	1,687.67	1,687.67	971.42	971.42
Other financial assets	1,444.05	1,444.05	1,201.45	1,201.45	1,988.09	1,988.09
Total financial assets at amortised cost (A)	33,287.35	33,287.35	27,094.78	27,094.78	24,672.93	24,672.93
Measured at fair value through other comprehensive income (B)	-	-	-	-	-	-
Measured at fair value through profit and loss (C)	-	-	-	-	-	-
Total financial assets (A + B + C)	33,287.35	33,287.35	27,094.78	27,094.78	24,672.93	24,672.93
Financial liabilities						
Measured at amortised cost						
Borrowings non current	8,322.87	8,322.87	4,179.49	4,179.49	4,563.25	4,563.25
Borrowings current	29,348.09	29,348.09	29,722.77	29,722.77	30,231.32	30,231.32
Trade payables	20,751.23	20,751.23	15,195.05	15,195.05	12,515.73	12,515.73
Other financial liabilities	1,319.26	1,319.26	2,601.11	2,601.11	4,406.73	4,406.73
Total financial liabilities carried at amortised cost	59,741.45	59,741.45	51,698.42	51,698.42	51,717.03	51,717.03

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
46 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.

47 Disclosures under the MSMED Act, 2006

In the absence of any information from vendors regarding the status of their registration under the "Micro Small and Medium Enterprise Development Act 2006" the company is unable to comply with the disclosures required to be made under the said Act.

48 Expenditure in foreign currency

	(Rs. In Lakh)	
Particulars	31st March 2018	31st March 2017
Travelling	2.21	8.63
Commission on Export Sales	315.44	315.24
Freight & Forwarding Charges	-	17.47
Subscription Fees	3.02	6.74
ECB Charges	-	11.53
Sales Promotion	10.02	-
Labouratory & Testing Fees	0.60	-
Total	331.29	359.61

49 Earnings in foreign currency

	(Rs. in Lakh)	
Particulars	2017-18	2016-17
FOB value of Export Sales	6,192.24	8,595.30

- 50** During the year, the gross amount to be spent by the Company for Corporate Social Responsibility expenditure is Rs. 16.33 Lakh and amount spent is Rs. NIL (As at 31.03.2017 Rs. 17.10 Lakh and amount spent is Rs. NIL).

51 First-time adoption of Ind AS

The Company has adopted Ind AS from 1st April, 2017 and the date of transition to Ind AS is 1st April, 2016. These being the first financial statements in compliance with Ind AS, the impact of transition has been accounted for in opening reserves and comparable periods have been restated in accordance with Ind AS 101 – "First-time Adoption of Indian Accounting Standards". The Company has presented a reconciliation of its equity under Previous GAAP to its equity under Ind AS as at 1st April, 2016 and 31st March, 2017 and of the total comprehensive income for the year ended 31st March, 2017 as required by Ind AS 101 in the financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Following are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

(a) Deemed cost for property, plant and equipment

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets 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.

(b) Classification and measurements of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

(c) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

(d) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following reconciliations provides the explanations and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:-

(a) Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016

Particulars	Notes	31st March 2017	1st April 2016
Equity as per previous GAAP		26,767.08	26,389.04
Deferred Tax Adjustment	1	(176.19)	(176.19)
Amortisation of Loan Processing Fees	2	19.20	-
Others		(0.03)	(0.04)
Equity as per Ind AS		26,610.06	26,212.81

(b) Reconciliation of total comprehensive income as at 31st March, 2017

Particulars	Notes	31st March, 2017
Net Profit after tax as per previous GAAP		118.60
Actuarial Gain/(loss) on employee defined benefit funds recognised in OCI (Net of tax)	3	(57.45)
Net Profit for the period under IND AS (A)		61.15
Other Comprehensive Income Components		
Actuarial Gain/(loss) on employee defined benefit funds recognised in OCI (Net of tax)	3	57.45
Total other Comprehensive Income (B)		57.45
Total Comprehensive Income for the period under IND AS (A+B)		118.60

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
Note: 1 Deferred Tax Adjustment

Deferred Tax have been recognised on the adjustments made on transition to Ind AS.

Note: 2 Amortisation of Loan Processing Fees

Under previous GAAP, the loan processing charges were normally recognised as expense as and when incurred. Under Ind AS, borrowings have been measured at amortised cost using effective interest rate. This has resulted into amortisation of loan processing charges over the period of borrowings.

Note: 3 Remeasurement of Post employment benefits obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2017 decreased by Rs. 57.45 lakhs . There is no impact on the total equity as at March 31, 2017.

(c) Cashflow reconciliation for the year ended 31st March, 2017

Pariticulars	Previous GAAP	Effect of transition to IND AS	IND AS
Net cash flows from operating activities	9,653.73	1,384.20	11,037.93
Net cash flows from investing activities	(3,802.05)	(1,198.60)	(5,000.65)
Net cash flows from financing activities	(6,133.33)	(185.60)	(6,318.93)
Net increase in cash and cash equivalents	(281.65)	-	(281.65)
Cash and cash equivalents at the beginning of the year	465.56	-	465.56
Cash and cash equivalents at the end of the year	183.91	-	183.91

52 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the company's Ind AS financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs("MCA") has issued certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2018. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board(IASB) into Ind AS and has amended the following standards:

- i. Ind AS 115-Revenue from Contract with Customers
- ii. Ind AS 21-The effect of changes in foreign exchanges rates
- iii. Ind AS 12-Income Taxes

These amendments are effective for annual periods beginning on or after April 01, 2018. Application of these amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the Ind AS financial statements.

The company is assessing the potential effect of the amendments on its Ind AS financial statements. The company will adopt these amendments, if applicable, from their applicability date.

AARVEE DENIMS AND EXPORTS LTD.



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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 24th May, 2018.

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 : 24th May 2018

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 : 24th May 2018

Kalpesh V. Shah

Whole Time Director

(DIN:00007262)



AARVEE DENIMS AND EXPORTS LTD.

