



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

7th December, 2020

To,

The Manager (Listing)
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Company Code: 514274 (BSE)

The Manager (Listing)
The National Stock Exchange of India Ltd
“Exchange Plaza”
Bandra-Kurla Complex
Mumbai – 400 051
Company Code: AARVEEDEN (NSE)

SUB. : Submission of 31st Annual Report of the Company.

Dear Sir/ Madam,

With reference to above, we are enclosing revised 31st Annual Report of Aarvee Denims and Exports Limited for the year ended 31st March 2020 for your record. The revised annual report has been uploaded again due to some typographical error.

This is for your kind perusal and record. Kindly acknowledge the receipt of above.

Thanking you.

Yours faithfully,

For, Aarvee Denims & Exports Limited

Yashaswini Pandey
Company Secretary & Compliance Officer
ACS 38402

Encl: a.a.

31st

ANNUAL | 2019
REPORT | 2020



aarvee

DENIMS & EXPORTS LTD.

IMPORTANT COMMUNICATION TO MEMBERS

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

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Corporate Identification Number (CIN): L17110GJ1988PLC010504

BOARD OF DIRECTORS

Mr. Vinod P. Arora	Chairman & Managing Director
Mr. Ashish V. Shah	Managing Director
Mr. Kalpesh V. Shah	Whole Time Director
Mr. Nipun V. Arora	Whole Time Director
Mr. Rajesh P. Arora	Director (Resigned w.e.f. 24.08.2020)
Mr. Sanjay S. Majmudar	Independent Director
Mr. Ashok C. Gandhi	Independent Director
Mr. Arvind D. Sanghvi	Independent Director (Resigned w.e.f. 22.10.2019)
Mr. Amol R. Dalal	Independent Director
Ms. Aarti Thakkar	Independent Director (Appointed w.e.f. 14.11.2019)

SENIOR EXECUTIVES

Mr. Pankaj V. Arora	Vice President (Marketing)
Mr. Pankil K. Shah	Vice President
Mr. Bhavik Shukla	CFO (Resigned w.e.f. 01.01.2020)
Mr. Ketan Desai	CFO (Appointed w.e.f. 07.01.2020)
Ms. Yashaswini Pandey	Company Secretary (Resigned w.e.f. 18.08.2019)
Mr. Darshak Thaker	Company Secretary (Appointed w.e.f. 20.09.2019)

BANKERS

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

AUDITORS

Shah & Shah Associates	Statutory Auditors
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REGISTERED OFFICE & MILLS:**UNIT I**

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

UNIT IV

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

UNIT II

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

DELHI OFFICE

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

REGISTERED OFFICE UNIT- III

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

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.
5th floor, 506 to 508 Amarnath Business Centre - I (ABC - I),
Beside Gala Business Centre, Nr. St. Xavier's College Corner,
Off C G Road, Navarangpura, Ahmedabad, Gujarat, 380009
Tel. Nos. 079-26465179,
Fax No 079-26465179,
Email: ahmedabad@linkintime.co.in

31ST ANNUAL GENERAL MEETING

Saturday, 26th December, 2020

TIME

11:00 A.M.

VENUE

(Through video conferencing mode
(VC)/Other Audio Visual Means
(OAVM)

NOTICE OF 31ST ANNUAL GENERAL MEETING

(CIN: L17110GJ1988PLC010504)

NOTICE is hereby given that the 31st Annual General Meeting of the Members of **AARVEE DENIMS AND EXPORTS LIMITED** will be held on **Saturday, 26th December, 2020 at 11:00 A.M.** through video conferencing mode (VC)/Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Financial Statements, Standalone and Consolidated, of the Company for the year ended 31st March 2020 including audited Balance Sheet as at 31st March 2020, Statement of Profit & Loss and Cash flow statement for the year ended on that date and the report of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Ashish V. Shah, (DIN: 00007201) who retires by rotation and being eligible, offers himself for reappointment;

SPECIAL BUSINESS:-**3. RE-APPOINTMENT OF MR. VINOD P. ARORA AS CHAIRMAN AND MANAGING DIRECTOR**

To consider and, if thought fit, to pass, with or without modification(s), following resolution(s) as **Special 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 members of the Company hereby approve, the reappointment of Mr. Vinod P. Arora, (holding DIN 00007065) as Chairman & Managing Director, for a period of three years with effect from 1st October, 2020 to an amount the details of which are given in the Explanatory Statement annexed hereto.”

“RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any financial year during his tenure of office, the said remuneration will be paid as minimum remuneration to Mr. Vinod P. Arora, Chairman and Managing Director of the Company subject to Schedule V of the Companies Act, 2013 or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the forgoing resolution and to amend, alter or otherwise vary the terms and conditions of appointment of Mr. Vinod P. Arora, including his remuneration provided such remuneration does not exceed 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.”

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

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

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in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V to the said Act, the members of the Company hereby approve, the reappointment of Mr. Ashish V. Shah, (holding DIN 00007201) as Managing Director, for a period of three years with effect from 1st October, 2020 to an amount the details of which are given in the Explanatory Statement annexed hereto.”

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

“RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the forgoing resolution and to amend, alter or otherwise vary the terms and conditions of appointment of Mr. Ashish V. Shah, including his remuneration provided such remuneration does not exceed 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.”

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

To consider and, if thought fit, to pass, with or without modification(s), following resolution(s) as **Special 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 members of the Company hereby approve, the reappointment of Mr. Kalpesh V. Shah, (holding DIN 00007262) as Whole Time Director, for a period of three years with effect from 1st October, 2020 to an amount the details of which are given in the Explanatory Statement annexed hereto.”

RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any financial year during his tenure of office, the said remuneration will be paid as minimum remuneration to Mr. Kalpesh V. Shah, Whole Time Director of the Company subject to Schedule V of the Companies Act, 2013 or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the forgoing resolution and to amend, alter or otherwise vary the terms and conditions of appointment of Mr. Kalpesh V. Shah, including his remuneration provided such remuneration does not exceed 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.”

6. APPOINTMENT OF MRS. AARTI THAKKAR, AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), as per the recommendation of the Nomination & Remuneration Committee, the approval of board be and is hereby accorded for the re-appointment of Mrs. Aarti Thakkar (DIN: 8603909) and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 14th November, 2019 upto 13th November, 2024.”

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

7. 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, 2021, 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.”

8. RELATED PARTY TRANSACTIONS

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members of the Company be and is hereby accorded for approval of material related party transactions entered into by the Company with related parties as set out under Item No. 8 of Explanatory Statement annexed to the notice convening this meeting.

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

BY ORDER OF BOARD OF DIRECTORS

Place: Ahmedabad

Date: 12.11.2020

Registered office:

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

Vinod P Arora
Chairman and Managing Director
DIN: 00007065

NOTES:

1. The statement pursuant to Section 102 of the Companies Act, 2013, in respect of the SPECIAL BUSINESS to be transacted at the meeting is attached. The relevant details pursuant to regulations 26(4) and 36(3) of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and secretarial standard on general meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this annual general meeting are also annexed.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. Corporate Members are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution / Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its 31st Annual Report 2019-2020 behalf and to vote through remote e-voting to the M/s. Link Intime India Private Limited, the Registrar and Transfer Agent, by email through its registered email address to rnt.helpdesk@linkintime.co.in or cs@aarvee-denims.com.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
8. Notice of AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with Company, its Registrar and Transfer Agent or CDSL/NSDL (“Depositories”).
9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.aarveedenims.com. The Notice can also be accessed from the websites of the Stock Exchanges (BSE and NSE) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com/
10. For members who have not registered their email address and holding shares in physical mode, can get their email id registered in the system by writing to cs@aarvee-denims.com along with scanned signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any officially valid document (OVD) (eg.: Driving License, Election Identity Card, Passport, Aadhar) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants.
11. Since the AGM will be held through VC/OAVM, the route map is not annexed in this notice.
12. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
13. The members are requested to send all their communications to the Registrar & Share Transfer Agent M/s Link Intime India Private Limited, 506 TO 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier’s College Corner, off, Chimanlal Girdharlal Rd, Sardar Patel Nagar, Ellisbridge, Ahmedabad, Gujarat 380006 or at the Share Division office of the Company at 191, Moje Shahwadi, Narol – Sarkhej Highway, Nr. Old Octroi Naka, Narol, Ahmedabad – 382 405. Gujarat, India.
14. Brief resumes of Directors including those proposed to be appointed /re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report and also enclosed with this notice.
15. The members are requested to intimate any change in their address with pin code, if any, immediately and quote folio number in all correspondence. Members are requested to intimate changes, if any, pertaining to their name , postal address, email address, telephone/mobile numbers, permanent account number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, to their DPs in the case the shares are held in electronic mode and to the company registrar and transfer agents, in the case the shares are held by them in physical form.

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16. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
17. As per Rule 5 of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), information containing the names and the last known addresses of the persons entitled to receive the sums lying in the account referred to in Section 125 (2) of the Act, nature of amount, the amount to which each person is entitled, due date for transfer to IEPF fund, etc is provided by the Company on its website and on the website of the IEPF. The concerned members are requested to verify the details of their unclaimed dividend, if any, from the said websites and lodge their claim with the Company’s RTA or with the Company, before the unclaimed dividends are transferred to the IEPF. The members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in form no. IEPF-5 available on www.iepf.gov.in.
18. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form SH 13 in duplicate, duly filled in, to the RTA at the address mentioned in the Notes. The prescribed form in this regard may also be obtained from the RTA at the address mentioned in the Notes. Members holding shares in electronic form are requested to contact their Depository Participants directly for recording their nomination.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to Company or RTA.
20. In terms of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 securities of listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. In view of the above, members are advised to dematerialize shares held by them in physical form.
21. For any communication, the shareholders may also send requests to the Company’s investor email id: cs@aarvee-denims.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Wednesday, 23rd December 2020 at 09:00 A.M. and ends on Friday, 25th December 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:
Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system. Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

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How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tapanshah814@yahoo.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@aarvee-denims.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@aarvee-denims.com

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY of THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (cs@aarvee-denims.com). The same will be replied by the company suitably.

Other information:

- o Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- o It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

- I. 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 future communication(s).
- II. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date 19th December 2020.
- III. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
- IV. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

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- V. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VII. Mr. Tapan Shah, Company secretary in Practice (having membership no. FCS: 4476 COP 2839) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- VIII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.aarveedenims.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

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. 3:

Mr. Vinod P. Arora (DIN: 00007065) has been appointed as Chairman & Managing Director of the Company for the period of three years with effect from 1st October, 2017. His tenure as Chairman & Managing Director will be expired on 30th September, 2020. It is proposed to terminate existing tenure and reappoint him as Chairman & Managing Director under the provisions of the Companies Act, 2013, for a further period of three years with effect from 1st October, 2020, 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 Remuneration Committee as well as by the Board & subject to the approval of the members in General Meeting.

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

A) SALARY:

In the scale of Rs.4,00,000/-p.m.

B) PERQUISITES (including allowances)

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

- vii) Contribution to Provident Fund, Superannuation Fund, Annuity Fund/Contribution to Gratuity as per company rules.
- viii) Encashment of leave not availed of, as per company rules.
- ix) Provision of car and telephone as per company Rules.
- x) Any other benefits, amenities and facilities including educational allowance for a child as per company rules for the time being in force or authorised by the Board.

“Family” means spouse, dependent children and dependent parents of Mr. Vinod P. Arora.

C) MINIMUM REMUNERATION

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

- a. 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.
- b. Gratuity not exceeding half a month’s salary for each completed year of service and
- c. Encashment of leave as per company rules.
- d. Interest free loan up to Rs. 15 lacs repayable payable in maximum 60 installments.
- e. Premium of Directors and officers liability Insurance policy.

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

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

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

ITEM NO. 4

Mr. Ashish V. Shah (DIN: 00007201) has been appointed as Managing Director of the Company for the period of three years with effect from 1st October, 2017. His tenure as Managing Director will be expired on 30th September, 2020. It is proposed to terminate existing tenure and reappoint him as Managing Director under the provisions of the Companies Act, 2013, for a further period of three years with effect from 1st October, 2020, 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 Remuneration Committee as well as by the Board & subject to the approval of the members in General Meeting.

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

A) SALARY:

In the scale of Rs.3,00,000/-p.m.

AARVEE DENIMS AND EXPORTS LTD.**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. Ashish V. Shah and his family as per company rules.
- iv) Leave Travel Concession: For Mr. Ashish V. Shah, and his family, incurred in accordance with the company rules.
- v) Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and the life membership fees.
- vi) Personal Accident Insurance: Premium as per company rules.
- vii) Contribution to Provident Fund, Superannuation Fund, Annuity Fund/Contribution to Gratuity as per company rules.
- viii) Encashment of leave not availed of, as per company rules.
- ix) Provision of car and telephone as per company Rules.
- x) Any other benefits, amenities and facilities including educational allowance for a child as per company rules for the time being in force or authorised by the Board.

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

C) MINIMUM REMUNERATION

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

- a. 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.
- b. Gratuity not exceeding half a month’s salary for each completed year of service and
- c. Encashment of leave as per company rules.
- d. Interest free loan up to Rs. 15 lacs repayable payable in maximum 60 installments.
- e. Premium of Directors and officers liability Insurance policy.

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

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

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

ITEM NO. 5

Mr. Kalpesh V. Shah has been appointed as Whole-time Director of the Company for the period of five years with effect from 1st October, 2017. His tenure as Whole-time Director will be expired on 30th September, 2020. It is proposed to terminate existing tenure and reappoint him as Whole-time Director under the new provisions of the Companies Act, 2013, for a further period of three years with effect from 1st October, 2020, 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 Remuneration Committee as well as by the Board & subject to the approval of the members in General Meeting.

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

A) SALARY:

In the scale of Rs.2,00,000/-p.m.

B) PERQUISITES (including allowances)

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

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

C) MINIMUM REMUNERATION

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

- a. 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.
- b. Gratuity not exceeding half a month's salary for each completed year of service and
- c. Encashment of leave as per company rules.

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- d. Interest free loan up to Rs. 15 lacs repayable payable in maximum 60 installments.
- e. Premium of Directors and officers liability Insurance policy.

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

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

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

ITEM NO. 6

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mrs. Aarti Thakkar (DIN: 8603909), be appointed as an Independent Director on the Board of the Company w.e.f 14.11.2019. The appointment of Mrs. Aarti Thakkar (DIN: 8603909) be effective upon approval by the members in the Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Aarti Thakkar (DIN: 8603909) for the office of Director of the Company. Mrs. Aarti Thakkar (DIN: 8603909) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from Mrs. Aarti Thakkar (DIN: 8603909) she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board Mrs. Aarti Thakkar (DIN: 8603909) fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations Mrs. Aarti Thakkar (DIN: 8603909) is independent of the management and possesses appropriate skills, experience and knowledge.

Copy of draft letter of appointment of Mrs. Aarti Thakkar (DIN: 8603909) setting out the terms and conditions of Appointment is available for inspection by the members at the registered office of the Company.

The details of Mrs. Aarti Thakkar (DIN: 8603909) as required under the provisions of Regulation 36(3) of the SEBI LODR Regulations, 2015 and other applicable provisions are provided in Annexure-A to this Notice.

The Board of Directors recommends the resolution at Item No. 6 of this Notice for your approval. None of the Directors, Key Managerial Personnel and relatives thereof except Mrs. Aarti Thakkar (DIN: 8603909) has any concern or interest, financial or otherwise, in the resolution at Item No. 6 of this Notice.

ITEM NO. 7

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, 2021 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. 7 of the Notice for ratification of remuneration payable to Cost Auditors for financial year ending 31st March, 2021.

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. 7 of Notice.

The Board recommends Ordinary Resolution set out at Item No. 7 of Notice for approval by the shareholders.

ITEM NO. 8

The Board of Directors of the Company, at its meeting held on 12th November 2020 has approved and ratified the limits for entering into related party transactions with the related entities of Mr. Vinod P. Arora, Chairman & Managing Director, Mr. Nipun V Arora, Whole-time Director, Mr. Ashish V. Shah, Managing Director and Mr. Kalpesh V. Shah, Whole-time Director. The nature of transactions, amount of transactions and other related information as envisaged under Companies (Meeting of Board and its powers) Rules, 2014 are furnished in “**TABLE- A**”

All proposed related parties transactions shall be related to weaving job work, purchase and sale of raw material and finished goods, commission on sales and lease rent income. All related parties transactions shall be carried out at the competitive rate in the interest of the Company.

All the proposed transactions with related parties will be carried out on prevailing market conditions and on arm’s length basis.

The Board recommends the resolution set forth in Item Nos. 8 of the Notice for approval of the unrelated shareholders of the Company.

TABLE – A

The details of proposed limits for related party transactions are given hereunder:

Sr. No.	Name of Related Party	Name of the director or key managerial personnel who is related, if any	Nature of relationship	Nature of Transactions	Transaction value (Amount in Rs.)
1	Virendrabhai Bhogilal & Co.	Mr. Ashish V. Shah Mr. Kalpesh V. Shah Mr. Pankil K. Shah Mr. Anuj A. Shah	Self Self Son of Mr. Kalpesh V. Shah Son of Mr. Ashish V. Shah	Job Charges (Weaving)	6,00,00,000
				Sale Of Fabric	10,00,00,000
2	A. V. Enterprise (HUF)	Mr. Ashish V. Shah	Self	Job Charges (Weaving)	3,00,00,000
				Sale Of Fabric	2,50,00,000
3	B. Kalpeshkumar & CO.	Mr. Ashish V. Shah Mr. Kalpesh V. Shah	Self Self	Job Charges (Weaving)	3,00,00,000
				Sale Of Fabric	7,50,00,000
4	K. V. Enterprise (HUF)	Mr. Kalpesh V. Shah	Self	Job Charges (Weaving)	3,00,00,000
				Sale Of Fabric	2,50,00,000
5	Namit Enterprise	Mr. Rajesh P. Arora	Brother of Mr. Vinod P. Arora	Job Charges (Weaving)	3,00,00,000
				Sale Of Fabric	5,00,00,000
				Commission On Sale Of Fabric	50,00,00,000

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Sr. No.	Name of Related Party	Name of the director or key managerial personnel who is related, if any	Nature of relationship	Nature of Transactions	Transaction value (Amount in Rs.)
6	B S Textiles	Mr. Vinod P. Arora Mr. Nipun C. Arora Mr. Pankaj V. Arora	Self Self Son of Mr. Vinod P. Arora	Job Charges (Weaving)	15,00,00,000
				Sale Of Fabric	50,00,00,000
7	Arora Agencies	Mr. Vinod P. Arora Mr. Rajesh P. Arora Mr. Parmanand T. Arora Mr. Nipun C. Arora Mr. Pankaj V. Arora	Self Brother of Mr. Vinod P. Arora Father of Mr. Vinod P. Arora Self Son of Mr. Vinod P. Arora	Sale Of Fabric	200,00,00,000
				Commission On Sale Of Fabric	50,00,00,000
8	Pari Bhogilal Laxmichand	Mr. Ashish V. Shah Mr. Kalpesh V. Shah	Self Self	Sale Of Fabric	24,00,00,000
9	Parmanand Vinodkumar	Mr. Vinod P. Arora Mr. Rajesh P. Arora Mr. Parmanand T. Arora Mr. Nipun C. Arora Mr. Pankaj V. Arora	Self Brother of Mr. Vinod P. Arora Father of Mr. Vinod P. Arora Self Son of Mr. Vinod P. Arora	Sale Of Fabric	200,00,00,000
				Commission On Sale Of Fabric	50,00,00,000
10	Panch Rattan Fabrics	Mr. Rajesh P. Arora Mr. Nipun C. Arora Mr. Pankaj V. Arora	Brother of Mr. Vinod P. Arora Self Son of Mr. Vinod P. Arora	Sale of Fabric	200,00,00,000
11	Triveni International	Mr. Rajesh P. Arora Mr. Nipun C. Arora Mr. Pankaj V. Arora	Brother of Mr. Vinod P. Arora Self Son of Mr. Vinod P. Arora	Sale of Fabric	200,00,00,000
12	Tectex	Mr. Nipun V. Arora Mr. Pankaj V. Arora Mr. Pankil K. Shah Mr. Anuj A. Shah	Self Son of Mr. Vinod P. Arora Son of Mr. Kalpesh V. Shah Son of Mr. Ashish V. Shah	Lease Rent Income	10,00,000
				Job Charges (Weaving)	50,00,00,000
				Sale / purchase of Fabric	
13	Textile India	Mr. Vinod P. Arora Mr. Rajesh P. Arora Mr. Parmanand T. Arora	Self Brother of Mr. Vinod P. Arora Father of Mr. Vinod P. Arora	Sale of Fabric	100,00,00,000

The Information in respect of the Company:

General Information

(1) Nature of Industry: Textile Industry

(1) The Commercial operations have already begun

(2) The Company is not a new Company

(3) Financial performance:

(Rs. In Lakhs)

Particulars	2019-20	2018-19
Total Income	56640.67	75434.03
Profit before Tax	(5552.54)	172.66
Tax Expense	(1359.85)	63.78
Profit for the year	(4192.69)	108.88

(4) Details of Foreign investments or collaboration: Not Applicable

BY ORDER OF BOARD OF DIRECTORS

Vinod P Arora

Chairman and Managing Director

DIN: 00007065

Place: Ahmedabad

Date: 12.11.2020

Registered office:

191, Shahwadi,

Nr. Old Octroi Naka, Narol - Sarkhej Highway,

Narol, Ahmedabad - 382 405

CIN: L17110GJ1988PLC010504

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

Annexure: Information about the appointee

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

Name of Director	Mr. Vinod P. Arora	Mr. Ashish V. Shah	Mr. Kalpesh V. Shah	Mrs. Aarti Thakkar
DIN	00007065	00007201	00007262	8603909
Date of Birth	15-05-1951	04-09-1958	23-09-1951	07-04-1989
Date of Appointment	01-10-2010	28-03-1988	01-10-2010	14-11-2019
Relationship with other Directors Inter se	Son of Mr. Parmanand Arora, Director and Brother of Mr. Rajesh P. Arora, Director.	Brother of Mr. Kalpesh V. Shah, Whole Time Director	Brother of Mr. Ashish V. Shah, Managing Director	NA
Profile & Expertise in Specific functional Areas	Mr. Vinod Arora is known by his rich experience in Denim since 1973 and the roaring success in Arora Group as the marketing pioneers of Denim, is heading the Board as Chairman and Managing Director.	Mr. Ashish V. Shah, commerce graduate, hails from the VB Group (since 55 years), the forerunners in textile industry. He is also member of Ahmedabad Education Society	Mr. Kalpesh V. Shah, another dynamic entrepreneur also hails from the VB Group which is a well known name in textile trading since 55 years. He is also Secretary of Textile Maskati Mahajan , Ahmedabad.	Mrs. Aarti Thakkar has a good experience in professional field as a chartered accountant
Qualification	Graduation	Graduation	Graduation	CHARTERED ACCOUNTANT
No. of Equity Shares held in the Company	80000	252265	465300	-
List of other Companies in which Directorships are held	Twenty First Century Marketing Limited Rentex Weavers Limited, Aye Ess Spinning Mills Private Ltd	V B Investment Pvt. Ltd. Kashvi Investment Pvt. Ltd. Aarvee Denims & Exports Limited. ATPA Swarmin Gujarat Enviro Pvt. Ltd. Narol Textile Infrastrure & Enviro Management.	V B Investment Pvt. Ltd. Kashvi Investment P. Ltd. Aarvee Denims & Exports Limited Vee Bee Textile Pvt Ltd Aye Ess Spinning Mills Private Ltd	-
Membership held in committees	Stake Holders' Grievance Committee – Member Corporate Social Responsibility Committee - Member	Stake Holders' Grievance Committee – Member	Corporate Social Responsibility Committee - Chairman	Nil

DIRECTORS' REPORT
(CIN: L17110GJ1988PLC010504)

To,
The Members,

Your Directors have pleasure in presenting the 31st Annual Report on the business and operations of your Company together with the audited accounts for the financial year ended 31st March, 2020.

1. FINANCIAL RESULTS

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

(Rs. in Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Total Revenue	56640.67	75434.03
Profit before Interest, Tax & Depreciation	3580.59	8500.12
Less: Net Interest & Finance Cost	5297.78	4929.59
Less: Depreciation	3835.35	3397.87
Profit before tax	(5552.54)	172.66
Provision for Tax & Deferred tax	(1359.85)	63.78
Profit for the year	(4192.69)	108.88
Other comprehensive income	(21.26)	34.87
Total comprehensive income	(4213.95)	143.75

2. PERFORMANCE DURING THE YEAR

During the year under review, the company has achieved revenue of Rs 56640.67 Lakh as compared to Rs. 75434.03 Lakh for the previous financial year. The Net profit for the year stood at Rs. (4192.69) Lakh against Rs. 108.88 Lakh in the previous year.

