
**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 & particulars of Directors**

The Board of Directors of the company is having optimum combination of executive & non-executive directors as suggested in the corporate governance norms. The current strength of the Board is Ten (10) comprising Three (3) executive directors and Seven (7) non-executive directors. Out of these seven non-executive directors, five are independent directors and two are non-independent directors.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26 (1) of the Listing Regulations), across all the Companies in which he/ she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

Details of directors, attendance of directors at the board meetings, at the annual general meeting held on 28th September, 2015 and number of memberships held by directors in the Board/Committee of other Companies.

Name of Director	Category	DIN	Numbers of Board Meetings		No. of other Directorships held as on 31-03-2016	Committee Memberships held in other companies**		Whether attended last AGM held on 28-09-2015
			Held during the year	Attended during the Year		as member	as Chairman	
Mr. Vinod P. Arora (Chairman & Managing Director)	Promoter Executive	00007065	4	4	2	0	0	Yes
Mr. Ashish V. Shah (Managing Director)	Promoter Executive	00007201	4	4	1	0	0	Yes
Mr. Kalpesh V. Shah (Whole Time Director)	Promoter Executive	00007262	4	4	0	0	0	Yes
Mr. Parmanand T. Arora	Promoter Non-Executive	00093659	4	4	0	0	0	No
Mr. Rajesh P. Arora	Promoter Non-Executive	00092200	4	4	0	0	0	No
Mr. Sanjay S. Majmudar	Independent Non-executive	00091305	4	4	4	1	4	Yes
Mr. Ashok C. Gandhi	Independent Non-executive	00022507	4	3	4	6	1	Yes
Mr. Arvind D. Sanghvi	Independent Non-executive	00435340	4	2	2	0	0	No
Mr. Amol R. Dalal	Independent Non-executive	00458885	4	4	1	0	1	Yes
Mrs. Komal S. Majmudar*	Independent Non-executive	06956344	4	1	2	0	0	N.A
Ms. Shiavni Shah	Independent Non-executive	06693408	4	3	0	0	0	Yes

* Mrs. Komal Majmudar has resigned w.e.f. 29th May, 2015.

** Excludes Directorships in Associations, Private Limited Companies, Foreign Companies, Government Bodies and Companies registered under Section 8 of the Companies Act, 2013. Only Audit Committee and Stakeholders Relationship Committee of Indian Public Companies have been considered for committee positions.

The Company held 4 Board Meetings during 2015-16 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held 29th May, 2015, 13th August, 2015, 31st October, 2015 and 6th February, 2016.

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 & CEO forms part of this Report.

Apart from receiving remuneration that they are entitled to under the Companies Act, 2013 as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its subsidiaries and associates. Mr. Vinod P. Arora, Mr. Parmanand T. Arora and Mr. Rajesh P. Arora, Directors are inter-se related to each other as they are relatives. Mr. Ashish V. Shah and Mr. Kalpesh V. Shah are inter-se related to each other as they are relatives.

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

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 29th February, 2016, 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.

Board and Director Evaluation and criteria for evaluation

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include inter alia, degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Criteria for evaluation of individual Directors include aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings. In addition, the executive directors were also evaluated on key aspects of their his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the CMD, MD & CEO.

Criteria for evaluation of the Committees of the Board include degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The procedure followed for the performance evaluation of the Board, Committees and Directors is detailed in the Directors' Report.

Familiarization Programme for Independent Directors

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.

The Familiarisation programme for Independent Directors is disclosed on the Company's website at the following web link: <http://www.aarvee-denims.com/pdfs/familiarization-policy-independent-director.pdf>

3. AUDIT COMMITTEE**(i) Brief Description of Terms of reference**

The Company has an Audit Committee at the Board level with powers and role that are in accordance with Regulation 18 of SEBI LODR and Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee, inter alia, are as follows:

- Monitors and Supervises Company's financial reporting process with a view to provide accurate and proper disclosure and maintain the integrity and quality of financial reporting.
- Review with the management the quarterly and annual financial statements and the auditor's report thereon, before submission to the Board for approval.
- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Review with the management, performance of the statutory and internal auditors.
- Review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems.
- Evaluate internal financial controls and risk management systems.
- Scrutinize inter-corporate loans and investments.
- Discuss any significant findings with internal auditors and follow-up thereon.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- Approve transactions, including any subsequent modifications, of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Review and monitor the statement of use and application of funds raised through public offers and related matters.
- Review the functioning of the Whistle Blower mechanism.
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.
- And, generally, all items listed in Clause Part C of Schedule II to the Listing Regulations and in Section 177 of the Companies Act, 2013.