Shah & Shah Associates
Chartered Accountants

702, ANIKET, Nr. MUNICIPAL MARKET,
C.G. ROAD, NAVRANGPURA,
AHMEDABAD - 380 009.
PHONE: 26465433
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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

We have audited the accompanying consolidated Ind AS financial statements of **AARVEE DENIMS AND EXPORTS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (together, "the Group") which comprises of the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Statement of Cash Flow for the year then ended and the Statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and changes in equity of the Group 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 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 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

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 Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
 - c) The consolidated Ind AS Balance Sheet as at 31st March, 2018, the consolidated Ind AS Statement of Profit and Loss including other comprehensive income, the consolidated Ind AS Statement of Cash Flow for the year then ended and the Statement of changes in equity for the year then ended dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of written representations received from the directors of the Holding Company and a Subsidiary Company as on 31st March, 2018 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 31st March, 2018, 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 group and the operating effectiveness of such controls, refer to our Separate Report in **"Annexure A"**.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - (ii) The Group 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 Holding Company and its subsidiary company incorporated in India.

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

SUNIL K. DAVE
PARTNER
Membership Number: 047236

Place : Ahmedabad.
Date : 24th May, 2018

"Annexure A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under "Report on other legal and regulatory requirements" of our report of even date)

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

We have audited the Internal Financial Control over financial reporting of **AARVEE DENIMS AND EXPORTS LIMITED** ("the Holding Company") as of 31st March, 2018 in conjunction with our audit of the consolidated financial statements of the Holding Company and its subsidiary companies and a joint venture incorporated in India as of that date.

Management Responsibility for the Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and a joint venture which is a company 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 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") and the Standards on Auditing, issued by ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 judgment, 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 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:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) 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 authorizations of management and directors of the company; and

AARVEE DENIMS AND EXPORTS LTD.



(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, its subsidiary companies and a joint venture which are 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 31st March, 2018, 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.

For **SHAH & SHAH ASSOCIATES**

Chartered Accountants
FRN: 113742W

SUNIL K. DAVE
PARTNER

Membership Number: 047236

Place : Ahmedabad.
Date: 24th May, 2018



AARVEE DENIMS AND EXPORTS LTD.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. In Lakh)

Particulars	Note	As at 31st March, 2018
ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	5A	36,201.01
(b) Capital work-in-progress	5B	-
(c) Intangible assets	5A	72.14
(d) Financial assets		
(i) Investments	6	-
(ii) Other financial assets	7	19.26
(e) Non-current tax assets (net)	8	168.39
(f) Other non-current assets	9	1,557.57
Total non-current assets		38,018.37
2 Current assets		
(a) Inventories	10	19,984.68
(b) Financial assets		
(i) Trade receivables	11	29,515.01
(ii) Cash and cash equivalents	12	191.58
(iii) Other bank balance	13	2,117.45
(iv) Other financial assets	14	1,443.79
(c) Other current assets	15	596.74
Total current assets		53,849.25
TOTAL ASSETS		91,867.62
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	16	2,345.98
(b) Other equity	17	24,822.84
Total equity		27,168.82
Liabilities		
1 Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	18	8,322.87
(ii) Other financial liabilities	19	391.96
(b) Other non current liabilities	20	240.65
(c) Provisions	21	71.30
(d) Deferred tax liabilities (net)	22	4,302.10
Total non-current liabilities		13,328.88
2 Current liabilities		
(a) Financial liabilities		
(i) Borrowings	23	29,348.09
(ii) Trade payables	24	20,751.23
(iii) Other financial liabilities	25	927.30
(b) Other current liabilities	26	167.72
(c) Provisions	27	101.68
(d) Current tax liabilities (net)	28	73.90
Total current liabilities		51,369.92
TOTAL EQUITY AND LIABILITIES		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 : 24th May 2018

Kalpesh V. Shah

Whole Time Director

(DIN:00007262)

Place : Ahmedabad

Date : 24th May 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. In Lakh)

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

Chairman & MD

(DIN:00007065)

Bhavik N. Shukla

Chief Financial Officer

Place : Ahmedabad

Date : 24th May 2018**Kalpesh V. Shah**

Whole Time Director

(DIN:00007262)

Place : Ahmedabad

Date : 24th May 2018



AARVEE DENIMS AND EXPORTS LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakh)

Particulars	2017-18
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net profit before tax as per the Statement of Profit and Loss	637.49
Adjustments for :	
Depreciation and amortization expense	3,294.48
Foreign exchange (gain)/loss	(6.05)
Impact of retained earning	3.95
Interest and financial expenses	4,345.97
Net loss/(profit) on sale of fixed assets	(15.08)
Interest received	(107.70)
Provision for expected credit loss	21.16
Insurance claim written off / (receivable)	216.03
Operating profit before working capital changes	8,390.25
Adjustments for :	
Trade receivables	(5,533.67)
Inventories	(4,334.58)
Other current assets	(84.54)
Other non current assets	(72.31)
Other financial assets current	(242.60)
Current borrowings	1,323.05
Other current financial liabilities	(1,283.59)
Other current liabilities	(4.68)
Current provisions	101.17
Non current provisions	72.77
Other non current financial liabilities	1.73
Other non current liabilities	(42.07)
Trade payables	5,556.17
Cash generated from operations	3,847.10
Income taxes paid	(70.17)
Net cash from operating activities (A)	3,776.93
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(1,751.77)
Sale of fixed assets	204.91
Bank balances not considered as cash and cash equivalents - matured / (placed)	(433.77)
Interest received	107.70
Net cash used in investing activities (B)	(1,872.93)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Lakh)

Particulars	2017-18
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds/ (repayment) of non current borrowings (net)	(91.24)
Proceeds/ (repayment) from current borrowings (net)	2,536.89
Interest & finance cost	(4,345.97)
Dividend paid	3.99
Net cash used in financing activities (C)	(1,896.33)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	7.67
Cash and cash equivalents at the beginning of the year (Refer Note 12)	183.91
Cash and cash equivalents at the end of the year (Refer Note 12)	191.58

See accompanying notes forming part of consolidated financial statements

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 : 24th May 2018

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 : 24th May 2018**Kalpesh V. Shah**

Whole Time Director

(DIN:00007262)



AARVEE DENIMS AND EXPORTS LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A Equity share capital (Rs. In Lakh)

Particulars	Note	No. of Shares	Amount
As at 31st March, 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

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
Foreing currency monetary transition difference	-	-	-	(6.04)	-	(6.04)
Balalance as at 31st March, 2018	1,499.13	2,807.10	562.73	0.02	19,953.86	24,822.84

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

For Shah & Shah Associates

Chartered Accountants
(Firm Reg. No. 113742W)
Sunil K. Dave
Partner
(Membership No. 047236)

Place : Ahmedabad
Date : 24th May 2018

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 : 24th May 2018

Kalpesh V. Shah
Whole Time Director
(DIN:00007262)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**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 first time 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, 2018

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, 2018

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, 2018
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, 2018**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, 2018**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, 2018**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, 2018
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, 2018**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 recognized in other comprehensive income in the period in which they occur and is reflected immediately

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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 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 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 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 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 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 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, 2018

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.