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

IMPACT OF COVID-19 PANDEMIC ON BUSINESS:

i. ABILITY TO MAINTAIN OPERATIONS INCLUDING THE FACTORIES/UNITS/ OFFICES SPACES FUNCTIONING AND CLOSED DOWN:

The Company's Manufacturing Facilities remained shut from 24th March, 2020 due to lockdown and we would like to inform you that the operations of the plant was started from September 2020, though the Corporate Office has resumed earlier. The company complied with all requirement relating to Social Distancing and wear face mask, face cover and have proper sanitizations, thermal checking at the gate, maintaining proper hygiene with proper interval with reduced work force.

ii. SCHEDULE, IF ANY, FOR RESTARTING THE OPEARTIONS:

The operations started from September 2020 and full fledged operations were started when the major markets in the country were opened, then it started based on revised production plan, after considering current market scenario and according to the guidelines issued by the Government.

iii. STEPS TAKEN TO ENSURE SMOOTH FUNCTIONING OF OPEARTIONS:

In this regard various actions have been taken considering Employees Health as well as our Vendors capability to work on priority for our operations. The Company has taken proper steps to ensure smooth functioning of operations.

iv. ESTIMATION OF THE FUTURE IMPACT OF COVID-19 ON ITS OPEARTIONS:

Covid-19 certainly would have negative impact on the industry. Aarvee would be affected to the extent as the April 2020, May 2020, June 2020 & also partial July, 2020 being lockdown months, the revenue and profitability of the Company were adversely impacted. As the company is fully dependent on customized fancy yarn and the business situation is very dynamic, the same was being monitored closely. 1st and 2nd quarters of these fiscal years were badly affected. Aarvee certain measures to tide over these uncertain times.

v. DETAILS OF IMPACT OF COVID-19 ON LISTED ENTITY'S CAPITAL AND FINANCIAL RESOURCES:

- a) Profitability: – It was adversely affected.
- b) Liquidity Position:- The Company facing short term liquidity crunch due to disturb operating cycle of the Company. However, the company is confident to manage the working capital of the company in coming periods.
- c) Ability to service debt and other financial arrangements:- The Company has availed moratorium for the period from March 2020 to August 2020 as facilitated by the RBI guidelines to overcome liquidity stress. Further, the Company has proposed the consortium banks for the restructuring of debts as per Reserve Bank of India framework circular dated 6th August 2020. The company does not have liquidity concerns, though cash position is challenging, with our limits and tight control over expenditure, the company will be able to service its debt and other financial arrangement as it comes up.
- d) Assets: - Company has secured all is assets and are in working condition.
- e) Internal financial reporting and control: - Internal Financial Reporting and Control are not adversely affected.
- f) Supply Chain: - At present, the supply chain of the Company is adversely affected due to Global Lockdown in the World. However, the company is positive and hopes that it will get normalize as the government restrictions lift up.
- g) Demand for its products/services: - It will continue at a slower pace.

vi. EXISTING CONTRACTS/ AGREEMENTS WHERE NON FULFILLMENT OF THE OBLIGATIONS:

The Existing contracts/agreements, where non-fulfillment of the obligations by any party had significant impact on the business of the company.

vii. OTHER RELEVANT MATERIAL UPDATES ABOUT THE LISTED ENTITY'S BUSINESS:-

No such material information at this time.

3. DIVIDEND

Your Directors do not recommend payment of any Dividend for the Financial year ended 31st March, 2020, 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 2019-20.

6. SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2020 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. 6147.49 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, 2020 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, 2020. On account of above, standalone and consolidated financial results of the company for year ended March 31, 2020 remains same. However, Consolidated Financial Statements of Assets and Liabilities as at March 31, 2020 of the parent company after incorporating Financial Statements of Assets and Liabilities as at March 31, 2020 of such subsidiary has been prepared.

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

The Resolution passed by the board of directors of Aye Ess Spinning Mills Private Limited, the company has filed an application under section 248(2) of the Companies Act, 2013 for voluntary striking off the name of the company from the Registrar of Companies with ROC, Gujarat, after complying with all the prescribed legal formalities. Pending publication of notice in the Official Gazette by the ROC, Gujarat, and the name of the Aye Ess Company is yet to be stricken off from Registrar of Companies and to be dissolved as at the year end. As the net worth of the Aye Ess as at March 31, 2020 is NIL, the investment in Aye Ess amounting to Rs. 1.00 Lac has been provided as loss in diminution in value of investment in subsidiary in Standalone Financial Results of the Company.

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 2019-20, being arm's length transactions have been reported and annexed hereto in form AOC-2 as Annexure -B forming part of this report.

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

The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website at the web link <http://www.aarveedenims.com/investors/corporate-governance/>

14. AUDIT COMMITTEE

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

15. RISK MANAGEMENT

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

16. INTERNAL CONTROLS SYSTEMS AND ADEQUACY

The Company has in place an adequate system of internal controls. It has documented policies and procedures covering all financial and operating functions and processes. These have been designed to

provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses and compliance with regulations.

17. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

1) Changes in Directors and Key Managerial Personnel

In accordance with the provision of Section 152 (6) of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ashish Shah (DIN: 0007201), Managing Director shall retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer himself for re-appointment. The Board recommends his re-appointment.

Mr. Amol Dalal (DIN: 00458885), Mr. 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. Arvind Sanghvi (DIN: 00435340) Independent director of the Company has resigned w.e.f. 22nd October, 2019. & Mrs. Aarti Thakkar (DIN: 08603909) Independent Director has been appointed w.e.f. 14th November, 2019.

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

The company is having following Key Managerial Personnel: -

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

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

**Mr. Darshak Thaker Company Secretary of the Company appointed w.e.f. 20.09.2019.

**Mr. Bhavik Shukla Chief Financial Officer of the Company has resigned w.e.f. 01.01.2020.

**Mr. Ketan Desai Chief Financial Officer of the Company appointed w.e.f. 07.01.2020.

2) Declaration by an Independent Director(s)

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 16 (1) (b) of the Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management. The detail terms of Independent Directors are disclosed on the Company's website with the following link <http://www.aarvee-denims.com/script-code-stock-exchanges.html>

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

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

18. NUMBER OF MEETINGS OF THE BOARD

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

19. COMMITTEES OF BOARD OF DIRECTORS

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

The Company has following Committees of the Board:

- 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, 2020 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 2019-20.

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 have been denied access to the Audit Committee.

24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

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

(2) Cost Auditors

The company has received a consent letter from the cost auditors M/s. N. D. Birla and Co., Cost Accountant to the effect that their appointment, if made, would be within the prescribed limits under section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for appointment. The board of Directors of the company at its meeting held on 28th July, 2020 appointed M/s. N. D. Birla & Co., Cost Accountants as the cost auditors of the Company to conduct the audit of cost records maintained by the Company as required by the Companies (Cost Records and Audit) Rules 2014 as amended from time to time.

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

(3) Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Tapan Shah & Co., Practising Company Secretary (COP No. 2839) for conducting Secretarial Audit of the Company for the financial year ended on 31st March, 2020. The Secretarial Audit report of M/s Tapan Shah & Co. Company Secretaries for the financial year ended 31st March, 2020, is annexed as Annexure - D.

AARVEE DENIMS AND EXPORTS LTD.**26. FRAUD REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE TO REPORTABLE TO CENTRAL GOVERNMENT:**

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

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

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

28. PARTICULARS OF EMPLOYEES AND REMUNERATION

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

29. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT - 9 is annexed as Annexure- G to this report. Form-MGT-9 is uploaded on the website of the Company <http://www.aarvee-denims.com>.

30. INDUSTRIAL RELATIONS

The industrial relations continued to be generally peaceful and cordial.

31. REGULATORY STATEMENT

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

The Company has paid the listing fees for the year 2019-20 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

Place: Ahmedabad

Date: 12.11.2020

Registered office:

191, Shahwadi,

Nr. Old Octroi Naka, Narol - Sarkhej Highway,

Narol, Ahmedabad - 382 405

CIN: L17110GJ1988PLC010504

Vinod P Arora
Chairman and Managing Director

DIN: 00007065

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 IN 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 1st April 2019 to 31st March 2020
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	0.00
B	Reserve & surplus	NIL
C	Total assets	NIL
D	Total Liabilities	Rs.0.00
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, 2020. The subsidiary company has not started its commercial operations & Company has filed an Application for voluntary Striking off.

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 Rs.)	Date(s) of approval by the Board, if any.	Amount paid as advance, if any.
1	Virendrabhai Bhogilal & Co.	Associated Concern	Job Charges (Weaving)	2019-20	27142333.60	In the Board meetings held in financial year 2019-20	Nil
2	A V Enterprise (HUF)				576481.00		
3	B Kalpeshkumar & Co.				578447.00		
4	K V Enterprise (HUF)				581385.00		
5	Namit Enterprise				4540882.60		
6	B S Textiles				24331140.25		
7	Arora Agencies	Associated Concern	Commission On Sale Of Fabric	2019-20	13637093.00	In the Board meetings held in financial year 2019-20	Nil
8	Parmanand Vinodkumar				13083813.00		
10	Pari Bhogilal Laxmichand	Associated Concern	Sale of Fabric	2019-20	4301810.00	In the Board meetings held in financial year 2019-20	Nil
11	Panch Rattan Fabrics				431522539.00		
12	Virendrabhai Bhogilal & Co.				16823404.00		
13	B S Textiles				3727013.00		
14	Namit Enterprise				3472937.00		
15	Techtex	Associated Concern	Lease Rent Income	2019-20	203400.00	In the Board meetings held in financial year 2019-20	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/dfs/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. 461.63 Lakh

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

5. **Details of CSR spent for the financial year:** Not Applicable

(a) Total amount to be spent for the financial year: Rs. 9.23 Lakh (2019-20)

(b) Amount unspent, if any: Rs. 9.23 Lakh

(c) Manner in which the amount spent during the financial year is detailed below: Not Applicable.

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

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

- Company could not initiate CSR activities due to shortage of funds, volatile textile market and COVID 19 pandemic situation during the previous year.
- Board of Directors could not initiate CSR activities considering the current cash flow position of the Company.

The Company has an unspent amount of Rs.25.56 Lakh in its CSR activities.

AARVEE DENIMS AND EXPORTS LTD.

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

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

Vinod P. Arora
Chairman and Managing Director

Ashish V. Shah
Chairman - CSR Committee

Annexure – D**SECRETARIAL AUDIT REPORT****For the financial year ended 31/03/2020**

[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
CIN: L17110GJ1988PLC010504
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 through electronically by way of scan copy or soft copy through mail or otherwise and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 generally complied with the statutory provisions listed hereunder (except few observation given) and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined through electronically by way of scan copy or soft copy through mail or otherwise, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 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 there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment ;
- (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);

AARVEE DENIMS AND EXPORTS LTD.

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

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

During the period under review the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except few observations like:

1. The Company has not spent any amount towards the Corporate Social Responsibility in the current financial year as prescribed under Section 135 of the Companies Act, 2013 and Rules made there under;
2. The Company had no woman Director on the Board for the period from 10th August,2019 to 14th November, 2019;
3. Due to resignation of one of the Independent Director as on 25th October,2019, total Independent Directors on the Board were less than the required 5, during the period from 25th October, 2019 till 31st March, 2020;
4. The Company had no Company Secretary (KMP) for the period from 18th August,2019 to 20th September,2019; and 5. The Company has not updated its web site regularly under Regulation 46 of SEBI (LODR) Regulation, 2015.

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

- i. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits)Regulations,2014;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and 2018; and
- v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018;
- vi. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investments and External Commercial Borrowings;

I further report that –

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

I further report that –

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit and on the basis of Compliance Certificates issued by the Managing Director and Company Secretary of the Company and taken on record by the Board of Directors at their meetings, 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 not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, as on close of the financial year due to resignation of one of the Independent Director as on 25th October, 2019. The changes in the Board of Directors and Key Managerial Person (KMP) that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

I further report that during the audit period there were few specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:

- I. Re-appointment of four Independent Directors for second term, as approved by the members in the last AGM held on 27th September, 2019, however, Mr. Arvind Sanghvi ceased to hold office as Independent Director w.e.f. 25/10/2020.
- II. Acceptance of Public Deposits under Companies (acceptance of deposits) rules, 2014 was approved by the members in the last AGM held on 27th September, 2019.
- III. Change of Company Secretary (CS), Change of Chief Financial Officer (CFO) and change of Internal Auditor of the Company took place during the year, as approved by the Board of Directors of the Company.
- IV. The Company has initiated to strike off its wholly owned subsidiary company, namely M/s Aye Ess Spinning Mills Private Limited with Ministry of Corporate affairs and the application is under process as on 31st March, 2020.

Name of Company Secretary in practice: Tapan Shah

FCS No.: 4476

C P No.: 2839

UDIN: F004476B001198339

Place: Ahmedabad

Date: 12/11/2020

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.

Due to restricted movement amid COVID-19 pandemic, I have conducted the Secretarial audit by examining the secretarial records including Minutes, Documents, Registers and other records, etc., some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to me are the true and correct.

Annexure A

To,

The Members,

AARVEE DENIMS AND EXPORTS LIMITED

CIN: L17110GJ1988PLC010504

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.

Name of Company Secretary in practice: Tapan Shah

FCS No.: 4476

C P No.: 2839

UDIN: F004476B001198339

Place: Ahmedabad

Date: 12/11/2020

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, 2020

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

1. Installing energy efficient electric equipments.
2. Use of energy efficient CFL and LED lights and changing of Electronics Ballast in place of Copper Ballast.
3. Creating awareness among all the staff members to conserve energy.
4. Replacement of inefficient motors.

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

(Rs. In Lakhs)

Particulars	2019-20	2018-19
1. Electricity		
(a) Purchased Units KWH in Lac	655.64	879.90
Total Amount (Rs. in Lac)	5458.39	7391.10
Rate/unit (Rs./KWH)	8.32	8.40
(b) Wind Turbine (Units KWH in Lac)	284.01	344.75
2. Coal & Lignite		
Quantity (in MT)	30446	34514.32
Total Cost(Rs in Lac)	1363.04	1880.47
Cost/MT	4476.92	5448.38

III. CONSUMPTION PER UNIT OF PRODUCTION:

Particulars	2019-20		2018-19	
	FABRIC (PER MTR)	YARN (PER KG)	FABRIC (PER MTR)	YARN (PER KG)
Electricity (KWH)	1.54	1.77	1.87	1.66
Coal (Kg)	0.71	Nil	0.73	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.

AARVEE DENIMS AND EXPORTS LTD.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

- (a) the details of technology imported: The Company has not imported any technology during the last three financial years.
- (b) the year of import: Not Applicable
- (c) whether the technology been fully absorbed: Not Applicable
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

(iv) The expenditure incurred on Research and Development.

(Rs. in Lakh)

Particulars	2019-20	2018-19
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	2019-20	2018-19
Foreign Exchange Earning	8513.84	10382.20
Foreign Exchange Outgo	1297.41	2363.12

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	35,13,000	29.22	Nil
2	Mr. Ashish V. Shah	Managing Director	29,27,000	24.12	Nil
3	Mr. Kalpesh V. Shah	Whole Time Director	17,56,000	12.90	Nil
4	Mr. Nipun Arora	Whole Time Director	11,71,000		Nil
5	Mr. Parmanand T. Arora	Director	Nil	-	Nil
6	Mr. Rajesh P. Arora	Director	Nil	-	Nil
7	Mr. Bhavik Shukla**	CFO	18,69,246	-	
8	Ms. Yashaswini Pandey**	CS	1,82,587	-	Nil
9.	Mr. Darshak Thaker**	CS	1,96,577	-	Nil
10.	Mr. Ketan Desai**	CFO	5,27,420	-	Nil

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

**Mr. Darshak Thaker Company Secretary of the Company appointed w.e.f. 20.09.2019.

**Mr. Bhavik Shukla Chief Financial Officer of the Company has resigned w.e.f. 01.01.2020.

**Mr. Ketan Desai Chief Financial Officer of the Company appointed w.e.f. 07.01.2020.

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 2.20%
2. The number of permanent employees on the rolls of Company:
3. There was no major in the Managerial Remuneration for the Financial Year 2019-20 as compared to Financial Year 2018-19. 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.

AARVEE DENIMS AND EXPORTS LTD.

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, 2020

 [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, 5th Floor, 506 to 508, Amarnath Business Centre–1, (ABC-1),Beside Gala Business Centre, Nr. St. Xaviers College Corner, Off C G Road, Navrangpura, Ahmedabad - 380009. Tel. Nos.079-26465179, Fax No 079-26465179, Email: ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Fabrics	17121	96.04%
2	Power Generation – Wind Mill	40108	3.99%

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
(The Company has applied for its voluntary strike off)			

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.



AARVEE DENIMS AND EXPORTS LTD.

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

(i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	8482325	0	8482325	'36.1569	8482325	0	8482325	'36.1569	'0.0000
(b)	Central Government / State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	6953978	0	6953978	'29.6421	6953978	0	6953978	'29.6421	'0.0000
	Sub Total (A)(1)	15436303	0	15436303	'65.7990	15436303	0	15436303	'65.7990	'0.0000
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	15436303	0	15436303	'65.7990	15436303	0	15436303	'65.7990	'0.0000
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Venture Capital Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Alternate Investment Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(f)	Financial Institutions / Banks	0	300	300	'0.0013	1744	300	2044	'0.0087	'0.0074
(g)	Insurance Companies	493758	0	493758	'2.1047	493758	0	493758	'2.1047	'0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	493758	300	494058	'2.1060	495502	300	495802	'2.1134	'0.0074

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	2930279	442513	3372792	'14.3769	2853724	434313	3288037	'14.0156	'-0.3613
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1573426	0	1573426	'6.7069	1781325	0	1781325	'7.5931	'0.8862
(b)	NBFCs registered with RBI	100	0	100	'0.0004	0	0	0	'0.0000	'-0.0004
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Any Other (Specify)									
	IEPF	216195	0	216195	'0.9216	216195	0	216195	'0.9216	'0.0000
	Trusts	80000	0	80000	'0.3410	80000	0	80000	'0.3410	'0.0000
	Hindu Undivided Family	229817	0	229817	'0.9796	215093	0	215093	'0.9169	'-0.0627
	Non Resident Indians (Non Repat)	34081	0	34081	'0.1453	29426	0	29426	'0.1254	'-0.0199
	Non Resident Indians (Repat)	1698309	0	1698309	'7.2392	1735531	0	1735531	'7.3979	'0.1587
	Clearing Member	76985	0	76985	'0.3282	28375	0	28375	'0.1210	'-0.2072
	Bodies Corporate	247734	0	247734	'1.0560	153713	0	153713	'0.6552	'-0.4008
	Sub Total (B)(3)	7086926	442513	7529439	'32.0951	7093382	434313	7527695	'32.0876	'-0.0075
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	7580684	442813	8023497	'34.2010	7588884	434613	8023497	'34.2010	'0.0000
	Total (A)+(B)	23016987	442813	23459800	'100.0000	23025187	434613	23459800	'100.0000	'0.0000
(C)	Non Promoter - Non Public									
	(C1) Shares Underlying DRs									
[1]	Custodian/DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	(C2) Shares Held By Employee Trust									
[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)	23016987	442813	23459800	'100.0000	23025187	434613	23459800	'100.0000	

**AARVEE DENIMS AND EXPORTS LTD.****(ii) Shareholding of Promoter**

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	V. B. Investment Pvt. Ltd.	2320900	'9.8931	'0.0000	2320900	'9.8931	'0.0000	'0.0000
2	Parmanand Arora	1899533	'8.0970	'0.0000	1899533	'8.0970	'0.0000	'0.0000
3	Kashvi Investments Pvt.ltd.	1388200	'5.9174	'0.0000	1388200	'5.9174	'0.0000	'0.0000
4	Twenty First Century Marketing Ltd.	1154250	'4.9201	'0.0000	1154250	'4.9201	'0.0000	'0.0000
5	Rajesh Arora	1072645	'4.5723	'0.0000	1072645	'4.5723	'0.0000	'0.0000
6	Rita Arora	823362	'3.5097	'0.0000	823362	'3.5097	'0.0000	'0.0000
7	Pari Bhogilal Laxmichand	718932	'3.0645	'0.0000	718932	'3.0645	'0.0000	'0.0000
8	Shipa Fabrics Pvt. Ltd.	685900	'2.9237	'0.0000	685900	'2.9237	'0.0000	'0.0000
9	Ennbee Textiles Pvt. Ltd.	579600	'2.4706	'0.0000	579600	'2.4706	'0.0000	'0.0000
10	Rentex Weavers Ltd.	569850	'2.4290	'0.0000	569850	'2.4290	'0.0000	'0.0000
11	Kalpesh Shah	465300	'1.9834	'0.0000	465300	'1.9834	'0.0000	'0.0000
12	Parul Shah	425641	'1.8143	'0.0000	425641	'1.8143	'0.0000	'0.0000
13	Bela Shah	363991	'1.5516	'0.0000	363991	'1.5516	'0.0000	'0.0000
14	Sushilaben Shah	290600	'1.2387	'0.0000	290600	'1.2387	'0.0000	'0.0000
15	Pankil K. Shah	269600	'1.1492	'0.3730	269600	'1.1492	'0.3730	'0.0000
16	Kashvi Kalpeshbhai Shah	261935	'1.1165	'0.0000	261935	'1.1165	'0.0000	'0.0000
17	Ashish Shah	252265	'1.0753	'0.0000	252265	'1.0753	'0.0000	'0.0000
18	Anuj Ashish Shah	244389	'1.0417	'0.3730	244389	'1.0417	'0.3730	'0.0000
19	Pankil Kalpeshbhai Shah	224164	'0.9555	'0.0000	224164	'0.9555	'0.0000	'0.0000
20	Nipun V. Arora	142475	'0.6073	'0.3730	142475	'0.6073	'0.3730	'0.0000
21	Vee Bee Textiles Private Limited	140000	'0.5968	'0.0000	140000	'0.5968	'0.0000	'0.0000
22	Pankaj V. Arora	132425	'0.5645	'0.3730	132425	'0.5645	'0.3730	'0.0000
23	Heena Khanna	122951	'0.5241	'0.0000	122951	'0.5241	'0.0000	'0.0000
24	Somni Arora	116760	'0.4977	'0.0000	116760	'0.4977	'0.0000	'0.0000
25	Karishma Pankilbhai Shah	110000	'0.4689	'0.0000	110000	'0.4689	'0.0000	'0.0000
26	Vinod P. Arora	80000	'0.3410	'0.0000	80000	'0.3410	'0.0000	'0.0000
27	Jhanvi Nipunkumar Arora	75790	'0.3231	'0.0000	75790	'0.3231	'0.0000	'0.0000
28	Sarthak Pankajkumar Arora	75790	'0.3231	'0.0000	75790	'0.3231	'0.0000	'0.0000
29	Chinmaya Pankajkumar Arora	75786	'0.3230	'0.0000	75786	'0.3230	'0.0000	'0.0000
30	Bhriгу Nipun 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 - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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.	2320900	9.8931			2320900	9.8931
	At the end of the year					2320900	9.8931
2	Parmanand Arora	1899533	8.0970			1899533	8.0970
	At the end of the year					1899533	8.0970
3	Kashvi Investments Pvt.ltd.	1388200	5.9174			1388200	5.9174
	At the end of the year					1388200	5.9174
4	Twenty First Century Marketing Ltd.	1154250	4.9201			1154250	4.9201
	At the end of the year					1154250	4.9201
5	Rajesh Arora	1072645	4.5723			1072645	4.5723
	At the end of the year					1072645	4.5723
6	Rita Arora	823362	3.5097			823362	3.5097
	At the end of the year					823362	3.5097
7	Pari Bhogilal Laxmichand	718932	3.0645			718932	3.0645
	At the end of the year					718932	3.0645
8	Shipa Fabrics Pvt. Ltd.	685900	2.9237			685900	2.9237
	At the end of the year					685900	2.9237
9	Ennbee Textiles Pvt. Ltd.	579600	2.4706			579600	2.4706
	At the end of the year					579600	2.4706
10	Rentex Weavers Ltd.	569850	2.4290			569850	2.4290
	At the end of the year					569850	2.4290
11	Kalpesh Shah	465300	1.9834			465300	1.9834
	At the end of the year					465300	1.9834
12	Parul Shah	425641	1.8143			425641	1.8143
	At the end of the year					425641	1.8143
13	Bela Shah	363991	1.5516			363991	1.5516
	At the end of the year					363991	1.5516
14	Sushilaben Shah	290600	1.2387			290600	1.2387
	At the end of the year					290600	1.2387
15	Pankil K. Shah	269600	1.1492			269600	1.1492
	At the end of the year					269600	1.1492
16	Kashvi Kalpeshbhai Shah	261935	1.1165			261935	1.1165
	At the end of the year					261935	1.1165
17	Ashish Shah	252265	1.0753			252265	1.0753
	At the end of the year					252265	1.0753
18	Anuj Ashish Shah	244389	1.0417			244389	1.0417
	At the end of the year					244389	1.0417
19	Pankil Kalpeshbhai Shah	224164	0.9555			224164	0.9555
	At the end of the year					224164	0.9555

