

## FORM – A

[Pursuant to the provisions of Clause 31(a) of the Listing Agreement]  
(Covering Letter of the Annual Report to be filed with Stock Exchange)

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1. Name of the Company : Arfin India Limited
2. Annual Financial Statements : March 31, 2015  
for the year ended
3. Type of Audit Observation : Un – qualified
4. Frequency of Observation : Not Applicable

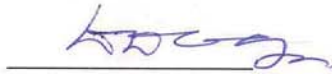
- Jatin M. Shah :  
(Managing Director)  
(DIN: 00182683)



- Vijay Lathi :  
(Chief Financial Officer)



- Dilip Kumar Daga :  
(Audit Committee  
Chairman)  
(DIN: 02918995)



- Statutory Auditors of the :  
Company

For Raman M. Jain & Co.,  
Chartered Accountants  
Firm Registration No.: 113290W



Raman M. Jain  
Partner  
Membership No.: 045790

Place: Ahmedabad  
Date: July 20, 2015



ARFIN INDIA LIMITED

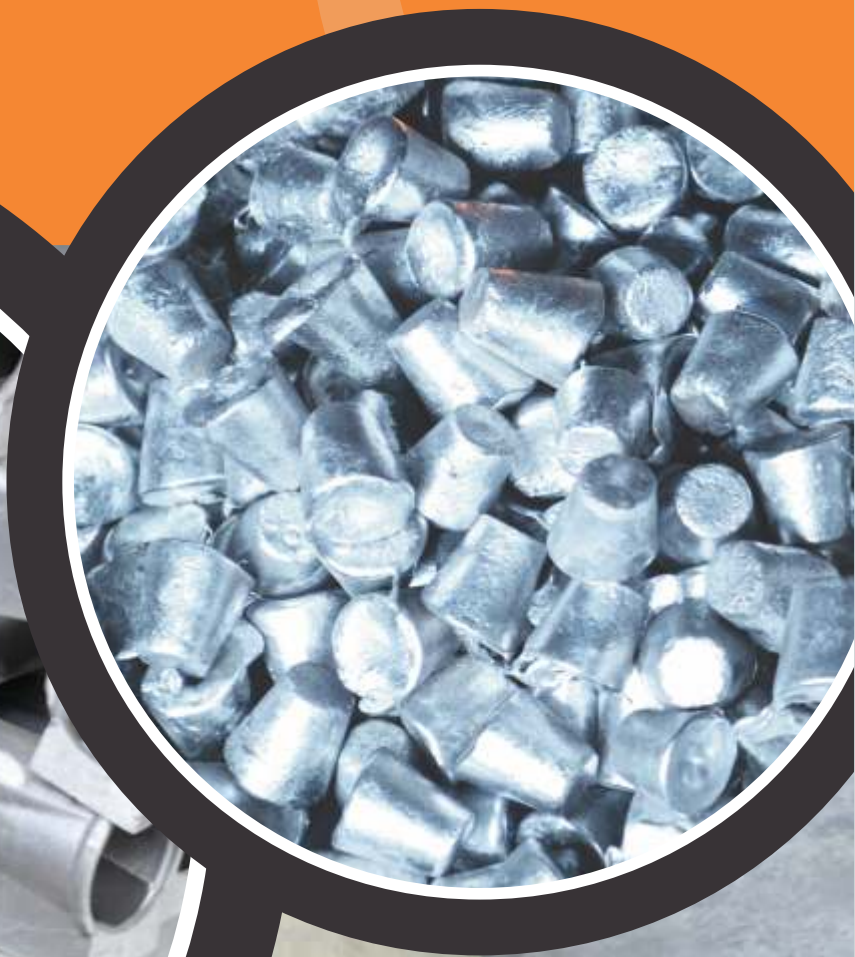


**performance**  
in a Perfect Stand

Annual Report  
2014 -2015



# a strong portfolio of aluminium products





Through our performance philosophy, we ensure to build a strong organization which helps in creating / manufacturing Ingredients of Infrastructure which are Essence of Life.



**The Company is diversifying the product portfolio from Aluminium Products to Cored Wire Products, Automobile Alloy Products, Conductor and Cables.**









# Corporate Office



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A hand with several bracelets is reaching out from the right side of the frame, set against a background of tall, green grass. The hand is open, with fingers spread. The background is slightly blurred, suggesting a shallow depth of field. The overall scene is bright and natural, with sunlight filtering through the grass.

# performance

“An organization’s performance is healthy when it is whole, consistent, and complete i.e. when its management, operations, strategy and culture fit together and make sense. In terms of business development, organizational performance is every bit as important operationally as manufacturing or selling.”

There is never an achievement that can’t be achieved. There is never a destination that can’t be reached. Every single year, every effort on our part, has been made to try and improve on what we have.

We have been continuously performing and our performance is constantly improving every year. The Company started operations from base or zero during January 2012 and today it is regarded as a name to reckon within its business segments.

In each segment that we are in, in every commitment we have entered into and in every association, the one word that defines the year is “**performance**”.

**“We are what we perfectly do. Performance then, is not an act, but a habit.”**



# Corporate Information



## **BOARD OF DIRECTORS**

**MAHENDRA R. SHAH**  
Chairman

**JATIN M. SHAH**  
Managing Director

**SHANTILAL MEHTA**  
Non Executive Director

**RAMESHKUMAR B. SHAH**  
Independent Director

**DILIP KUMAR DAGA**  
Independent Director

**MONA CHHAPIA**  
Independent Director

## **CHIEF FINANCIAL OFFICER**

**VIJAY LATHI**

## **COMPANY SECRETARY AND COMPLIANCE OFFICER**

**DURGESH D. SONI**

## **STATUTORY AUDITORS**

**RAMAN M. JAIN & CO., Ahmedabad**

## **SECRETARIAL AUDITORS**

**KAMLESH M. SHAH & CO., Ahmedabad**

## **COST AUDITORS**

**C. B. MODH & CO., Ahmedabad**

## **BANKERS**

Axis Bank Limited  
IDBI Bank Limited

## **REGISTRAR & SHARE TRANSFER AGENTS**

**Link Intime India Private Limited**  
Unit No. 303, Shoppers Plaza-V,  
Opposite Municipal Market,  
Off C.G. Road, Navrangpura,  
Ahmedabad-380009, Gujarat, India.  
Tel: +91 79 26465179  
Fax: +91 79 26465179  
Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

## **REGISTERED & CORPORATE OFFICE**

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Gujarat Chamber of Commerce Building,  
Ashram Road, Ahmedabad-380 009,  
Gujarat, India.  
Tel: +91 79 26583791, 92  
Fax: +91 79 26583792

## **WORKS**

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Behind Hotel Prestige, Billeswarapura,  
Taluka - Kalol, Dist-Gandhinagar,  
Chhatral-382729. Gujarat, India.  
Tel: +91-2764-232620  
Fax: +91-2764-232621

## **WEBSITE**

[www.arfin.co.in](http://www.arfin.co.in)





# Chairman's Message

**“We are in line with our broad objective of being a manufacturer in India’s consumption led growth and our culture of continuous learning and development are the fundamentals of our business strategy.”**

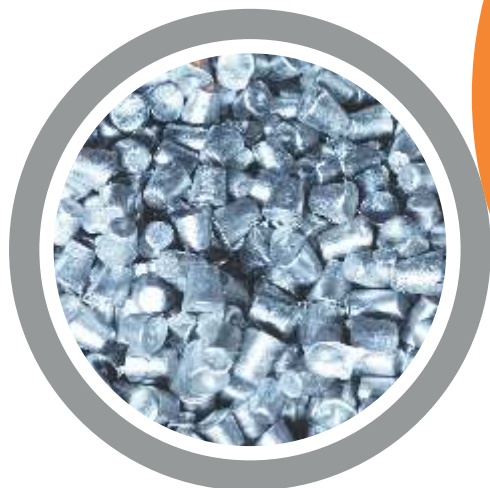
**Dear Stakeholders,**

We are pleased to share with you the Annual Report of your Company for the financial year 2014-15. We started the year on a note of Expansion in Product Lines from where we were in March 2014. We believed that from then on, economic environment could only get better and it was upon us to strengthen ourselves in a manner that allows us to be the largest beneficiary in the industry. We revived our thoughts, ideas and perspectives on the business in a manner that improves productivity and efficiency. Simultaneously based upon market requirements, we have added more product lines in our business that makes your Company a multi product manufacturing hub.

During the year, your Company has successfully commissioned Cored Wire Plant with annual capacity of 2,400 metric tons and started successful commercial production during the month of March 2015. It is one of its class and the set up in Indian subcontinent. The Cored Wire is used for desulphurization and inclusion-modification in the Steel Industries.

After success in the Aluminium Wire Rod, your Company has decided to start a new Venture of Automobile Alloy products. The Installation has already been done and commercial production is expected to start by second quarter of 2015-16. This manufacturing facility will target the automotive segment across India and in the vicinity of Ahmedabad.

# Chairman's Message



**“We are hopeful that infrastructure demand will become more steady during 2015-16 and the market will perform better, I can assure that we are more prepared than ever to ride the sign of growth.”**

Your Company is foraying into forward integration in the well running business of Aluminium products manufacturing for primary Steel Producers & Automobile segments. The new product entries are Conductor and Cables at the existing manufacturing facilities situated at Chhatral within the vicinity of Ahmedabad. The Company has already procured the plant and set up is in process and expected to start commercial production by end of December 2015.