3.22 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 asignificant 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, 2018
5A. Property, plant & equipments
(Rs. In Lakh)

Particulars	Tangible Assets								Intangible Assets	
	Lease hold land	Land & Land Development	Buildings	Plant & Machinery	Electric Installations	Furniture & Fixtures	Office Equipments	Vehicles	Computer	Total
As at March 31, 2017	78.60	1,301.11	9,782.84	27,402.02	1,108.05	368.72	201.11	127.74	17.27	40,387.46
Additions	-	-	255.13	1,982.41	1.07	0.28	12.54	25.68	-	2,277.11
Disposals	-	-	1.06	662.24	0.10	-	-	25.12	-	688.52
As at March 31, 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
Accumulated Depreciation										
As at March 31, 2017	7.20	-	381.32	2,189.95	263.94	59.44	67.42	21.50	5.23	2,996.00
Depreciation for the year	7.20	-	391.31	2,569.87	179.72	49.98	50.40	24.42	4.83	3,277.73
Eliminated on Disposal of Assets	-	-	-	481.17	-	-	-	17.52	-	498.69
As at March 31, 2018	14.40	-	772.63	4,278.65	443.66	109.42	117.82	28.40	10.06	5,775.04
Net Block										
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
										72.14

respective assets and depreciated over the remaining useful life of such assets. As a result - (a) Addition of an amount of 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. 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 group.
- (iii) Refer Note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (iv) Refer Note 46 or Government grant related to property, plant and equipment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

5B. Capital work in progress

(Rs. In Lakh)

Particulars	As at 31st March, 2018
Opening capital work in progress	539.00
Add : Addition during the year	-
Less : Capitalised during the year	539.00
Closing capital work in progress	-



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

6	Investments (Non - current)	(Rs. In Lakh)
	Particulars	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, 2018
	Security deposits	
	Unsecured, considered good	19.26
	Total	19.26
8	Non-current tax assets (net)	(Rs. In Lakh)
	Particulars	As at 31st March, 2018
	Advance tax and TDS receivable (net of provision)	168.39
	Total	168.39
9	Other non-current assets	(Rs. In Lakh)
	Particulars	As at 31st March, 2018
	Capital advances	
	Unsecured, considered good	55.85
		55.85
	Other loans and advances	
	Unsecured, considered good	
	Balance with government authorities	188.14
	MAT credit entitlements	1,313.40
	Staff advances and others	0.18
		1,501.72
	Total	1,557.57

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**10 Inventories (Rs. In Lakh)**

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

11 Trade receivables (Rs. In Lakh)

Particulars	As at 31st March, 2018
Secured, considered good	-
Unsecured, considered good	29,515.01
Unsecured, considered doubtful	21.16
Less: Allowance for unsecured doubtful debts (Expected credit loss allowance) (Refer Note 44B)	(21.16)
Total	29,515.01

12 Cash and cash equivalents (Rs. In Lakh)

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

13 Other bank balance (Rs. In Lakh)

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

(Above deposit includes ₹ 1350.97 lakh under bank lien for margin money).



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

14 Other financial assets (Current) (Rs. In Lakh)

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

15 Other current assets (Rs. In Lakh)

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

16 Share capital (Rs. In Lakh)

Particulars	As at 31st March, 2018	
	Number	Amount
Authorised		
Equity Shares of Rs. 10/- each	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
Issued, Subscribed & Fully Paid up		
Equity Shares of Rs. 10/- each fully paid up	2,34,59,800	2,345.98
Total	2,34,59,800	2,345.98

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**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, 2018	
	Number	Amount
Shares outstanding at the beginning of the year	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

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 2018, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL (31st March 2017: 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, 2018	
	No. of Shares held	% of Holding
DevangkumarNarendrakumarSanghavi	14,90,000	6.35
Parmanand T. Arora	18,99,533	8.10
V.B. Investment Private Limited	23,20,900	9.89
Kashvi Investment Private Limited	13,88,200	5.92



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

17 Other equity (Rs. In Lakh)

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

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 group has earned till date, less any transfers to general reserve, dividends or other distributions paid to the shareholders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**18 Borrowings (Non - current) (Rs. In Lakh)**

Particulars	As at 31st March, 2018
Secured loans	
Term loans from banks:	
(Refer Note a, c & d below)	1,000.55
Less : Current maturities of long-term Loan (Refer Note 25)	(252.40)
	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)	23.51
Less: Current maturities of long-term vehicle loans (Refer Note 25)	(8.53)
	14.98
	1,885.67
Unsecured	
Public deposits (Refer Note 42)	
From directors	1,270.00
From others	2,964.62
	4,234.62
Loans from related parties (Refer Note 42)	2,202.58
	2,202.58
Total	8,322.87

Nature of Securities:

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



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

d. Term of Repayment

(Rs. In Lakh)

Term Loan & Corporate Loan	Repayment Schedule	As at 31st March, 2018
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

(Rs. In Lakh)

Vehicle Loans	Repayment Schedule	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	2.68
HDFCBank Ltd	60 Monthly inst. Starting from 05/06/17 of ₹ 16,412 each	6.89
HDFCBank Ltd	60 Monthly inst. Starting from 05/06/17 of ₹ 12,310 each	5.17
HDFCBank Ltd	60 Monthly inst. Starting from 05/06/17 of ₹ 12,310 each	5.17

19 Other financial liabilities (Non - current) (Rs. In Lakh)

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**22 Deferred tax liabilities (Net) (Rs. In Lakh)**

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

23 Borrowings (Current) (Rs. In Lakh)

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

a. Public deposit includes deposit accepted from directors

Particulars	As at 31st March, 2018
Monery received from directors during the year	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.