Internal Control

Management feels that the internal controls in place are sufficient considering the size, nature and complexities of the operations of the company. Audit committee overlooks the operation and if required, modifications are put in place. The internal audit function is also reviewed by the audit committee of the board. Internal audit department of the Company is regularly reviewing the internal control systems of the company and to report it to the management and audit committee.

(ii) Composition and Attendance during the year

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Companies Act, 2013. 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	4	4
Mr. Ashok C. Gandhi	Member	Independent – Non- Executive	4	3
Mr. Amol Dalal	Member	Independent – Non- Executive	4	4

The Audit Committee met 4 times during the year and gap between two meetings did not exceed four months. The dates on which Audit Committee Meetings were held were: 29th May, 2015, 13th August, 2015, 31st October, 2015 and 6th February, 2016. Necessary quorum was present at above Meetings.

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

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

The Chairman of Audit Committee, Mr. Sanjay Majmudar was present at the Annual General Meeting of the Company held on 28th September, 2015.

4. NOMINATION & REMUNERATION COMMITTEE

(I) Brief description of terms of reference

The terms of reference of the Nomination and Remuneration Committee are as follows:

- Make recommendations regarding the composition of the Board, identify independent Directors to be inducted to the Board from time to time and take steps to refresh the composition of the Board from time to time.
- Formulate criteria for determining qualifications, positive attributes and independence of a Director.
- Recommend to the Board appointment and removal of Senior Management.
- Carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- Recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
- Recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- Formulate criteria for evaluation of Independent Directors and the Board.
- Devise a policy on Board diversity;
- Develop a succession plan for the Board and to regularly review the plan;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

(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	3	3
Mr. Ashok C. Gandhi	Member	Independent – Non- Executive	3	2
Mr. Amol Dalal	Member	Independent – Non- Executive	3	3

The Committee met three times during the year, on 29th May, 2015, 13th August, 2015 and 31st October, 2015.

The Chairman of the Nomination and Remuneration Committee, Mr. Sanjay Majmudar was present at the Annual General Meeting of the Company held on 28th September, 2015.

(III) Remuneration Policy

The Company's philosophy for remuneration of Directors, key managerial personnel and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating the Policy are as under:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

(IV) Details of remuneration of Directors

The details of remuneration paid to Directors for the year ended 31st March, 2016 are as follows:

(Amount in ₹)

Name of Director	Salaries	Sitting Fees	Total
Mr. Vinod P. Arora	36,00,000/-	Nil	36,00,000/-
Mr. Ashish V. Shah	30,00,000/-	Nil	30,00,000/-
Mr. Kalpesh V. Shah	18,00,000/-	Nil	18,00,000/-
Mr. Parmanand T. Arora	Nil	Nil	Nil
Mr. Rajesh P. Arora	Nil	Nil	Nil
Mr. Sanjay S. Majmudar	Nil	50,000/-	50,000/-
Mr. Ashok C. Gandhi	Nil	45,000/-	45,000/-
Mr. Amol R. Dalal	Nil	50,000/-	50,000/-
Mr. Arvind D. Sanghvi	Nil	10,000/-	10,000/-
Mrs. Komal S. Majmudar*	Nil	5,000/-	5,000/-
Ms. Shivani D. Shah	Nil	15,000/-	15,000/-

* Mrs. Komal S. Majmudar has resigned w.e.f. 29th May, 2015.

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, Mr. Ashish V. Shah & Mr. Kalpesh V. Shah.

(ii) Stakeholder / Investors Grievance and Relationship Committee

Terms of reference

Terms of reference of the Stakeholders Relationship Committee are as follows:

- Consider and resolve the grievances of the security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc.
- Set forth the policies relating to and to oversee the implementation of the Code of Conduct for Prevention of Insider Trading and to review the concerns received under the Code of Conduct.

The Company has adopted the Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines for procedures to be followed and disclosures to be made while dealing with the shares of the Company.

The Company has also adopted the Code of Corporate Disclosure Practices for ensuring timely and adequate disclosure of Price Sensitive Information, as required under the Regulations. The Managing Director & CEO is the Public Spokesperson for this purpose.

Composition and attendance during the year

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

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

The committee met four times during the year viz. 6th April, 2015, 4th July, 2015, 10th October, 2015 and 12th January, 2016 and all three members of committee were present at above meetings.

Name and Designation of Compliance officer: Mr. Ashish Shah, Managing Director

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	01	01	Nil
3.	Query regarding demat credit	-	-	-
4.	Others	-	-	-
	Total	01	01	Nil

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of reference

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

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

- Monitor the Company's CSR Policy periodically.
- Attend to such other matters and functions as may be prescribed from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. The Annual Report on CSR activities for the year 2015-16 forms a part of the Directors' Report.