We have now set a new course for ourselves through six main product lines of business viz. Aluminium Wire Rod, Aluminium Deox, Cored Wire, Alloy Products, Aluminium Auto Parts, Conductor and Cables. These product lines cover around 95% of volume and strongly represent the Company in domestic as well as international markets.

Modern infrastructure stands on two pillars; one is scale, which we believe we are more or less achieving from the six product lines in our geographical presence. The other pillar is the efficiencies, which is a function of how we handle this scale and supply chain. These are two key differentiators which separate us from other Aluminium Product manufacturers. We have been front runners in both these aspects.

We have production capacity in place to achieve set targets. During the year, your Company has sold 16,000 metric tons of product quantity to domestic and international markets.

**“To ensure long term growth of Arfin India Limited, the Company took several steps under the New Products, Quality and Enhanced Production Capacity that will help sustainable profitability of the business in long term.”**

I am glad to write that your Company, Arfin India Limited has got a great honor to get listed with Bombay Stock Exchange (BSE). The Company got listed with BSE w.e.f. May 28, 2015. Prior to listing with BSE, the Shares of the Company were already listed on Regional Stock Exchanges viz. The Ahmedabad Stock Exchange and The Calcutta Stock Exchange.

The Company believes that with diversified shareholding pattern, its rating would improve which will pave way for the Company to raise funds from diversified sources.

Overall, Company's prospects appear to be bright given its performance, efficient treasury management and robust credit appraisal systems. A diversified branch presence across the country helps the Company to enhance the growth rate achieved by it since last few years.

### **Outlook**

We are happy to share that your Company has been able to perform well and achieved Gross Sales of ₹ 29,123 Lacs from ₹ 22,275 Lacs during 2013-14 registering year on year sales growth of 31% for the year ended March 31, 2015.

Earnings Before Interest Depreciation & Tax (EBIDTA) Margins have improved to 5.06% of sales during the year ended March 31, 2015 from 3.30% of sales during 2013-14. The Company has also been able to achieve year on year quantity growth of 34%.

At the policy level, we are seeing some welcome developments. The recent reduction of Special Additional Duty (SAD) from 4% to 2% on import of raw materials augurs well for the Company in the days ahead.

Further steps like liberalization, reform of infrastructure & power sectors and rolling out of Goods & Services Tax (GST) regime will add further momentum to the growth of the infrastructure and manufacturing in the country.

Today we are looking at the future with renewed vision and approach for your organization. Our employees, suppliers and customers remain our major source of strength. We sincerely thank them for their strong resolve and commitment shown to the cause of the Company. Finally I wish to thank you, our stakeholders for having faith and trust in us. We hope for your continued support, encouragement and guidance in our endeavor of creating strong Aluminium Company.

Yours Sincerely,



**Mahendra R. Shah**  
Chairman

## **HIGHLIGHTS**

**BSE LISTING OF THE COMPANY  
ON MAY 28, 2015**

**CORED WIRE PLANT SET UP  
DURING 2014-15**

**ALLOY PLANT SET UP DURING 2014-15**

**CONDUCTOR & CABLES PLANT  
PROCUREMENT DURING 2014-15**

**233%**

**CAGR (COMPOUNDED ANNUAL  
GROWTH RATE) IN EBIDTA  
FOR 3 YEARS**

# 2014-2015

STRONG TOP LINE AND BOTTOM LINE GROWTH COUPLED WITH ENLARGED OPERATIONAL EFFICIENCIES PROVIDED A DRIVE TO THE BUSINESS.

During the year, the Company has managed significant increase in overall Turnover with a marginal increase in Capital Employed. An incremental Turnover of nearly ₹ 6709 Lacs was achieved with increased Capital Employed of ₹ 469 Lacs, translating into an incremental sale of 14 times of Incremental Capital Employed.

## 30.64%

RETURN ON NET WORTH

## 25.77%

RETURN ON CAPITAL EMPLOYED

## 34.32%

VOLUME GROWTH

### NET SALES (₹ in Lacs)

2013	16,891
2014	19,037
2015	24,995

### SALES QUANTITY (MT)

2013	10,957
2014	11,965
2015	16,071

### EBIDTA (₹ in Lacs)

2013	578
2014	629
2015	1,265

### PAT (₹ in Lacs)

2013	309
2014	265
2015	467

### EPS (₹)

2013	10.23
2014	9.24
2015	15.87

# ARFIN at a GLANCE

Arfin started its journey in Aluminium Products manufacturing during January 2012 and today Arfin is a name to reckon and market leader in Aluminium Sector. Our mission is to be a premier name in its business segment by fully understanding the diverse market requirements and providing clients with the right products to achieve consistent success.

The Company's manufacturing facilities are located at Chhatral industrial area within the vicinity of Ahmedabad. Arfin has Corporate Office at Ahmedabad. The Company has presence in West, South, East and Northern states of the country. The Company has set up branch offices at Hospet (Karnataka), Jamshedpur (Jharkhand), Salem (Tamilnadu), Bhiwandi (Maharashtra) and Faridabad (Haryana).

The Company is in process of diversifying the products portfolio from existing products viz. Aluminium Wire Rod, Aluminium Deox and Aluminium Auto Parts through adding more product lines viz. Cored Wire Products, Conductor, Cables and Automobile Alloy Products.

Everything Arfin does begin with the customers, the goal is always to exceed their expectations. We offer products and quality destinations for Industry, irrespective of their location, size and expectations, they are a source of continuous inspiration.



# Business Overview

**As modern infrastructure drives fresh demand and consumption in new categories, our strategy based on a deep understanding of customers and the product they want, and making these products available in India and outside India.**

Performance based approach led the Company to achieve new business heights and fasten its future growth. During last fiscal year Aluminium Industry faced a lot of challenges in the sense of volatile London Metal Exchange (LME) prices, currency fluctuations, China slow down, higher scrap prices etc. Due to removal of export duty on aluminium products in China, there was lot off cheap raw materials available in the market but we managed it without impact on our business.

In such challenging market conditions the Company has been able to perform well. Average LME Prices during 2014-15 were around USD 1,800 and premium was down although market was stable

during last fiscal year. Low LME prices and higher scrap prices impacted the market. Arfin has been able to manage well due to balanced portfolio of Export Sales and Import of Raw Materials. Around 50% of raw materials are sourced from international markets which are covered under natural hedge against export sale proceeds during the year. There was big impact of currency fluctuation on raw material sourcing from overseas markets although the Company has earned from currency fluctuations during the financial year 2014-15 through timely booking of forward rates of export remittances.

The Company has added a valued export customer Saudi Basics Industries Corporation (SABIC) during the financial year 2014-15. The Company has received a sales order of 4,500 metric tons to be executed during the year 2015-16.

**“The Company constantly launches the performance based programs and initiatives that put in to more comfortable and more productive talents.”**



**“The Company is diversifying the product portfolio from Aluminium Products to Cored Wire Products, Automobile Alloy Products, Conductor and Cables.”**

The Company has taken various cost saving initiatives during the year to take advantage of scale of production and improved efficiencies through automization of selected machineries. There was small capital expenditure incurred to automize manufacturing of Aluminium Cubes, Aluminium Shots and Aluminium Notchbars which enhanced production capacity by 5,000 metric tons per annum.

The Company has successfully commissioned and started commercial production from Cored Wire Plant during last quarter of 2014-15. The Company has also procured Alloy Plant, Conductor and Cables Plant during the year and set up of which are in process. The Alloy plant production is expected to start during second quarter of 2015-16 and Conductor & Cables production is expected to start by December 2015. The details of these plants will be covered separately.

**“The Company has taken various cost saving initiatives during the year 2014-15 which has resulted into increased bottom line and strengthening of Balance Sheet.”**

During the last quarter of year, the Company has shifted manufacturing activities from gas based consumption to furnace oil consumption which has resulted into substantial savings in power & fuel cost. Due to substantial reduction in power & fuel cost during last quarter of the year, the Company has been able to increase bottom line which ultimately strengthened Balance Sheet of the Company. The Company has been benefitted with scale of production facilities and improved efficiencies in business during the year. There is a separate in-house team which constantly analyzes, understands and works upon to reduce the cost of production without any impact on quality of products manufactured.





The image shows several large, cylindrical coils of aluminium wire rod. The wire is silver and has a distinct ribbed or corrugated texture. The coils are supported by a network of brown metal rods and black straps. The background is slightly blurred, showing more of the same material in a warehouse or industrial setting.

# Aluminium Wire Rod



**“ARFIN brings the four key components together in the Aluminium Industry - a strong portfolio of aluminium products, a well established production capacity, a pan India and Global reach for its products through a strong supply chain and investment in production facilities into a single entity.”**

Robust performance led by Aluminium Wire Rod business contributed a significant role to achieve business targets during 2014-15. This business vertical has outperformed during the year and has been able to achieve Gross Sales of ₹ 15,372 Lacs. This business has contributed approx 52.78% of total sales for the year. The plant has current in built capacity of 18,000 metric tons per annum and during the year, the Company has sold 8,000 metric tons (approx) Aluminium Wire Rod through utilization of 45% capacity of the plant. Aluminium Wire Rod plant is the major contributor to sale of the organization and plays a vital role in strengthening Balance Sheet of the Company.