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

24 Trade payables (Rs. In Lakh)

Particulars	As at 31st March, 2018
Acceptances	2,442.31
Trade payables (Refer Note 42 & 47)	18,308.92
Total	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, 2018
Current maturities of long-term borrowings	260.93
Interest accrued but not due on borrowings	385.07
Unclaimed dividends	2.26
Other payables	279.04
Total	927.30

26 Other current liabilities (Rs. In Lakh)

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

27 Provisions (Current) (Rs. In Lakh)

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**29 Revenue from operations (Rs. In Lakh)**

Particulars	2017-18
Sale of products	82,441.64
Other operating revenues :	
Export incentive income	264.07
Total	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	2017-18
Interest income	107.70
Gain on disposal of Property plant and equipments (net)	15.08
Apportioned income from government grant (Refer Note 46)	42.07
Gain on foreign currency transactions and translation (net)	65.81
Other non-operating income	23.35
Total	254.01

31 Cost of materials consumed (Rs. In Lakh)

Particulars	2017-18
Opening stock	2,552.50
Add : Purchases	54,210.83
	56,763.33
Less : Closing stock	2,492.54
Cost of raw materials consumed	54,270.79

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

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



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

33 Employee benefits expense (Rs. In Lakh)

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

34 Finance costs (Rs. In Lakh)

Particulars	2017-18
Interest expense	3,736.69
Other borrowing costs	609.28
Total	4,345.97

35 Other Expenses (Rs. In Lakh)

Particulars	2017-18
Consumption of stores and spare parts	1,830.07
Power and fuel	11,234.31
Payment to auditors (Refer note below)	9.00
Rent	43.74
Repairs to building	199.60
Repairs to machineries	983.96
Insurance	221.58
Rates & taxes	102.14
Job work charges	912.61
Packing materials	506.95
Folding charges	54.13
Labour charges	413.01
Advertisement, publicity & sales promotion	23.65
Commission & brokerage	1,310.66
Travelling & conveyance	70.32
Freight & forwarding	252.77
Allowance for unsecured doubtful debts	21.16
Insurance claim written off relating to stock	216.03
Professional fees and charges	39.50
Miscellaneous expenses	590.97
Total	19,036.16

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

36 Income tax expenses

Particulars	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	83.88
Adjustments in respect of previous year	-
MAT Credit entitlement	(80.32)
Deferred Tax :	
In respect of current year	73.07
Income Tax expense recognised in the Statement of Profit and Loss	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	637.48
Income tax expense calculated at @ 33.063%	210.77
MAT credit recognized	(80.32)
Deferred tax charged to statement of profit and loss	73.07
Interest on Income tax	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	(49.93)
Effective Tax Rate at 12.02% (P.Y. 34.91%)	76.63

The tax rate used for reconciliation above is the corporate tax rate of 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, 2018 at applicable @ 33.063%.



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

37 Earnings per share

Particulars	2017-18
Profit available for equity share holders (Rs. In Lakh)	560.85
Weighted average number of equity shares in computing basic & diluted EPS (Nos.)	2,34,59,800
Face value of the share – Rs.	10.00
Basic and Diluted earnings per share – Rs.	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,2018
Current service cost	77.40
Net interest cost	(0.85)
Past service cost	24.88
Amount recognised in profit and loss accounts (Refer note 33)	101.43
Actuarial (gain)/Loss	
a) arising from changes in financial assumption	(22.54)
b) arising from experience adjustments	12.30
Return on plan assets excluded amount included in interest income	6.29
Amount recognised in other comprehensive income	(3.95)
Total	97.48

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**III. Reconciliation of opening and closing balances of fair value of plan assests :**

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

IV. Investment details:

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

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

Particulars	Gratuity (Rs.in Lakh)
	YEAR ENDED 31st MARCH,2018
Mortality table (LIC)	2006-08(Ultimate)
Discount rate (per annum)	7.86%
Rate of escalation in salary (per annum)	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 group to actuarial risks such as interest rate risk, salary risk and Investment Risk.

- 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.
- 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.
- 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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, 2018
Projected benefit obligation on current assumptions	445.55
Delta effect of +1% change in rate of discounting	(37.78)
Delta effect of -1% change in rate of discounting	45.39
Delta effect of +1% change in rate of salary increase	43.48
Delta effect of -1% change in rate of salary increase	(36.80)
Delta effect of +1% change in rate of employee turnover	6.89
Delta effect of -1% change in rate of employee turnover	(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.

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 group 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.

(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, 2018
Expected outflow in 1st year	100.03
Expected outflow in 2nd year	11.02
Expected outflow in 3rd year	20.99
Expected outflow in 4th year	27.93
Expected outflow in 5th year	29.12
Expected outflow in 6th to 10th year	129.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**2 Defined contribution plans**

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

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

39 Capital commitments

(Rs. in Lakh)

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

40 Contingent liabilities in respect of:

(Rs. in Lakh)

Particulars	As at 31st March, 2018
a. Service tax matters disputed in appeal	55.44
b. Income tax matters disputed in appeal	24.81
c. Custom duty payable on pending export obligations	620.06
d. Corporate guarantee	333.83

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

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 group 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

	(Rs. in Lakh)	
Particulars	31-03-2018	
	External Sales	Total
a. Segment revenue		
Textile	80,510.55	80,510.55
Wind mill	2,195.16	2,195.16
Segment total		82,705.71
Eliminations		-
Total revenue		82,705.71

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
b. Segment results

Textile	3,598.04
Wind mill	1,277.71
Segment total	4,875.75
Eliminations	-
Total	4,875.75
Unallocable corporate expenses/ (Income)	(107.70)
Profit before interest etc.	4,983.45
Finance costs	4,345.97
Profit before tax	637.48
Provision for tax	76.63
Profit after tax	560.85
Other comprehensive income	3.95
Other comprehensive income for the year	564.80

c. Other information

Depreciation and amortisation (allocable)	
Textile	2797.19
Wind mill	497.29
Segment total	3294.48

d. Segment assets and liabilities

(Rs. in Lakh)

Particulars	As at 31st March, 2018	
	Segment Assets	Segment Liabilities
Textile	85,671.88	64,589.21
Wind Mill	6,195.74	109.59
Segment Total	91,867.62	64,698.80

B) Secondary segment : Geographical segment

(Rs. in Lakh)

Particulars	2017-18
Segment revenue	
a) In India	76,484.74
b) Outside India	6,220.97
Total	82,705.71

