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

Your Company firmly believes that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. It is essentially a system by which Companies are directed and controlled by the management in the best interest of all stakeholders. 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 and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion. Your Company recognizes that strong Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. It, therefore, continues to lay great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

Your 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 has complied with the requirements of Corporate Governance stipulated in Clause 49 of the Listing Agreements executed with the Stock Exchanges.

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 comprising three executive directors and seven non-executive directors, of these seven non-executive directors, five are independent directors and two are non-independent directors.

All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as 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 Clause 49 II (D) (2) of the Listing Agreement), across all the Companies in which he/ she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors. None of the Directors holds office in more than 20 companies and in more than 10 public companies.

Details of directors, attendance of directors at the board meetings, at the annual general meeting held on 30th September, 2014 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 31.03.2015	Committee Memberships held in other companies		Whether attended last AGM held on 30.09.2014
			Held during the year	Attended during the Year		as member	as Chairman	
Shri Vinod P. Arora (Chairman & Managing Director)	Promoter Executive	00007065	4	4	2	0	0	Yes
Shri Ashish V. Shah (Managing Director)	Promoter Executive	00007201	4	4	1	0	0	Yes
Shri Kalpesh V. Shah (Whole Time Director)	Promoter Executive	00007262	4	4	0	0	0	Yes
Shri Parmanand T. Arora	Promoter Non-Executive	00093659	4	4	0	0	0	No
Shri Rajesh P. Arora	Promoter Non-Executive	00092200	4	4	0	0	0	No
Shri Sanjay S. Majmudar	Independent Non-executive	00091305	4	4	6	3	0	Yes
Shri Ashok C. Gandhi	Independent Non-executive	00022507	4	4	6	4	0	Yes
Shri Arvind D. Sanghvi	Independent Non-executive	00435340	4	2	2	0	0	No
Shri Tilakraj Kapoor*	Independent Non-executive	00177651	4	0	0	0	0	No
Shri Amol R. Dalal	Independent Non-executive	00458885	4	4	1	0	1	Yes
Smt. Komal S. Majmudar**	Independent Non-executive	06956344	4	1	2	0	0	No
Ms. Shivani Shah#	Independent Non-executive	06693408	4	0	0	0	0	NA

* Mr. Tilak Raj Kapoor has resigned w.e.f. 14th August, 2014.

** Mrs. Komal S. Majmudar was appointed w.e.f. 30th September, 2014 and She 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.

Ms. Shivani Shah has been appointed as an additional Director of the Company w.e.f. 13.08.2015. The Company held 4 Board Meetings during 2014-15 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held were: 29th May, 2014, 14th August, 2014, 14th November, 2014 and 13th February, 2015.

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 Clause 49 of the Listing Agreement) 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 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 7th February, 2015, as required under Schedule IV to

the Companies Act, 2013 (Code for Independent Directors) and Clause 49 of the Listing Agreement. 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.

Mr. Ashok C. Gandhi, Mr. Amol Dalal and Mr. Arvind Sanghvi 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 and MD.

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 Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions. The terms of reference of the Audit Committee, inter alia, are as follows:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Review with the management the quarterly and annual financial statements and the auditor's report thereon, before submission to the Board for approval.
- Discuss with the statutory auditors, before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
- 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 49 III (D) of the Listing Agreement 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

Constitution of audit committee meets with the requirements of corporate governance guidelines as well as the provisions of section 177 of the Companies Act, 2013 the provisions of Clause 49 of the Listing Agreement.

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

Name of Member	Designation	Category	No. of Meetings	Meetings attended
Shri Sanjay Majmudar	Chairman	Independent – Non- Executive	4	4
Shri Ashok C. Gandhi	Member	Independent – Non- Executive	4	4
Shri 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, 2014, 14th August, 2014, 14th November, 2014 and 13th February, 2015. 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

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 Statutory Auditors. The Business and Operation Heads are invited to Meetings, when required. The Company Secretary acts as secretary to Committee.

The Chairman of Audit Committee, Mr. Sanjay Majmudar was present at the Annual General Meeting of the Company held on 30th September, 2014.

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.
- to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- to recommend to the Board appointment and removal of Senior Management
- to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- to 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.
- to make 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.
- to devise a policy on Board diversity;
- to 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 the details of Meetings attended by Directors during the year are given below:

Name of Member	Designation	Category	No. of Meetings	Meetings attended
Shri Sanjay Majmudar	Chairman	Independent – Non- Executive	1	1
Shri Ashok C. Gandhi	Member	Independent – Non- Executive	1	1
Shri Amol Dalal	Member	Independent – Non- Executive	1	1

The Chairman of the Nomination and Remuneration Committee, Mr. Sanjay Majmudar was present at the Annual General Meeting of the Company held on 30th September, 2014.