Composition and attendance during the year

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

Name of Member	Designation	Category	No. of Meetings	Meetings attended
Mr. Ashish V. Shah	Chairman	Promoter - Executive	3	3
Mr. Vinod P. Arora	Member	Promoter - Executive	3	3
Mr. Amol Dalal	Member	Independent – Non- Executive	3	3

The committee met three times during the year viz. 30th April, 2015, 30th June, 2015 and 12th February, 2016 and all three members of committee were present at above meetings.

7. GENERAL BODY MEETINGS

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

Date	Location	Time	No. of Special Resolution passed
28 th September, 2015	191, Shahwadi, Nr. Old Octroi Naka, Narol Sarkhej Highway, Narol, Ahmedabad: 382 405	10:00 A.M.	4
30 th September, 2014	191, Shahwadi, Nr. Old Octroi Naka, Narol-Sarkhej Highway, Narol, Ahmedabad: 382 405	10.00 A.M.	10
30 th September, 2013	188/2, Ranipur Village, Opp. CNI Church, Narol, Ahmedabad: 382 405	10.00 A.M.	Nil

All resolutions moved at the last Annual General Meeting were passed by the requisite majority of shareholders.

- 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) **Disclosures on materially significant related party transactions, i.e. transactions of the company of material nature with its promoters, the directors or management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large:** None of the transactions with any of the related parties were in conflict with the interests of the Company. All related party transactions are negotiated on arm's length basis and are intended to further the interests of the Company.
- (ii) The Company has complied with requirements of Stock Exchanges/ SEBI and statutory authorities on all matters related to the capital markets during last three years. No penalty or strictures were imposed on the Company by these authorities.
- (iii) The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or

violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

- (iv) **CEO / CFO Certification:** The Managing Director, Chief Executive Officer and the Chief Financial Officer have certified to the Board in accordance with Part B of Schedule II to the Listing Regulations pertaining to CEO/ CFO certification for the Financial Year ended 31st March, 2016.
- (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 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. The Company has appointed separate persons to the posts of Chairman and Managing Director and CEO.
- b. The Internal Auditors report directly to the Audit Committee.

9. MEANS OF COMMUNICATION

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

10. GENERAL SHAREHOLDER INFORMATION

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

i. Annual General Meeting

Date : 28th September, 2016

Time : 10:00 A.M.

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

ii. Financial year : April to March

Financial results will be declared as per the following schedule:

Particular
Tentative schedule
Quarterly un-audited results

Quarter ending 30th June, 2016 On or before 14th August, 2016

Quarter ending 30th September, 2016 On or before 14th November, 2016

Quarter ending 31st December, 2016 On or before 14th February, 2017

Annual audited result

Year ended 31st March, 2017 On or before 30th May, 2017

iii. Date of Book Closure : 21-09-2016 to 28-09-2016 (Both days inclusive)
iv. Listing on stock exchange : The Company's Equity Shares are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd (NSE)

The Company has paid the Annual Listing fees to the Stock Exchanges for the financial year 2016-17.

v. Stock Code

Stock Code on BSE : 514274

Stock Code on NSE : AARVEEDEN

Demat ISIN No. for NSDL and CDSL : INE273D01019

vi. Market price

Month	Share price at BSE Amount in ₹		BSE Sensex		Share price at NSE Amount in ₹		NSE (NIFTY)	
	High	Low	High	Low	High	Low	High	Low
Apr-15	48.95	38.80	29094.61	26897.54	48.40	38.10	8844.80	8144.75
May-15	42.85	37.05	28071.16	26423.99	44.85	38.10	8489.55	7997.15
Jun-15	46.90	38.05	27968.75	26307.07	46.80	38.00	8467.15	7940.30
Jul-15	80.00	44.80	28578.33	27416.39	79.95	43.50	8654.75	8315.40
Aug-15	76.80	52.00	28417.59	25298.42	77.50	53.05	8621.55	7667.25
Sep-15	59.95	46.55	26471.82	24833.54	59.95	47.00	8055.00	7539.50
Oct-15	60.50	47.80	27618.14	26168.71	63.00	51.80	8336.30	7930.65
Nov-15	74.70	48.00	26824.30	25451.42	74.90	46.05	8116.10	7714.15
Dec-15	66.30	54.00	26256.42	24867.73	68.40	54.20	7979.30	7551.05
Jan-16	67.80	49.35	26197.27	23839.76	67.75	49.10	7972.55	7241.50
Feb-16	68.90	47.00	25002.32	22494.61	68.85	45.85	7600.45	6825.80
Mar-16	57.95	50.05	25479.62	23133.18	58.80	50.20	7777.60	7035.10

vii. Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd
Unit No. 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II,
Off C. G. Road, Ahmedabad, Gujarat, 380009,
Tel. Nos.079-26465179, Fax No 079-26465179, Email: ahmedabad@linkintime.co.in

viii. 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.