**“As an integrated aluminium Company with presence across all key segments within the aluminium industry, ARFIN will benefit from operating mature businesses that have built up its presence and strengths over a period of time.”**

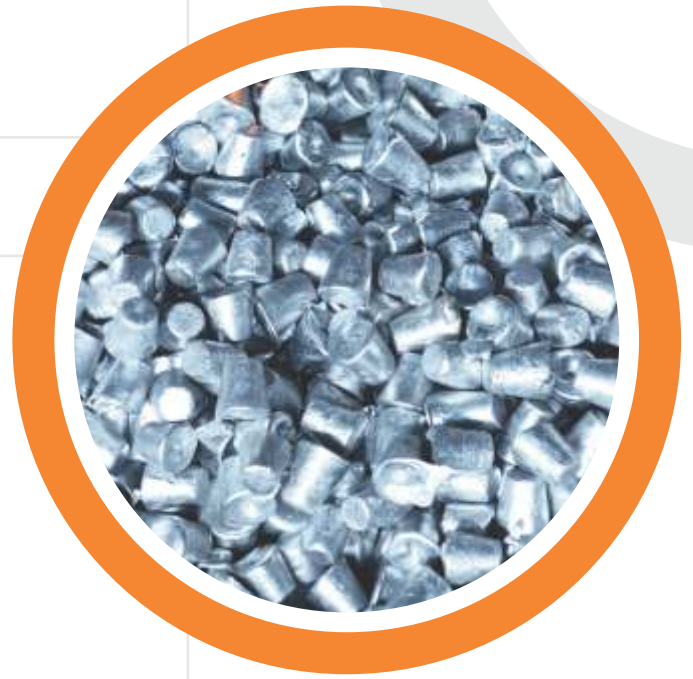
Performance based approach led this segment to produce more quantity during the year registering 37.15% year on year growth. During the year, this manufacturing vertical has produced 8,100 metric tons (approx) of Aluminium Wire products. Aluminium Wire Rod plant has sufficient spare capacity to meet more future customer demands from existing set up.

We believe that proper leveraging of insights can result into increased customer base in Domestic as well as international markets.



# Aluminium Deox (Cubes, Shots & Notchbars)





**“Having been at manufacturing of infrastructure products that drive Indian Infrastructure patterns, we intend to become the Company that understands and addresses the Indian Steel Industry needs at best.”**

Aluminium deox business performed well during 2014-15 and the same has added values to Balance Sheet of the Company. Strong performance of this business vertical has resulted in achievement of Gross Sales of ₹ 10,877 Lacs during the year. This business has contributed approx 37.35% of total sales for the year. The plant has current in built capacity of 12,000 metric tons per annum. During the year, Company has sold 6,600 metric tons (approx) Aluminium Deox products through utilization of 55% capacity of the plant. At present this plant is also making a notable contribution to the top line of the organization and plays very significant role in catering the Aluminium products market in India as well overseas.

The Company has added additional capacity of 5,000 metric tons per annum through mechanization of existing machines during the year under review.





# Aluminium Auto Products



**“The products being manufactured here are various components used in the Automobile Industry. The products are basically Aluminium Castings which are used in the Engines, Radiators and various components of this segment.”**

In recent years with the great boom in the Automobile Industry and as Gujarat is growing as an Automobile hub, Arfin decided to enter into the Automobile product manufacturing Sector. Arfin started its production of Gravity Die Casting parts for the Automobile segment to begin with. It is having a good Production Capacity with highly experienced workforce. This business vertical is taking its Baby steps in the segment. Though we have not reached our optimum capacity but we are positive about it as Gujarat is becoming a global Auto hub. Even around Ahmedabad, the Ford, Tata Nano, Suzuki, Hero group and many more have set-up their facilities and looking for the local vendors.

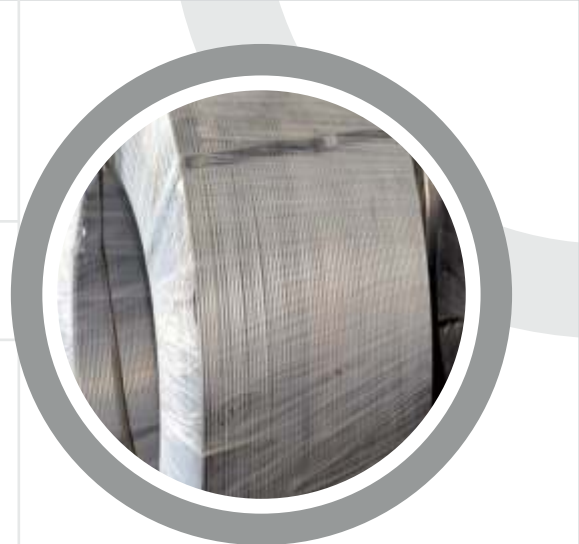
As the sector demand is immense, we are trying to add more major clients in our portfolio and we are very optimistic about its development as we are continuously in touch with the major Companies of this sector.



# Cored Wire Mill



## New Projects



**“Cored Wire Mill is one of its class and the setup in Indian subcontinent. The Cored Wire is used for desulphurization and inclusion-modification in the Steel Industry.”**

New Venture, Cored Wire Mill is one of its class and the setup in Indian subcontinent. The erection and commissioning of the plant has been done and successful commercial production has been started during the month of March, 2015. This Continuous Mill is having capacity of 2,500 metric tons per annum. These manufacturing facilities are at our plant located at Chhatral.

### Product Description

The products of Cored Wire Mill are:

- Calcium Silicon Cored Wire
- CaFe Cored Wire
- Ferro Silicon Cored Wire
- Calcium Cored Wire
- Graphite Cored Wire

The Cored wire is used for desulphurization and inclusion-modification in the Steel Industries. The encapsulated Calcium Silicide in steel sheath (called Cored Wire) is injected into the steel melt with help of wire injection system with the purpose of high recovery of Ca in steel than the virgin Ca / CaSi lumps addition into the ladle.

The current concerns like automation, cost, consistency and large amount of fumes coming in work space, the Cored wire is a revolutionizing technology for all the Steel producers which would enhance their grade qualities with negligible pollution and hazards.





# Conductor & Cables Manufacturing Plant



# New Projects

**“During the year the Company has invested in new plants to diversify the product portfolio and reassessed the future business plans to achieve the growth path. The Company has aligned its businesses and technology practices to support infrastructure needs of the nation.”**

Arfin has set up an additional unit to manufacture Aluminium Conductors for over head transmission purpose and Aerial Bunch Cable (ABC) as per relevant BIS Standards. The Company has already bought the plant during the year under review and set up of plant is in process and expected to complete by December 2015. Arfin has state of the art, manufacturing machineries completely equipped, up-to-date laboratory which ensures rigid check at every stage of production and a self-oriented workshop to suit the entire check-up and maintenance of machines, inflow and outflow of material. The salient features about product range of this venture are as under:

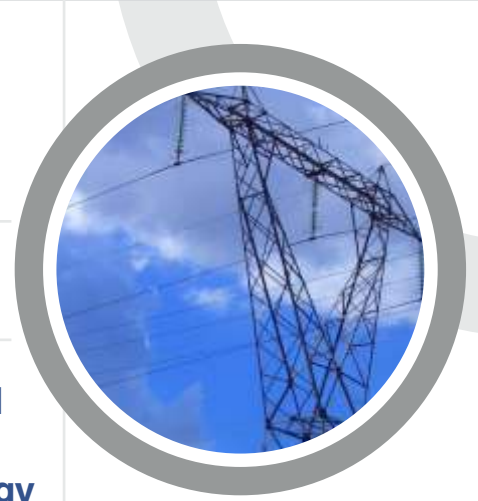
## ABC CABLES (AERIAL BUNCH CABLES)

Aerial Bunch Cables (ABC) is a very novel concept for over head power distribution. When compared to the conventional bare conductor over head distribution system, ABC provides higher safety and reliability, low power losses and ultimate system economy by reducing installation, maintenance and operative cost. This system is ideal for rural distribution and specially attractive for installation in difficult terrains such as hilly areas, forest areas, coastal areas etc. Aerial Bunched Cables is also considered to be the best choice for power distribution in congested urban areas with narrow lanes and by lanes. In developing urban complex, Aerial Bunched Cables is the better choice because of flexibility for rerouting as demanded by changes in urban development plan.

## AAAC & ACSR CONDUCTORS

All Aluminium Alloy Conductors (AAAC) is used as bare over head conductor for power transmission and distribution lines on aerial circuits that requires larger mechanical resistance than All Aluminium Conductors (AAC). AAAC also has better sag characteristics and a better strength to weight ratio than AAC. AAAC Cables have lower weight per unit length and slightly lower resistance per unit length.

Aluminium Conductors Steel Reinforced (ACSR) consists of stranded or solid steel core enclosed by strands of Aluminium. These ACSR conductors are made available in broad range of steels varying from as low as 6% to as high as 40 %. The superior strength of these conductors is ideal for over head ground wires, river crossings, installations involving extra long span and many other applications. Manufactured using best quality materials, these conductors ensure high tensile strength.



**All  
Aluminium  
Alloy Conductor**



**All Aluminium  
Conductors Steel  
Reinforced**





# Automobile Alloy Products

# New Projects



**“The Company remains committed towards improvement in operational efficiencies and to get best out of its resources. A number of strategies including better utilization of resources, efficient production facilities and optimum working capital planning help the Company to perform well on growth path.”**

After success in the Aluminium Wire products, Arfin decided to start a new venture of Automobile Alloy Products production. The plant has been established and production is expected to start by second quarter of FY16. This manufacturing facility will target the automotive segment across India and in the vicinity of Ahmedabad. This plant has a capacity of producing 6,000 metric tons per annum of Alloy Products.

Our wide range of Automobile Alloy Products having different sizes and structures are the source of supply to major ancillary Companies of automotive sector. Having a manufacturing facility within the auto component hub offers a great locational advantage.

## **Product Description**

Arfin has plan to produce Automobile Alloy Products as per the Indian and International standards to cater the requirements of the Automobile Industry.