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	As at 31st March, 2018
Carrying cost of segment assets	
a) In India	89,227.13
b) Outside India	2,640.49
Total	91,867.62
Carrying cost of segment liabilities	
a) In India	57,862.96
b) Outside India	6,835.84
Total	64,698.80

42 Related party disclosures**Related parties and their relationship****(a) Subsidiary company**

Nil

(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
Shipa Fabrics Pvt. Ltd.	T.P. Vinodkumar, HUF
V.B. Investment Pvt. Ltd.	T.P. Rajeshkumar, HUF
Kashvi Investments Pvt. Ltd.	K.V. Enterprise
Bhansali Tradelink Pvt. Ltd.	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

**AARVEE DENIMS AND EXPORTS LTD.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****(c) Key management personnel**

Vinodkumar P. Arora	Rajesh P. Arora
Parmanand T. Arora	Ashish V. Shah
Kalpesh V. Shah	Bhavik Shukla
Hardik Modi (Upto 04.07.2016)	Sharvil B. Suthar (Upto 31.03.2018)
Suketu Shah (Upto 31.12.2016)	Subhasish Bandhopadhyay (Upto 31.12.2017)

(d) Non - Executive Directors

Sanjay S. Majmudar	Arvind D. Sanghvi
Ashok C. Gandhi	Shivani D. Shah
Amol R. Dalal	

(e) Relatives of key management personnel

Nipun V. Arora	Renu Arora
Pankaj V. Arora	Rita Arora
Heena Khanna	Kastura Rani Arora
Chinmaya P. Arora	Bhrigu 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
Anoli Shah	

AARVEE DENIMS AND EXPORTS LTD.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****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
		31-03-2018	31-03-2018
Loans / Advance taken	Ennbee Textiles Pvt.Ltd	9.00	213.83
	Rentex Weavers Ltd	10.00	138.33
	Shipa Fabrics Pvt.Ltd	-	127.80
	Twenty First Century Mktg. Ltd.	66.00	1,423.64
	New Ahmedabad Synt.Pvt. Ltd.	-	289.25
Loans/ Advance Repaid	Ennbee Textiles Pvt.Ltd	21.15	213.83
	Rentex Weavers Ltd	13.37	138.33
	Shipa Fabrics Pvt.Ltd	13.34	127.80
	Twenty First Century Mktg. Ltd.	175.11	1,423.64
	Bhansali Tradelink Pvt. Ltd.	0.35	3.60
	Pee Vee Synthetics Pvt. Ltd.	0.38	2.62
	New Ahmedabad Synt.Pvt. Ltd.	6.00	289.25
	Vee Bee Textile Pvt. Ltd.	0.40	3.51
Fixed Deposits taken	Pankajbhai V Arora	23.50	277.70
	Nipun V Arora	27.50	326.35
	Rajesh Arora	390.00	722.00
	Rita Arora	205.00	702.00
	Parmanand Arora	125.00	1,452.00
	Vinod Arora	144.75	904.75
	Preeti N Arora	44.75	604.60
	Parmanand Arora & Sons, HUF	5.30	65.30
	T.P. Vinodkumar, HUF	11.00	98.50
	T.P. Rajeshkumar, HUF	6.50	76.50
	Kastura Rani Arora	40.00	46.00
	Renu Arora	217.00	1,154.60
	Sarthak P Arora	4.00	6.50
	Chinmaya P. Arora	4.00	6.10
	M/S. Kashvi	46.00	46.00
	Kashviben Kalpeshbhai Shah	10.00	10.00
	Virendra Bhogilal & Co.	50.00	50.00
	Shikha Arora	79.75	513.10
	Heena Khanna	10.50	12.50
	Somani Chawla	40.50	53.50
Sale of goods	Pari Bhogilal Laxmichand	74.43	-
	Panch Rattan Fabrics	9,433.25	4,662.63
	Namit Enterprise	(2.08)	-
	B. S. Textile	(9.19)	-
	Textile India	1,050.24	-
Lease Rent	Techtex	2.03	2.16



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakh)

Transaction	Name of the related party	Transaction With the Parties	Balance as at
		31-03-2018	31-03-2018
Job Work Charges	Virendrabhai Bhogilal & Co.	323.66	26.38
	A.V. Enterprise	30.55	1.69
	B.Kalpeshkumar & Co.	20.66	1.66
	B STextiles	308.94	22.28
	K.V. Enterprise	31.23	1.69
	Namit Enterprise	97.19	9.07
Interest on Loans / Advance/ FDs	Vinod P Arora	79.79	904.75
	Parmanand Arora	140.21	1,452.00
	Rajesh Arora	51.51	722.00
	Pankaj V Arora	26.31	277.70
	Nipunbhai V Arora	30.93	326.35
	Chinmaya P. Arora	0.52	6.10
	Sarthak P Arora	0.56	6.50
	Shikha Arora	45.37	513.10
	Jahanvi N Arora	0.18	1.80
	Bhriugu N Arora	0.19	1.90
	Renu Arora	103.98	1,154.60
	Rita Arora	55.66	702.00
	Kastura Rani Arora	3.01	46.00
	Preeti N Arora	57.45	604.60
	Heena Khanna	0.35	12.50
	Somani Chawla	2.54	53.50
	Parmanand Arora & Sons, HUF	6.40	65.30
	T.P. Rajeshkumar H.U.F.	7.41	76.50
	T.P. Vinodkumar H.U.F.	8.91	98.50
	M/S. Kashvi	1.49	46.00
	Kashviben Kalpeshbhai Shah	0.37	10.00
	Virendra Bhogilal & Co.	1.86	50.00
	Ennbee Textiles Pvt.Ltd	23.02	213.83
	New Ahmedabad Synt.Pvt.Ltd.	31.60	289.25
	Rentex Weavers Ltd	14.90	138.33
	Twenty First Century Marketing Ltd	161.82	1,423.64
	Bhansali Tradelink Pvt. Ltd.	0.41	3.60
	Pee Vee Synthetics Pvt. Ltd.	0.30	2.62
	Vee Bee Textile Pvt. Ltd.	0.40	3.51
	Shipa Fabrics Pvt.Ltd	14.36	127.80
Commission & Brokerage	Parmanand Vinodkumar	492.97	331.68
	Arora Agencies	360.06	254.92
	Namit Enterprise	1.32	1.50