(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, 2015 are as follows:

Name of Director	Salaries	Sitting Fees ₹	Total ₹
Shri Vinod P. Arora	36,00,000/-	Nil	36,00,000/-
Shri Ashish V. Shah	30,00,000/-	Nil	30,00,000/-
Shri Kalpesh V. Shah	18,00,000/-	Nil	18,00,000/-
Shri Parmanand T. Arora	Nil	Nil	Nil
Shri Rajesh P. Arora	Nil	Nil	Nil
Shri Sanjay S. Majmudar	Nil	41,000/-	41,000/-
Shri Ashok C. Gandhi	Nil	41,000/-	41,000/-
Shri Amol R. Dalal	Nil	41,000/-	41,000/-
Shri Arvind D. Sanghvi	Nil	15,000/-	15,000/-
Shri Tilakraj Kapoor*	Nil	Nil	Nil
Smt. Komal S. Majmudar**	Nil	10,000/-	10,000/-

* Shri Tilakraj Kapoor resigned w.e.f. 14th August, 2014.

** Mrs. Komal S. Majmudar was appointed w.e.f. 30th September, 2014 and She 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 Shri Vinod P. Arora, Shri Ashish V. Shah & Shri Kalpesh V. Shah.

(ii) Stakeholder / Investors Grievance and Relationship Committee
Terms of reference

In terms of Section 178 (5) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Shareholders' / Investors' Grievance Committee was renamed as Stakeholders Relationship Committee with effect from 29th May, 2014.

Following are the terms of reference of the Stakeholders Relationship Committee:

- 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. 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
Shri Amol Dalal	Chairman	Independent – Non- Executive	4	4
Shri Vinod P. Arora	Member	Chairman and Managing Director	4	4
Shri Kalpesh V. Shah	Member	Whole Time Director	4	4

The committee met four times during the year viz. 7th April, 2014, 10th July, 2014, 9th October, 2014 and 8th January, 2015 and all three members of committee were present at above meetings.

Name and Designation of Compliance officer: Mr. Hardik Modi, Company Secretary

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

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

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:

AARVEE DENIMS AND EXPORTS LTD.

- 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 2014-15 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
Shri Ashish V. Shah	Chairman	Managing Director	1	1
Shri Vinod P. Arora	Member	Chairman & Managing Director	1	1
Shri Amol Dalal	Member	Independent – Non- Executive	1	1

The committee met once during the year viz. 17th February, 2015 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
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
29 th September, 2012	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 the requirements of the Stock Exchanges/ SEBI and statutory authorities on all matters related to the capital markets during the 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 and the Chief Financial Officer have certified to the Board in accordance with Clause 49 IX of the Listing Agreement pertaining to CEO/ CFO certification for the Financial Year ended 31st March, 2015.
- (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 followed the Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) in the preparation of its financial statements.
- (vii) The Company has complied with all the mandatory requirements of clause 49 in respect of corporate governance.

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

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

9. MEANS OF COMMUNICATION

- (i) Financial results are published normally in leading English financial newspaper and in vernacular daily newspaper.
- (ii) The Company supply copies of the financial results and annual report of the Company to various analysts, registered share brokers, various government departments & agencies, and other investors and all those interested in getting the same as and when request received from them for the same.
- (iii) The company's website www.aarvee-denims.com contains a separate dedicated section namely "Investors" where shareholders information is available. The 26th Annual Report of the company is also available on the web site of the company in downloadable form.
- (iv) 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, 2015

Time : 10.00 A.M.

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

AARVEE DENIMS AND EXPORTS LTD.
ii. Financial year : April to March

Financial results will be declared as per the following schedule:

Particular	Tentative schedule
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Quarterly un-audited results

Quarter ending 30 th June, 2015	By 14 th August, 2015
Quarter ending 30 th September, 2015	By 14 th November, 2015
Quarter ending 31 st December, 2015	By 14 th February, 2016

Annual audited result

Year ended 31 st March, 2016	Within 60 days from 31 st March, 2016
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iii. Date of Book Closure : 21st September, 2015 to 28th September, 2015 (Both days inclusive)
iv. Listing on stock exchange : The Company's Equity Shares are listed on the following Stock Exchanges.
BSE Ltd.

National Stock Exchange of India Ltd (NSE)

The Company has paid the Annual Listing fees to the Stock Exchanges for the financial year 2015-2016.