The Company has installed a Rotary Furnace and a Skelner Furnace for producing high quality castings. We are having an Automatic Conveyor Line for efficient and timely production of the products. We have updated quality systems for maintaining quality. The automization of the production will benefit us to compete in the national as well as international markets.





# Management Discussion and Analysis Report

## Overview

The global economy faced different challenges during the last financial year. While the US economy seems to be recovering and emerged out of its crisis and it was the turn of emerging markets, hitherto the prime drivers of economic growth, to face growth barriers. Given the slow growth in China and consumption slowed down in many emerging markets, In India, the challenges were even tougher due to slow down in manufacturing sector, and power sector impacted demand, while the cost pressure continued, primarily driven by high energy prices.

Against the backdrop of such challenging macro-economic environment, your Company went through a transformational phase. FY15 was the year of new expansions and challenges for your Company. An additional capital investment of over ₹ 571.56 Lacs was made during the year in existing projects and procurement & establishment of new projects viz. Cored Wire Mill, Conductor, Cables and Alloy Plant.

Courageously these odds, your Company registered a remarkable performance. Profit Before Depreciation, Interest and Tax increased by 101.3% over the previous year.

**Jatin M. Shah**  
Managing Director



## Business Highlights

Your Company has delivered strong operational performance during FY15 through registering a strong top line and bottom line growth. New project, Cored Wire Mill commenced operations during the year and is currently ramping up. This project in its fullness would redefine your Company's cost competitiveness on the domestic compass and significantly enhance the sustainability of its operations. This would not only enhance the product portfolio but would also redefine Indian Cored Wire market. Significant steps have been made to strengthen the recycling capabilities that will help aluminium recycling business to improve its cost structure and enhance competitiveness and profitability. Highlights for the financial year 2014-15 were:

- Volume growth of 34.32% year on year basis.
- Highest ever Gross Sales of ₹ 29,123 Lacs during the year.
- Strong operating performance by business delivering highest ever EBIDTA of ₹ 1,265 Lacs.
- Cored Wire Mill and Alloy Plant achieved significant progress on all its strategic expansion.
- 25% increase in existing production capacity through expansion and additional capital expenditure in existing plants.

Despite of few adverse external factors in the economy like political challenges, volatility in forex market, increased competition etc. the Company has recorded a notable growth during the year under report and improved the overall productivity and efficiency. The better management of the resources as well as use of production facilities has resulted into improved efficiency and better customer satisfaction. Commissioning of new plants and products shall let the Company to be at the highest peak in the upcoming years. Export of the Company has increased 1845% in compare to the previous year.

## Financial and Capital Market

The Indian stock market turned out to be among the world's best performers in 2014 with the Bombay Stock Exchange (BSE) Sensex rising 25% from 22,455 on April 01, 2014 to 28,070 on March 31, 2015. Most market players believe that this stellar run will continue during 2015-16 on the back of reforms, strong foreign fund inflows, revival of manufacturing, improvement in the macro-economic situation and rise in corporate earnings growth.

## Industry Review

Aluminium plays a key role in the progress of industrial development in India because it serves as a basic input for a number of industries apart from its use as a strategic metal. Aluminium holds good promise for exports and industrial developments of the country in view of its varied applications and use in strategic and vital sectors. This metal is needed today practically by every sector of engineering and rural developments.

For the Company, overall, the year 2014-15 has been noteworthy and ended with growth, posting a positive guidance for the upcoming years.

## Strengths

- Low cost and efficient labour force
- Strong managerial capabilities
- Strongly globalised industries and emerging global competitiveness
- Modern new plants & modernized old plants

## Weaknesses

- Higher duties and taxes
- Strict labour laws
- Dependence on import of raw materials



## Opportunities

- Rapid urbanization
- Increasing demand for consumer durables
- Untapped rural demand
- Increasing interest of foreign Aluminium producers in India
- Globalization

## Threats

- Market fluctuations and China's export possibilities
- Global economic slowdown
- Competition
- Governance issues
- Environmental concerns

## Segment wise Reporting

The Company is engaged only in one business of manufacturing and trading of non ferrous metal and does not have any other segment or activity. Hence segment wise reporting is not required to be given.

## Product wise Performance

### Aluminium Wire Rods

The Company has recorded 39% increase in sales volume of Aluminium Wire Rods over the last year. The sales volume during the year under report is 8,000 metric tons (approx) in compare of 5,700 metric tons (approx) for the previous financial year 2013-14.

### Aluminium Deox

The Company has recorded 47% increase in sales volume of Aluminium Deox Products over the last financial year. The sales volume during the year under report is 6,600 metric tons (approx) in compare of 4,500 metric tons (approx) for the previous financial year 2013-14. The Company expects Aluminium Deox product sales volume to increase by around 20% during FY16.

### Aluminium Auto Products, Cored Wire Mill, Alloy Plant, Conductor and Cables

The Company has recently launched and commenced production of Cored Wire Products and is in process to set up & commence production of Alloy, Conductor and Cables from these plants. Thus, information on performance of these products / plants shall be provided by the Company in its next publications.

Further, Introduction of these businesses shall enhance future profitability and value creation for the Company.

The increase in quantities for production of the aforesaid products is a result of best quality of the products, innovation in the methods, techniques of manufacturing, satisfaction and trust which our customers and other stakeholders have put into us.

## Outlook

The year 2014-15 has proved to be encouraging for Indian Aluminium Sector as a result of improved demand and prices. We have an adequate and efficient strategic planning process at Arfin through which we evaluate annually the business objectives and strategic themes of the Company. The performance of the Company is examined at regular intervals.

During the year under report, the Company has taken adequate steps to ensure that there has been sufficient increase in supply and distribution of products, technology enhancement and customer engagements etc. The management strongly believes that the external economic environment and consumer demand will be more favorable to the Company in the forthcoming financial years.





## Risks & Concerns

As it is normal and prevalent for any business, the Company also is likely to face competition from existing Companies. There can be risks inherent in meeting unforeseen situations, not common in the industry.

Your Company is fully aware of these challenges and is geared to meet them. Your Company also recognizes the risks associated with business and takes adequate measures to address the associated risks and concerns.

Rising up to the new challenges will only be possible when we scale-up the value chain and put in efforts toward providing more and more satisfaction to the clients.

**Risk:** The growth of the Company is correlated to high performing individuals and overall skill development of the employees.

**Mitigation:** The Company focuses on enhancing the skills of its people through a standardized curriculum as well as on developing talent among its employees in marketing and technology through various leadership programs.

**Risk:** Disruption in sources of funding could adversely affect the liquidity and financial position of the Company.

**Mitigation:** The Company meets its funding requirements from diverse sources, including working capital loans, shareholder funding, secured and unsecured loans and other credit facilities.

**Risk:** Exposure to interest rate risks might result in increased cost of lending to customers.

**Mitigation:** The Company prudently assesses the fund mix to reduce dependency on any one source of funding.

**Risk:** Regulatory implications might dent the smooth operational functioning of the Company.

**Mitigation:** The Company has in place a robust Corporate Governance framework and ensures that all the regulatory checks are successfully complied with at all times.

**Risk:** Difficulty in expanding operations across new markets or regions in the country.

**Mitigation:** The Company leverages its deep industry experience during the course of its expansion strategies. It identifies and collaborates with local business partners and adopts strategies to successfully market its products, ensuring that it reaches to every customer.

## Keep the Risk one step behind

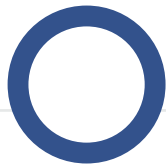
The Company has laid down a well-defined risk management mechanism covering the risk mapping & trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risks. The management periodically reviews the risk and suggests steps to be taken to control and mitigate the same through a properly defined framework.

In line with the new regulatory requirements, the Company has formally framed a Risk Management Policy to identify and assess the key risk areas, to monitor and report compliance and effectiveness of the policy and procedure.

## Internal Control Systems and its Adequacy

The Company has put in place an adequate Internal Control System to safeguard all assets and to ensure operational excellence. The system also meticulously records all transaction details and ensures regulatory compliance.

The Internal Audit Function is an independent function and is carried out by a team of external as well as in-house auditors at the plants, branches and head office. The Company has proper and adequate system of internal controls to provide reasonable assurance that transactions are authorized, recorded and reported correctly and to ensure compliance with policies and statutes. The internal control system provides for well documented policies, guidelines, authorizations and approval procedures. The Company has an Audit Committee that regularly



## Management Discussion and Analysis Report

reviews the reports submitted by the Internal Auditors. Easy Accounting System in Data Processing implementation has been done across board in all our branches as well as our plants. All the workings are now being done through ERP. Employees of the Company are now well-versed with ERP.

The Internal Audit Department also assesses opportunities for improvement in business processes & systems and controls, provides recommendations & designs to add value to the organization and follows up on the implementation of corrective actions and improvements in business process after being reviewed by the Audit Committee.

### **The main purposes of the Internal Control System are:**

- Assurance about the fact that the transactions are recorded in proper manner and under proper heads.
- Automatic and independent checking of transactions so as to ensure their validity.
- To check and assure the compliance of various enactments like corporate laws, tax laws etc.
- To prevent and early detection of frauds and mal-practices, if any.

## Human Resource

At Arfin India Limited, we ensure to provide environment for continuous innovation and improvement by rewarding the employees for the dedicated efforts made by them in achieving Company's goal. We believe whatever we achieved from where we started our journey long back is the result of efforts of our team. So, we consistently aim to provide a sustainable environment for learning right from the stage of recruitment to retention.

To accomplish the same, we have drawn up a long-term strategy to nurture human potential within organization by retaining and grooming them and by attracting requisite talent from outside to focus on filling gaps across all levels of the organization.