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
(Rs. in Lakh)

Transaction	Name of the related party	Transaction With the Parties	Balance as at
		31-03-2018	31-03-2018
Remuneration	Vinodbhai P Arora	36.00	2.41
	Ashishbhai V Shah	30.00	2.08
	Kalpeshbhai V Shah	18.00	1.44
Salary	Nipunbhai V Arora	12.00	0.80
	Pankajbhai V Arora	12.00	0.80
	Pankilbhai K Shah	12.00	0.80
	AnujA. Shah	2.62	0.22
	Bhavik Shukla	21.20	1.15
	Sharvil B. Suthar	3.94	0.31
	Subhasish Bandhopadhyay	15.43	-
Sitting Fees	Sanjay S. Majmudar	0.55	-
	Ashok C. Gandhi	0.55	-
	Amol R. Dalal	0.55	-
	Arvind D. Sanghvi	0.15	-
	Shivani D. Shah	0.10	-

43 Derivative transactions:

The group has entered into the following derivative instruments;

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

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

As at	No. of Contracts	(Rs. in Lakh)	
		US \$ Equivalent	INR Equivalent
March 31, 2018	-	-	-

- (b) Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts: Nil 31 March, 2018.

44 Financial risk management

The group's financial liabilities comprise mainly of borrowing, trade payables and other payables. The group'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.



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(A) Market risk

The group 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 group. The objective of the Management of the group is to maintain this risk within the acceptable parameters, while optimising returns.

(i) Interest rate risk

The group 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 group 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

	(Rs. In Lakh)
Particulars	31st March 2018
50 bps increase would decrease the profit before tax by	136.40
50 bps decrease would increase the profit before tax by	136.40

(ii) Foreign currency risk

The group operates internationally and portion of the business is transacted in several currencies and consequently the group 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 group's hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The group 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	2017-18	
	Amount (Foreign Currency)	Amount (Rs.)
Amount payable in foreign currency	\$78.06	5,081.15
	€ 0.32	22.13
	JPY 1,824.08	1,122.54
Amount receivable in foreign currency	\$29.00	1,886.46
	€ 0.01	0.44
	CHF 0.16	10.98
	JPY 215.65	132.71

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**(B) Credit risk**

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

All trade receivables are subject to credit risk exposure. The group'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 group grants credit terms in the normal course of business.

For trade receivables, the group 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 group considers reasonable and relevant information that is available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the group'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)
		31st March 2018
Particulars		
Balance at the beginning of the year		264.68
Provision made / (reversed) during the year		(243.52)
Balance at the end of the year		21.16

(C) Liquidity risk

Liquidity risk is defined as the risk that the group 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 group 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 group closely monitors its liquidity position and deploys a robust cash management system.

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

(Rs. In Lakh)				
Particulars	<1 year	>1 year but <5 years	More than 5 years	Total
<u>Year ended 31st March, 2018</u>				
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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
45 Capital Management

The primary objective of the group'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 group 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 2018
Non-Current borrowings	8,322.87
Current maturities of non-current borrowings	260.93
Current borrowings	29,348.09
Interest accrued but not due on borrowings	385.07
Total Debt	38,316.96
Less: Cash and bank balances	2,305.76
Net Debt	36,011.20
Equity	27,168.82
Net debt to equity ratio	1.33

b) Categories of financial instruments:

	(Rs. In Lakh)	
Particulars	31st March 2018	
	Carrying Value	Fair Value
Financial assets		
Measured at amortised cost		
Security deposit	19.26	19.26
Trade receivable	29,515.01	29,515.01
Cash and cash equivalent	191.58	191.58
Other bank balances	2,117.45	2,117.45
Other financial assets	1,443.79	1,443.79
Total financial assets at amortised cost (A)	33,287.09	33,287.09
Measured at fair value through other comprehensive income (B)	-	-
Measured at fair value through profit and loss (C)	-	-
Total financial assets (A + B + C)	33,287.09	33,287.09
Financial liabilities		
Measured at amortised cost		
Borrowings non current	8,322.87	8,322.87
Borrowings current	29,348.09	29,348.09
Trade payables	20,751.23	20,751.23
Other financial liabilities	1,319.26	1,319.26
Total financial liabilities carried at amortised cost	59,741.45	59,741.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**46 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

47 Disclosures under the MSMED Act, 2006

In the absence of any information from vendors regarding the status of their registration under the "Micro Small and Medium Enterprise Development Act 2006" the company is unable to comply with the disclosures required to be made under the said Act.

48 Expenditure in foreign currency

	(Rs. In Lakh)
Particulars	31st March 2018
Travelling	2.21
Commission on Export Sales	315.44
Subscription Fees	3.02
Sales Promotion	10.02
Labouratory & Testing Fees	0.60
Total	331.29

49 Earnings in foreign currency

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

- 50** During the year, the gross amount to be spent by the group for Corporate Social Responsibility expenditure is Rs. 16.33 Lakh and amount spent is Rs. NIL.

51 First-time adoption of Ind AS

The group has adopted Ind AS from 1st April, 2017 and the date of transition to Ind AS is 1st April, 2016. These being the first financial statements in compliance with Ind AS, the impact of transition has been accounted for in opening reserves and comparable periods have been restated in accordance with Ind AS 101 – "First-time Adoption of Indian Accounting Standards". The group has presented a reconciliation of its equity under Previous GAAP to its equity under Ind AS as at 1st April, 2016 and 31st March, 2017 and of the total comprehensive income for the year ended 31st March, 2017 as required by Ind AS 101 in the financial statements.

Following are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
(a) Deemed cost for property, plant and equipment

The group has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets 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.