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 & year	BSE			NSE		
	BSE SENSEX	High Price (₹)	Low Price (₹)	NSE NIFTY	High Price (₹)	Low Price (₹)
April – 2014	22417.8	44.10	34.30	6696.40	44.15	33.80
May – 2014	24217.34	47.10	35.35	7229.95	47.00	34.00
June – 2014	25413.78	59.10	38.10	7611.35	58.90	38.50
July -2014	25894.97	58.05	45.25	7721.30	57.40	44.95
August – 2014	26638.11	54.05	43.85	7954.35	53.90	43.90
September – 2014	26630.51	58.60	46.15	7964.80	58.75	45.40
October – 2014	27865.83	54.10	42.50	8322.20	53.00	43.35
November –2014	28693.99	51.00	44.05	8588.25	51.50	43.55
December – 2014	27499	53.45	40.10	8282.70	53.50	40.65
January – 2015	29182.95	62.40	43.55	8808.90	63.65	43.50
February – 2015	29361.5	55.00	46.30	8901.85	55.50	46.50
March – 2015	27957.49	51.60	39.60	8491.00	48.70	40.20

* Closing prices on the last working day of month.

vii. Registrar and Share Transfer Agent

Sharepro Services (India) Pvt Ltd.
 416-420, 4th Floor Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad -380006, Gujarat.
 Tel Nos: 079 26582381 to 84 Fax No: 079 26582385 Email: sharepro@shareproservices.com
 Contact Person: Mr. Navin Mahavar

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 2014-15. His Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, Listing Agreements with the Stock Exchanges, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.
- b. Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, 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, 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 31-03-2015

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Up to 500	9,151	93.16	1,23,481	5.34
501-1000	360	3.66	2,88,927	1.23
1001-2000	137	1.39	2,08,143	0.89
2001-3000	40	0.41	1,03,530	0.44
3001-4000	25	0.26	87,140	0.37
4001-5000	17	0.17	78,721	0.34
5001-10000	35	0.36	2,67,948	1.14
10000-20000	11	0.11	1,56,402	0.67
Above 20000	47	0.48	2,10,15,508	89.58
Total	9,823	100.00	2,34,59,800	100.00

xi. Shareholding Pattern as on 31-03-2015

Sr. No.	Category	No. of Shares held	% of Shareholding
A	PROMOTERS' HOLDINGS		
1	Promoters Indian Promoters/Person Acting in Concert Foreign Promoters	1,54,30,703 -	65.78 -
	Sub Total	1,54,30,703	65.78
B			
1	Institutional Investors a. Mutual Funds b. Banks/Financial Institutions c. Insurance Companies d. FIIs e. Foreign Financial Institution	- 300 4,93,758 - 33,73,100	- - 2.1 - 14.38
	Sub Total	38,67,158	16.48
2	Non Institutional Investors a. Private Corporate Bodies b. Indian Public c. NRIs	1,48,181 24,87,000 15,26,758	0.63 10.6 6.51
	Sub Total	41,61,939	17.74
	Grand Total	2,34,59,800	100

xii. Dividend declared for the last 10 years

Financial Year	% Dividend per shares
2004-05 (Interim Div.)	5
2004-05 (Final Div.)	10
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	2,21,97,880	94.62
CDSL	5,56,607	2.37
Physical	7,05,313	3.01
TOTAL	2,34,59,800	100.00

As on 31st March, 2015, 2,27,54,487 (96.99%) Equity Shares of the Company were dematerialised. 100% promoters share holdings are in dematerialized form.

xiv. Plant Location
Spinning Plant-I

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

Spinning Plant-II

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

Narol Unit

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

Registered Office and Vijay Farm Unit

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

xv. Address for correspondence

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

Name : Mr. Hardik Modi, Company Secretary

Address : 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 : Sharepro Services (India) Pvt. Ltd.

Address : 416-420, 4th Floor Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad -380006, Gujarat.

Phone : 91-079- 26582381 - 84

Fax : 91-079- 26582385

Email : sharepro@shareproservices.com

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

Annexure to Corporate Governance Report
DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

I hereby declare that the Directors and Senior Officer of the Company have exercised their authorities and power and discharged their duties and functions in accordance with requirement of the Code of Conduct as prescribed by the Company and have adhered to the provisions of the same.

For Aarvee Denims and Exports Ltd

Ashish V. Shah
Managing Director
(DIN: 00007201)

Place : Ahmedabad
Date : 13/08/2015

CERTIFICATION

(Pursuant to Clause 49 IX of Listing Agreement)

To
The Board of Directors

I hereby certify that:

- a. I have reviewed Financial Statements and the Cash Flow Statement for the year ended **31st March 2015** and that to the best of my 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 my 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. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I 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 I am aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. I 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 I 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.

For Aarvee Denims and Exports Ltd

Ashish V. Shah
Managing Director
(DIN: 00007201)

Place : Ahmedabad
Date : 13/08/2015

CERTIFICATE ON CORPORATE GOVERNANCE

To
Members
Aarvee Denims and Exports Ltd.

We have examined the compliance of the conditions of Corporate Governance by Aarvee Denims and Exports Ltd for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

For, N. C. Shah & Associates
Chartered Accountants
(Registration No. 109692W)

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 117365W)

Nitin C. Shah
Proprietor
Membership No. 34633
Ahmedabad, August 13, 2015

Gaurav J. Shah
Partner
Membership No. 35701
Ahmedabad, August 13, 2015