We continuously strive to attract and retain the best talent from the local markets; clearly define their roles and responsibilities; include them into robust

performance management systems; create an inspiring and rewarding work environment; engage them into an inclusive work place; impart training and create development opportunities for increasing employee knowledge and efficiency to make them future ready and to create career opportunities.

To keep abreast with changing environment and new skills, the employees are being provided regular training in their respective fields of work.

Your Company believes in investing in people development and process improvements, aligned with Company's visions and values.

The industrial relations with employees of the Company during the period under report generally remained cordial at Corporate Office and at all the Branches & Plants.

Further, your Company is an equal opportunity employer and is committed to ensure that the work environment at all its locations is conducive to fair, safe and harmonious. It strongly believes in maintaining the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type is strictly prohibited.

## Cautionary Statement

Certain statements in the Management Discussion and Analysis Report describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

# Review of Financial Performance of the Company for the Period Under Report

## Sales

The Company's Revenue from Operations has increased from ₹ 21,319.43 Lacs to ₹ 28,028.69 Lacs during the year 2014-15 registering year on year growth of 31.47%. This increase was due to a stellar performance by the business.

## Profit Before Tax (PBT)

Profit Before Tax has increased to ₹ 705.31 Lacs during the year 2014-15 in compare to ₹ 401.45 Lacs during previous year registering year on year growth of 75.69%. With improved product & market mix and better operating efficiencies in business, the Company managed to deliver a robust performance. Operating gains on the back of enhanced efficiencies, aided by various strategic initiatives for value maximization and waste to wealth initiatives enabled the business to register best ever operating performance.

## Interest

Financial costs outflow has increased from ₹ 185.16 Lacs during 2013-14 to ₹ 484.74 Lacs in 2014-15. The increase in finance cost is on account of additional working capital requirement for the business. The interest & financial charges cover during the year under review is 2.61 times as compared to 3.40 times in the preceding year.

## Net Profit

Net Profit of the Company for the year under review stood at ₹ 467.13 Lacs as compared to ₹ 264.51 Lacs in the previous year registering strong year on year growth of 76.60% which shows very good sign of growth in bottom line and strengthening of the Balance Sheet.

## Dividend

The Board has recommended a dividend of ₹ 1/- (10%) per equity share having face value of ₹ 10/- each on 30,18,300 equity shares for FY15. Other details as to payment of dividend are given in notes to Notice of Annual General Meeting.

## Capital employed

The Capital Employed in the business increased by ₹ 468.74 Lacs during 2014-15. This is reflected in the liabilities side of the Balance Sheet through an increase in Shareholders Fund by ₹ 491.97 Lacs, and decrease in Borrowings by ₹ 23.23 Lacs. Return on Capital Employed has been increased to 25.77% during 2014-15 in compare to 15.90% during 2013-14.

## Surplus Management

The Company generated a Cash Profit of ₹ 542.57 Lacs for the year 2014-15 as compared to ₹ 306.68 Lacs during previous year. This Cash profit is ploughed back into the business to fund the growth. The Company growth has partly been funded by the cash generated from the business as well as from additional funds borrowed and equity funds infused during the year.

## Equity Share Capital

During the year, the Company has reissued 1,55,000 (One Lac Fifty Five Thousand only) partly paid up forfeited Equity Shares of the face value of ₹ 10/- (Rupees Ten only) each at premium of ₹ 30/- (Rupees Thirty only). These Equity Shares were originally forfeited on October 21, 2013.

## Debt-Equity

Debt Equity Ratio of the Company has improved to 1.91 as at March 31, 2015 in compare to 2.66 as at March 31, 2014.

## Earnings Per Share (EPS)

The Company's Basic and Diluted Earnings Per Share (EPS) for the year 2014-15 has increased to ₹ 15.87 in compare to ₹ 9.24 per equity share during the previous year 2013-14.

## Cash Earnings Per Share (CEPS)

The Company's Cash Earnings Per Share (CEPS) during 2014-15 has also increased to ₹ 18.44 in compare to Cash EPS of ₹ 10.71 during preceding year.

# Notice

NOTICE is hereby given that the **23<sup>rd</sup> Annual General Meeting** of the members of the Company, **M/s. Arfin India Limited** will be held on Sunday, September 27, 2015 at 11:00 am at Gujarat Chamber of Commerce Hall, Opp. H. K. College, Ashram Road, Ahmedabad-380009, Gujarat, India to transact the following businesses:

## Ordinary Business

### 1. Adoption of Financial Statements

To receive, consider and adopt the Audited Statement of Profit and Loss Account for the Financial Year ended March 31, 2015, the Balance Sheet and Cash Flow Statement as on that date together with Reports of the Directors and Auditors thereon.

### 2. Declaration of Dividend

To declare a dividend of ₹ 1/- (10%) per share on equity shares of ₹10/- each of the Company for the financial year ended March 31, 2015.

### 3. Re-appointment of Director Retiring by Rotation

To appoint a Director in place of Mr. Jatin M. Shah (DIN: 00182683), who retires by rotation and being eligible, offers himself for re-appointment.

### 4. Ratification of Re-appointment of Statutory Auditors

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139(1) and other provisions, if any, applicable to the Company for the time being in force, of the Companies Act, 2013 read with first Proviso to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, re-appointment of M/s. Raman M. Jain & Co. (FRN: 113290W), Chartered Accountants, Ahmedabad, made at the 22<sup>nd</sup> Annual General Meeting of the members of the Company, be and is hereby ratified till the conclusion of next Annual General Meeting, on

payment of such remuneration as may be decided mutually by Mr. Mahendra R. Shah, Whole Time Director and the said firm of Auditors.”

## Special Business

### 5. Appointment of Mr. Rameshkumar Babulal Shah as an Independent Director

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152, 161 and other provisions, if any, applicable to the Company, for the time being in force, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the provisions of Schedule IV of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, Mr. Rameshkumar Babulal Shah (DIN: 00955337), appointed as an Additional Independent Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office only up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing along with deposit of requisite amount from a member proposing his candidature for the office of Director, in accordance with the provisions of Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years effective from the date of Board Meeting in which he was originally appointed as an Additional Independent Director and he shall not be liable to retire by rotation.”

### 6. Appointment of Mr. Dilip Kumar Daga as an Independent Director

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:



**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152, 161 and other provisions, if any, applicable to the Company, for the time being in force, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the provisions of Schedule IV of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, Mr. Dilip Kumar Daga (DIN: 02918995), appointed as an Additional Independent Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office only up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing along with deposit of requisite amount from a member proposing his candidature for the office of Director, in accordance with the provisions of Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years effective from the date of Board Meeting in which he was originally appointed as an Additional Independent Director and he shall not be liable to retire by rotation.”

## 7. Appointment of Ms. Mona Chhopia as an Independent Director

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152, 161 and other provisions, if any, applicable to the Company, for the time being in force, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the provisions of Schedule IV of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, Ms. Mona Chhopia (DIN: 07035947),

appointed as an Additional Independent Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office only up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing along with deposit of requisite amount from a member proposing her candidature for the office of Director, in accordance with the provisions of Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years effective from the date of Board Meeting in which she was originally appointed as an Additional Independent Director and she shall not be liable to retire by rotation.”

## 8. Alteration in Object Clause of the Memorandum of Association of the Company

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 13(1) and all other applicable provisions of the Companies Act, 2013 and Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the Object Clause of the Memorandum of Association of the Company be and is hereby altered by deleting all sub clauses of Clause 3(C) i.e. Other Object Clause.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include Committee(s) thereof authorized for the purpose) be and is hereby authorized to take all such steps and actions and give such directions as may be in absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto



expressly by the authority of this resolution.”

## 9. Alteration in Liability Clause of the Memorandum of Association of the Company

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 4, 13 and all other applicable provisions of the Companies Act, 2013 and Rules framed there under (including any statutory modification or re-enactment thereof for the time being in force), Clause IV of the Memorandum of Association of the Company be and is hereby altered by replacing the existing Clause IV with the following new Clause:

IV. The liability of member(s) is limited and this liability is limited to the amount unpaid, if any, on shares held by them.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include Committee(s) thereof authorized for the purpose) be and is hereby authorized to take all such steps and actions and give such directions as may be in absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

## 10. Increase in Authorized Share Capital of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 61, 64 and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification

or re-enactment thereof for the time being in force), the Authorized Share Capital of the Company be and is hereby increased from ₹ 3,50,00,000/- (Rupees Three Crores Fifty Lacs Only) divided into 35,00,000 (Thirty Five Lacs Only) equity shares of ₹ 10/- (Rupees Ten Only) each to ₹ 11,00,00,000/- (Rupees Eleven Crores only) divided into 1,10,00,000 (One Crore Ten Lacs Only) equity shares of ₹ 10/- (Rupees Ten Only) each by creation of additional 75,00,000 (Seventy Five Lacs Only) equity shares of ₹ 10/- (Rupees Ten Only) each ranking pari passu in all respects with the existing equity shares.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 13 and 61 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the Rules framed there under, the consent of the Members be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with the following Clause:

V. The Authorized Share Capital of the Company is ₹ 11,00,00,000/- (Rupees Eleven Crores Only) divided into 1,10,00,000 (One Crore Ten Lacs Only) equity shares of ₹ 10/- (Rupees Ten Only) each.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include Committee(s) thereof authorized for the purpose) be and is hereby authorized to take all such steps and actions and give such directions as may be in absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”



## 11. Adoption of new set of Articles of Association of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company be and are hereby altered by substituting the new set of Articles of Association in its place as per the draft placed before the meeting and the said new set of Articles of Association be and is hereby adopted as the Articles of Association of the Company effective from conclusion of this meeting.”