**AARVEE DENIMS AND EXPORTS LTD.**

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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
20	Nipun V. Arora	142475	0.6073			142475	0.6073
	At the end of the year					142475	0.6073
21	Vee Bee Textiles Private Limited	140000	0.5968			140000	0.5968
	At the end of the year					140000	0.5968
22	Pankaj V. Arora	132425	0.5645			132425	0.5645
	At the end of the year					132425	0.5645
23	Heena Khanna	122951	0.5241			122951	0.5241
	At the end of the year					122951	0.5241
24	Somni Arora	116760	0.4977			116760	0.4977
	At the end of the year					116760	0.4977
25	Karishma Pankilbhai Shah	110000	0.4689			110000	0.4689
	At the end of the year					110000	0.4689
26	Vinod P. Arora	80000	0.3410			80000	0.3410
	At the end of the year					80000	0.3410
27	Sarthak Pankajkumar Arora	75790	0.3231			75790	0.3231
	At the end of the year					75790	0.3231
28	Jhanvi Nipunkumar Arora	75790	0.3231			75790	0.3231
	At the end of the year					75790	0.3231
29	Chinmaya Pankajkumar Arora	75786	0.3230			75786	0.3230
	At the end of the year					75786	0.3230
30	Bhrigu Nipun Arora	75785	0.3230			75785	0.3230
	At the end of the year					75785	0.3230
31	Bhansali Tradelink Private Limited	62500	0.2664			62500	0.2664
	At the end of the year					62500	0.2664
32	Shah Kalpesh Virendrabhai	60300	0.2570			60300	0.2570
	At the end of the year					60300	0.2570
33	Pee Vee Synthetics Pvt. Ltd.	52778	0.2250			52778	0.2250
	At the end of the year					52778	0.2250
34	T.p. Vinodkumar	35000	0.1492			35000	0.1492
	At the end of the year					35000	0.1492
35	Anoli Ashishbhai Shah	23600	0.1006			23600	0.1006
	At the end of the year					23600	0.1006
36	Renu V. Arora	23306	0.0993			23306	0.0993
	At the end of the year					23306	0.0993
37	Shikha P. Arora	10000	0.0426			10000	0.0426
	At the end of the year					10000	0.0426
38	Preeti N. Arora	10000	0.0426			10000	0.0426
	At the end of the year					10000	0.0426

v) 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 - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares Of The Company	Date Of Transaction	No. Of Shares	No Of Shares Held	% Of Total Shares Of The Company
1	DEVANGKUMAR NARENDRAKUMAR SANGHAVI	1490000	6.3513			1490000	6.3513
	AT THE END OF THE YEAR					1490000	6.3513
2	SANTOSH SITARAM GOENKA	512930	2.1864			512930	2.1864
	Transfer			05 Apr 2019	5562	518492	2.2101
	Transfer			19 Apr 2019	6924	525416	2.2396
	Transfer			26 Apr 2019	19466	544882	2.3226
	Transfer			03 May 2019	2788	547670	2.3345
	Transfer			10 May 2019	5361	553031	2.3574
	Transfer			17 May 2019	9394	562425	2.3974
	Transfer			24 May 2019	12459	574884	2.4505
	Transfer			31 May 2019	2952	577836	2.4631
	Transfer			14 Jun 2019	15474	593310	2.5290
	Transfer			21 Jun 2019	952	594262	2.5331
	Transfer			29 Jun 2019	98	594360	2.5335
	Transfer			12 Jul 2019	5078	599438	2.5552
3	UNITED INDIA INSURANCE COMPANY LIMITED	493758	2.1047			493758	2.1047
	AT THE END OF THE YEAR					493758	2.1047
4	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	216195	0.9216			216195	0.9216
	AT THE END OF THE YEAR					216195	0.9216
5	SUNITA SANTOSH GOENKA	185280	0.7898			185280	0.7898
	Transfer			26 Apr 2019	3483	188763	0.8046
	AT THE END OF THE YEAR					188763	0.8046
6	LAL TOLANI	124789	0.5319			124789	0.5319
	Transfer			05 Apr 2019	2000	126789	0.5405
	Transfer			19 Apr 2019	1310	128099	0.5460
	Transfer			26 Apr 2019	3916	132015	0.5627
	Transfer			10 May 2019	2625	134640	0.5739
	Transfer			17 May 2019	392	135032	0.5756
	Transfer			14 Jun 2019	502	135534	0.5777
	Transfer			21 Jun 2019	2000	137534	0.5863
	Transfer			26 Jul 2019	2780	140314	0.5981
	Transfer			02 Aug 2019	150	140464	0.5987
	Transfer			23 Aug 2019	5948	146412	0.6241
	Transfer			30 Aug 2019	8992	155404	0.6624
	Transfer			06 Sep 2019	4000	159404	0.6795
	Transfer			13 Sep 2019	210	159614	0.6804
	Transfer			11 Oct 2019	6620	166234	0.7086
AT THE END OF THE YEAR					166234	0.7086	

**AARVEE DENIMS AND EXPORTS LTD.**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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	SUPRIYA PUNIT AGARWAL	152133	0.6485			152133	0.6485
	Transfer			03 May 2019	4125	156258	0.6661
	Transfer			10 May 2019	2458	158716	0.6765
	Transfer			17 May 2019	1872	160588	0.6845
	AT THE END OF THE YEAR					160588	0.6845
8	ASHU KHANNA	105723	0.4507			105723	0.4507
	Transfer			31 May 2019	1100	106823	0.4553
	Transfer			07 Jun 2019	2976	109799	0.4680
	Transfer			14 Jun 2019	800	110599	0.4714
	Transfer			21 Jun 2019	4511	115110	0.4907
	Transfer			29 Jun 2019	1619	116729	0.4976
	Transfer			05 Jul 2019	4618	121347	0.5173
	Transfer			12 Jul 2019	4393	125740	0.5360
	Transfer			06 Mar 2020	2034	127774	0.5447
	Transfer			13 Mar 2020	5231	133005	0.5669
	Transfer			20 Mar 2020	6900	139905	0.5964
	Transfer			27 Mar 2020	3630	143535	0.6118
	Transfer			31 Mar 2020	2637	146172	0.6231
AT THE END OF THE YEAR					146172	0.6231	
9	MAHENDRA GIRDHARILAL	115701	0.4932			115701	0.4932
	AT THE END OF THE YEAR					115701	0.4932
10	SHAHNAZ MEMORIAL TRUST	79900	0.3406			79900	0.3406
	AT THE END OF THE YEAR					79900	0.3406

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year As on 01.04.2019		Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year As on 31.03.2020	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Vinod P Arora	80,000	0.34	No Transaction			80,000	0.34
2	Mr. Ashish V Shah	252265	1.07	No Transaction			252265	1.07
3	Mr. Kalpesh V Shah	465,300	1.98	No Transaction			465,300	1.98
4	Mr. Nipun V. Arora*	142475	0.61	No Transaction			142475	0.61
5	Mr. 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	Ms. Yashree K. Dixit****	0	0	No Transaction			0	0.00
10	Mr. Amol R. Dalal	4904	0.00	No Transaction			4904	0.00
11	Ms. Aarti Thakkar*****	0	0.00	No Transaction			0	0.00
12	Mr. Bhavik Shukla (CFO)*****	0	0.00	No Transaction			0	0.00
13	Ms. Yashaswini Pandey (CS)*****	0	0.00	No Transaction			0	0.00
14	Mr. Darshak Thaker (CS)*****	0	0.00	No Transaction			0	0.00
15	Mr. Ketan Desai (CFO)*****	0	0.00	No Transaction			0	0.00

*Mr. Nipun Arora has also been appointed as a Whole time Director of the company by Board of Directors w.e.f. 11th August 2019.

** Mr. Rajesh P. Arora has resigned from the office of the director of the Company with effect from 24th August, 2020.

*** Mr. Arvind D. Sanghvi Arora has resigned from the office of the Independent director of the Company with effect from 22nd October, 2019.

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

***** Ms. Aarti Thakkar has also been appointed as an Independent Director of the company by Board of Directors w.e.f. 14th November 2019.

*****Mr. Bhavik Shukla (CFO) of the company has resigned w.e.f. 18.08.2019.

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

*****Mr. Darshak Thaker Company Secretary of the Company appointed w.e.f. 20.09.2019.

*****Mr. Ketan Desai Chief Financial Officer of the Company appointed w.e.f. 07.01.2020.

AARVEE DENIMS AND EXPORTS LTD.
V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	31103.61	2303.72	9481.09	42888.42
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	51	0	0	51
Total (i+ii+iii)	31154.61	2303.72	9481.09	42939.42
Change in Indebtedness during the financial year				
* Addition	0	189.37	0	189.37
* Reduction	(913.89)	0	(823.11)	(1737)
Net Change	(913.89)	189.37	(823.11)	(1547.63)
Indebtedness at the end of the financial year				
i) Principal Amount	29992.09	2493.09	8657.98	41143.16
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	248.63	0	0	248.63
Total (i+ii+iii)	30240.72	2493.09	8657.98	41391.79

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

(Amount in Lacs)

S N.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Vinod P. Arora (CMD)	Mr. Ashish V. Shah (MD)	Mr. Kalpesh V. Shah (WTD)	Mr. Nipun V. Arora (WTD)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35.13	29.27	17.56	11.71	93.67
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (A)	35.13	29.27	17.56	11.71	93.67
	Ceiling as per the Act	As per Schedule V of the Act				

B. Remuneration to other directors
1. Independent Director

(Amount in Lacs)

S N.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Sanjay Majmudar	Mr. Ashok Gandhi	Mr. Arvind Sanghvi*	Mr. Amol Dalal	Ms. Yashree Dixit**	Ms. Aarti Thakkar***	
1	Fee for attending board/ committee meetings	0.20	0.20	0.05	0.20	0.05	0.05	0.45
2	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total (1)								0.45

*** Mr. Arvind D. Sanghvi Arora has resigned from the office of the Independent director of the Company with effect from 22nd October, 2019.

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

***** Ms. Aarti Thakkar has also been appointed as an Independent Director of the company by Board of Directors w.e.f. 14th November 2019.

2. Other Non-Executive Directors

(Amount in Lacs)

S N.	Particulars of Remuneration	Name of Directors	Total Amount
		Mr. Rajesh P. Arora	
1	Fee for attending board committee meetings	NIL	NIL
2	Commission		NIL
3	Others, please specify		NIL
Total (2)			NIL
Total (B)=(1+2)			0.45
Total Managerial Remuneration			0.45
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. 2019-20, which were within the limits prescribed under the Companies Act, 2013.	

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

(Amount in Lacs)

S N	Particulars of Remuneration	Key Managerial Personnel				Total
		CS		CFO		
		Ms. Yashaswini Pandey *	Mr. Darshak Thakkar**	Mr. Bhavik Shukla***	Mr. Ketan Desai****	
1	Gross salary	1.82	1.97	18.69	5.27	27.75
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	1.82	1.97	18.69	5.27	27.75

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

**Mr. Darshak Thaker Company Secretary of the Company appointed w.e.f. 20.09.2019.

***Mr. Bhavik Shukla (CFO) of the company has resigned w.e.f. 18.08.2019.

****Mr. Ketan Desai Chief Financial Officer of the Company appointed w.e.f. 07.01.2020.

VI. 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, 2020

Name of Director	Category	Inter-se Relationship	Numbers of Board Meetings		No. of outside Directorships held as on 31-03-2020	No. of Outside Committee position held		Whether attended last AGM held on 27-09-2019
			Held during the year	Attended during the Year		as member	as Chairman	
Mr. Vinod P. Arora (Chairman & Managing Director)	Promoter, Non Independent and Executive Director	Son of Mr. Parmanand Arora and Brother of Mr. Rajesh Arora	5	5	2	0	0	Yes
Mr. Ashish V. Shah (Managing Director)	Promoter, Non Independent and Executive Director	Brother of Mr. Kalpesh Shah	5	5	0	0	0	Yes
Mr. Kalpesh V. Shah (Whole Time Director)	Promoter, Non Independent and Executive Director	Brother of Mr. Ashish Shah	5	5	0	0	0	Yes
Mr. Rajesh P. Arora (Director)*	Promoter, Non Independent and Non-Executive Director	Son of Mr. Parmanand Arora and Brother of Mr. Vinod Arora	5	2	0	0	0	No
Mr. Sanjay S. Majmudar (Director)	Independent Non-executive	NA	5	5	5	4	5	Yes



Name of Director	Category	Inter-se Relationship	Numbers of Board Meetings		No. of outside Directorships held as on 31-03-2020	No. of Outside Committee position held		Whether attended last AGM held on 27-09-2019
			Held during the year	Attended during the Year		as member	as Chairman	
Mr. Ashok C. Gandhi (Director)	Independent Non-executive	NA	5	5	3	5	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	4	1	0	1	Yes
***Mr. Yashree Dixit (Director)	Independent Non-executive	NA	5	1	0	0	0	Yes
Mr. Nipun Arora (Director)	Non Independent and Executive Director	Son of Mr. Vinod Arora, Chairman and Managing Director of the Company	5	5	1	0	0	Yes
**** Ms. Aarti Thakkar (Director)	Independent Non-executive	NA	5	3	0	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. Rajesh P. Arora has resigned from the office of the director of the Company with effect from 24th August, 2020.

** Mr. Arvind D. Sanghvi Arora has resigned from the office of the Independent director of the Company with effect from 22nd October, 2019.

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

**** Ms. Aarti Thakkar has also been appointed as an Independent Director of the company by Board of Directors w.e.f. 14th November 2019.

The Company held 5 Board Meetings during 2019-20 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings held were: 23rd May, 2019, 10th August, 2019, 14th November, 2019, 7th January 2020 and 14th February, 2020.

Shareholding of Non-Executive Directors as on 31st March, 2020

Name of Director	No. of Shares held
Mr. Rajesh P. Arora*	10,72,645
Mr. Sanjay Majmudar	-
Mr. Ashok Gandhi	-
Mr. Amol Dalal	4904
Mr. Arvind Sanghvi**	-
Ms. Yashree Dixit***	-
**** Ms. Aarti Thakkar	-

* Mr. Rajesh P. Arora has resigned from the office of the director of the Company with effect from 24th August, 2020.

** Mr. Arvind D. Sanghvi Arora has resigned from the office of the Independent director of the Company with effect from 22nd October, 2019.

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

**** Ms. Aarti Thakkar has also been appointed as an Independent Director of the company by Board of Directors w.e.f. 14th November 2019.

Familiarization Programme for Independent Directors

The Company has formulated a policy to familiarize the Independent Directors with the Company, their roles, rights, responsibilities of Company, nature of Industry in which the Company operates, business model of the Company etc., through various programmes are regularly updated on the website of the Company. Web link is: <http://www.aarveedenims.com/investors/corporate-governance/>

3. AUDIT COMMITTEE

(i) Brief Description of Terms of reference

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

(ii) Composition and Attendance during the year

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

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

Name of Member	Designation	Category	No. of Meetings	Meetings attended
Mr. Sanjay Majmudar	Chairman	Independent – Non- Executive Director	5	5
Mr. Ashok C. Gandhi	Member	Independent – Non- Executive Director	5	5
Mr. Amol Dalal	Member	Independent – Non- Executive Director	5	4

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 23rd May, 2019, 10th August, 2019, 14th November, 2019, 7th January 2020 and 14th February, 2020. 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 27th September, 2019.

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	5	5
Mr. Ashok C. Gandhi	Member	Independent – Non- Executive Director	5	5
Mr. Amol Dalal	Member	Independent – Non- Executive Director	5	4

The Committee met five times during the year, on 23rd May, 2019, 10th August, 2019, 14th November, 2019, 7th January 2020 and 14th February, 2020.

The Chairman of the Nomination and Remuneration Committee, Mr. Sanjay Majmudar was present at the Annual General Meeting of the Company held on 27th September, 2019.

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, 2020 are as follows:

(Amount in Lacs)

Name of Director	Salaries	Sitting Fees	Total
Mr. Vinod P. Arora-CMD	35.13	-	35.13
Mr. Ashish V. Shah-MD	29.27	-	29.27
Mr. Kalpesh V. Shah-WTD	17.56	-	17.56
Mr. Nipun V. Arora-WTD	11.71	-	11.71
Mr. Rajesh P. Arora**-NED	-	-	-
Mr. Sanjay S. Majmudar-ID	-	0.20	0.20
Mr. Ashok C. Gandhi-ID	-	0.20	0.20
Mr. Amol R. Dalal-ID	-	0.20	0.20
Mr. Arvind D. Sanghvi***-ID	-	0.05	0.05
Ms. Yashree Dixit****-ID	-	0.05	0.05
Ms. Aarti Thakkar*****-ID	-	0.05	0.05

** Mr. Rajesh P. Arora has resigned from the office of the director of the Company with effect from 24th August, 2020.

*** Mr. Arvind D. Sanghvi Arora has resigned from the office of the Independent director of the Company with effect from 22nd October, 2019.

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

***** Ms. Aarti Thakkar has also been appointed as an Independent Director of the company by Board of Directors w.e.f. 14th November 2019.

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

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

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

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

(ii) Stakeholder / Investors Grievance and Relationship Committee

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

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

Composition and attendance during the year

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

Name of Member	Designation	Category	No. of Meetings	Meetings attended
Mr. Amol Dalal	Chairman	Independent – Non- Executive	4	3
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. 23rd May, 2019, 10th August, 2019, 14th November, 2019, and 14th February, 2020 and all three members of committee were present at above meetings.

Name and Designation of Compliance officer: Ms. Yashaswini Pandey resigned w.e.f. 18.08.2019.

Mr. Darshak Thakkar has been appointed as Company Secretary of the company w.e.f. 20.09.2019

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

Sr. No.	Nature of Complaint	Complaints received	Complaints solved	Complaints pending
1.	Non receipt of shares certificate after transfer etc.	-	-	-
2.	Non receipt of dividend warrants	00	00	Nil
3.	Query regarding demat credit	-	-	-
4.	Others	01	01	Nil
	Total	01	01	Nil

Code of Conduct

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

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

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

with the Company, its promoters, its Directors, its senior management or its subsidiaries and associates.

The Directors and senior management of the Company have made disclosures to the Board confirming that there are no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large at arm's length basis.

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 14th February, 2020, 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 2019-19 forms a part of the Directors' Report.

Composition and attendance during the year

The composition of Committee during the year is given below:

Name of Member	Designation	Category
Mr. Ashish V. Shah	Chairman	Managing Director
Mr. Vinod P. Arora	Member	Chairman and Managing Director
Mr. Amol Dalal	Member	Independent – Non- Executive

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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
27th September, 2019	191, Shahwadi, Nr. Old Octroi Naka, Narol Sarkhej Highway, Narol, Ahmedabad: 382 405	11:00 A.M.	6
25th September, 2018	191, Shahwadi, Nr. Old Octroi Naka, Narol Sarkhej Highway, Narol, Ahmedabad: 382 405	10:00 A.M.	2
8th September, 2017	191, Shahwadi, Nr. Old Octroi Naka, Narol Sarkhej Highway, Narol, Ahmedabad: 382 405	10:00 A.M.	1

- 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 2019-19 were undertaken in compliance with aforesaid regulatory provisions. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.
- (ii) There has been no non-compliance by the Company on any matter related to capital markets. Hence the question of penalties or strictures being imposed by SEBI or the Stock exchanges or any other statutory authorities does not arise
- (iii) The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.
- (iv) CFO Certification: The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Part B of Schedule II to the Listing Regulations pertaining to CFO certification for the Financial Year ended 31st March, 2020.
- (v) Risk Management Policy: The Company has a well-defined risk management framework in place. The Company periodically places before the Audit Committee and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company.
- (vi) The Company has complied with all the mandatory and non-mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Clauses (b) to (i) of Regulation 46 (1) & (2) relating to the dissemination of information on the website of the Company.

The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations is as under:

The following non-mandatory requirements have been adopted by the Company:

- a. Financial statements of Company are unqualified and Members' attention is invited to the observation made by the Auditors under "Emphasis of Matter" appearing in the Auditors' Report.
- b. The Company has appointed separate persons to the posts of Chairman and Managing Director.
- c. The Internal Auditors report directly place to the Audit Committee.

(vii) The policy on dealing with related party transactions is disclosed on the Company's website at the following web link: <http://www.aarveedenims.com/investors/corporate-governance/>

9. MEANS OF COMMUNICATION

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

10. GENERAL SHAREHOLDER INFORMATION

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

i. Annual General Meeting

Date : 26th December 2020

Time : 11:00 A.M.

Venue : Through video conferencing mode (VC)/Other Audio Visual Means (OAVM).

ii. Financial year: 1st April 2020 to 31st March 2021.

Financial results will be declared as per the following schedule:

Particular	Tentative schedule
Quarterly un-audited results	
Quarter ending 30th June, 2020	On or before 14th August, 2020
Quarter ending 30th September, 2020	On or before 14th November, 2020
Quarter ending 31st December, 2020	On or before 14th February, 2020
Annual audited result	
Year ended 31st March, 2021	On or before 30th May, 2021

iii. Date of Book Closure : N.A.

iv. **Dividend Payment Date** : Director of the company is not recommended any dividend for the financial year ended on 31st March, 2020.

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

The Company has paid the Annual Listing fees to the Stock Exchanges for the financial year 2019-20.

AARVEE DENIMS AND EXPORTS LTD.

vi. Stock Code

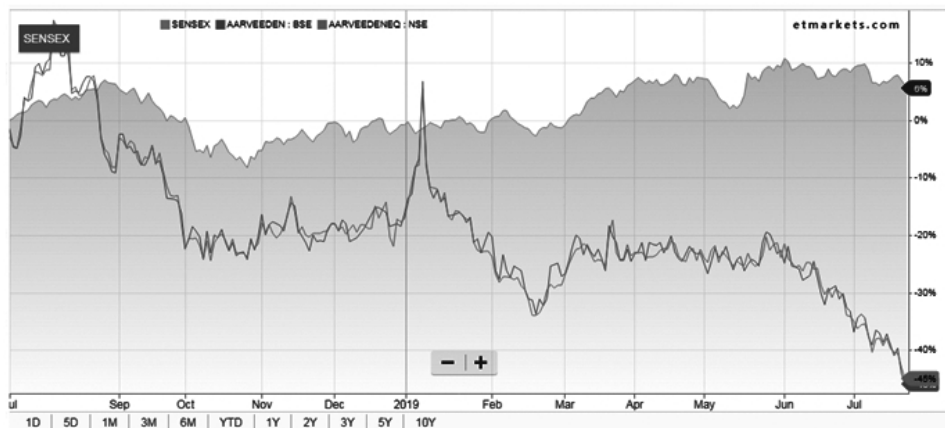
Stock Code on BSE : 514274

Stock Code on NSE : AARVEEDEN

Demat ISIN No. for NSDL and CDSL : INE273D01019

vii. Market price

MONTH	BSE			NSE		
	High (Rs.)	Low (Rs.)	Turnover	High (Rs.)	Low (Rs.)	Turnover
Apr-19	25.35	19	3,10,438	8.75	7.7	85,149.80
May-19	26.75	22	6,42,318	12.95	11.65	40,760.70
Jun-19	24.3	19	3,99,624	14.4	13.3	93,275.90
Jul-19	22	14.85	3,51,340	14.9	13.6	140,283.75
Aug-19	19.7	12.2	5,32,245	12.8	12.2	79,985.10
Sep-19	19.5	13.25	5,60,222	14.45	13.6	53,466.00
Oct-19	18.4	13.05	1,40,466	16.9	15.5	25,182.65
Nov-19	15.72	11.15	2,23,143	14.6	12.25	117,556.45
Dec-19	17	10.92	30,84,279	16.95	15.15	188,979.50
Jan-20	15.86	13.05	2,31,475	20.95	18.4	274,107.50
Feb-20	15.75	11.62	1,04,267	23.85	23.05	217,316.75
Mar-20	13.04	6.3	2,84,113	27.5	21.35	576,870.65



viii. Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd

5th Floor, 506 TO 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre,
Nr. St. Xavier's College Corner, Opp. C G Road, Navrangpura, Ahmedabad - 380009.
Tel. Nos.079-26465179, Fax No 079-26465179, Email: ahmedabad@linkintime.co.in

ix. Share Transfer System

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

x. Secretarial Audit

- a. Mr. Tapan Shah, Practicing Company Secretaries have conducted a Secretarial Audit of the Company for the year 2019-20. 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 31-03-2020

Sr. No.	Category (Shares)	Shareholders		Shareholding	
		Numbers	Percentage	Numbers	Percentage
1	1-500	9318	86.9379	1344111	5.7294
2	501-1000	664	6.1952	554688	2.3644
3	1001-2000	355	3.3122	555174	2.3665
4	2001-3000	109	1.017	284889	1.2144
5	3001-4000	54	0.5038	195862	0.8349
6	4001-5000	55	0.5132	258199	1.1006
7	5001-10000	75	0.6998	532184	2.2685
8	Above 10000	88	0.821	19734693	84.1213
	Total	10718	100	2,34,59,800	100.00

xii. Shareholding Pattern as on 31-03-2020

Category Wise Holdings Summary		
Category	Total Securities	%-Issued Capital
Corporate Bodies (Promoter Co)	69539780	29.6421
Clearing Members	283750	0.121
Other Bodies Corporate	1537130	0.6552
Financial Institutions	17440	0.0074
Hindu Undivided Family	2150930	0.9169
Non Nationalized Banks	3000	0.0013
Non Resident Indians	17355310	7.3979
Non Resident (Non Repatriable)	294260	0.1254
Public	50693620	21.6087
Promoters	84823250	36.1569
Trusts	800000	0.341
Insurance Companies	4937580	2.1047
Investor Education And Protection Fund	2161950	0.9216
TOTAL	23459800	100

xiii. Dividend declared for the last 10 years

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

iii. Dematerialization of Shares and liquidity

Electronic/ Physical	No of Shares	Percentage %
NSDL	20140062	85.85
CDSL	2885125	12.30
Physical	434613	1.85
TOTAL	2,34,59,800	100.00

As on 31st March, 2020, 230,16,987 (98.11%) Equity Shares of the Company were dematerialized. 100% promoters share holdings are in dematerialized form.

iv. 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.

v. Address for correspondence

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

Company Secretary

Aarvee Denims and Exports Limited

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

Phone : 91-079- 68147000

Fax : 91-079- 68147070

Email : cs@aarvee-denims.com

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

Name : Link Intime India Pvt. Ltd.