(b) Classification and measurements of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

(c) Derecognition of financial assets and financial liabilities

The group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

(d) Impairment of financial assets

The group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following reconciliations provides the explanations and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:-

(a) Reconciliation of total equity as at 31st March, 2017

Particulars	Notes	31st March 2017
Equity as per previous GAAP		26,767.08
Deferred Tax Adjustment	1	(176.19)
Amortisation of Loan Processing Fees	2	19.20
Others		(0.03)
Equity as per Ind AS		26,610.06

(b) Reconciliation of total comprehensive income as at 31st March, 2017

Particulars	Notes	31st March, 2017
Net Profit after tax as per previous GAAP		118.60
Actuarial Gain/(loss) on employee defined benefit funds recognised in OCI (Net of tax)	3	(57.45)
Net Profit for the period under IND AS (A)		61.15
Other Comprehensive Income Components		
Actuarial Gain/(loss) on employee defined benefit funds recognised in OCI (Net of tax)	3	57.45
Total other Comprehensive Income (B)		57.45
Total Comprehensive Income for the period under IND AS (A+B)		118.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**Note: 1 Deferred Tax Adjustment**

Deferred Tax have been recognised on the adjustments made on transition to Ind AS.

Note: 2 Amortisation of Loan Processing Fees

Under previous GAAP, the loan processing charges were normally recognised as expense as and when incurred. Under Ind AS, borrowings have been measured at amortised cost using effective interest rate. This has resulted into amortisation of loan processing charges over the period of borrowings.

Note: 3 Remeasurement of Post employment benefits obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2017 decreased by Rs. 57.45 lakhs . There is no impact on the total equity as at March 31, 2017.

52 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the group's Ind AS financial statements are disclosed below. The group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs("MCA") has issued certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2018. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board(IASB) into Ind AS and has amended the following standards:

- i. Ind AS 115-Revenue from Contract with Customers
- ii. Ind AS 21-The effect of changes in foreign exchanges rates
- iii. Ind AS 12-Income Taxes

These amendments are effective for annual periods beginning on or after April 01, 2018. Application of these amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the Ind AS financial statements.

The group is assessing the potential effect of the amendments on its Ind AS financial statements. The group will adopt these amendments, if applicable, from their applicability date.

53 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 it becomes wholly owned subsidiary company of the company as at March 31, 2018.

Further, during the period ended March 31, 2018 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, 2018. On account of above, standalone and consolidated financial results of the company for year ended March 31, 2018 remains same. However, Consolidated Financial Statements of Assets and Liabilities as at March 31, 2018 of the parent company after incorporating Financial Statements of Assets and Liabilities as at March 31, 2018 of such subsidiary has been prepared.

The financial year 2017-18 is being the first financial year after incorporation of a subsidiary company, the question of disclosure of corresponding figures of Consolidated Financial Results and Consolidated Statement of Assets and Liabilities does not arise.



AARVEE DENIMS AND EXPORTS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

54 The financial statements were approved for issue by the board of directors on 24th May, 2018.

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 : 24th May 2018

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 : 24th May 2018

Kalpesh V. Shah

Whole Time Director

(DIN:00007262)

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 **29th Annual General Meeting** of Aarvee Denims & Exports Ltd. held on Tuesday, 25th day of September, 2018 at 10.30 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: 079-30417000, Fax: 079-30417070

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

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

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

Name of Members : _____

Registered Address : _____

E-mail Address : _____

Folio No. | Client ID : _____

DP Id : _____

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

1. Name : _____

Address : _____

E-mail id : _____

Signature: _____, or failing him _____

2. Name : _____

Address : _____

E-mail id : _____

Signature: _____, or failing him _____

3. Name : _____

Address : _____

E-mail id : _____

Signature: _____, or failing him _____



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 29th Annual General Meeting of Aarvee Denims & Exports Ltd. To be held on Tuesday, 25th day of September, 2018 at 10.30 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 2018 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
3	To ratify the appointment M/s. Shah & Shah Associates, Chartered Accountant, Ahmedabad as Statutory Auditors and to authorize the Board of Directors to determine their remuneration
SPECIAL BUSINESS	
4	Appointment of Ms. Yashree Dixit (DIN: 7775794) as an Independent Director of the Company
5	Appointment of Mr. Nipun Arora (DIN: 00989835) as Director of the Company
6	Appointment of Mr. Nipun Arora (DIN: 00989835) as Whole Time Director of the Company
7	To consider and determine the fees for delivery of any document through a particular mode of delivery to a member
8	To Approve Cost Auditors' Remuneration
9	Acceptance of Unsecured Deposits under the Companies (Acceptance of Deposits) Rules, 2014