**“RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

## 12. Appointment of Mr. Mahendra R. Shah as an Executive Chairman & Whole Time Director of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Section 196, 197, 203 read with Schedule V and all other provisions, if any, applicable to the Company, for the time being in force, of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, Articles of Association of the Company and provisions of the Listing Agreement, approval of members of the Company be and is hereby accorded to the appointment of Mr. Mahendra R. Shah (DIN: 00182746) as an Executive Chairman and Whole Time Director of the Company, for a period of five consecutive years effective from October 1, 2014, on the terms and conditions including remuneration as set out in the Explanatory

Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Part II of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

**“RESOLVED FURTHER THAT** where in any financial year during the tenure of Mr. Mahendra R. Shah as an Executive Chairman and Whole Time Director, the Company has no profits or its profits are inadequate, he shall be paid within such maximum remuneration as permissible under Section II of Part II of Schedule V of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include Committee(s) thereof authorized for the purpose) be and is hereby authorized to take all such steps and actions and give such directions as may be in absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

## 13. Appointment of Mr. Jatin M. Shah as a Managing Director of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Section 196, 197, 203 read with Schedule V and all other provisions, if any,



applicable to the Company, for the time being in force, of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof and provisions of the Listing Agreement, approval of members of the Company be and is hereby accorded to the appointment of Mr. Jatin M. Shah (DIN: 00182683) as the Managing Director of the Company, for a period of five consecutive years effective from October 1, 2014, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Part II of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

**"RESOLVED FURTHER THAT** where in any financial year during the tenure of Mr. Jatin M. Shah as a Managing Director, the Company has no profits or its profits are inadequate, he shall be paid within such maximum remuneration as permissible under Section II of Part II of Schedule V of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include Committee(s) thereof authorized for the purpose) be and is hereby authorized to take all such steps and actions and give such directions as may be in absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto

expressly by the authority of this resolution."

#### **14. Borrowings in Excess of Aggregate of Paid-up Share Capital & Free Reserves**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to provisions of Section 180(1)(c) & all other provisions, if any, applicable to the Company, for the time being in force, of the Companies Act, 2013 and Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Committee(s) of the Board constituted to exercise its powers, including the powers conferred by this resolution) to borrow any sum or sums of money from time to time, on such terms and conditions and with or without security as the Board may deem fit from Banks, Financial Institutions, Directors, Shareholders or any other lenders notwithstanding that the money or money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not so set aside for any specific purposes, provided however that the total amount so borrowed and remaining outstanding at any particular time shall not exceed ₹ 100 Crores".

**"RESOLVED FURTHER THAT** in connection with the above, the Board / Committee(s) of Directors and Secretary be and are hereby jointly / severally authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."





## 15. Ratification of Remuneration Payable to Cost Auditors

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other provisions, if any, applicable to the Company, for the time being in force, 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), the remuneration of ₹ 30,000/- per annum plus service tax or reimbursement of expenses paid / payable to Mr. Chiragkumar Bipinkumar Modh, Proprietor of M/s. C. B. Modh & Co., Cost Accountants, Ahmedabad appointed as the Cost Auditors of the Company by the Board of Directors, to conduct audit of the cost records of the Company for the financial year ended March 31, 2015 & March 31, 2016 be and is hereby ratified and confirmed.”

## 16. To Give Omnibus Approval for Related Party Transactions

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other provisions, if any, applicable to the Company, for the time being in force, of the Companies Act, 2013 read with the

Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and revised Clause 49 of the Listing Agreement, an omnibus consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into the related party transactions including the transaction subsequent foreseen and repetitive in the nature whether or not made in ordinary course of business & at arm’s length price by the Company with its related parties.”

**“RESOLVED FURTHER THAT** nothing contained in the above resolution shall restrict the Audit Committee / Board / Shareholders to periodically review, approve and revise the criteria for approval of subsequent related party transactions.”

**“RESOLVED FURTHER THAT** this approval does not allow the Management of the Company either impliedly or expressly to enter into related party transactions to take any personal benefit or to defeat interest of the Company.”

**“RESOLVED FURTHER THAT** the Board / Committee(s) of Directors and Secretary be and are hereby jointly / severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”



**17. Increase in Remuneration of Mr. Mahendra R. Shah, Executive Chairman and Whole Time Director of the Company**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Schedule V thereto, approval of members of the Company be and is hereby accorded to increase remuneration of Mr. Mahendra R. Shah (DIN: 00182746), an Executive Chairman and Whole Time Director of the Company effective from April 1, 2015 as shown below:

Sr. No.	Particulars	Amount (₹ Per Annum)
1	Basic Salary (Fixed)	31,73,423/-
2	Medical Reimbursement (Fixed)	25,000/-
3	Special Allowance (Fixed)	3,80,766/-
4	Performance Bonus (Variable)	15,00,000/-
5	Leave Travel Allowance (Fixed)	40,000/-
6	Contribution of the Company towards Provident Fund	3,80,811/-
	<b>Total</b>	<b>55,00,000/-</b>

**“RESOLVED FURTHER THAT** where in any financial year during the tenure of Mr. Mahendra R. Shah as an Executive Chairman and Whole Time Director, the Company has no profits or its profits are inadequate, he shall be paid within such maximum remuneration as permissible under Section II of Part II of Schedule V of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of

Directors of the Company (hereinafter referred to as “Board” which term shall include Committee(s) thereof authorized for the purpose) be and is hereby authorized to take all such steps and actions and give such directions as may be in absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**18. Increase in remuneration of Mr. Jatin M. Shah, Managing Director of the Company**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Schedule V thereto, approval of members of the Company be and is hereby accorded to increase remuneration of Mr. Jatin M. Shah (DIN: 00182683), Managing Director of the Company effective from April 1, 2015 as shown below:



## Notice

Sr. No.	Particulars	Amount (₹ Per Annum)
1	Basic Salary (Fixed)	31,73,423/-
2	Medical Reimbursement (Fixed)	25,000/-
3	Special Allowance (Fixed)	3,80,766/-
4	Performance Bonus (Variable)	15,00,000/-
5	Leave Travel Allowance (Fixed)	40,000/-
6	Contribution of the Company towards Provident Fund	3,80,811/-
	<b>Total</b>	<b>55,00,000/-</b>

**“RESOLVED FURTHER THAT** where in any financial year during the tenure of Mr. Jatin M. Shah as Managing Director, the Company has no profits or its profits are inadequate, he shall be paid within such maximum remuneration as permissible under Section II of Part II of Schedule V of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to

as “Board” which term shall include Committee(s) thereof authorized for the purpose) be and is hereby authorized to take all such steps and actions and give such directions as may be in absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

### Registered Office

B-302, 3<sup>rd</sup> Floor, Pelican House,  
GCCl Building, Ashram Road,  
Ahmedabad – 380013,  
Gujarat, India.  
CIN: L65990GJ1992PLC017460  
Tel. No.: +91 079 26583791, 92  
Website: [www.arfin.co.in](http://www.arfin.co.in)  
Email: [investors@arfin.co.in](mailto:investors@arfin.co.in)

By order of the Board of Directors

**Mahendra R. Shah**  
(Chairman)  
(DIN: 00182746)  
Place: Ahmedabad  
Date: July 20, 2015



## Notes

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM / HER. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The Instrument appointing proxies in order to be effective must be received by the Company not less than 48 hours before the time for holding the meeting.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10% of total share capital of the Company. In case of a member who is holding more than 10% of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. The instrument appointing proxy shall be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a Body Corporate, it shall be under its seal or be signed by an officer or an attorney duly authorized by it.

Members / Proxies / Representatives are requested to bring their copies of the Annual Reports and the attendance slips sent herewith to attend the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting and to quote their Folio Numbers / BO ID in all correspondence.

In case of joint holders attending the meeting, only such joint holder who is first in the order of names will be entitled to vote at the meeting.

2. As per revised Clause 49 of the Listing Agreement(s), information regarding appointment / re-appointment of Directors and Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business to be transacted are annexed hereto.

3. The Register of Members and Share Transfer

Register of the Company will remain closed from Monday, September 21, 2015 to Sunday, September 27, 2015 (both days inclusive).

4. The Board has recommended a dividend of ₹ 1/- (10%) per equity share of ₹ 10/- each, which, if approved by the members at the ensuing Annual General Meeting, will be paid on or after Friday, October 2, 2015 in respect of shares held in physical form, to those members whose names shall appear in the Company's Register of Members as on Monday, September 21, 2015 and in respect of shares held in the electronic form, to those 'Deemed Members' whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) at the close of business hours on Monday, September 21, 2015.

Members are informed that no tax will be deducted at source on the dividend payable to them.

5. In terms of the Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 issued by the Securities and Exchange Board of India, Listed Companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS), LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS), NEFT etc. for making cash payments like dividend etc. to the members. Accordingly, members holding securities in demat mode are requested to update their bank details with their Depository Participants and the members holding securities in physical form are requested to send a request to the Registrar and Transfer Agent i.e. M/s. Link Intime India Private Limited, Unit No. 303, Shoppers Plaza - V, Opp. Municipal Market, Off C. G. Road, Navrangpura, Ahmedabad – 380009, Gujarat, India or to the Company Secretary of the Company.

6. Non-Resident Indian Shareholders are requested to inform the Registrar, M/s. Link Intime India



## Notice

Private Limited immediately:

- a) change in the residential status on return to India for permanent settlement.
- b) particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.