Address : 5th Floor, 506 TO 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Navrangpura, Ahmedabad - 380009.

Phone : 91-079- 26465179

Fax : 91-079- 26465179

Email : ahmedabad@linkintime.co.in

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

a) **Outstanding GDRs /ADRs / Warrants or any convertible instrument, conversion and likely impact on equity:** NIL

b) **Electronic Voting:**

Pursuant to section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable requirements, voting at the 31st Annual General Meeting will be made through electronic voting. The electronic voting ("E-Voting") period will be from 9.00 a.m. on 23rd December, 2020 to 5.00 p.m. on 25th December, 2020, both days inclusive.

c) **Disclosure of material transactions**

In terms of Regulation 26(5) of the SEBI LODR Regulations, Senior Management has made disclosure to the Board relating to all material financial and commercial transactions, if any, where they had personal interest that might have been in potential conflict with the interest of the Company. Based on disclosures received, none of the officials in senior management team of the Company have personal interest in any financial or commercial transactions that may have potential conflict with the interest of the Company.

d) **Disclosures of the Compliance with corporate governance under Regulations 17 to 27 of the SEBI LODR Regulations except those which are already disclosed elsewhere in this report:**

i. **Orderly succession to Board and Senior Management:** The Board had satisfied itself that in the event of a requirement for addition/succession at the Board level or in the Senior Management, there is a process in place.

ii. **Information supplied to the Board**

The Board is presented with relevant information on various matters related to the working of the Company, especially those which are critical and require deliberation for arriving at a decision or for resolving an issue. In addition to the items which are required to be placed before the Board for its noting and/or approval, information is properly provided on various significant matters.

In terms of quality and importance, the information supplied by the management to the Board of Directors of the Company is precise and provided with relevant details that is necessary for the directors to enable them to fulfill their duties. The Independent Directors of the Company expressed satisfaction on 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.

iii. **Compliance Certificate**

The MD and Whole time Director have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8), read with Part B of Schedule II to the SEBI LODR Regulations and the same is given in this Annual Report.

iv. **Report on Corporate Governance**

This section, read together with the information given in the Board's Report, Management Discussion and Analysis section and General Shareholder Information, constitute the compliance report on Corporate Governance during the year. The company submits the quarterly compliance report on regular basis to the stock exchanges as required under Regulation 27 of the SEBI LODR Regulations.

v. **Certificate from Practicing Company Secretary on compliance of Corporate Governance conditions**

The Company has obtained the Certificate from a Practicing Company Secretary regarding compliance with the provisions relating to corporate governance laid down in Part E of

Schedule V to the SEBI LODR Regulations along with Certificate to the effect that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

These Certificate(s) are annexed to the Board's Report and will be sent to the stock exchanges, along with the Annual Report to be filed by the Company.

46(2)(b) TO (I) OF COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION LISTING REGULATION

Sr. No.	Particulars	Regulation	Compliance status Yes/No/N.A	Compliance observed for the following
1.	Board of Directors	17	Yes	<ul style="list-style-type: none"> ➤ Composition ➤ Meetings ➤ Review of compliance report ➤ Plans for orderly succession for appointments ➤ Code of Conduct ➤ Fees/compensation to Non-Executive Directors ➤ Minimum information to be placed before the Board ➤ Compliance Certificate ➤ Risk assessment and management ➤ Performance evolution of Independent Directors
2.	Audit Committee	18	Yes	<ul style="list-style-type: none"> ➤ Composition ➤ Meetings ➤ Power of the Committee ➤ Role of the Committee and review of information by the Committee
3.	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> ➤ Composition ➤ Role of the Committee
4.	Stakeholders' Relationship committee	20	Yes	<ul style="list-style-type: none"> ➤ Composition ➤ Role of the Committee
5.	Risk Management Committee	21	N.A.	<ul style="list-style-type: none"> ➤ Composition (Adopted Voluntarily) ➤ Role of the Committee
6.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> ➤ Formulation of Vigil Mechanism for Directors and employees ➤ Director access to Chairperson of Audit Committee

Sr. No.	Particulars	Regulation	Compliance status Yes/No/N.A	Compliance observed for the following
7.	Related Party Transaction	23	Yes	<ul style="list-style-type: none"> ➤ Policy on Materiality of Related party Transactions and dealing with Related Party Transactions ➤ Approval including omnibus approval of Audit Committee ➤ Review of related Party Transactions
8.	Subsidiaries of the Company	24	Yes	<ul style="list-style-type: none"> ➤ There was no material subsidiary of the Company and as a result the other compliance in respect of material subsidiary were not applicable ➤ Review of financial statements of unlisted subsidiary by the Audit Committee ➤ Significant transactions and arrangement of unlisted subsidiary
9.	Obligation with respect to Independent Directors	25	yes	<ul style="list-style-type: none"> ➤ Maximum Directorship and tenure ➤ Meeting of Independent Directors ➤ Familiarization of Independent Directors
10	Obligation with respect to Directors and Senior Managements	26	Yes	<ul style="list-style-type: none"> ➤ Memberships/ Chairpersonship in Committees ➤ Affirmation on Compliance of Code of Conduct by directors and Senior Management ➤ Disclosure of shareholding by Non-Executive Directors ➤ Discloser by Senior Management about potential conflicts of interest
11.	Other Corporate Governance requirements	27	yes	<ul style="list-style-type: none"> ➤ Compliance with discretionary requirements ➤ Filing of quarterly compliance report on Corporate Governance

Sr. No.	Particulars	Regulation	Compliance status Yes/No/N.A	Compliance observed for the following
12.	Website	46(2) (b) to (i)	Yes	<ul style="list-style-type: none"> ➤ Terms and conditions for appointment of Independent Directors ➤ Composition of various Committees of the Board of Directors ➤ Code of Conduct of Board of Directors and Senior Management personnel ➤ Details of establishment of Vigil Mechanism/ Whistle Blower policy ➤ Policy on dealing with Related Party Transactions ➤ Policy for determining material subsidiaries ➤ Details of familiarization programmes imparted to Independent Directors

e) Foreign exchange risk and hedging activities

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in foreign currencies. The company measures risk through sensitivity analysis.

f) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during the financial year : NIL
- b. number of complaints disposed of during the financial year : NIL
- c. number of complaints pending as on end of the financial year : NIL

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Rule 11 of the Companies (Accounts) Rules, 2014 permits circulation of annual report through electronic means to those shareholders whose e-mail IDs are registered with NSDL or CDSL or the shareholders who have registered their e-mail IDs with the Company to receive the documents in electronic form and physical copies to those shareholders whose e-mail IDs have not been registered either with the Company or with the depositories.

To support this green initiative of the Government, shareholders are requested to register their e-mail ID with the DPs, in case shares are held in dematerialized form and with the RTA, in case the shares are held in physical form and also intimate changes, if any, in their registered e-mail IDs to DPs / RTA/ Company from time to time.

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part if any:
Rs. 900000/-

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, 2020.

Date: 12.11.2020
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 2020 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: 12.11.2020
Place: Ahmedabad

Ashish Shah
Managing Director

Ketan Desai
CFO

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No.: L17110GJ1988PLC010504

Nominal Capital: Rs. 50,000,0000/-

To,

The Members of

AARVEE DENIMS & EXPORTS LIMITED

CIN : L17110GJ1988PLC010504

Ahmedabad

I have examined the compliance of conditions of corporate governance by AARVEE DENIMS & EXPORTS LIMITED, for the year ended on March 31, 2020 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, pursuant to the Listing Agreement of the said Company with stock exchanges.

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19, I certify that the Company has complied with the mandatory conditions as stipulated in above mentioned Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchanges, except:

1. The Company had no woman Director on the Board for the period from 10th August, 2019 to 14th November, 2019;
2. Due to resignation of one of the Independent Director as on 25th October, total Independent Directors on the Board were less than the required 5, during the period from 25th October, 2019 till 31st March, 2020; and
3. The Company had no Company Secretary (KMP) for the period from 18th August, 2019 to 20th September, 2019.

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.

Name of Company Secretary : TAPAN SHAH

Membership No. : FCS4476

C P No. : 2839

UDIN : F004476B001198405

Place: Ahmedabad

Date: 12th November, 2020

Note:

Due to restricted movement amid CoVID-19 pandemic, I have conducted the Corporate Governance Compliance audit by examining the various records including Minutes, Documents, Registers and other records, etc., some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to me are the true and correct.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
AARVEE DENIMS AND EXPORTS LTD
191 Shahwadi, Near Old Octroi Naka,
Narol Sarkhej Highway,
Narol Ahmedabad- 382405

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AARVEE DENIMS AND EXPORTS LTD, having CIN: L17110GJ1988PLC010504 and having registered office at 191 Shahwadi, Near Old Octroi Naka, Narol Sarkhej Highway, Narol Ahmedabad 382405 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Vinod Parmanand Arora	00007065	01/10/2010
2.	Ashish Virendrabhai Shah	00007201	28/03/1988
3.	Kalpesh Virendrabhai Shah	00007262	01/10/2010
4.	Rajesh Arora	00092200	11/08/1992
5.	Nipun Vinodkumar Arora	00989835	11/08/2018
6.	Sanjay Shaileshbhai Majmudar	00091305	14/11/2003
7.	Ashok Chandrakant Gandhi	00022507	11/11/1995
8.	Amol Rohitbhai Dalal	00458885	31/03/2004
9.	Aartiben Pravinbhai Thakkar	08603903	14/11/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Name of Company Secretary : TAPAN SHAH

Membership No. : FCS4476

C P No. : 2839

UDIN : F004476B001198482

Place: Ahmedabad
Date: 12th November, 2020

Note:

Due to restricted movement amid COVID-19 pandemic, I have examined the relevant registers, records, forms, returns and disclosures received from the Directors, some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to me are the true and correct.

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 2019, the global economy started with a weak note impacting manufacturing and trade growth throughout the year due to geopolitical tensions and trade war mainly between US and China. Overall global economy grew by about 2.9% in 2019.

The Indian economy closed fiscal year 2019-20 with a GDP growth of 4.2% against 6.1% in 2018-19. Economic growth slowed to an 11-year low of 4.2% in 2019-20. In the final quarter of the year 2019-20, the growth rate of GDP fell to 3.1%, reflecting the impact of the first week of the COVID-19 Lockdown which began on March 25th. Due to Lockdown in major part of Q1 in current FY 2020-21, India's April-June quarter GDP contracted by a massive 23.9 % (YoY), which is the first GDP contraction in more than 40 years. Reserve Bank of India (RBI) has given its forecast for contraction in the GDP during current FY 2020-21 to 9.5%. International Monetary Fund (IMF) has also given forecast for contraction in GDP by 10.30% for FY 2020-21 and has given positive outlook for FY 2021-22 with GDP growth of 8.8%.

Overview of Indian Textile Market

India's textile industry is one of the largest contributors to the economy accounting for around 4% of GDP. The size of the Textile Industry in India stood at 150 billion US dollar. Textile Industry in India is one of the largest in the world with a large raw material base and manufacturing strength. With over 45 Million people employed directly, the textile industry is one of the largest sources of employment generation in the country. The growth of textile sector is largely depends on consumer spending and multiple factors like actual and perceived economic condition, disposable income and employment. The textile industry, which has already been going through tough times in FY 2019-20 due to increased cotton prices, GST changes, etc. has now been adversely affected due to COVID-19 Pandemic in FY 2020-21 in domestic as well as International Market. However with Unlock measures by the Government, demand is slowly reviving with increasing demand from domestic and export market, though not at pre-Covid level. Demand for Denim fabrics is likely to reach normal level in next 2-3 quarters with expected positive outcome of vaccines development against Covid-19 by various companies across World including India in Q1 of 2021.

Review of Operations

(Rs. in Lacs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Revenue from Operations	56640.67	75434.03
EBITDA	3580.59	8500.12
Profit after Tax	(4192.69)	108.88
Earnings per Share (Rs.)	(17.88)	0.46

Revenue

There has been a decrease in Revenue from Operations by around 25% to Rs. 56640.67 Lacs mainly due to slower demand and oversupply situation of the textile products in the markets.

EBITDA & PAT

EBITDA had decreased to Rs. 3580.59 Lacs from Rs. 8500 Lacs during previous financial year and the company has suffered loss of Rs.4192.69 Lacs against Profit after Tax (PAT) of Rs. 108.88 Lacs. In FY 2019-20, particularly in the first half the company faced headwinds and incurred losses on account of a mix of unfavorable macroeconomic conditions. There was softening in the demand conditions both in the international markets as well as in the domestic markets and also severe over supply situation which was compressing the realization in the markets. To further accentuate the problem the cotton prices were abnormally high. Due to the combined impact of all these problems, the company suffered cash loss during the first half of FY 2019-20. However, the management consciously and actively took several corrective measures mainly to control the cost. The company significantly cut down the excess work force in its Narol unit, Vijay Farm unit and Sari unit and the company also decided to cut down the production so as to ensure that there is no oversupply situation. Further to match with the same, the company also reduced the power connection load suitably so as to reduce the fixed overhead associated with power cost. As a result, the company has earned cash profit in Q3 and Q4 of FY 2019-20. Company had come out of the problems faced earlier in first half of FY 2019-20, and the company's operations had significantly improved in second half of FY 2019-20.

Raw Material Consumption

Cotton consumption cost had decreased to Rs. 20204 Lacs from 30105 Lacs during previous financial year due to reduction in overall production and sales during previous financial year.

Employee benefits expenses

Employee benefits expenses decreased to Rs. 4317 Lacs from 5439 Lacs during the previous year due to reduction in manpower.

Finance Cost

Finance cost increased by 7% to Rs. 5298 Lacs from Rs. 4930 Lacs 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 23% to Rs.14061 Lacs as compared to Rs. 18276 Lacs during previous year mainly due to cost cutting measures taken by the management in overall manufacturing as well as administrative expenses. Store and Spares consumption have considerable decreased to Rs. 482 Lacs from Rs. 1078 Lacs during previous year. Other major expenses like labour cost, job work cost, packing material cost have also been considerably decreased during the year under review as compared to previous year.

Working Capital

Working capital requirement in the business went up because of the fact that our key distributors are required to offer elongated credit to the garment manufacturers who are their customers, and the garment manufacturers are also required to offer extended credit periods to their own customers and thus in the process the entire working capital cycle has been significantly elongated. .

Subsidiary Company

The audited Consolidated Financial Results for the year ended March 31, 2020 include results of its 100% Subsidiary Company, namely M/s Aye Ess Spinning Mills Pvt. Limited, Ahmedabad (herein after referred to as "Aye Ess"). The Aye Ess has not started its' commercial operations since its incorporation and pursuant to

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resolution passed by the Board of Directors of the Aye Ess, in its meeting held on 10.08.2019, it has filed an application under section 248(2) of the Companies Act, 2013 for voluntarily striking off of the name of the company from the Register of Companies with Registrar of Companies, Gujarat (i.e. ROC), after complying with all the prescribed legal formalities. Pending publication of notice in the Official Gazette by the ROC, Gujarat, and the name of the Aye Ess Company is yet to be stricken-off from Register of Companies and to be dissolved as at year end. As the net worth of the Aye Ess as at March 31, 2020 is nil, the investment in Aye Ess amounting to Rs.1.00 lac has been provided as loss in diminution in value of investment in subsidiary in Standalone Financial Results of the company.

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. Due to 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, over supply in the market, etc., the performance of the company was adversely affected during FY 2019-20. By implementing cost effective measures, the company has improved its performance in second half of FY 2019-20, however subsequently, the textile industry has been severally affected due to Covid-19 Pandemic in India and across the World. With issue of various Unlock guidelines by the Government from time to time, the industry has again started reviving but still the fear of Covid-19 remains till invent of the vaccines and vaccination to the people at large across the World. The market situation is dynamic and unpredictable though slow revival is seen in domestic and export market in Q3 of FY 2020-21 and expected to gain further momentum in Q4 of FY 2020-21.

INDEPENDENT AUDITORS' REPORT

To the Members of
AARVEE DENIMS & EXPORTS LIMITED

Report on the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **AARVEE DENIMS & EXORTS LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (Collectively referred to as 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

Attention is invited to note no: 51 of the audited standalone financial statements regarding continuing recognition of MAT Credit as at 31st March, 2020. Auditors are relied upon and accepted the estimates and judgments made in this regard by the company.

Attention is invited to note no: 52 of the audited standalone financial statements regarding inventory as at 31st March, 2020. The company has applied roll back procedures on physical verification carried out after the year end to arrive at the physical status of year-end inventory. We have applied alternate audit procedures and have relied upon the system/procedures applied in arriving year-end inventory on hand by the management.

We draw attention to note no: 53 of the audited standalone financial statements as regards the management's evaluation of COVID-19 impact on the future performance of the Company.

Our opinion is not modified in respect of these matters.

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Key Audit Matters

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

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

Other Information

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act; 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2016.
- e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/ provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SHAH & SHAH ASSOCIATES
Chartered Accountants
FRN:113742W

SUNIL K.DAVE
PARTNER
Membership Number: 047236
UDIN: 20047236AAAAFL4703

Place : Ahmedabad
Date : 28.07.2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

Report of even date on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act**1. In respect of its fixed assets:**

- a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company and based on the examinations of the registered sale deed/transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on confirmations received from landers. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the standalone financial statements, the lease agreements are in the name of the company, where the company is the lessee in the agreement.
2. As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. The discrepancies noticed on physical verification during the year have been properly dealt with in the books of accounts.
 3. The company has not granted any loans, secured or unsecured to companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
 4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the investments made. Further, during the year under review, the company has not granted any loans or provide guarantees.
 5. According to the information and explanations given to us, the company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014(as amended). According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or The Reserve Bank of India or any Court or any other Tribunal.
 6. In respect of business activities of the Company, maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company and are of the opinion that prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made detailed examinations of the records with a view to determining whether they are accurate or complete.
 7.
 - a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
 - b) There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.

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- 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:

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)
Income Tax Act,1961	Income Tax	Commissioner of Income Tax (Appeal)	2011-12	19.45	19.45
Income Tax Act,1961	Income Tax	Commissioner of Income Tax (Appeal)	2010-11	5.36	5.36

8. Based on our audit procedures and as per the information and explanations given by the management, the company has not defaulted in repayment of loans or borrowings from banks, financial institution. Further, during the year under review, the company has not issued debentures; hence the question of reporting for default in repayment of debentures does not arise.
9. The company has not raised money by way of initial public offer or further public offer including debt instruments. In our opinion, and accordingly to the information and explanations given to us, money raised by way of term loans have been applied by the company during the year for the purposes for which they were raised. However, as explained to us, the company has obtained loans from companies which have been utilised for the purpose for which the same have been obtained.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the company and no material fraud on the company by its officers or employees has been noticed or reported during the year under review.
11. In our opinion and according to the information and explanation given to us, managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. The Company has entered in to transactions with related parties in compliance with Sections 177 and 188 of Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Accounting Standard (AS) 24, Related Party Disclosures specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the company.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SHAH & SHAH ASSOCIATES
Chartered Accountants
FRN:113742W

SUNIL K.DAVE
PARTNER
Membership Number: 047236
UDIN: 20047236AAAAFL4703

Place : Ahmedabad
Date : 28.07.2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of AARVEE DENIMS & EXPORTS LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance

AARVEE DENIMS AND EXPORTS LTD.

with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SHAH & SHAH ASSOCIATES

Chartered Accountants

FRN:113742W

SUNIL K.DAVE

PARTNER

Membership Number: 047236

UDIN: 20047236AAAAFL4703

Place : Ahmedabad

Date : 28.07.2020

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

(Rs. In Lakh)

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5	34,944.55	38,841.90
(b) Intangible assets	5	36.78	54.91
(c) Right-of-use	6	56.99	-
(d) Financial assets			
(i) Investments	7	-	1.00
(ii) Other financial assets	8	85.47	209.28
(e) Non-current tax assets (net)	9	184.71	178.36
(f) Other non-current assets	10	10.96	11.14
Total non-current assets		35,319.46	39,296.60
2 Current assets			
(a) Inventories	11	22,194.15	22,324.35
(b) Financial assets			
(i) Trade receivables	12	23,461.47	28,759.09
(ii) Cash and cash equivalents	13	105.28	200.58
(iii) Other bank balance	14	1,007.45	1,553.68
(iv) Other financial assets	15	603.77	106.25
(c) Other current assets	16	1,588.28	2,633.17
Total current assets		48,960.40	55,577.12
TOTAL ASSETS		84,279.86	94,873.72
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	2,345.98	2,345.98
(b) Other equity	18	20,752.61	24,966.57
Total equity		23,098.59	27,312.55
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	14,170.51	13,255.53
(ii) Lease Liabilities		5.72	-
(iii) Other financial liabilities	20	453.61	417.39
(b) Other non current liabilities	21	156.52	198.58
(c) Provisions	22	68.28	73.59
(d) Deferred tax liabilities (net)	23	1,636.80	3,006.29
Total non-current liabilities		16,491.44	16,951.38
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	26,972.65	29,632.89
(ii) Trade payables	25		
(iia) Total Outstanding due of Micro, and small enterprise		666.15	449.51
(iib) Total Outstanding due of creditor other than Micro and samll enterprise		15,164.96	19,294.45
(iii) Lease liabilities		2.50	
(iv) Other financial liabilities	26	1,457.54	919.93
(b) Other current liabilities	27	213.60	155.70
(c) Provisions	28	212.43	112.68
(d) Current tax liabilities (net)	29	-	44.63
Total current liabilities		44,689.83	50,609.79
TOTAL EQUITY AND LIABILITIES		84,279.86	94,873.72
See accompanying notes forming part of standalone financial statements	39-56		

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)

Ketan Desai
Chief Financial Officer
Place : Ahmedabad
Date : 28th July 2020

For and on behalf of the Board of Directors

Aarvee Denims and Exports Limited
Vinod P. Arora
Chairman & Managing Director
(DIN:00007065)

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

Darshak Thakkar
Company Secretary
Place : Ahmedabad
Date : 28th July 2020

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. In Lakh)

Particulars	Note	2019-20	2018-19
I. Income:			
Revenue from operations	30	56,467.81	75,155.52
II. Other income	31	172.86	278.51
III. Total Income (I + II)		56,640.67	75,434.03
IV. Expenses:			
Cost of materials consumed	32	34,837.75	47,043.53
Changes in inventories of finished goods and work in progress	33	(155.66)	(3,824.30)
Employee benefits expense	34	4,316.58	5,438.79
Finance costs	35	5,297.78	4,929.59
Depreciation and amortization expense	5	3,835.35	3,397.87
Other expenses	36	14,061.41	18,275.89
V. Total expenses		62,193.21	75,261.37
VI. Profit / (Loss) before Tax (III- V)		(5,552.54)	172.66
VII. Tax expense:	37		
Current tax		-	46.19
Short tax provision in earlier years		-	-
Mat Credit Entitlement		-	(44.04)
Deferred tax		(1,359.85)	61.63
VIII. Profit / (Loss) for the year (VI-VII)		(4192.69)	108.88
IX. Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
- Remeasurment of Defined Benefits Plan (net of tax)		(21.26)	34.87
X. Total comprehensive income for the year (VIII + IX)		(4213.95)	143.75
XI. Earnings per equity share of face value of Rs. 10 each	38		
Basic & Diluted (in Rs.)		(17.88)	0.46
See accompanying notes forming part of standalone financial statements	39-56		

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)

Ketan Desai
Chief Financial Officer
Place : Ahmedabad
Date : 28th July 2020

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

Vinod P. Arora
Chairman & Managing Director
(DIN:00007065)

Darshak Thakkar
Company Secretary
Place : Ahmedabad
Date : 28th July 2020

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

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in Lakh)

Particulars	2019-20	2018-19
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per the Statement of Profit and Loss	(5,552.55)	172.64
Adjustments for :		
Depreciation and amortization expense	3,835.35	3,397.87
Investment in Wholly owned subsidiary	1.00	
Impact of retained earning	(21.26)	34.87
Interest and Financial Expenses	5,297.78	4,929.59
Net Loss/(Profit) on sale of Fixed Assets	180.93	-
Interest Received	(92.91)	(123.24)
Provision for Expected Credit Loss	63.23	41.28
Sundry Balance written off	0.59	5.63
Operating profit before working capital changes	3,712.17	8,458.65
Adjustments for :		
Trade Receivables	5,233.80	709.00
Inventories	130.19	(2,339.67)
Other Current Assets	1,044.88	24.69
Other Non Current Assets	0.18	44.89
Other financial assets non current	123.81	(1.87)
Other financial assets current	(497.52)	(723.58)
Increase in Lease Liab (Net)	0.69	-
Other current liabilities	595.51	(19.39)
Current provisions	99.74	(18.27)
Non current provisions	(14.95)	63.93
Other non current financial liabilities	36.22	25.42
Other non current liabilities	(42.07)	(42.07)
Trade Payables	(3,912.85)	(1,007.27)
Cash Generated From Operations	6,509.83	5,174.45
Income Taxes Paid	(50.98)	(117.80)
Net Cash From Operating Activities (A)	6458.86	5056.66
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(239.27)	(6,339.95)
Sale of Fixed Assets	89.01	318.41
Bank Balances not considered as Cash and Cash Equivalents - Matured / (Placed)	546.24	563.77
Interest Received	92.91	123.24
Net Cash used in Investing Activities (B)	488.88	(5,334.53)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) of Non current borrowings (Net)	914.98	4,932.66
Proceeds/ (Repayment) from current borrowings (Net)	(2,660.24)	284.80
Interest & Finance cost	(5,297.78)	(4,929.59)
Net Cash used in Financing Activities (C)	(7043.04)	287.87

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in Lakh)

Particulars	2019-20	2018-19
Net changes in Cash & Cash Equivalents (A+B+C)	(95.30)	10.00
Cash and Cash Equivalents at the beginning of the year (Refer Note 13 (i))	200.58	190.58
Cash and Cash Equivalents at the end of the year (Refer Note 13 (i))	105.28	200.58
Reconciliation of Cash and Cash equivalents with the balance sheet		
Cash and Cash equivalents as per balance sheet (Refer Note : 13 &14)	1112.72	1754.26
Less : Unpaid Dividend Accounts (Refer Note : 14)	2.27	2.27
Less Deposut Account for Margin Money	1005.17	1551.41
Net Cash and Cash equivalents (as defined in IND AS 7 "Statement of Cashflow) included in note 13	105.28	200.58
Cash and Cash Equivalents at the end of the year comprises of		
(a) Cash on Hand	2.46	3.37
(b) Balances with Bank in current account	102.82	197.21
Total	105.28	200.58

Notes :

- The Cash Flow Statement has been prepared under Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act, 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).
- Cash and cash equivalents includes Rs. 2.27 Lacs (P. Y. 2.27 Lacs) in earmarked balances with banks which can be utilised only for the specific identified purposes.