Signed this _____ day of _____ 2018

Signature of Shareholder : _____

Affix
Revenue
Stamp

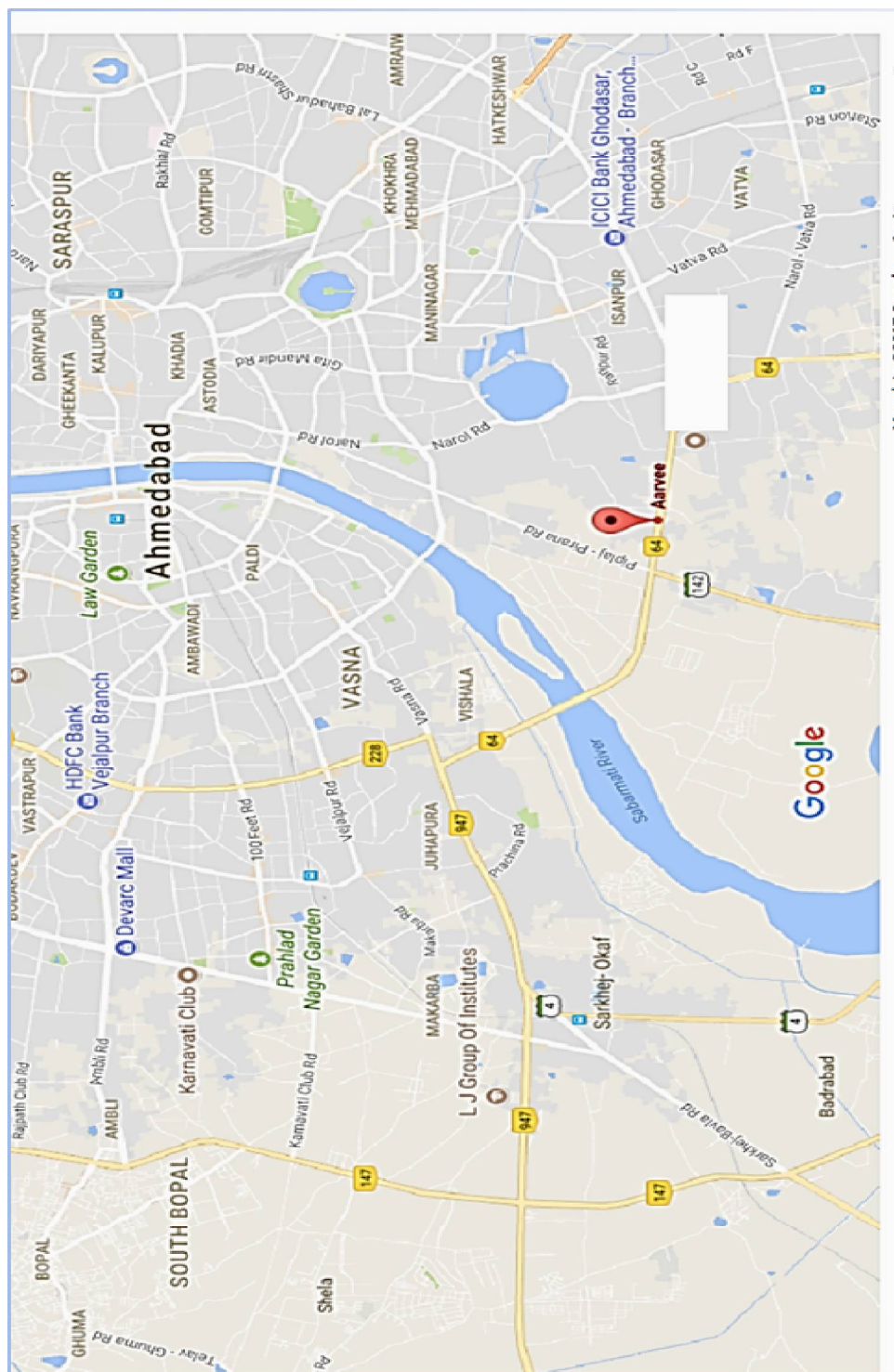
Signature of first proxy
holder

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: +91-79-30417000, 30017000 Fax: 91-79-30417070

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

CIN: L17110GJ1988PLC010504

b. Date of incorporation of the company: 28th March, 1988.

c. Business carried on by the company and its subsidiaries with the details of branches or units, if any:

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. 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
Ms. Yashree Dixit	Independent Director	546/1 Mukht Pushpanjali, Thaltej, Daskroi, Ahmedabad, Gujarat-380059	07775794	Practicing Company Secretary
Mr. Nipun Arora	Additional Director	Survey No. 239/2, No. 12/C, Omkar Hebatpur Road, Opp. Ami Mangal Bungalow-3, Thaltej, Ahmedabad- 380059.	00989835	Industrialist

f. Management's perception of risk factors:

Aarvee Denims and Exports Limited have been in the denims and textile segments for nearly 29 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 mid-term 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 –

- Statutory dues: NIL except delay in some cases
- Debentures and interest thereon: NIL
- Loan from any bank or financial institution and interest thereon: NIL

2. PARTICULARS OF THE DEPOSIT SCHEME

- Date of passing of board resolution:** 11th August, 2018
- Date of passing of resolution in the general meeting authorizing the invitation of such deposits:** 25th September, 2018
- Type of deposits, i.e., whether secured or unsecured:** UNSECURED
- Amount which the company can raise by way of deposits as per the Act and the rules made thereunder:**
 - Aggregate of deposits actually held on 31st March, 2018: ₹ 5110.23 Lakhs
 - Aggregate of deposits on the date of issue of the advertisement: ₹ 5345.63 Lakhs
 - Amount of deposits to be raised: ₹ 8984.39 Lakhs
 - Amount of deposits repayable in the current financial year 2018-19: Rs. 2145.61 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: 11th August 2018
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, 2019 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-"
Meaning of the rating obtained	Indicates an adequate capacity for timely payment of financial commitments relative 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	05-01-2018

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. 5345.63 Lacs
- b. **Date of acceptance** : Over last one year
- c. **Total amount accepted** : Rs. 5110.23/- (As on 31.03.2018)
- d. **Rate of interest** : 9.50% p.a. (yield 9.84 % p.a.).
- e. **Total number of depositors** : 80 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 : Nil
- g. **Any waiver by the depositors, of interest accrued on deposits** : No

4. FINANCIAL POSITION OF THE COMPANY

- a. **Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular or advertisement:**

(₹ in Lakhs)

For the financial year ended	Profit before Exceptional items & taxes	Profit before taxes	Profit after taxes
31 st March, 2015	1,319.05	845.85	702.65
31 st March, 2016	270.48	270.48	176.05
31 st March, 2017	637.48	637.48	560.85

- 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, 2016	Nil	1.19
31 st March, 2017	Nil	1.05
31 st March, 2018	Nil	1.13

- 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 31.03.2018	As on 31.03.2017	As on 31.03.2016
I	Equity and Liabilities			
1	Share Capital	2,345.98	2,345.98	2,345.98
2	Reserves & Surplus	24,822.84	24,264.08	24,043.06
3	Non-Current Liabilities	13,328.88	9,153.08	9,056.57
4	Current Liabilities	51,369.92	47,375.54	47,005.68
	Total	91,867.62	83,138.66	82,451.29
II	Assets			
1	Non-Current Assets	38,019.37	39,685.07	39,099.89
2	Current Assets	53,848.25	43,453.59	43,351.40
	Total	91,867.62	83,138.66	82,451.29

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

(₹ In Lakhs)

		31 st March, 2017	31 st March, 2016	31 st March, 2015
i)	Cash flows from operating activities	3,776.93	11,037.93	7,493.11
ii)	Cash flows from investing activities	(1,873.93)	(5,000.65)	(3,763.53)
iii)	Cash flows from financing activities	(1,896.33)	(6,318.93)	(3274.22)
iv)	Net increase/(decrease) in cash & cash equivalents	6.67	(281.65)	455.36

- 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 11th August 2018, and a copy thereof signed by a majority of the Directors of the Company, has been filed with the Registrar of the Companies, Gujarat.

BY ORDER OF THE BOARD

Vinod P. Arora
Kalpesh V. Shah
Rajesh P. Arora
Ashok Gandhi
Yashree Dixit

Ashish V. Shah
Arvind Sanghvi
Sanjay Majmudar
Amol R. Dalal
Nipun Arora

Date: 11.08.2018
Place: Ahmedabad

29th ANNUAL REPORT 2017-2018

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REGISTERED OFFICE

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