Members are requested to address all correspondence including change in address, Bank Account details and dividend matters to Link Intime at Unit No. 303, Shoppers Plaza - V, Opp. Municipal Market, Off C. G. Road, Navrangpura, Ahmedabad – 380009, Gujarat, India. Members whose shareholding is in the electronic mode are requested to update the change of address and updation of Bank Account details to their respective DPs.

7. Corporate Members intending to send their authorized representative(s) to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a Certified True Copy of the relevant Board resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the meeting.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company / Registrar.
9. In terms of Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs, under Green initiative in the Corporate Governance, all the members holding shares in electronic form are requested to intimate their e-

mail address to their respective Depository Participants and members holding shares in physical form are requested to intimate their e-mail address to the Company's Registrar and Transfer Agents whose e-mail id is [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) mentioning the Company's name i.e. Arfin India Limited, so as to enable the Company to send the Annual Report and Accounts, Notices and other documents through electronic mode to their e-mail addresses.

Electronic copy of the Notice of ensuing Annual General Meeting of the Company *inter alia* indicating process and manner of e-voting along with attendance slip and proxy form are being sent to all the members whose e-mail addresses are registered with the Depository Participants / Company. Physical copies of the same have been sent to those members whose email addresses are not registered with the Depository Participants / Company indicating the process and manner of E-Voting. The members will be entitled to receive physical copy of the Annual Report for the financial year ended March 31, 2015, free of cost, upon sending a request to the Company Secretary of the Company.

10. Members desirous of getting any information about the accounts and / or operations of the Company are requested to write to the Company Secretary at least 10 days before the date of Annual General Meeting to enable the Management to keep information ready at the meeting.

All documents referred to in the Notice or in the accompanying Explanatory Statement are available for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10:00 am to 1:00 pm prior to the date of the Annual General Meeting and shall also be available for inspection at the meeting.

11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained



under Section 170 & the Register of Contracts or Arrangements, in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Registered Office of the Company and at the ensuing Annual General Meeting.

12. The shares of the Company are at present listed with Bombay Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited. The listing fee for the financial year 2015-16 has been paid before the due date.

13. Pursuant to the provisions of the Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, members are entitled to make a nomination in respect of shares held by them in physical form. Members desirous of making a nomination are requested to send their requests in Form No. SH - 13 in duplicate (which will be made available on request), to the Registrar and Share Transfer Agent of the Company.

14. The Annual Report 2014-15 as circulated to the members of the Company is also available on the website of the Company at [www.arfin.co.in](http://www.arfin.co.in).

15. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is pleased to provide the facility to exercise members' right to vote at the ensuing Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The facility for voting, either through electronic voting system or through ballot / polling paper

shall also be made available at the venue of the ensuing Annual General Meeting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The instructions for members for voting electronically are as under:

In case of members receiving e-mail:

- i. The voting period begins on Thursday, September 24, 2015 (9:00 am) and ends on Saturday, September 26, 2015 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date), Monday, September 21, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on "Members / Shareholders" tab.
- iv. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. For members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used. If you have forgotten the password, then enter the User ID and the Image Verification Code and click on "FORGOT PASSWORD" and enter the details as prompted by the system.



## Notice

vii. If you are a first time user then follow the steps given below for login:

	For Members holding shares in Demat Form and Physical Form
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat members as well as physical members)</p> <p>Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number mentioned on address slip / email pertaining to the notice of this Annual General Meeting.</p>
<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company cords for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the Member ID / Folio Number in the Dividend Bank Details field as mentioned in instruction (iv).</p>

- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN (Electronic Voting Sequence Number) of Arfin India Limited.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES / NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “CLICK HERE TO PRINT” option on the Voting page.
- xvii. Note for Non-Individual Members and Custodians:
- Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



## Notice

- After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- The list of account(s) should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

xviii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Further, contact details of the official responsible to address the grievances connected with voting by electronic means is as under:

Mr. Durgesh D. Soni  
Company Secretary & Compliance Officer  
Arfin India Limited

B-302, 3<sup>rd</sup> Floor, Pelican House, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad – 380009, Gujarat, India. Tel. No.: +91 79 26583791, 92, Email: [investors@arfin.co.in](mailto:investors@arfin.co.in)

16. 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 i.e. Monday, September 21, 2015. **Further, a person who is not a member as on the cut-off date should treat this Notice for information purpose only. A person who has acquired the**

**shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the cut-off date i.e. Monday, September 21, 2015, shall be entitled to exercise his / her vote either electronically i.e. remote e-voting or through the Poll Paper at the AGM by following the procedure mentioned in this part.**

17. The Company has appointed Mr. Kamlesh M. Shah, Proprietor of M/s. Kamlesh M. Shah & Co., Practicing Company Secretary, Ahmedabad (ICSI Membership No.: 8356, Certificate of Practice No.: 2072), who in the opinion of the Board is a duly qualified person as a Scrutinizer and he will scrutinise the electronic voting process in a fair and transparent manner.
18. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count votes cast at the meeting, thereafter unblock votes cast through remote e-voting in presence of at least two witnesses not in employment of the Company and make, not later than 3 days of conclusion of the meeting, a Consolidated Scrutinizers’ Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
19. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.arfin.co.in](http://www.arfin.co.in) and on the website of CDSL within 2 days of declaration of results at or after the AGM and communicated to the Stock Exchanges.
20. The resolution shall be deemed to be passed on the date of the Annual General Meeting, subject to the same being with requisite majority.
21. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.



# Explanatory Statement

## Pursuant to the Provisions of Section 102 of the Companies Act, 2013 and Revised Clause 49 of the Listing Agreement

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item No. 5 to 18 of the accompanying Notice dated July 20, 2015.

### **In Respect of Item No. 5, 6 & 7**

Mr. Rameshkumar Babulal Shah (DIN: 00955337), Mr. Dilip Kumar Daga (DIN: 02918995) & Ms. Mona Chhappia (DIN: 07035947) have been appointed on August 25, 2014, August 25, 2014 & December 6, 2014 respectively as Additional Independent Directors of the Company by the Board of Directors, pursuant to the provisions of Article 114 of the existing Articles of Association of the Company and Section 161 of the Companies Act, 2013. According to the provisions of the said Article and the said Section, they will hold office only up to the date of ensuing Annual General Meeting. As required under Section 160 of the above Act, a notice in writing has been received from a member of the Company proposing candidature of all the Additional Independent Directors for the post of Independent Directors along with deposit of requisite amount for each of the proposed Directors. Further, the Company has also received consent from all the proposed appointees for the said post.

According to the provisions of Section 152(6) of the Companies Act, 2013, all the Independent Directors shall not be included in the total number of Directors for the purpose of retirement by rotation.

As per provisions of revised Clause 49 of the Listing Agreement, a brief resume of the Directors proposed for appointment / re-appointment is given below:

### **Mr. Dilip Kumar Daga**

Mr. Dilip Daga, aged about 56 years, is currently a Practizing Chartered Accountant having vast experience in Bank Audits, Statutory Audits, Internal Audits, Portfolio Management, Finance, Taxation, etc. He is a Qualified Chartered Accountant passed out in 1988 batch. He is also designated as Nominee Director of ASE Capital Markets Limited, a subsidiary

of Ahmedabad Stock Exchange Ltd. His experience of more than 2½ decades in the areas of Finance, Taxation & Capital Market Operations shall contribute a major part to boost growth of the Company.

### **Mr. Rameshkumar Babulal Shah**

Mr. Rameshkumar Shah, aged about 43 years, has vast knowledge and exposure in the field of Metal Industry and his contribution towards operations of the Company is noteworthy. He is involved in the same field for last 10 years and is providing an efficient guidance towards increment in operational efficiencies of the Company from the day he was appointed.

### **Ms. Mona Chhappia**

Ms. Mona Chhappia, aged about 29 years, is a Practizing Company Secretary Since 2011 having her individual Practice at Jamnagar. She is a Qualified Company Secretary as well as Law graduate having experience in Accounts, Taxation, Audit and Company Law Matters like Company Formation, Drafting of Resolutions, Petitions, Agreements, Minutes, Notices and Agendas, Procedure relating to Right Issue of Shares, Appointment and Cessation of Directors, Allotment of Shares, Increase in Share Capital, Drafting Annual Reports of Companies, Due Diligence Report, Corporate Governance Report, Filing of Forms with Registrar of Companies and all the Compliances under Companies Act, 1956 and Companies Act, 2013, Compliances of RBI, Stock Exchange and SEBI.

The above qualification and experience of the aforesaid Directors may be considered as justification for choosing the appointees. In opinion of the Board, Mr. Rameshkumar Babulal Shah, Mr. Dilip Kumar Daga & Ms. Mona Chhappia fulfill the conditions specified in the Companies Act, 2013 and Rules framed there under for their appointment as Independent Directors of the Company and are



## Explanatory Statement

independent of the Management. Copy of the letter for appointment of them as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10:00 am to 1:00 pm prior to the date of the Annual General Meeting and shall also be available for inspection at Annual General Meeting.

It is in the Company's interest that it should continue to avail their services as members of the Board. Accordingly, the Board recommends the resolutions in relation to appointment of Mr. Rameshkumar Babulal Shah, Mr. Dilip Kumar Daga & Ms. Mona Chhopia as Independent Directors, for the approval by shareholders of the Company.

Except Mr. Rameshkumar Babulal Shah, Mr. Dilip Kumar Daga & Ms. Mona Chhopia, being appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out in these items of the Notice. This Explanatory Statement may also be regarded as a disclosure under revised Clause 49 of the Listing Agreement with the Stock Exchange(s).