In terms of our report attached of even date

For Shah & Shah AssociatesChartered Accountants
(Firm Reg. No. 113742W)**Sunil K. Dave**Partner
(Membership No. 047236)**Ketan Desai**Chief Financial Officer
Place : Ahmedabad
Date : 28th July 2020

For and on behalf of the Board of Directors

Aarvee Denims and Exports Limited**Vinod P. Arora**Chairman & Managing Director
(DIN:00007065)**Kalpesh V. Shah**Whole Time Director
(DIN:00007262)**Darshak Thakkar**Company Secretary
Place : Ahmedabad
Date : 28th July 2020

**STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2020**
A Equity share capital

(Rs. In Lakh)

Particulars	Note	No. of Shares	Amount
As at 1st April, 2018		2,34,59,800	2,345.98
Changes in equity share capital during the year	16a	-	-
As at 31st March, 2019		2,34,59,800	2,345.98
Changes in equity share capital during the year	16a	-	-
As at 31st March, 2020		2,34,59,800	2,345.98

B Other equity

Particulars	Capital Redemption Reserve	Securities Premium Account	General reserve	Foreign Currency Monetary Item Trns. Diff	Retained Earning	Total
Balance as at 1st April,2018	1,499.13	2,807.10	562.73	0.02	19,953.86	24,822.84
Profit for the year	-	-	-	-	108.88	108.88
Other comprehensive Income for the year (net)	-	-	-	-	34.87	34.87
Balance as at 31st March, 2019	1,499.13	2,807.10	562.73	0.02	20,097.61	24,966.57
Profit for the year	-	-	-	-	(4,192.69)	(4,192.69)
Other comprehensive Income for the year (net)	-	-	-	-	(21.26)	(21.26)
Balance as at 31st March, 2020	1,499.13	2,807.10	562.73	0.02	15,883.66	20,752.61

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)

Ketan Desai
Chief Financial Officer
Place : Ahmedabad
Date : 28th July 2020

 For and on behalf of the Board of Directors
Aarvee Denims and Exports Limited
Vinod P. Arora
Chairman & Managing Director
(DIN:00007065)

Darshak Thakkar
Company Secretary
Place : Ahmedabad
Date : 28th July 2020

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

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.

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, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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

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

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 & Machinerics	Over the period of 10 to 40 years as technically assessed

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

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.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**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, 2020**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, 2020**Equity instruments:**

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

Financial Liabilities:**Initial recognition and measurement**

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

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

Effective 1st April 2019, the company has adopted Ind AS 116 - Leases and applied the standard to all leases contracts existing on 01-04-2019 using the modified retrospective method. Refer Note 6 for details on transition to Ind AS 116 Leases.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

At inception of a contract, the company assesses whether a Contract is, or contains, a lease. A Contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company recognised a right of use assets and a lease liabilities at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight- line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use asset are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The Lease Liabilities is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is measured when there is change in future lease payments arising from change in an index or rate, if there is a change in company's estimates of the amount expected to be payable under the a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of right of use asset has been reduced to zero.

The company present right - of -use asset that do meet the definition of investment property in ' Property Plant and equipment' and lease liabilities in " loans and borrowings" in the statement of financial position.

Short - term leases and leases of low value assets

The company has elected not to recognize right-of-use assets and liabilities for short- term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on straight line basis over the lease term.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

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

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

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

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

3.14 Allowance for doubtful trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Estimated irrecoverable amounts are derived based on a provision matrix which takes into account various factors such as customer specific risks, geographical region, product type, currency fluctuation risk, repatriation policy of the country, country specific economic risks, customer rating, and type of customer, etc.

Individual trade receivables are written off when the management deems them not to be collectable.

3.15 Revenue recognition

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

Sale of goods

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

Rendering of services

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

Interest income

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

Export benefits

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**3.16 Foreign currencies**

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

3.17 Financial Derivatives and Commodity hedging Transactions

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

3.18 Borrowing costs

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

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

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

3.19 Employee benefits**Defined benefit plans**

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

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

Defined Contribution plan

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

Compensated Absences

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**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.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

(a) Fair value measurement of financial instruments

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

(b) Defined benefit plans (gratuity benefits)

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

(c) Provisions and Contingent Liabilities

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

5. Property, plant & equipments

(Rs. In Lakh)

Particulars	Tangible Assets										Total		Intangible Assets Computer Software	
	Lease Hold Land	Land & Land Development	Buildings	Plant & Machineries	Electric Installations	Furniture & Fixtures	Office Equipments	Vehicles	Computer					
Deemed Cost														
As at April 1, 2018	78.60	1,301.11	10,036.91	28,722.19	1,109.02	369.00	213.65	128.30	17.27	41,976.05	95.16			
Additions	-	-	107.66	6,143.53	12.47	-	19.45	56.04	-	6,339.15	0.80			
Disposals	-	-	-	1,707.27	-	-	-	42.11	-	1,749.38	-			
As at March 31, 2019	78.60	1,301.11	10,144.57	33,158.45	1,121.49	369.00	233.10	142.23	17.27	46,565.82	95.96			
Transfer to right of use asset	78.60	-	-	-	-	-	-	-	-	78.60	-			
Additions	-	-	3.36	232.53	0.04	0.12	2.57	-	0.66	239.27	-			
Disposals	-	-	-	646.50	-	-	-	41.38	-	687.88	-			
As at March 31, 2020	-	1,301.11	10,147.93	32,744.48	1,121.53	369.12	235.67	100.85	17.93	46,038.61	95.96			
Accumulated Depreciation														
As at April 1, 2018	14.40	-	772.63	4,278.65	443.66	109.42	117.82	28.40	10.06	5,775.04	23.02			
Depreciation for the year	7.20	-	392.50	2,701.68	173.31	45.49	33.28	23.10	3.28	3,379.84	18.03			
Eliminated on Disposal of Assets	-	-	-	1,405.29	-	-	-	25.68	-	1,430.97	-			
As at March 31, 2019	21.60	-	1,165.13	5,575.04	616.97	154.91	151.10	25.82	13.34	7,723.91	41.05			
Transfer to right of use asset	21.60	-	-	-	-	-	-	-	-	21.60	-			
Depreciation for the year	-	-	396.10	3,162.61	163.13	45.13	19.66	22.81	0.24	3,809.68	18.13			
Eliminated on Disposal of Assets	-	-	-	381.82	-	-	-	36.12	-	417.94	-			
As at March 31, 2020	-	-	1,561.23	8,355.83	780.10	200.04	170.76	12.52	13.58	11,094.05	59.18			
Net Block														
As at March 31, 2020	-	1,301.11	8,586.70	24,388.65	341.42	169.08	64.91	88.34	4.35	34,944.55	36.78			
As at March 31, 2019	57.00	1,301.11	8,979.44	27,583.41	504.52	214.09	82.00	116.41	3.93	38,841.90	54.91			

(ii) Refer Note 19a, 19b & 19c for information on property, plant and equipment pledged as security by the Company.

(iii) Refer Note 40 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, 2020
6 Non Current Right - Of -Use Assets

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Land of Windmill		
Leasehold Land Transfer from PPE	78.60	-
Additions during the year	7.53	-
Total	86.13	-
Deprecation transfer from PPE	21.60	-
Deprecation for the year	7.54	-
Total	29.14	-
Net Block	56.99	-

7 Investments (Non - current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment in equity instrument :		
Unquoted (At cost)		
Subsidiary :		
10,000 Equity Shares of Rs. 10 each fully paid up of AYE ESS SPINNING MILLS PVT. LTD.	1.00	1.00
Less : Provision for Dimunation in Value of Investment	1.00	-
Total	-	1.00

8 Other financial assets (Non - current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Security deposits		
Unsecured, considered good	29.92	21.14
-Balance with government authorities	55.55	188.14
Total	85.47	209.28

9 Non-current tax assets (net)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance tax and TDS receivable (net of provision)	184.71	178.37
Total	184.71	178.37

10 Other non-current assets

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital advances		
Unsecured, considered good	10.96	10.96
	10.96	10.96
Other loans and advances		
Unsecured, considered good		
Staff advances and others	-	0.18
	-	0.18
Total	10.96	11.14

11 Inventories

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw materials	798.64	1050.45
Work in progress	8421.72	8027.78
Finished goods	12486.01	12901.80
Goods in transit (Finished goods)	296.29	118.78
Stores and spares	191.49	225.54
Total	22,194.15	22,324.35

12 Trade receivables

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured, considered good	-	
Unsecured, considered good	23461.47	28759.09
Unsecured, considered doubtful	125.67	62.44
Less: Allowance for unsecured doubtful debts (Expected credit loss allowance) (Refer Note 44B)	(125.67)	(62.44)
Total	23,461.47	28,759.09

13 Cash and cash equivalents

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash on hand	2.46	3.37
Balances in current accounts with banks	102.82	197.21
Total	105.28	200.58

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
14 Other bank balance

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
In unclaimed dividend accounts	2.27	2.27
In deposit accounts for margin money	1,005.18	1,551.41
Total	1,007.45	1,553.68

(Above deposit includes Rs. 483.49 lakh (Previous year Rs.784.62 lakh) under bank lien for margin money).

15 Other financial assets (Current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good)		
Advances to subsidiary	-	0.26
Loans and advance to staff	1.35	0.18
Loans and advance to others	5.65	91.67
Goods and service tax receivable	581.92	1.63
Interest receivable on margin money	14.85	12.51
Total	603.77	106.25

16 Other current assets

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Export benefit receivable	363.12	269.97
Advance to creditors	103.17	211.37
Balance with government authorities	1119.65	2063.02
Prepaid expenses	2.34	88.81
Total	1,588.28	2,633.17

(Rs. In Lakh)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 10/- each	3,50,00,000	3,500.00	3,50,00,000	3,500.00
13% Cumulative Redeemable Non Convertible Preference Shares of Rs. 10/- each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Issued,Subscribed & Fully Paid up				
Equity Shares of Rs. 10/- each fully paid up	2,34,59,800	2,345.98	2,34,59,800	2,345.98
Total	2,34,59,800	2,345.98	2,34,59,800	2,345.98

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,34,59,800	23,45,98,000	2,34,59,800	2,345.98
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,34,59,800	23,45,98,000	2,34,59,800	2,345.98

b. Terms/rights attached to equity shares

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

During the year ended 31st March 2020, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL (31st March 2019: 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, 2020		As at 31st March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Devangkumar Narendrakumar Sanghavi	14,90,000	6.35	14,90,000	6.35
Parmanand T. Arora	18,99,533	8.10	18,99,533	8.10
V.B. Investment Private Limited	23,20,900	9.89	23,20,900	9.89
Kashvi Investment Private Limited	13,88,200	5.92	13,88,200	5.92

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
18 Other equity

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital redemption reserve	1,499.13	1,499.13
Securities premium account	2,807.10	2,807.10
General reserve	562.73	562.73
Foreign currency monetary item trns.diff		
As per last Balance Sheet	0.02	0.02
Foreign currency monetary trns. diff	-	-
	0.02	0.02
Retained earning		
As per last Balance Sheet	20,097.59	19,953.86
Add: Net profit for the current year	(4,192.69)	108.88
Other comprehensive income (net of tax)		
Re-measurement gain / (losses) on defined benefit plans	(21.26)	34.87
Balance at the end of year	15,883.63	20,097.59
Total	20,752.61	24,966.57

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.

**AARVEE DENIMS AND EXPORTS LTD.****aarvee****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****19 Borrowings (Non - current)**

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured loans		
Term loans from banks & financial institutional : (Refer Note a, c & d below)	4095.67	4736.46
Less: Current maturities of long-term Loan (Refer Note 26)	(735.07)	(522.22)
	3,360.60	4,214.24
Vehicle loans: (Refer Note b & d below)	33.33	44.84
Less: Current maturities of long-term vehicle loans (Refer Note 26)	(11.07)	(11.47)
	22.26	33.37
	3,382.86	4,247.61
Unsecured		
Public deposits (Refer Note 43)		
From directors	2106.00	1085.75
From others	6188.56	5618.45
	8,294.56	6,704.20
Loans from related parties (Refer Note 43)	2493.09	2303.72
	2,493.09	2,303.72
Total	14,170.51	13,255.53

Nature of Securities:

- a. Secured by mortgage of all fixed assets of Unit- I (Narol), Unit- II (Sari), Unit- III (Vijay Farm) & Unit- IV (Sari) and first charge by way of hypothecation of fixed assets and second charge on the current assets of Unit- I (Narol), Unit- II (Sari), Unit- III (Vijay Farm) & Unit- IV (Sari).
- b. Secured by way of hypothecation of respective motor vehicles purchased.
- c. Specific charge on assets purchased from the proceeds of Loan.
- d. **Term of Repayment**

(Rs. In Lakh)

Term Loan & Corporate Loan	Repayment Schedule	As at 31st March, 2020	As at 31st March, 2019
YES Bank (Term Loan)	15 Quarterly inst. Starting from 03/12/18 of Rs. 60,64,000 each	544.41	785.47
TATA Capital (Term Loan)	60 Quarterly inst. Starting from 15/04/17 of Rs. 26,50,000 each	307.78	502.33
SCB - ECB Loan	22 Quarterly inst. Starting from 11/08/19 of USD 2,27,272.72 each	3,243.49	3,448.66

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Vehicle Loans	Repayment Schedule	As at 31st March, 2020	As at 31st March, 2019
Kotak Bank Ltd.	36 Monthly inst. Starting from 05/01/16 of Rs 38,300 each	-	-
Kotak Bank Ltd.	36 Monthly inst. Starting from 01/05/15 of Rs 29,142 each	-	-
Kotak Bank Ltd.	36 Monthly inst. Starting from 20/03/17 of Rs 12,860 each	0.01	1.35
ICICI Bank Ltd.	60 Monthly inst. Starting from 01/06/18 of Rs 71,260 each	23.62	29.86
HDFC Bank Ltd	60 Monthly inst. Starting from 05/06/17 of Rs 16,412 each	3.88	5.45
HDFC Bank Ltd	60 Monthly inst. Starting from 05/06/17 of Rs 12,310 each	2.91	4.09
HDFC Bank Ltd	60 Monthly inst. Starting from 05/06/17 of Rs 12,310 each	2.91	4.09

20 Other financial liabilities (Non - current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade deposits	453.61	417.39
Total	453.61	417.39

21 Other non - current liabilities

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred income on government grant (Refer Note 46)	156.52	198.58
Total	156.52	198.58

22 Provisions (Non - current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
Compensated absences	62.13	73.59
Gratuity	6.15	-
Total	68.28	73.59

23 Deferred tax liabilities (Net)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred tax liability		
Related to fixed assets	4,018.39	4,460.20
Remeasurement benefit of the defined benefits plans through OCI	-	-
Excess of Lease Asset over Lease Liab	15.22	-
Deferred tax assets		
Deferred tax imposed on employee benefits	83.78	62.18
Provision for doubtful debt	39.21	20.84
Unabsorbed Depreciation	912.57	-
MAT credit entitlements	1,357.45	1,357.45
Remeasurement benefit of the defined benefits plans through OCI	3.80	13.44
Total	1,636.80	3,006.29

The Major Components of Deferred tax Liability

Particulars	Opening Balance	Recognised in P/L	Recognised in OCI	Closing Balance
Related to fixed assets	4,460.20	(441.81)		4,018.39
Related to Expenses	(83.02)	(39.97)		(122.99)
Unabsorbed Depreciation	-	(912.57)		(912.57)
Remeasurement benefit of the defined benefits plans through OCI	(13.44)		9.64	(3.80)
Leases	-	15.22		15.22
Mat Credit Entitlements	(1,357.45)			(1,357.45)
	3,006.29			1,636.80

24 Borrowings (Current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured		
Loans from banks		
Working capital loans (Refer Note b below)	26,609.22	26,856.00
	26,609.22	26,856.00
Unsecured		
Public deposits (Refer Note 43)		
From directors	-	1,122.38
From others	363.43	1,654.51
	363.43	2,776.89
Total	26,972.65	29,632.89

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
a. Public deposit includes deposit accepted from directors

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Monery received from directors during the year	-	574.75

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.

25 Trade payables

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Acceptances	-	1,350.25
Trade Payables (Refer Note No. 43 & 50)		
Total Outstanding due of Micro, and samll enterprise	666.15	449.51
Total Outstanding due of creditor other than Micro and samll enterprise	15,164.96	17,944.20
Total	15,831.11	19,743.96

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

26 Other financial liabilities (Current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current maturities of long-term borrowings	746.14	533.69
Interest accrued but not due on borrowings	248.63	51.00
Unclaimed dividends	2.26	2.26
Other payables	460.51	332.98
Total	1,457.54	919.93

27 Other current liabilities

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other liabilities		
Advances from customers	213.60	155.70
Total	213.60	155.70

AARVEE DENIMS AND EXPORTS LTD.
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
28 Provisions (Current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
Compensated absences	34.13	31.45
Gratuity payable	178.30	81.23
Total	212.43	112.68

29 Current tax liabilities (net)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Others		
Provision for taxation (net of advance tax and TDS)	-	44.63
Total	-	44.63

30 Revenue from operations

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Sale of products	56,133.72	74,790.29
Other operating revenues :		
Export incentive income	334.09	365.23
Total	56,467.81	75,155.52

31 Other income

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest income	92.91	123.24
Apportioned income from government grant (Refer Note 46)	42.07	42.07
Other non-operating income	37.88	113.20
Total	172.86	278.51

32 Cost of materials consumed

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening stock	1,050.45	2,492.54
Add : Purchases	34,585.94	45,601.44
	35,636.39	48,093.98
Less : Closing stock	798.64	1,050.45
Cost of raw materials consumed	34,837.75	47,043.53

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
33 Changes in inventories of finished goods and work in progress

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Inventories at the end of the year		
Work in progress	8,421.72	8,027.78
Finished goods	12,782.30	13,020.57
	21,204.02	21,048.35
Inventories at the beginning of the year		
Work in progress	8,027.78	4,172.11
Finished goods	13,020.57	13,051.94
	21,048.35	17,224.05
Net (Increase) / Decrease in stock	(155.66)	(3,824.30)

34 Employee benefits expense

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries, wages and bonus	3,989.82	5,005.63
Contributions to provident fund & others funds (Refer Note 39)	302.18	399.86
Staff welfare expenses	24.58	33.30
Total	4,316.58	5,438.79

35 Finance costs

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest expense	4746.29	4291.08
Other borrowing costs	551.49	638.51
Total	5,297.78	4,929.59

36 Other Expenses

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Consumption of stores and spare parts	481.89	1,077.57
Power and fuel	9,252.01	11,786.30
Payment to auditors (Refer note below)	9.00	9.00
Rent	12.18	24.96
Repairs to building	33.24	161.51
Repairs to machineries	679.38	958.54
Insurance	194.18	201.10
Rates & taxes	58.63	66.28
Job work charges	584.68	703.87
Provision for Dimunation in value of Investment in Subsidiary	1.00	-
Packing materials	308.03	495.92
Folding charges	15.42	39.99
Labour charges	499.49	521.21
Advertisement, publicity & sales promotion	5.49	18.13
Commission & brokerage	771.49	1,017.08
Travelling & conveyance	40.14	60.11
Freight & forwarding	406.68	359.61
Loss on disposal of property, plant & equipment (Net)	180.93	-
Sundry balance written off	0.59	5.63
Allowances for unsecured doubtful debts	63.23	41.28
Professional fees and charges	46.63	55.40
Loss on foreign currency transactions and translation (net)	33.94	64.71
Miscellaneous expenses	383.16	607.71
Total	14,061.41	18,275.89

Payments to the auditors

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Payment to auditors		
For statutory audit fees	9.00	9.00
For taxation matters	-	-
For other services	-	-
Total	9.00	9.00

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
37 Income tax expenses

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A. The major components of income tax expense for the year are as under :		
(i) Income tax recognised in the Statement of Profit and Loss:		
Current Tax :		
In respect of current year	-	46.19
Adjustments in respect of previous year	-	-
MAT Credit entitlement	-	(44.04)
Deferred Tax :		
In respect of current year	(1,359.85)	61.63
Income Tax expense recognised in the Statement of Profit and Loss	(1,359.85)	63.78
(ii) Income Tax expense recognised in OCI		
Deferred Tax :		
Remeasurement of defined benefits plan (Gain) / Loss	(30.89)	48.31
Income Tax Expenses on Remeasurement of defined benefits plan	9.64	(13.44)
Income tax expense recognised in OCI	(21.26)	34.87
B. Reconciliation of tax expense and the accounting profit for the year is as under:		
Profit before tax	(5552.54)	172.66
Income tax expense calculated at @ 31.20% (P.Y 27.82%)	-	48.03
MAT credit recognized	-	(44.04)
Deferred tax charged to statement of profit and loss	(1,359.85)	61.63
Interest on Income tax	-	2.15
Difference in rate of tax between MAT rate and normal rate	-	(3.99)
Total	(1,359.85)	63.78

38 Earnings per share

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit available for equity share holders (Rs. In Lakh)	(4,192.69)	108.88
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.	(17.88)	0.46

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
39 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:

(Rs.in Lakh)

Particulars	Gratuity	
	YEAR ENDED 31st MARCH, 2020	YEAR ENDED 31st MARCH, 2019
Current service cost	81.84	94.48
Net interest cost	6.33	5.49
Past service cost	-	-
Amount recognised in profit and loss accounts (Refer note 34)	88.17	99.97
Actuarial (gain)/Loss		
a) arising from changes in financial assumption	30.72	2.91
b) arising from experience adjustments	(18.55)	(46.42)
Return on plan assets excluded amount included in interest income	18.72	8.65
Amount recognised in other comprehensive income	30.89	(34.86)
Total	119.07	65.11

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

(Rs.in Lakh)

Particulars	Gratuity	
	YEAR ENDED 31st MARCH, 2020	YEAR ENDED 31st MARCH, 2019
Defined benefits obligation at beginning of the year	447.55	445.55
Interest cost	34.86	35.02
Current service cost	81.84	94.48
Past service cost	-	-
Actuarial losses (gains)	12.17	(43.51)
Benefits paid	(188.94)	(83.99)
Defined benefits obligation at the end of the year	387.48	447.55

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
III. Reconciliation of opening and closing balances of fair value of plan assets :

(Rs.in Lakh)

Particulars	Gratuity	
	YEAR ENDED 31st MARCH, 2020	YEAR ENDED 31st MARCH, 2019
Fair value of plan assets at beginning of the year	366.30	375.74
Interest Income	28.54	29.53
Contributions by employer	15.85	46.06
Benefits paid	(188.94)	(76.38)
Return on plan assets excluded amount included in interest income	(18.72)	(8.65)
Fair value of plan assets at year end	203.02	366.30

IV. Investment details:

Particulars	Gratuity	
	YEAR ENDED 31st MARCH, 2020	YEAR ENDED 31st MARCH, 2019
Investment with insurer (Investment in policy of LIC)	98.00%	98.00%
Investment with insurer (Investment in policy of India First)	2.00%	2.00%

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

Particulars	Gratuity	
	YEAR ENDED 31st MARCH, 2020	YEAR ENDED 31st MARCH, 2019
Mortality table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	6.84%	7.79%
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.