ix. Secretarial Audit

- a. Mr. Tapan Shah, Practicing Company Secretaries have conducted a Secretarial Audit of the Company for the year 2015-16. 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 Clause 47 (c) of the Listing Agreement with the Stock Exchanges and 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).

x. Distribution of Shareholding as on 31-03-2016

Sr. No.	Category (Shares)	Shareholders		Shareholding	
		Numbers	Percentage	Numbers	Percentage
1	1-500	9,148	93.17	12,48,006	5.32
2	501-1000	364	3.70	2,94,787	1.26
3	1001-2000	139	1.42	2,12,166	0.90
4	2001-3000	36	0.37	93,823	0.40
5	3001-4000	21	0.21	73,086	0.31
6	4001-5000	20	0.20	91,776	0.39
7	5001-10000	34	0.35	2,49,083	1.06
8	10001-20000	9	0.09	1,38,494	0.59
9	Above 20000	48	0.49	2,10,58,579	89.77
	Total	9,819	100.00	2,34,59,800	100.00

xi. Shareholding Pattern as on 31-03-2016

Sr. No.	Category	No. of Shares held	% of Shareholding
A	PROMOTERS' HOLDINGS		
1	Promoters Indian Promoters/Person Acting in Concert Foreign Promoters	1,54,36,303 -	65.80 -
	Sub Total	1,54,36,303	65.80
B	Public		
1	Institutional Investors a. Mutual Funds b. Banks/Financial Institutions c. Insurance Companies d. FIIs e. Foreign Financial Institution	- 300 4,93,758 - 33,88,100	- - 2.10 - 14.45
	Sub Total	38,82,158	16.55
2	Non Institutional Investors a. Private Corporate Bodies b. Indian Public c. NRIs	1,52,902 24,50,051 15,35,972	0.65 10.44 6.55
	Sub Total	41,38,925	17.65
	Grand Total	2,34,59,800	100

xii. Dividend declared for the last 10 years

Financial Year	% Dividend per shares
2005-06 (I Interim Div.)	5
2005-06 (II Interim Div.)	5
2005-06 (III Interim Div.)	5
2005-06 (Final Div.)	5
2006-07 (Interim Div.)	5
2006-07 (Final Div.)	5
2009-10 (Interim Div.)	5
2009-10 (Final Div.)	5
2010-11 (Interim Div. considered as Final Div. 2010-11)	5
2012-13 (Interim Div. considered as Final Div. 2012-13)	5

xiii. Dematerialisation of Shares and liquidity

Electronic/ Physical	No of Shares	%
NSDL	22200874	94.63
CDSL	566713	2.42
Physical	692213	2.95
TOTAL	2,34,59,800	100.00

As on 31st March, 2016, 2,27,67,587 (97.05%) Equity Shares of the Company were dematerialised. 100% promoters share holdings are in dematerialized form.

xiv. 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.

xv. Address for correspondence

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

Company Secretary

Aarvee Denims and Exports Limited

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

Phone : 91-079- 30417000

Fax : 91-079- 30417070

Email : cs@aarvee-denims.com

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

Name : Link Intime India Pvt. Ltd.

Address : Unit No. 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad, Gujarat, 380009

Phone : 91-079- 26465179

Fax : 91-079- 26465179

Email : ahmedabad@linkintime.co.in

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

Annexure to Corporate Governance Report

To,

The Members of Aarvee Denims and Exports Limited

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

We, hereby declare that 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, 2016.

Place : Ahmedabad

Date : 10/08/2016

Ashish V. Shah
Managing Director

Suketu Shah
CEO

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 2016** and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee –
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Ahmedabad
Date : 10/08/2016

Ashish V. Shah
Managing Director

Suketu Shah
CEO

Bhavik Shukla
CFO



AARVEE DENIMS AND EXPORTS LTD.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No.: L17110GJ1988PLC010504

Nominal Capital: ₹ 50,00,00,000/-

To,
The Members of
AARVEE DENIMS AND EXPORTS LTD
Ahmedabad

I have examined the compliance of conditions of corporate governance by **AARVEE DENIMS AND EXPORTS LTD**, for the year ended on March 31, 2016 as stipulated under Clause 49 of the Listing Agreement executed by the Company with the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE') for the period from April 1, 2015 to November 30, 2015; and as prescribed in Regulations 17 to 27 of Chapter IV, Schedule II and para C and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) for the period from December 1, 2015 to March 31, 2016.

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the mandatory conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement and above mentioned Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Listing Agreement and Regulations and may not be suitable for any other purpose.

Place : Ahmedabad
Date : 10/08/2016

Name of Company Secretary : Tapan Shah
Membership No. : **FCS 4476**
C P No. : **2839**