- 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,

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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.

(Rs.in Lakh)

Particulars	Gratuity	
	YEAR ENDED 31st MARCH, 2020	YEAR ENDED 31st MARCH, 2019
Projected benefit obligation on current assumptions	387.48	447.54
Delta effect of +1% change in rate of discounting	(32.19)	(38.23)
Delta effect of -1% change in rate of discounting	39.01	45.93
Delta effect of +1% change in rate of salary increase	36.15	43.91
Delta effect of -1% change in rate of salary increase	(30.32)	(37.14)
Delta effect of +1% change in rate of employee turnover	2.13	6.55
Delta effect of -1% change in rate of employee turnover	(2.75)	(7.92)

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.

VIII 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.

(ii) Expected contribution during the next annual reporting period

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
IX. Expected outflow in future years (as provided in actuarial report)

(Rs.in Lakh)

Particulars	Gratuity	
	YEAR ENDED 31st MARCH, 2020	YEAR ENDED 31st MARCH, 2019
Expected outflow in 1st year	108.40	95.27
Expected outflow in 2nd year	7.38	13.88
Expected outflow in 3rd year	27.67	26.97
Expected outflow in 4th year	11.68	28.69
Expected outflow in 5th year	15.21	25.06
Expected outflow in 6th to 10th year	93.67	121.06

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, 2020	YEAR ENDED 31st MARCH, 2019
Employer's contribution to provident fund	146.45	177.80
Employer's contribution to ESIC	67.52	113.39
Total	213.97	291.19

40 Capital commitments

Particulars	As at 31st March, 2020	As at 31st March, 2019
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	85.38	85.38

41 Contingent liabilities in respect of:

Particulars	As at 31st March, 2020	As at 31st March, 2019
a. Service tax matters disputed in appeal	-	55.44
b. Income tax matters disputed in appeal	24.81	24.81
c. Custom duty payable on pending export obligations	738.98	738.98
d. Corporate guarantee	333.83	333.83

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

42 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.

**AARVEE DENIMS AND EXPORTS LTD.****aarvee****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

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

A) Primary segment : Business segment

(Rs. in Lakh)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
	External Sales	Total	External Sales	Total
a. Segment revenue				
Textile	54,216.89	54,216.89	72,706.73	72,706.73
Wind mill	2,250.92	2,250.92	2,448.79	2,448.79
Segment total		56,467.81		75,155.52
Eliminations		-		-
Total revenue		56,467.81		75,155.52
b. Segment results				
Textile		(1,640.32)		3,525.50
Wind mill		1,292.65		1,453.51
Segment total		(347.67)		4,979.01
Eliminations				
Total		(347.67)		4,979.01
Unallocable corporate expenses / (Income)		(92.91)		(123.24)
Profit before interest etc.		(254.76)		5,102.25
Finance costs		5,297.78		4,929.59
Profit before tax		(5,552.54)		172.66
Provision for tax		(1,359.85)		63.78
Profit after tax		(4,192.69)		108.88
Other coprehensive income		(21.26)		34.87
Other coprehensive income for the year		(4,213.95)		143.75
c. Other information				
Depreciation and amortisation (allocable)				
Textile		3336.42		2900.58
Wind mill		498.93		497.29
Segment total		3,835.35		3397.87

d. Segment assets and liabilities

(Rs. in Lakh)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Textile	79,026.09	60,655.10	89,206.87	67,263.22
Wind Mill	5,253.77	526.16	5,666.85	297.95
Segment Total	84,279.86	61,181.27	94,873.72	67,561.17

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
B) Secondary segment : Geographical segment

(Rs. in Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Segment revenue		
a) In India	47,293.62	64,773.32
b) Outside India	9,174.19	10,382.20
Total	56,467.81	75,155.52

Particulars	As at 31st March, 2020	As at 31st March, 2019
Carrying cost of segment assets		
a) In India	80,662.48	91,075.34
b) Outside India	3617.37	3,798.38
Total	84,279.86	94,873.72
Carrying cost of segment liabilities		
a) In India	52,804.32	58,385.79
b) Outside India	8,376.95	9,175.38
Total	61,181.27	67,561.17

43 Related party disclosures
Related parties and their relationship
(a) Subsidiary company : wholly own subsidiary company

AYE ESS Spinning Mills Private Limited

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

Companies	Firms
New Ahmedabad Synthetics Pvt. Ltd.	B. Kalpeshkumar & Co.
Vee Bee Textile Pvt. Ltd.	Parmanand Rajeshkumar
Rentex Weavers Ltd.	Virendra Bhogilal & Co.
Twenty First Century Marketing Ltd.	Arora Agencies
Ennbee Textiles Pvt. Ltd.	Parmanand Vinodkumar
V.B. Investment Pvt. Ltd.	Pari Bhogilal Laxmichand
Pee Vee Synthetics Pvt. Ltd.	Parmanand Arora & Sons, HUF
Shipa Fabrics Pvt. Ltd.	T.P. Vinodkumar, HUF
Kashvi Investments Pvt. Ltd.	T.P. Rajeshkumar, HUF
Bhansali Tradelink Pvt. Ltd.	K.V. Enterprise
	A.V. Enterprise
	A Star Fibres
	Namit Enterprise
	B.S.Textile
	Techtex
	Triveni International
	Panch Rattan Fabrics
	Textile India
	M/s. Kashvi
	Ashish V. Shah HUF
	Kalpesh V. Shah HUF

AARVEE DENIMS AND EXPORTS LTD.
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
(c) Key management personnel

Companies	Firms
Vinodkumar P. Arora	Rajesh P. Arora
Kalpesh V. Shah	Ashish V. Shah
Nipun V. Arora	Bhavik Shukla (upto 31.12.2019)
Yashaswini Pandey (upto 17.08.2019)	Ketan Desai (w.e.f. 07.01.2020)
Darshak Thaker (w.e.f. 20.09.2019)	

(d) Non - Executive Directors

Companies	Firms
Sanjay S. Majmudar	Arvind D. Sanghvi (upto. 21.10.2019)
Ashok C. Gandhi	Yashree Dixit (upto 09.10.2019)
Amol R. Dalal	Aarti Thakkar (w.e.f. 14.11.2019)

(e) Relatives of key management personnel

Companies	Firms
Anoli Shah	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

Disclosure in respect of material transactions with related parties

(Rs. in Lakh)

Transaction	Name of the Related Party	Transaction With the Parties		Balance	
		Year ended 31st March, 2020	Year ended 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Loans / Advances taken	Ennbee Textiles Pvt.ltd	-	-	240.35	223.34
	Rentex Weavers Ltd	-	-	158.43	144.98
	Shipa Fabrics Pvt.ltd	-	-	131.34	130.48
	Twenty First Century Mktg. Ltd.	-	12.00	1,611.72	1,481.70
	New Ahmedabad Synt. pvt. Ltd.	-	-	340.54	313.07

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. in Lakh)

Transaction	Name of the Related Party	Transaction With the Parties		Balance	
		Year ended 31st March, 2020	Year ended 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Loans/ Advance Repaid	Bhansali Tradelink Pvt Ltd	0.13	0.22	4.04	3.76
	Ennbee Textile Pvt. Ltd (Loan)	6.78	12.28	240.35	223.34
	New Ahmedabad Synthetics Pvt. Ltd	6.00	7.00	340.54	313.07
	Pee Vee Synthetics P.ltd	0.15	0.20	2.81	2.69
	Rentex Weavers Ltd (Loan)	2.08	7.52	158.43	144.98
	Shipa Fabrics Pvt.ltd (Loan)	12.66	10.34	131.34	130.48
	Twenty First Century Marketing Ltd (Loan)	30.06	102.01	1,611.72	1,481.70
	Vee Bee Textiles (P) Ltd	0.21	0.19	3.87	3.70
Fixed Deposits taken	Pankajbhai V Arora	-	26.00	303.70	303.70
	Nipun V Arora	-	16.00	292.35	342.35
	Rajesh Arora	-	95.00	817.00	817.00
	Rita Arora	-	-	702.00	702.00
	Parmanand Arora	-	455.00	1,907.00	1,907.00
	Vinod P Arora	-	71.00	861.75	947.75
	Preeti N Arora	-	49.75	644.35	654.35
	Parmanand Arora & Sons, Huf	-	5.80	71.10	71.10
	T.p. Vinodkumar, Huf	-	-	98.50	98.50
	T.p. Rajeshkumar, Huf	-	7.00	83.50	83.50
	Kastura Rani Arora	-	6.10	52.10	52.10
	Renu Arora	-	112.00	1,266.60	1,266.60
	Sarthak P Arora	-	-	4.00	6.50
	Chinmaya P. Arora	-	-	4.60	6.10
	M/S. Kashvi	-	-	-	-
	Kashviben Kalpeshbhai Shah	-	60.00	30.00	60.00
	Virendra Bhogilal & Co.	-	-	-	-
	Shikha Arora	-	37.00	541.25	550.10
	Heena Khanna	-	10.50	21.00	23.00
	Bhrigu N. Arora	-	3.00	3.00	4.90
Somani Chawla	-	10.50	62.00	64.00	
Loans/ Advance Given	Aye Ess Spinning Mills Pvt. Ltd.	-	-	-	0.26

**AARVEE DENIMS AND EXPORTS LTD.****aarvee****NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(Rs. in Lakh)

Transaction	Name of the Related Party	Transaction With the Parties		Balance	
		Year ended 31st March, 2020	Year ended 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Loans/ Advance Repaid	Aye Ess Spinning Mills Pvt. Ltd.	0.26	-	-	-
Investment in subsidiary	Aye Ess Spinning Mills Pvt. Ltd.	-	-	-	1.00
Sale of goods	Arora Agencies	564.34	-	20.18	-
	Pari Bhogilal Laxmichand	43.02	169.18	13.35	90.14
	Parmanand Vinodkumar	657.56	-	49.79	-
	Panch Rattan Fabrics	4,315.23	7,542.46	3,734.76	4,592.94
	Virendrabhai Bhogilal & Co.	168.23	166.68	-	84.22
	B S Textiles	34.78	193.96	-	116.32
	Namit Enterprise	34.73	76.43	-	-
Lease Rent	Techtex	2.03	2.03	6.57	4.34
Car sales	Ennbee Textile Pvt. Ltd	0	16.42	-	-
Job Work Charges	Virendrabhai Bhogilal & Co.	271.42	286.74	67.44	57.28
	A.V. Enterprise	5.77	12.00	1.08	5.28
	B. Kalpeshkumar & Co.	5.79	12.02	1.07	5.17
	K. V. Enterprise	5.82	11.99	1.08	5.27
	Namit Enterprise	45.41	77.04	9.42	41.97
	B S Textiles	243.31	246.82	80.35	21.51
Interest on Loans / Advance/ FDs	Vinod P Arora	-	90.18	861.75	947.75
	Parmanand Arora	-	175.98	1,907.00	1,907.00
	Rajesh Arora	-	79.30	817.00	817.00
	Pankaj V Arora	-	28.10	303.70	303.70
	Nipunbhai V Arora	31.24	33.04	292.35	342.35
	Chinmaya P. Arora	-	0.60	4.60	6.10
	Sarthak P Arora	-	0.64	4.00	6.50
	Shikha Arora	53.66	52.21	541.25	550.10
	Jahanvi N Arora	-	0.18	-	1.80
	Bhrigu N Arora	-	0.48	3.00	4.90
	Renu Arora	124.37	120.24	1,266.60	1,266.60
	Rita Arora	-	68.94	702.00	702.00
	Kastura Rani Arora	-	4.96	55.38	52.10
	Preeti N Arora	63.71	61.92	644.35	654.35
	Heena Khanna	-	2.15	21.00	23.00
Somani Chawla	6.14	6.08	62.00	64.00	

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. in Lakh)

Transaction	Name of the Related Party	Transaction With the Parties		Balance	
		Year ended 31st March, 2020	Year ended 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Interest on Loans / Advance/ FDs	Parmanand Arora & Sons, HUF	-	6.94	71.10	71.10
	T.P. Rajeshkumar H.U.F.	8.23	8.14	83.50	83.50
	T.P. Vinodkumar H.U.F.	-	9.63	98.50	98.50
	M/S. Kashvi	-	-	-	-
	Kashviben Kalpeshbhai Shah	-	5.33	30.00	60.00
	Virendra Bhogilal & Co.	-	2.88	-	-
	Bhansali Tradelink Pvt Ltd	0.45	0.42	4.04	3.76
	Ennbee Textile Pvt. Ltd (Loan)	26.43	24.21	240.35	223.34
	New Ahmedabad Synthetics Pvt. Ltd	37.19	34.25	340.54	313.07
	Pee Vee Synthetics P.ltd	0.31	0.30	2.81	2.69
	Rentex Weavers Ltd (Loan)	17.25	15.74	158.43	144.98
	Shipa Fabrics Pvt.ltd (Loan)	15.02	14.46	131.34	130.48
	Twenty First Century Marketing Ltd (Loan)	177.86	164.53	1,611.72	1,481.70
	Vee Bee Textiles (P) Ltd	0.43	0.41	3.87	3.70
Commission & Brokerage	Parmanand Vinodkumar	130.84	196.52	-	433.17
	Arora Agencies	136.38	188.96	-	363.44
	Namit Enterprise	0.52	-	-	-
Remuneration	Vinodbhai P Arora	35.13	36.00	1.37	2.42
	Ashishbhai V Shah	29.27	30.00	1.16	2.09
	Nipunbhai V Arora (w.e.f. 11/08/2018)	11.71	7.66	0.58	0.83
	Kalpeshbhai V Shah	17.56	18.00	0.78	1.25



(Rs. in Lakh)

Transaction	Name of the Related Party	Transaction With the Parties		Balance	
		Year ended 31st March, 2020	Year ended 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Salary	Nipunbhai V Arora (Up to 10/08/2018)	-	4.34	-	-
	Pankajbhai V Arora	11.71	12.00	0.58	0.83
	Pankilbhai K Shah	11.71	12.00	0.58	0.83
	Anuj A. Shah	-	-	-	-
	Bhavik Shukla	18.69	20.80	-	-
	Yashaswini Pandey	1.82	-	-	-
	Darshak Thakkar	1.97	-	-	-
	Ketan Desai	5.27	-	-	-
	Subhasish Bandhopadhyay	-	-	-	-
Sitting Fees	Sanjay S. Majmudar	0.20	0.45	-	-
	Ashok C. Gandhi	0.20	0.35	-	-
	Amol R. Dalal	0.20	0.45	-	-
	Arvind D. Sanghvi	0.05	0.05	-	-
	Aarti Thakkar	0.05	-	-	-
	Yashree Dixit	0.05	0.20	-	-

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, 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
Interest rate sensitivity

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

(Rs. In Lakh)

Particulars	Year ended	
	31st March, 2020	31st March, 2019
50 bps increase would decrease the profit before tax by	149.96	155.52
50 bps decrease would increase the profit before tax by	149.96	155.52

(ii) Foreign currency risk

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

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

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

(Rs. in Lakh)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
	Amount	Amount	Amount	Amount
	(Foreign Currency)	(Rs.)	(Foreign Currency)	(Rs.)
Amount payable in foreign currency	\$93.74	7,064.68	\$113.23	7,844.77
	€ 0.33	27.35	€ 0.48	37.64
Amount receivable in foreign currency	\$51.25	3,862.55	\$33.92	2,349.95
	€ 0.002	0.15	€ 0.27	21.21

(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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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	Year ended 31st March, 2020	Year ended 31st March, 2019
Balance at the beginning of the year	62.44	21.16
Provision made / (reversed) during the year	63.23	41.28
Balance at the end of the year	125.67	62.44

(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, 2020				
Interest bearing borrowings	27,718.79	14,170.51	-	41,889.30
Trade payables	15,831.11	-	-	15,831.11
Other financial liabilities	711.40	-	453.61	1,165.01
Total	44,261.29	14,170.51	453.61	58,885.42
Year ended 31st March, 2019				
Interest bearing borrowings	30,166.58	13,255.53	-	43,422.11
Trade payables	19,743.95	-	-	19,743.95
Other financial liabilities	386.24	-	417.39	803.63
Total	50,296.77	13,255.53	417.39	63,969.70

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-Current borrowings	14,170.51	13,255.53
Current maturities of non-current borrowings	746.14	533.69
Current borrowings	26,972.65	29,632.89
Interest accrued but not due on borrowings	248.63	51.00
Total Debt	42,137.93	43,473.11
Less: Cash and bank balances	1,112.73	1,751.99
Net Debt	41,025.20	41,721.12
Equity	23,098.59	27,312.55
Net debt to equity ratio	1.78	1.53

a) Categories of financial instruments:

(Rs. In Lakh)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Investments (non current)	1.00	-	1.00	1.00
Security deposit	29.92	29.92	21.14	21.14
Trade receivable	23,461.47	23,461.47	28,759.09	28,759.09
Cash and cash equivalent	105.28	105.28	200.58	200.58
Other bank balances	1,007.45	1,007.45	1,553.68	1,553.68
Other financial assets	603.77	603.77	106.25	106.25
Total financial assets at amortised cost (A)	25,208.89	25,207.89	30,641.75	30,641.75
Measured at fair value through other comprehensive income (B)	-	-	-	-
Measured at fair value through profit and loss (C)	(1.00)	-	-	-
Total financial assets (A + B + C)	25,207.89	25,207.89	30,641.75	30,641.75
Financial liabilities				
Measured at amortised cost				
Borrowings non current	14,170.51	14,170.51	13,255.53	13,255.53
Borrowings current	26,972.65	26,972.65	29,632.89	29,632.89
Trade payables	15,831.11	15,831.11	19,743.95	19,743.95
Other financial liabilities	1,457.54	1,457.54	1,337.32	1,337.32
Total financial liabilities carried at amortised cost	58,431.81	58,431.81	63,969.70	63,969.70

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
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 Expenditure in foreign currency

(Rs. in Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Traveling	2.96	2.21
Commission on Export Sales	387.38	487.87
Freight & Forwarding Charges	-	-
Subscription Fees	2.79	2.97
ECB Charges	-	-
Sales Promotion	-	-
Labouratory & Testing Fees	-	-
Total	393.13	493.05

48 Earnings in foreign currency

(Rs. in Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
FOB value of Export Sales	9,174.19	10,382.20

49 During the year, the gross amount to be spent by the Company for Corporate Social Responsibility expenditure is Rs. 9.23 Lakh and amount spent is Rs. NIL (As at 31.03.2019 Rs. 14.19 Lakh and amount spent is Rs. NIL).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
50 Disclosure under the MSMED Act, 2006

The Following disclosure are made for the amounts due to the Micro, Small, and Medium enterprise as at 31st March-2020

(Rs. in Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	791.03	497.41
Principal amount due to micro and small enterprise	666.15	449.51
Interest due thereon outstanding to any supplier	76.98	47.90
Interest paid by the Company	-	-
Interest due and payable for the period of delay in making payment	-	-
Interest accrued and remaining unpaid	124.88	47.90
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of allowance as a deductible expenditure under section 23 of MSMEDA	-	-

- 51** The company has accounted for MAT credit aggregating to Rs.1357.45 lacs as on March 31, 2020 comprising of various years. Based on the future projections of profitability and tax liabilities computed in accordance with the provisions of Income Tax Act, 1961, the management of the company believes that there shall be sufficient future taxable profit and the company shall be required to pay normal taxes within the period specified u/s. 115JAA of the Income Tax Act and entire amount of MAT credit shall be setoff/ utilised. Therefore, in accordance with the Guidance Note on Minimum Alternate Tax under the Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India, such MAT credit has been continued to be recognised as asset.
- 52** Due to COVID-19 related lock down in India as at March 31,2020, the company was not able to undertake year end physical verification of inventory and the same has been carried out by the management subsequent to the date of balance sheet. Due to this lock down, the auditors were also not able to participate in the physical verification of inventory. The company has consequently applied the role back procedures to arrive at the physical status of year-end inventory for the purpose of finalization of accounts for financial year 2019-20.
- 53** The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 has caused interruption in production, supply chain disruption, unavailability of personnel, etc. during last week of March, 2020 and thereafter. The management of the Company has exercised due care in concluding significant accounting judgments and estimates in preparation of the financial results. In assessing the recoverability of Trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers and internal and external information available up to the date of issuance of these financial results. However, due to COVID-19 pandemic, the company could not obtained balance confirmations from its receivables. In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that

AARVEE DENIMS AND EXPORTS LTD.**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

the carrying amounts of Trade receivables and inventories are expected to be realizable to the extent shown in the financial results. The impact of COVID-19 is highly uncertain and may be different from the estimates as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

Further, the company is in the process of resuming its manufacturing operations of all its plants and believes that the same will be resumed within shorter period. The Company's management has made initial assessment of likely adverse impact on business and financial risks and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

54 Events occurring after the Balance sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 28th July, 2020 there were no subsequent events to be recognized or reported that are not already disclosed.

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

56 The financial statements were approved for issue by the board of directors on 28th July, 2020.

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)

Ketan Desai
Chief Financial Officer
Place : Ahmedabad
Date : 28th July 2020

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

Vinod P. Arora
Chairman & Managing Director
(DIN:00007065)

Darshak Thakkar
Company Secretary
Place : Ahmedabad
Date : 28th July 2020

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

INDEPENDENT AUDITORS' REPORT

To the Members of
AARVEE DENIMS & EXPORTS LIMITED

Report on the Consolidated Ind As Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of AARVEE DENIMS & EXPORTS LIMITED (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020; and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of consolidated loss (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

Attention is invited to note no: 51 of the audited standalone financial statements regarding continuing recognition of MAT Credit as at 31st March, 2020. Auditors are relied upon and accepted the estimates and judgments made in this regard by the company.

Attention is invited to note no: 52 of the audited standalone financial statements regarding inventory as at 31st March, 2020. The company has applied roll back procedures on physical verification carried out after the year end to arrive at the physical status of year-end inventory. We have applied alternate audit procedures and have relied upon the system/procedures applied in arriving year-end inventory on hand by the management.

We draw attention to note no: 53 of the audited standalone financial statements as regards the management's evaluation of COVID-19 impact on the future performance of the Company.

Our opinion is not modified in respect of these matters.

AARVEE DENIMS AND EXPORTS LTD.

Key Audit Matters

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

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

Other Information

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income) and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

AARVEE DENIMS AND EXPORTS LTD.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- (g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/ provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There were no pending litigations which would impact the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. Further, there were no amount which was required to be transferred to the Investor Education and Protection Fund by its subsidiaries company incorporated in India.

For SHAH & SHAH ASSOCIATES
Chartered Accountants
FRN:113742W

SUNIL K.DAVE
PARTNER
Membership Number: 047236
UDIN: 20047236AAAAFM8836

Place : Ahmedabad
Date : 28th July ,2020

Annexure 'A'**Annexure to the independent auditor's report of even date on the Consolidated financial statements of AARVEE DENIMS & EXPORTS LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **AARVEE DENIMS & EXPORTS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting; assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control on the assessed risk. The procedures selected depend on the auditor's 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 their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial

AARVEE DENIMS AND EXPORTS LTD.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

For SHAH & SHAH ASSOCIATES
Chartered Accountants
FRN:113742W

SUNIL K.DAVE
PARTNER
Membership Number: 047236
UDIN: 20047236AAAAAFM8836

Place : Ahmedabad
Date : 28th July ,2020

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(Rs. In Lakh)

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5	34,944.55	38,841.90
(b) Intangible assets	5	36.78	54.91
(c) Right-of-use	6	56.99	-
(d) Financial assets			
(i) Investments	7	-	-
(ii) Other financial assets	8	85.47	209.28
(e) Non-current tax assets (net)	9	184.71	178.37
(f) Other non-current assets	10	10.96	11.14
Total non-current assets		35,319.46	39,295.60
2 Current assets			
(a) Inventories	11	22,194.15	22,324.35
(b) Financial assets			
(i) Trade receivables	12	23,461.47	28,759.09
(ii) Cash and cash equivalents	13	105.28	201.58
(iii) Other bank balance	14	1,007.45	1,553.68
(iv) Other financial assets	15	603.77	105.99
(c) Other current assets	16	1,588.28	2,633.43
Total current assets		48,960.40	55,578.12
TOTAL ASSETS		84,279.86	94,873.72
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	2,345.98	2,345.98
(b) Other equity	18	20,752.61	24,966.57
Total equity		23,098.59	27,312.55
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	14,170.51	13,255.53
(ii) Lease Liabilities		5.72	-
(iii) Other financial liabilities	20	453.61	417.39
(b) Other non current liabilities	21	156.52	198.58
(c) Provisions	22	68.28	73.59
(d) Deferred tax liabilities (net)	23	1,636.80	3,006.29
Total non-current liabilities		16,491.44	16,951.38
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	26,972.65	29,632.89
(ii) Trade payables	25		
(iia) Total Outstanding due of Micro, and small enterprise		666.15	449.51
(iib) Total Outstanding due of creditor other than Micro and samll enterprise		15,164.96	19,294.45
(iii) Lease liabilities		2.50	
(iv) Other financial liabilities	26	1,457.54	919.93
(b) Other current liabilities	27	213.60	155.70
(c) Provisions	28	212.43	112.68
(d) Current tax liabilities (net)	29	-	44.63
Total current liabilities		44,689.83	50,609.79
TOTAL EQUITY AND LIABILITIES		84,279.86	94,873.72
See accompanying notes forming part of consolidated financial statements	39-56		

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)

Ketan Desai
 Chief Financial Officer
 Place : Ahmedabad
 Date : 28th July 2020

For and on behalf of the Board of Directors

Aarvee Denims and Exports Limited
Vinod P. Arora
 Chairman & Managing Director
 (DIN:00007065)

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

Darshak Thakkar
 Company Secretary
 Place : Ahmedabad
 Date : 28th July 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. In Lakh)

Particulars	Note	2019-20	2018-19
I. Income:			
Revenue from operations	30	56,467.81	75,155.52
II. Other income	31	172.86	278.51
III. Total Income (I + II)		56,640.67	75,434.03
IV. Expenses:			
Cost of materials consumed	32	34,837.75	47,043.53
Changes in inventories of finished goods and work in progress	33	(155.66)	(3,824.30)
Employee benefits expense	34	4,316.58	5,438.79
Finance costs	35	5,297.78	4,929.59
Depreciation and amortization expense	5	3,835.35	3,397.87
Other expenses	36	14,061.41	18,275.89
V. Total expenses		62,193.21	75,261.37
VI. Profit / (Loss) before Tax (III- V)		(5,552.54)	172.66
VII. Tax expense:	37		
Current tax		-	46.19
Short tax provision in earlier years		-	-
Mat Credit Entitlement		-	(44.04)
Deferred tax		(1,359.85)	61.63
VIII. Profit / (Loss) for the year (VI-VII)		(4192.69)	108.88
IX. Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
- Remeasurment of Defined Benefits Plan (net of tax)		(21.26)	34.87
X. Total comprehensive income for the year (VIII + IX)		(4213.95)	143.75
XI. Earnings per equity share of face value of Rs. 10 each	38		
Basic & Diluted (in Rs.)		(17.88)	0.46
See accompanying notes forming part of consolidated financial statements	39-56		

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)

Ketan Desai
Chief Financial Officer
Place : Ahmedabad
Date : 28th July 2020

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

Vinod P. Arora
Chairman & Managing Director
(DIN:00007065)

Darshak Thakkar
Company Secretary
Place : Ahmedabad
Date : 28th July 2020

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in Lakh)

Particulars	2019-20	2018-19
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per the Statement of Profit and Loss	(5,552.55)	172.64
Adjustments for :	-	
Depreciation and amortization expense	3,835.35	3,397.87
Impact of retained earning	(21.26)	34.87
Interest and Financial Expenses	5,297.78	4,929.59
Net Loss/(Profit) on sale of Fixed Assets	180.93	-
Interest Received	(92.91)	(123.24)
Provision for Expected Credit Loss	63.23	41.28
Sundry Balance written off	0.59	5.63
Operating profit before working capital changes	3,711.17	8,458.65
Adjustments for :	-	
Trade Receivables	5,233.80	709.00
Inventories	130.19	(2,339.67)
Other Current Assets	1,044.88	24.69
Other Non Current Assets	0.18	44.89
Other financial assets non current	123.81	(1.87)
Other financial assets current	(497.52)	(723.58)
Increase in Lease Liab (Net)	0.69	-
Other current liabilities	595.51	(19.39)
Current provisions	99.74	(18.27)
Non current provisions	(14.95)	63.93
Other non current financial liabilities	36.22	25.42
Other non current liabilities	(42.07)	(42.07)
Trade Payables	(3,912.85)	(1,007.27)
Cash Generated From Operations	6,508.83	5,174.45
Income Taxes Paid	(50.98)	(117.80)
Net Cash From Operating Activities (A)	6457.86	5056.66
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(239.27)	(6,339.95)
Sale of Fixed Assets	89.01	318.41
Bank Balances not considered as Cash and Cash Equivalents - Matured / (Placed)	546.24	563.77
Interest Received	92.91	123.24
Net Cash used in Investing Activities (B)	488.88	(5,334.53)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) of Non current borrowings (Net)	914.98	4,932.66

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in Lakh)

Particulars	2019-20	2018-19
Proceeds/ (Repayment) from current borrowings (Net)	(2,660.24)	284.80
Interest & Finance cost	(5,297.78)	(4,929.59)
Net Cash used in Financing Activities (C)	(7043.04)	287.87
Net changes in Cash & Cash Equivalents (A+B+C)	(96.03)	10.00
Cash and Cash Equivalents at the beginning of the year (Refer Note 13 (i))	201.58	191.58
Cash and Cash Equivalents at the end of the year (Refer Note 13 (i))	105.28	201.58
Reconciliation of Cash and Cash equivalents with the balance sheet		
Cash and Cash equivalents as per balance sheet (Refer Note : 13 &14)	1112.73	1755.26
Less : Unpaid Dividend Accounts (Refer Note : 14)	2.27	2.27
Less Deposut Account for Margin Money	1005.18	1551.41
Net Cash and Cash equivalents (as defined in IND AS 7 "Statement of Cashflow) included in note 13	105.28	201.58
Cash and Cash Equivalents at the end of the year comprises of		
(a) Cash on Hand	2.46	3.37
(b) Balances with Bank in current account	102.82	198.21
Total	105.28	201.58

Notes :

- The Cash Flow Statement has been prepared under Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act, 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).
- Cash and cash equivalents includes Rs. 2.27 Lacs (P. Y. 2.27 Lacs) in earmarked balances with banks which can be utilised only for the specific identified purposes.

In terms of our report attached of even date

For Shah & Shah AssociatesChartered Accountants
(Firm Reg. No. 113742W)**Sunil K. Dave**Partner
(Membership No. 047236)**Ketan Desai**Chief Financial Officer
Place : Ahmedabad
Date : 28th July 2020

For and on behalf of the Board of Directors

Aarvee Denims and Exports Limited**Vinod P. Arora**Chairman & Managing Director
(DIN:00007065)**Darshak Thakkar**Company Secretary
Place : Ahmedabad
Date : 28th July 2020**Kalpesh V. Shah**Whole Time Director
(DIN:00007262)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2020**
A Equity share capital

(Rs. In Lakh)

Particulars	Note	No. of Shares	Amount
As at 1st April, 2018		2,34,59,800	2,345.98
Changes in equity share capital during the year	16a	-	-
As at 31st March, 2019		2,34,59,800	2,345.98
Changes in equity share capital during the year	16a	-	-
As at 31st March, 2020		2,34,59,800	2,345.98

B Other equity

Particulars	Capital Redemption Reserve	Securities Premium Account	General reserve	Foreign Currency Monetary Item Trns. Diff	Retained Earning	Total
Balance as at 1st April, 2018	1,499.13	2,807.10	562.73	0.02	19,953.86	24,822.84
Profit for the year	-	-	-	-	108.88	108.88
Other comprehensive Income for the year (net)	-	-	-	-	34.87	34.87
Balance as at 31st March, 2019	1,499.13	2,807.10	562.73	0.02	20,097.61	24,966.57
Profit for the year	-	-	-	-	(4,192.69)	(4,192.69)
Other comprehensive Income for the year (net)	-	-	-	-	(21.26)	(21.26)
Balance as at 31st March, 2020	1,499.13	2,807.10	562.73	0.02	15,883.67	20,752.62

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)

Ketan Desai
Chief Financial Officer
Place : Ahmedabad
Date : 28th July 2020

 For and on behalf of the Board of Directors
Aarvee Denims and Exports Limited
Vinod P. Arora
Chairman & Managing Director
(DIN:00007065)

Darshak Thakkar
Company Secretary
Place : Ahmedabad
Date : 28th July 2020

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**1 Corporate Information**

The consolidated financial statements comprise financial statement 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 31.03.2020)

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.

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, 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

and has the 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 10 to 40 years as technically assessed

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

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, 2020

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- 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.

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 into 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'.

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 instrument 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;

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Effective 1st April 2019, the company has adopted Ind AS 116 - Leases and applied the standard to all leases contracts existing on 01-04-2019 using the modified retrospective method. Refer Note 6 for details on transition to Ind AS 116 Leases.

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right or control the use of an identified asset for a period of time in exchange for consideration.

The company recognised a right of use assets and a lease liabilities at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use asset are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The Lease Liabilities is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is measured when there is change in future lease payments arising from change in an index or rate, if there is a change in company's estimates of the amount expected to be payable under the a residual value

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of right of use asset has been reduced to zero.

The company present right - of -use asset that do meet the definition of investment property in ‘ Property Plant and equipment’ and lease liabilities in “ loans and borrowings” in the statement of financial position.

Short - term leases and leases of low value assets

The company has elected not to recognize right-of-use assets and liabilities for short- term leases of real estate properties that have a lease term of 12 months. The company recognizes the lease payments associated with these leases as an expense on straight line basis over the lease term.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**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 dividing the profit after tax as adjusted for the effects of dividend interest and other charges relating to the dilutive potential equity shares by weighted average number of shares plus dilutive potential equity shares.

3.21 Preliminary Expenses

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

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

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

Estimates and assumptions

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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, 2020
5. Property, plant & equipments

Particulars	Tangible Assets										Total		Intangible Assets Computer Software
	Lease Hold Land	Land & Land Development	Buildings	Plant & Machineries	Electric Installations	Furniture & Fixtures	Office Equipments	Vehicles	Computer				
Deemed Cost													
As at April 1, 2018	78.60	1,301.11	10,036.91	28,722.19	1,109.02	369.00	213.65	128.30	17.27	41,976.05	95.16		
Additions	-	-	107.66	6,143.53	12.47	-	19.45	56.04	-	6,339.15	0.80		
Disposals	-	-	-	1,707.27	-	-	-	42.11	-	1,749.38	-		
As at March 31, 2019	78.60	1,301.11	10,144.57	33,158.45	1,121.49	369.00	233.10	142.23	17.27	46,565.82	95.96		
Transfer to right of use asset	78.60	-	-	-	-	-	-	-	-	78.60	-		
Additions	-	-	3.36	232.53	0.04	0.12	2.57	-	0.66	239.27	-		
Disposals	-	-	-	646.50	-	-	-	41.38	-	687.88	-		
As at March 31, 2020	1,301.11	1,301.11	10,147.93	32,744.48	1,121.53	369.12	235.67	100.85	17.93	46,038.61	95.96		
Accumulated Depreciation													
As at April 1, 2018	14.40	-	772.63	4,278.65	443.66	109.42	117.82	28.40	10.06	5,775.04	23.02		
Depreciation for the year	7.20	-	392.50	2,701.68	173.31	45.49	33.28	23.10	3.28	3,379.84	18.03		
Eliminated on Disposal of Assets	-	-	-	1,405.29	-	-	-	25.68	-	1,430.97	-		
As at March 31, 2019	21.60	-	1,165.13	5,575.04	616.97	154.91	151.10	25.82	13.34	7,723.91	41.05		
Transfer to right of use asset	21.60	-	-	-	-	-	-	-	-	21.60	-		
Depreciation for the year	-	-	396.10	3,162.61	163.13	45.13	19.66	22.81	0.24	3,809.68	18.13		
Eliminated on Disposal of Assets	-	-	-	381.82	-	-	-	36.12	-	417.94	-		
As at March 31, 2020	-	-	1,561.23	8,355.83	780.10	200.04	170.76	12.52	13.58	11,094.05	59.18		
Net Block													
As at March 31, 2020	-	1,301.11	8,586.70	24,388.65	341.42	169.08	64.91	88.34	4.35	34,944.55	36.78		
As at March 31, 2019	57.00	1,301.11	8,979.44	27,583.41	504.52	214.09	82.00	116.41	3.93	38,841.90	54.91		

(ii) Refer Note 19a, 19b & 19c for information on property, plant and equipment pledged as security by the Company.

(iii) Refer Note 40 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.

AARVEE DENIMS AND EXPORTS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
6 Non Current Right - Of -Use Assets

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Land of Windmill		
Leasehold Land Transfer from PPE	78.60	-
Additions during the year	7.53	-
Total	86.13	-
Deprecation transfer from PPE	21.60	-
Deprecation for the year	7.54	-
Total	29.14	-
Net Block	56.99	-

7 Investments (Non - current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment in equity instrument :		
Unquoted (At cost)		

8 Other financial assets (Non - current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Security deposits		
Unsecured, considered good	29.92	21.14
-Balance with government authorities	55.55	188.14
Total	85.47	209.28

9 Non-current tax assets (net)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance tax and TDS receivable (net of provision)	184.71	178.37
Total	184.71	178.37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
10 Other non-current assets

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital advances		
Unsecured, considered good	10.96	10.96
	10.96	10.96
Other loans and advances		
Unsecured, considered good		
Staff advances and others	-	0.18
	-	0.18
Total	10.96	11.14

11 Inventories

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw materials	798.64	1050.45
Work in progress	8421.72	8027.78
Finished goods	12486.01	12901.80
Goods in transit (Finished goods)	296.29	118.78
Stores and spares	191.49	225.54
Total	22,194.15	22,324.35

12 Trade receivables

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured, considered good		
Unsecured, considered good	23461.47	28759.09
Unsecured, considered doubtful	125.67	62.44
Less: Allowance for unsecured doubtful debts (Expected credit loss allowance) (Refer Note 44B)	(125.67)	(62.44)
Total	23,461.47	28,759.09

13 Cash and cash equivalents

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash on hand	2.46	3.37
Balances in current accounts with banks	102.82	198.21
Total	105.28	201.58

14 Other bank balance

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
In unclaimed dividend accounts	2.27	2.27
In deposit accounts for margin money	1,005.18	1,551.41
Total	1,007.45	1,553.68

(Above deposit includes Rs. 483.49 lakh (Previous year Rs.784.62 lakh) under bank lien for margin money).

15 Other financial assets (Current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good)		
Loans and advance to staff	1.35	0.18
Loans and advance to others	5.65	91.67
Goods and service tax receivable	581.92	1.63
Interest receivable on margin money	14.85	12.51
Total	603.77	105.99

16 Other current assets

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Preliminary expenses	-	0.26
Export benefit receivable	363.12	269.97
Advance to creditors	103.17	211.37
Balance with government authorities	1119.65	2063.02
Prepaid expenses	2.34	88.81
Total	1,588.28	2,633.43

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
17 Share capital

(Rs. In Lakh)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 10/- each	3,50,00,000	3,500.00	3,50,00,000	3,500.00
13% Cumulative Redeemable Non Convertible Preference Shares of Rs. 10/- each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Issued,Subscribed & Fully Paid up				
Equity Shares of Rs. 10/- each fully paid up	2,34,59,800	2,345.98	2,34,59,800	2,345.98
Total	2,34,59,800	2,345.98	2,34,59,800	2,345.98

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,34,59,800	23,45,98,000	2,34,59,800	2,345.98
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,34,59,800	23,45,98,000	2,34,59,800	2,345.98

b. Terms/rights attached to equity shares

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

During the year ended 31st March 2020, the amount of per share dividend recognized as distributions to equity shareholders was Rs. NIL (31st March 2019: 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, 2020		As at 31st March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Devangkumar Narendrakumar Sanghavi	14,90,000	6.35	14,90,000	6.35
Parmanand T. Arora	18,99,533	8.10	18,99,533	8.10
V.B. Investment Private Limited	23,20,900	9.89	23,20,900	9.89
Kashvi Investment Private Limited	13,88,200	5.92	13,88,200	5.92

18 Other equity

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital redemption reserve	1,499.13	1,499.13
Securities premium account	2,807.10	2,807.10
General reserve	562.73	562.73
Foreign currency monetary item trns.diff		
As per last Balance Sheet	0.02	0.02
Foreign currency monetary trns. diff	-	-
	0.02	0.02
Retained earning		
As per last Balance Sheet	20,097.59	19,953.86
Add: Net profit for the current year	(4,192.69)	108.88
Other comprehensive income (net of tax)		
Re-measurement gain / (losses) on defined benefit plans	(21.26)	34.87
Balance at the end of year	15,883.63	20,097.59
Total	20,752.61	24,966.57

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
19 Borrowings (Non - current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured loans		
Term loans from banks & financial institutional : (Refer Note a, c & d below)	4095.67	4736.46
Less: Current maturities of long-term Loan (Refer Note 26)	(735.07)	(522.22)
	3,360.60	4,214.24
Vehicle loans: (Refer Note b & d below)	33.33	44.84
Less: Current maturities of long-term vehicle loans (Refer Note 26)	(11.07)	(11.47)
	22.26	33.37
	3,382.86	4,247.61
Unsecured		
Public deposits (Refer Note 43)		
From directors	2106.00	1085.75
From others	6188.56	5618.45
	8,294.56	6,704.20
Loans from related parties (Refer Note 43)	2493.09	2303.72
	2,493.09	2,303.72
Total	14,170.51	13,255.53

Nature of Securities:

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

(Rs. In Lakh)

Term Loan & Corporate Loan	Repayment Schedule	As at 31st March, 2020	As at 31st March, 2019
YES Bank (Term Loan)	15 Quarterly inst. Starting from 03/12/18 of Rs. 60,64,000 each	544.41	785.47
TATA Capital (Term Loan)	60 Quarterly inst. Starting from 15/04/17 of Rs. 26,50,000 each	307.78	502.33
SCB - ECB Loan	22 Quarterly inst. Starting from 11/08/19 of USD 2,27,272.72 each	3,243.49	3,448.66

**AARVEE DENIMS AND EXPORTS LTD.****aarvee****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

Vehicle Loans	Repayment Schedule	As at 31st March, 2020	As at 31st March, 2019
Kotak Bank Ltd.	36 Monthly inst. Starting from 05/01/16 of Rs 38,300 each	-	-
Kotak Bank Ltd.	36 Monthly inst. Starting from 01/05/15 of Rs 29,142 each	-	-
Kotak Bank Ltd.	36 Monthly inst. Starting from 20/03/17 of Rs 12,860 each	0.01	1.35
ICICI Bank Ltd.	60 Monthly inst. Starting from 01/06/18 of Rs 71,260 each	23.62	29.86
HDFC Bank Ltd	60 Monthly inst. Starting from 05/06/17 of Rs 16,412 each	3.88	5.45
HDFC Bank Ltd	60 Monthly inst. Starting from 05/06/17 of Rs 12,310 each	2.91	4.09
HDFC Bank Ltd	60 Monthly inst. Starting from 05/06/17 of Rs 12,310 each	2.91	4.09

20 Other financial liabilities (Non - current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade deposits	453.61	417.39
Total	453.61	417.39

21 Other non - current liabilities

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred income on government grant (Refer Note 46)	156.52	198.58
Total	156.52	198.58

22 Provisions (Non - current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
Compensated absences	62.13	73.59
Gratuity	6.15	-
Total	68.28	73.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
23 Deferred tax liabilities (Net)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred tax liability		
Related to fixed assets	4,018.39	4,460.20
Remeasurement benefit of the defined benefits plans through OCI	-	-
Excess of Lease Asset over Lease Liab	15.22	-
Deferred tax assets		
Deferred tax imposed on employee benefits	83.78	62.18
Provision for doubtful debt	39.21	20.84
Unabsorbed Depreciation	912.57	-
MAT credit entitlements	1,357.45	1,357.45
Remeasurement benefit of the defined benefits plans through OCI	3.80	13.44
Total	1,636.80	3,006.29

The Major Components of Deferred tax Liability

Particulars	Opening Balance	Recognised in P/L	Recognised in OCI	Closing Balance
Related to fixed assets	4,460.20	(441.81)		4,018.39
Related to Expenses	(83.02)	(39.97)		(122.99)
Unabsorbed Depreciation	-	(912.57)		(912.57)
Remeasurement benefit of the defined benefits plans through OCI	(13.44)		9.64	(3.80)
Leases	-	15.22		15.22
Mat Credit Entitlements	(1,357.45)			(1,357.45)
	3,006.29			1,636.80

24 Borrowings (Current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured		
Loans from banks		
Working capital loans (Refer Note b below)	26,609.22	26,856.00
	26,609.22	26,856.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Unsecured		
Public deposits (Refer Note 43)		
From directors	-	1,122.38
From others	363.43	1,654.51
	363.43	2,776.89
Total	26,972.65	29,632.89

a. Public deposit includes deposit accepted from directors

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Monery received from directors during the year	-	574.75

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.

25 Trade payables

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Acceptances	-	1,350.25
Trade Payables (Refer Note No. 43 & 50)		
Total Outstanding due of Micro, and samll enterprise	666.15	449.51
Total Outstanding due of creditor other than Micro and samll enterprise	15,164.96	17,944.20
Total	15,831.11	19,743.96

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

26 Other financial liabilities (Current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current maturities of long-term borrowings	746.14	533.69
Interest accrued but not due on borrowings	248.63	51.00
Unclaimed dividends	2.26	2.26
Other payables	460.51	332.98
Total	1,457.54	919.93

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
27 Other current liabilities

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other liabilities		
Advances from customers	213.60	155.70
Total	213.60	155.70

28 Provisions (Current)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
Compensated absences	34.13	31.45
Gratuity payable	178.30	81.23
Total	212.43	112.68

29 Current tax liabilities (net)

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Others		
Provision for taxation (net of advance tax and TDS)	-	44.63
Total	-	44.63

30 Revenue from operations

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Sale of products	56,133.72	74,790.29
Other operating revenues :		
Export incentive income	334.09	365.23
Total	56,467.81	75,155.52

31 Other income

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest income	92.91	123.24
Apportioned income from government grant (Refer Note 46)	42.07	42.07
Other non-operating income	37.88	113.2
Total	172.86	278.51

AARVEE DENIMS AND EXPORTS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
32 Cost of materials consumed

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening stock	1,050.45	2,492.54
Add : Purchases	34,585.94	45,601.44
	35,636.39	48,093.98
Less : Closing stock	798.64	1,050.45
Cost of raw materials consumed	34,837.75	47,043.53

33 Changes in inventories of finished goods and work in progress

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Inventories at the end of the year		
Work in progress	8,421.72	8,027.78
Finished goods	12,782.30	13,020.57
	21,204.02	21,048.35
Inventories at the beginning of the year		
Work in progress	8,027.78	4,172.11
Finished goods	13,020.57	13,051.94
	21,048.35	17,224.05
Net (Increase) / Decrease in stock	(155.66)	(3,824.30)

34 Employee benefits expense

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries, wages and bonus	3,989.82	5,005.63
Contributions to provident fund & others funds (Refer Note 39)	302.18	399.86
Staff welfare expenses	24.58	33.30
Total	4,316.58	5,438.79

35 Finance costs

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest expense	4746.29	4291.08
Other borrowing costs	551.49	638.51
Total	5,297.78	4,929.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
36 Other Expenses

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Consumption of stores and spare parts	481.89	1,077.57
Power and fuel	9,252.01	11,786.30
Payment to auditors (Refer note below)	9.00	9.00
Rent	12.18	24.96
Repairs to building	33.24	161.51
Repairs to machineries	679.38	958.54
Insurance	194.18	201.10
Rates & taxes	58.63	66.28
Job work charges	584.68	703.87
Preliminary expense Written off	0.26	-
Packing materials	308.03	495.92
Folding charges	15.42	39.99
Labour charges	499.49	521.21
Advertisement, publicity & sales promotion	5.49	18.13
Commission & brokerage	771.49	1,017.08
Travelling & conveyance	40.14	60.11
Freight & forwarding	406.68	359.61
Loss on disposal of property, plant & equipment (Net)	180.93	-
Sundry balance written off	0.59	5.63
Allowances for unsecured doubtful debts	63.23	41.28
Professional fees and charges	47.37	55.40
Loss on foreign currency transactions and translation (net)	33.94	64.71
Miscellaneous expenses	383.16	607.71
Total	14,061.41	18,275.89

Payments to the auditors

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Payment to auditors		
For statutory audit fees	9.00	9.00
For taxation matters	-	-
For other services	-	-
Total	9.00	9.00

37 Income tax expenses

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A. The major components of income tax expense for the year are as under :		
(i) Income tax recognised in the Statement of Profit and Loss:		
Current Tax :		
In respect of current year	-	46.19
Adjustments in respect of previous year	-	-
MAT Credit entitlement	-	(44.04)
Deferred Tax :		
In respect of current year	(1,359.85)	61.63
Income Tax expense recognised in the Statement of Profit and Loss	(1,359.85)	63.78
(ii) Income Tax expense recognised in OCI		
Deferred Tax :		
Remeasurement of defined benefits plan (Gain) / Loss	(30.89)	48.31
Income Tax Expenses on Remeasurement of defined benefits plan	9.64	(13.44)
Income tax expense recognised in OCI	(21.26)	34.87
B. Reconciliation of tax expense and the accounting profit for the year is as under:		
Profit before tax	(5552.54)	172.66
Income tax expense calculated at @ 31.20 (P.Y 27.82%)	-	48.03
MAT credit recognized	-	(44.04)
Deferred tax charged to statement of profit and loss	(1,359.85)	61.63
Interest on Income tax	-	2.15
Difference in rate of tax between MAT rate and normal rate	-	(3.99)
Total	(1,359.85)	63.78

38 Earnings per share

(Rs. In Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit available for equity share holders (Rs. In Lakh)	(4,192.69)	108.88
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.	(17.88)	0.46

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
39 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:

(Rs.in Lakh)

Particulars	Gratuity	
	YEAR ENDED 31st MARCH, 2020	YEAR ENDED 31st MARCH, 2019
Current service cost	81.84	94.48
Net interest cost	6.33	5.49
Past service cost	-	-
Amount recognised in profit and loss accounts (Refer note 34)	88.17	99.97
Actuarial (gain)/Loss		
a) arising from changes in financial assumption	30.72	2.91
b) arising from experience adjustments	(18.55)	(46.42)
Return on plan assets excluded amount included in interest income	18.72	8.65
Amount recognised in other comprehensive income	30.89	(34.86)
Total	119.07	65.11

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

(Rs.in Lakh)

Particulars	Gratuity	
	YEAR ENDED 31st MARCH, 2020	YEAR ENDED 31st MARCH, 2019
Defined benefits obligation at beginning of the year	447.55	445.55
Interest cost	34.86	35.02
Current service cost	81.84	94.48
Past service cost	-	-
Actuarial losses (gains)	12.17	(43.51)
Benefits paid	(188.94)	(83.99)
Defined benefits obligation at the end of the year	387.48	447.55

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

(Rs.in Lakh)

Particulars	Gratuity	
	YEAR ENDED 31st MARCH, 2020	YEAR ENDED 31st MARCH, 2019
Fair value of plan assets at beginning of the year	366.30	375.74
Interest Income	28.54	29.53
Contributions by employer	15.85	46.06
Benefits paid	(188.94)	(76.38)
Return on plan assets excluded amount included in interest income	(18.72)	(8.65)
Fair value of plan assets at year end	203.02	366.30

IV. Investment details:

Particulars	Gratuity	
	YEAR ENDED 31st MARCH, 2020	YEAR ENDED 31st MARCH, 2019
Investment with insurer (Investment in policy of LIC)	98.00%	98.00%
Investment with insurer (Investment in policy of India First)	2.00%	2.00%

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

Particulars	Gratuity	
	YEAR ENDED 31st MARCH, 2020	YEAR ENDED 31st MARCH, 2019
Mortality table (LIC)	2006-08(Ultimate)	2006-08(Ultimate)
Discount rate (per annum)	6.84%	7.79%
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.

- 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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.

(Rs.in Lakh)

Particulars	Gratuity	
	YEAR ENDED 31st MARCH, 2020	YEAR ENDED 31st MARCH, 2019
Projected benefit obligation on current assumptions	387.48	447.54
Delta effect of +1% change in rate of discounting	(32.19)	(38.23)
Delta effect of -1% change in rate of discounting	39.01	45.93
Delta effect of +1% change in rate of salary increase	36.15	43.91
Delta effect of -1% change in rate of salary increase	(30.32)	(37.14)
Delta effect of +1% change in rate of employee turnover	2.13	6.55
Delta effect of -1% change in rate of employee turnover	(2.75)	(7.92)

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.

VIII 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
(ii) Expected contribution during the next annual reporting period

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

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

(Rs.in Lakh)

Particulars	Gratuity	
	YEAR ENDED 31st MARCH, 2020	YEAR ENDED 31st MARCH, 2019
Expected outflow in 1st year	108.40	95.27
Expected outflow in 2nd year	7.38	13.88
Expected outflow in 3rd year	27.67	26.97
Expected outflow in 4th year	11.68	28.69
Expected outflow in 5th year	15.21	25.06
Expected outflow in 6th to 10th year	93.67	121.06

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, 2020	YEAR ENDED 31st MARCH, 2019
Employer's contribution to provident fund	146.45	177.80
Employer's contribution to ESIC	67.52	113.39
Total	213.97	291.19

40 Capital commitments

Particulars	AS AT 31st MARCH, 2020	AS AT 31st MARCH, 2019
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	85.38	85.38

41 Contingent liabilities in respect of:

Particulars	AS AT 31st MARCH, 2020	AS AT 31st MARCH, 2019
a. Service tax matters disputed in appeal	-	55.44
b. Income tax matters disputed in appeal	24.81	24.81
c. Custom duty payable on pending export obligations	738.98	738.98
d. Corporate guarantee	333.83	333.83

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

42 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

A) Primary segment : Business segment

(Rs. in Lakh)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
	External Sales	Total	External Sales	Total
a. Segment revenue				
Textile	54,216.89	54,216.89	72,706.73	72,706.73
Wind mill	2,250.92	2,250.92	2,448.79	2,448.79
Segment total		56,467.81		75,155.52
Eliminations		-		-
Total revenue		56,467.81		75,155.52
b. Segment results				
Textile		(1,640.32)		3,525.50
Wind mill		1,292.65		1,453.51
Segment total		(347.67)		4,979.01
Eliminations				
Total		(347.67)		4,979.01
Unallocable corporate expenses / (Income)		(92.91)		(123.24)
Profit before interest etc.		(254.76)		5,102.25
Finance costs		5,297.78		4,929.59
Profit before tax		(5,552.54)		172.66
Provision for tax		(1,359.85)		63.78
Profit after tax		(4,192.69)		108.88
Other coprehensive income		(21.26)		34.87
Other coprehensive income for the year		(4,213.95)		143.75
c. Other information				
Depreciation and amortisation (allocable)				
Textile		3336.42		2900.58
Wind mill		498.93		497.29
Segment total		3,835.35		3397.87

d. Segment assets and liabilities

(Rs. in Lakh)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Textile	79,026.09	60,655.10	89,206.87	67,263.22
Wind Mill	5,253.77	526.16	5,666.85	297.95
Segment Total	84,279.86	61,181.27	94,873.72	67,561.17

B) Secondary segment : Geographical segment

(Rs. in Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Segment revenue		
a) In India	47,293.62	64,773.32
b) Outside India	9,174.19	10,382.20
Total	56,467.81	75,155.52

Particulars	As at 31st March, 2020	As at 31st March, 2019
Carrying cost of segment assets		
a) In India	80,662.48	91,075.34
b) Outside India	3617.37	3,798.38
Total	84,279.86	94,873.72
Carrying cost of segment liabilities		
a) In India	52,804.32	58,385.79
b) Outside India	8,376.95	9,175.38
Total	61,181.27	67,561.17

43 Related party disclosures
Related parties and their relationship
(a) 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
Kashvi Investments Pvt. Ltd.	T.P. Rajeshkumar, HUF
Bhansali Tradelink Pvt. Ltd.	K.V. Enterprise
	A.V. Enterprise
	A Star Fibres
	Namit Enterprise
	B.S.Textile
	Tehtex
	Triveni International
	Panch Rattan Fabrics
	Textile India
	M/s. Kashvi
	Ashish V. Shah HUF
	Kalpesh V. Shah HUF

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
(b) Key management personnel

Companies	Firms
Vinodkumar P. Arora	Rajesh P. Arora
Kalpesh V. Shah	Ashish V. Shah
Nipun V. Arora	Bhavik Shukla (upto 31.12.2019)
Yashaswini Pandey (upto 17.08.2019)	Ketan Desai (w.e.f. 07.01.2020)
Darshak Thaker (w.e.f. 20.09.2019)	

(c) Non - Executive Directors

Companies	Firms
Sanjay S. Majmudar	Arvind D. Sanghvi (upto. 21.10.2019)
Ashok C. Gandhi	Yashree Dixit (upto 09.10.2019)
Amol R. Dalal	Aarti Thakkar (w.e.f. 14.11.2019)

(d) Relatives of key management personnel

Companies	Firms
Anoli Shah	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

Disclosure in respect of material transactions with related parties

(Rs. in Lakh)

Transaction	Name of the Related Party	Transaction With the Parties		Balance	
		Year ended 31st March, 2020	Year ended 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Loans / Advances taken	Ennbee Textiles Pvt.Ltd	-	-	240.35	223.34
	Rentex Weavers Ltd	-	-	158.43	144.98
	Shipa Fabrics Pvt.Ltd	-	-	131.34	130.48
	Twenty First Century Mktg. Ltd.	-	12.00	1,611.72	1,481.70
	New Ahmedabad Synt. Pvt. Ltd.	-	-	340.54	313.07

**AARVEE DENIMS AND EXPORTS LTD.****aarvee****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(Rs. in Lakh)

Transaction	Name of the Related Party	Transaction With the Parties		Balance	
		Year ended 31st March, 2020	Year ended 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Loans/ Advance Repaid	Bhansali Tradelink Pvt Ltd	0.13	0.22	4.04	3.76
	Ennbee Textile Pvt. Ltd (Loan)	6.78	12.28	240.35	223.34
	New Ahmedabad Synthetics Pvt. Ltd	6.00	7.00	340.54	313.07
	Pee Vee Synthetics P.Ltd	0.15	0.20	2.81	2.69
	Rentex Weavers Ltd (Loan)	2.08	7.52	158.43	144.98
	Shipa Fabrics Pvt.Ltd (Loan)	12.66	10.34	131.34	130.48
	Twenty First Century Marketing Ltd (Loan)	30.06	102.01	1,611.72	1,481.70
	Vee Bee Textiles (P) Ltd	0.21	0.19	3.87	3.70
Fixed Deposits taken	Pankajbhai V Arora	-	26.00	303.70	303.70
	Nipun V Arora	-	16.00	292.35	342.35
	Rajesh Arora	-	95.00	817.00	817.00
	Rita Arora	-	-	702.00	702.00
	Parmanand Arora	-	455.00	1,907.00	1,907.00
	Vinod P Arora	-	71.00	861.75	947.75
	Preeti N Arora	-	49.75	644.35	654.35
	Parmanand Arora & Sons, HUF	-	5.80	71.10	71.10
	T.P. Vinodkumar, HUF	-	-	98.50	98.50
	T.P. Rajeshkumar, HUF	-	7.00	83.50	83.50
	Kastura Rani Arora	-	6.10	52.10	52.10
	Renu Arora	-	112.00	1,266.60	1,266.60
	Sarthak P Arora	-	-	4.00	6.50
	Chinmaya P. Arora	-	-	4.60	6.10
	M/S. Kashvi	-	-	-	-
	Kashviben Kalpeshbhai Shah	-	60.00	30.00	60.00
	Virendra Bhogilal & Co.	-	-	-	-
	Shikha Arora	-	37.00	541.25	550.10
	Heena Khanna	-	10.50	21.00	23.00
	BHRIGU N. ARORA	-	3.00	3.00	4.90
Somani Chawla	-	10.50	62.00	64.00	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. in Lakh)

Transaction	Name of the Related Party	Transaction With the Parties		Balance	
		Year ended 31st March, 2020	Year ended 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Sale of goods	Arora Agencies	564.34	-	20.18	-
	Pari Bhogilal Laxmichand	43.02	169.18	13.35	90.14
	Parmanand Vinodkumar	657.56	-	49.79	-
	Panch Rattan Fabrics	4,315.23	7,542.46	3,734.76	4,592.94
	Virendrabhai Bhogilal & Co.	168.23	166.68	-	84.22
	B S Textiles	34.78	193.96	-	116.32
	Namit Enterprise	34.73	76.43	-	-
Lease Rent	Techtex	2.03	2.03	6.57	4.34
Car sales	Ennbee Textile Pvt. Ltd	0	16.42	-	-
Job Work Charges	Virendrabhai Bhogilal & Co.	271.42	286.74	67.44	57.28
	A.V. Enterprise	5.77	12.00	1.08	5.28
	B. Kalpeshkumar & Co.	5.79	12.02	1.07	5.17
	K. V. Enterprise	5.82	11.99	1.08	5.27
	Namit Enterprise	45.41	77.04	9.42	41.97
	B S Textiles	243.31	246.82	80.35	21.51
Interest on Loans / Advance/ FDs	Vinod P Arora	-	90.18	861.75	947.75
	Parmanand Arora	-	175.98	1,907.00	1,907.00
	Rajesh Arora	-	79.30	817.00	817.00
	Pankaj V Arora	-	28.10	303.70	303.70
	Nipunbhai V Arora	31.24	33.04	292.35	342.35
	Chinmaya P. Arora	-	0.60	4.60	6.10
	Sarthak P Arora	-	0.64	4.00	6.50
	Shikha Arora	53.66	52.21	541.25	550.10
	Jahanvi N Arora	-	0.18	-	1.80
	Bhrihu N Arora	-	0.48	3.00	4.90
	Renu Arora	124.37	120.24	1,266.60	1,266.60
	Rita Arora	-	68.94	702.00	702.00
	Kastura Rani Arora	-	4.96	55.38	52.10
	Preeti N Arora	63.71	61.92	644.35	654.35
	Heena Khanna	-	2.15	21.00	23.00
Somani Chawla	6.14	6.08	62.00	64.00	

**AARVEE DENIMS AND EXPORTS LTD.****aarvee****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(Rs. in Lakh)

Transaction	Name of the Related Party	Transaction With the Parties		Balance	
		Year ended 31st March, 2020	Year ended 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Interest on Loans / Advance/ FDs	Parmanand Arora & Sons, HUF	-	6.94	71.10	71.10
	T.P. Rajeshkumar H.U.F.	8.23	8.14	83.50	83.50
	T.P. Vinodkumar H.U.F.	-	9.63	98.50	98.50
	M/S. Kashvi	-	-	-	-
	Kashviben Kalpeshbhai Shah	-	5.33	30.00	60.00
	Virendra Bhogilal & Co.	-	2.88	-	-
	Bhansali Tradelink Pvt Ltd	0.45	0.42	4.04	3.76
	Ennbee Textile Pvt. Ltd (Loan)	26.43	24.21	240.35	223.34
	New Ahmedabad Synthetics Pvt. Ltd	37.19	34.25	340.54	313.07
	Pee Vee Synthetics P.ltd	0.31	0.30	2.81	2.69
	Rentex Weavers Ltd (Loan)	17.25	15.74	158.43	144.98
	Shipa Fabrics Pvt.ltd (Loan)	15.02	14.46	131.34	130.48
	Twenty First Century Marketing Ltd (Loan)	177.86	164.53	1,611.72	1,481.70
	Vee Bee Textiles (P) Ltd	0.43	0.41	3.87	3.70
Commission & Brokerage	Parmanand Vinodkumar	130.84	196.52	-	433.17
	Arora Agencies	136.38	188.96	-	363.44
	Namit Enterprise	0.52	-	-	-
Remuneration	Vinodbhai P Arora	35.13	36.00	1.37	2.42
	Ashishbhai V Shah	29.27	30.00	1.16	2.09
	Nipunbhai V Arora (w.e.f. 11/08/2018)	11.71	7.66	0.58	0.83
	Kalpeshbhai V Shah	17.56	18.00	0.78	1.25

Transaction	Name of the Related Party	Transaction With the Parties		Balance	
		Year ended 31st March, 2020	Year ended 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Salary	Nipunbhai V Arora (Up to 10/08/2018)	-	4.34	-	-
	Pankajbhai V Arora	11.71	12.00	0.58	0.83
	Pankilbhai K Shah	11.71	12.00	0.58	0.83
	Anuj A. Shah	-	-	-	-
	Bhavik Shukla	18.69	20.80	-	-
	Yashaswini Pandey	1.82	-	-	-
	Darshak Thakkar	1.97	-	-	-
	Ketan Desai	5.27	-	-	-
	Subhasish Bandhopadhyay	-	-	-	-
Sitting Fees	Sanjay S. Majmudar	0.20	0.45	-	-
	Ashok C. Gandhi	0.20	0.35	-	-
	Amol R. Dalal	0.20	0.45	-	-
	Arvind D. Sanghvi	0.05	0.05	-	-
	Aarti Thakkar	0.05	-	-	-
	Yashree Dixit	0.05	0.20	-	-

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.

(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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020
Interest rate sensitivity

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

(Rs. In Lakh)

Particulars	Year ended	Year ended
	31st March, 2020	31st March, 2019
50 bps increase would decrease the profit before tax by	149.96	155.52
50 bps decrease would increase the profit before tax by	149.96	155.52

(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	Year ended 31st March, 2020		Year ended 31st March, 2019	
	Amount	Amount	Amount	Amount
	(Foreign Currency)	(Rs.)	(Foreign Currency)	(Rs.)
Amount payable in foreign currency	\$93.74	7,064.68	\$113.23	7,844.77
	€ 0.33	27.35	€ 0.48	37.64
Amount receivable in foreign currency	\$51.25	3,862.55	\$33.92	2,349.95
	€ 0.002	0.15	€ 0.27	21.21
	-	-	JPY 214.83	134.27

(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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Balance at the beginning of the year	62.44	21.16
Provision made / (reversed) during the year	63.23	41.28
Balance at the end of the year	125.67	62.44

(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
Year ended 31st March, 2020				
Interest bearing borrowings	27,718.79	14,170.51	-	41,889.30
Trade payables	15,831.11	-	-	15,831.11
Other financial liabilities	711.40	-	453.61	1,165.01
Total	44,261.29	14,170.51	453.61	58,885.42
Year ended 31st March, 2019				
Interest bearing borrowings	30,166.58	13,255.53	-	43,422.11
Trade payables	19,743.95	-	-	19,743.95
Other financial liabilities	386.24	-	417.39	803.63
Total	50,296.77	13,255.53	417.39	63,969.70

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.

**AARVEE DENIMS AND EXPORTS LTD.****aarvee****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

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

(Rs. In Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-Current borrowings	14,170.51	13,255.53
Current maturities of non-current borrowings	746.14	533.69
Current borrowings	26,972.65	29,632.89
Interest accrued but not due on borrowings	248.63	51.00
Total Debt	42,137.93	43,473.11
Less: Cash and bank balances	1,112.73	1,751.99
Net Debt	41,025.20	41,721.12
Equity	23,098.59	27,312.55
Net debt to equity ratio	1.78	1.53

a) Categories of financial instruments:

(Rs. In Lakh)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Investments (non current)	29.92	29.92	21.14	21.14
Security deposit	23,461.47	23,461.47	28,759.09	28,759.09
Trade receivable	105.28	105.28	200.58	200.58
Cash and cash equivalent	1,007.45	1,007.45	1,553.68	1,553.68
Other bank balances	603.77	603.77	106.25	106.25
Other financial assets	25,207.89	25,207.89	30,640.75	30,640.75
Total financial assets at amortised cost (A)	-	-	-	-
Measured at fair value through other comprehensive income (B)	-	-	-	-
Measured at fair value through profit and loss (C)	25,207.89	25,207.89	30,640.75	30,640.75
Total financial assets (A + B + C)				
Financial liabilities				
Measured at amortised cost				
Borrowings non current	14,170.51	14,170.51	13,255.53	13,255.53
Borrowings current	26,972.65	26,972.65	29,632.89	29,632.89
Trade payables	15,831.11	15,831.11	19,743.95	19,743.95
Other financial liabilities	1,457.54	1,457.54	1,337.32	1,337.32
Total financial liabilities carried at amortised cost	58,431.81	58,431.81	63,969.70	63,969.70

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 Expenditure in foreign currency

(Rs. in Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Traveling	2.96	2.21
Commission on Export Sales	387.38	487.87
Freight & Forwarding Charges	-	-
Subscription Fees	2.79	2.97
ECB Charges	-	-
Sales Promotion	-	-
Labouratory & Testing Fees	-	-
Total	393.13	493.05

48 Earnings in foreign currency

(Rs. in Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
FOB value of Export Sales	9,174.19	10,382.20

49 During the year, the gross amount to be spent by The group for Corporate Social Responsibility expenditure is Rs. 9.23 Lakh and amount spent is Rs. NIL (As at 31.03.2019 Rs. 14.19 Lakh and amount spent is Rs. NIL).

50 Disclosure under the MSMED Act, 2006

The Following disclosure are made for the amounts due to the Micro, Small, and Medium enterprise as at 31st March-2020

(Rs. in Lakh)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	791.03	497.41
Principal amount due to micro and small enterprise	666.15	449.51
Interest due thereon outstanding to any supplier	76.98	47.90
Interest paid by the Company	-	-
Interest due and payable for the period of delay in making payment	-	-
Interest accrued and remaining unpaid	124.88	47.90
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of allowance as a deductible expenditure under section 23 of MSMEDA	-	-

51 The group has accounted for MAT credit aggregating to Rs.1357.45 lacs as on March 31, 2020 comprising of various years. Based on the future projections of profitability and tax liabilities computed in accordance with the provisions of Income Tax Act, 1961, the management of The group believes that there shall be sufficient future taxable profit and The group shall be required to pay normal taxes within the period specified u/s. 115JAA of the Income Tax Act and entire amount of MAT credit shall be setoff/ utilised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Therefore, in accordance with the Guidance Note on Minimum Alternate Tax under the Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India, such MAT credit has been continued to be recognised as asset.

- 52** Due to COVID-19 related lock down in India as at March 31,2020, The group was not able to undertake year end physical verification of inventory and the same has been carried out by the management subsequent to the date of balance sheet. Due to this lock down, the auditors were also not able to participate in the physical verification of inventory. The group has consequently applied the role back procedures to arrive at the physical status of year-end inventory for the purpose of finalization of accounts for financial year 2019-20.
- 53** The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 has caused interruption in production, supply chain disruption, unavailability of personnel, etc. during last week of March, 2020 and thereafter. The management of The group has exercised due care in concluding significant accounting judgments and estimates in preparation of the financial results. In assessing the recoverability of Trade receivables, The group has considered subsequent recoveries, past trends, credit risk profiles of the customers and internal and external information available up to the date of issuance of these financial results. However, due to COVID-19 pandemic, The group could not obtained balance confirmations from its receivables. In assessing the recoverability of inventories, The group has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, The group is of the view that the carrying amounts of Trade receivables and inventories are expected to be realizable to the extent shown in the financial results. The impact of COVID-19 is highly uncertain and may be different from the estimates as at the date of approval of these financial results and The group will continue to closely monitor any material changes to future economic conditions.

Further, The group is in the process of resuming its manufacturing operations of all its plants and believes that the same will be resumed within shorter period. The group's management has made initial assessment of likely adverse impact on business and financial risks and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in The group's ability to continue as a going concern and meeting its liabilities as and when they fall due.

54 Events occurring after the Balance sheet Date

The group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 28th July, 2020 there were no subsequent events to be recognized or reported that are not already disclosed.

- 55** Previous Year figures have been regrouped/ rearranged wherever considered necessary.
- 56** The financial statements were approved for issue by the board of directors on 28th July, 2020.

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)

Ketan Desai
Chief Financial Officer
Place : Ahmedabad
Date : 28th July 2020

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

Vinod P. Arora
Chairman & Managing Director
(DIN:00007065)

Darshak Thakkar
Company Secretary
Place : Ahmedabad
Date : 28th July 2020

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

If undelivered please return to :



(CIN : L17110GJ1988PLC010504)

REGISTERED OFFICE

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