### **In Respect of Item No. 8 & 9**

In order to comply with the provisions of Section 4(1)(c), Section 13 and other applicable provisions, if any, of the Companies Act, 2013, the Company needs to delete the Other Objects Clause from the Memorandum of Association of the Company. The modification in Memorandum of Association is carried out to give effect to provisions of the Companies Act, 2013. Consent of the shareholders by passing a special resolution is required in this regard.

Further, in order to comply with the provisions of Section 4(1)(d)(i), 13 and other applicable

provisions, if any, of the Companies Act, 2013, the Company needs to alter the Liability Clause of Memorandum of Association of the Company. The modification in Memorandum of Association is carried out to give effect to the provisions of the Companies Act, 2013. Consent of the shareholders by way of a special resolution is required in this regard also.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10:00 am to 1:00 pm prior to the date of the Annual General Meeting and shall also be available at Annual General Meeting.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolutions except as shareholders in general.

The Directors recommend the aforesaid resolutions for the approval by the members as special resolutions.

### **In Respect of Item No. 10**

The present Authorized Share Capital of the Company is ₹ 3,50,00,000/- (Rupees Three Crores Fifty Lacs Only) divided into 35,00,000 (Thirty Five Lacs Only) equity shares of ₹ 10/- (Rupees Ten Only) each while the paid up share capital of the Company is ₹ 3,01,83,000/- (Rupees Three Crores One Lac Eighty Three Thousand Only). The Company may, in future, plan to issue further shares by way of Preferential Allotment, Right Issue, Further Public Offer or in any other manner as may be decided by the Board. For the said purpose, it is proposed to increase the Authorized Share Capital of the Company to ₹ 11,00,00,000/- (Rupees Eleven Crores Only) divided into 1,10,00,000 (One Crore Ten Lacs)



## Explanatory Statement

equity shares of ₹ 10/- (Rupees Ten only) each & to make consequent alteration in Share Capital Clause of the Memorandum of Association of the Company.

Pursuant to the provisions of Section 61, 64 of the Companies Act, 2013 and Rules framed there under, an increase in the Authorized Share Capital of the Company and consequent amendments in the Capital Clause of the Memorandum of Association of the Company require approval of the members. Approval of the members is, therefore, sought in terms of the said Sections.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10:00 am to 1:00 pm prior to the date of the Annual General Meeting and shall also be available at Annual General Meeting.

None of the Directors, Key Managerial Personnel and Relatives of the Directors / Key Managerial Personnel of the Company is interested in the proposed resolution except as shareholders in general.

The Directors recommend the aforesaid resolution for the approval by the members as an ordinary resolution.

### **In Respect of Item No. 11**

Members are informed that the existing Articles of Association ("AOA") of the Company are based on the erstwhile Companies Act, 1956 and many of the Articles of existing AOA contain references to

specific Sections of the erstwhile Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the new Companies Act, 2013. Hence, with the new Companies Act, 2013 coming into force and considering most of the Sections under the Companies Act, 2013 been notified by the Ministry of Corporate Affairs, it is considered expedient to replace the existing AOA by adopting new set of AOA.

The Board of Directors of the Company at their meeting held on July 20, 2015 has proposed adoption of new set of AOA, subject to further approval of the members.

As per the provisions of Section 14 of the Companies Act, 2013, a Company cannot, except with the permission of the members, alter / adopt its Articles of Association. Members' approval is therefore sought to adopt new set of Articles of Association by substitution of existing Articles of Association of the Company. A copy of the draft of the new Articles of Association is available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10:00 am to 1:00 pm prior to the date of the Annual General Meeting and shall also be available at Annual General Meeting.

The Directors recommend the aforesaid resolution for the approval by the members as special resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution mentioned at Item No. 11 of the Notice.



## Explanatory Statement

### In Respect of Item No. 12 & 17

Mr. Mahendra R. Shah (DIN: 00182746) has been appointed as an Executive Chairman & Whole Time Director of the Company for a period of five years commencing from October 1, 2014 and accordingly an agreement is executed between the Company and the Executive Director. The material provisions of the agreement entered into with Mr. Mahendra R. Shah are as under:

1. The term of Mr. Mahendra R. Shah as an Executive Chairman & Whole Time Director of the Company shall be for a period of five years commencing from October 1, 2014;
2. Mr. Mahendra R. Shah shall preside over the chair in all Board meetings except for the transactions in which he is, either directly or indirectly, concerned or interested;
3. Mr. Mahendra R. Shah be paid the remuneration, allowances and other perquisites as stated below:

Sr. No.	Particulars	Amount in ₹
1	Basic Salary – Per Month (Fixed)	1,81,920/-
2	Medical Allowance – Per Month (Fixed)	1,250/-
3	Leave Travel Allowance – Per Annum (Fixed)	40,000/-
4	Special Performance Bonus – Per Annum (Variable)	5,00,000/-
5	Contribution of the Company towards Provident Fund	As per the rules of the Company which shall not exceed the amount not taxable under the Income Tax Act, 1961

(\*Please also refer next table)

4. Mr. Mahendra R. Shah, without approval of the Board, shall not act as a Key Managerial Personnel of any other Company and shall devote his full time and attention in managing affairs of the Company;
  5. Subject to overall superintendence and control of the Board, Mr. Mahendra R. Shah shall exercise the powers concerning the overall administration of the Company's factory, workshop, admin or corporate offices and all the general powers relating to sale of Company's product, banking and financial affairs including borrowing of money subject to condition that he shall not exercise such powers without approval of the Board of Directors or General Meeting which, by the provisions of the Companies Act, 2013 or Rules framed there under or Articles of Association of the Company, can be exercised only with approval of Board of Directors or at General Meeting;
  6. Mr. Mahendra R. Shah as a Chairman & Whole Time Director of the Company shall discharge all the duties as may be assigned to him by the Board of Directors of the Company from time to time.
- In terms of Articles of Association, Managing Director and Whole time Director are not liable to retire by rotation. However, other than Independent Directors, the Company has only 3 Directors out of which 2 are Executive Directors designated as Managing Director and Whole Time Director. Accordingly, the office of Executive Chairman and Whole Time Director shall also be liable to retire by rotation.

Further, on recommendation of the Nomination & Remuneration Committee, the Board in its meeting held on May 22, 2015 has approved revision and increase in remuneration of Mr. Mahendra R. Shah effective from April 1, 2015 as under:



## Explanatory Statement

Sr. No.	Particulars	Amount (₹ Per Annum)
1	Basic Salary (Fixed)	31,73,423/-
2	Medical Reimbursement (Fixed)	25,000/-
3	Special Allowance (Fixed)	3,80,766/-
4	Performance Bonus (Variable)	15,00,000/-
5	Leave Travel Allowance (Fixed)	40,000/-
6	Contribution of the Company towards Provident Fund	3,80,811/-
	<b>Total</b>	<b>55,00,000/-</b>

In terms of Section 196(4) read with Section 197 of the Companies Act, 2013 and Schedule V thereto, approval of members of the Company is being sought, for the appointment and remuneration of Mr. Mahendra R. Shah as an Executive Chairman and Whole Time Director as per the Board resolution dated September 30, 2014 and also for increase in his remuneration as per Board resolution dated May 22, 2015 as explained in this statement. Accordingly, the Board recommends passing of the resolutions as set out in Item No. 12 and 17 by way of special resolutions.

Pursuant to the provisions of Section 190 of the

Companies Act, 2013, a copy of agreement with Mr. Mahendra R. Shah is available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10:00 am to 1:00 pm prior to the date of the Annual General Meeting and shall also be available at Annual General Meeting without payment of any fee.

Except Mr. Mahendra R. Shah, Mr. Jatin M. Shah or relatives of either, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolutions.

### In Respect of Item No. 13 & 18

Mr. Jatin M. Shah (DIN: 00182683) has been appointed as Managing Director of the Company for a period of five years commencing from October 1, 2014 and accordingly an agreement is executed between the Company and the Managing Director. The material provisions of the agreement entered into with Mr. Jatin M. Shah are as under:

1. The term of Mr. Jatin M. Shah as Managing Director of the Company shall be for a period of five years commencing from October 1, 2014;
2. Mr. Jatin M. Shah be paid the remuneration, allowances and other perquisites as stated below:

Sr. No.	Particulars	Amount in ₹
1	Basic Salary – Per Month (Fixed)	1,81,920/-
2	Medical Allowance – Per Month (Fixed)	1,250/-
3	Leave Travel Allowance – Per Annum (Fixed)	40,000/-
4	Special Performance Bonus – Per Annum (Variable)	5,00,000/-
5	Contribution of the Company towards Provident Fund	As per the rules of the Company which shall not exceed the amount not taxable under the Income Tax Act, 1961

(\*Please also refer next table)



## Explanatory Statement

3. Mr. Jatin M. Shah, without approval of the Board, shall not act as a Key Managerial Personnel of any other Company and shall devote his full time and attention in managing affairs of the Company;
4. Subject to overall superintendence and control of the Board, Mr. Jatin M. Shah shall exercise all the substantial powers of management concerning to the Company subject to condition that he shall not exercise such powers without approval of the Board of Directors or at General Meeting which, by the provisions of the Companies Act, 2013 or Rules framed there under or Articles of Association of the Company, can be exercised only with approval of Board of Directors or at

General Meeting;

5. Mr. Jatin M. Shah as a Managing Director of the Company shall discharge all the duties as may be assigned to him by the Board of Directors of the Company from time to time.

In terms of Articles of Association, Managing Director and Whole time Director are not liable to retire by rotation. However other than Independent Directors, the Company has only 3 Directors out of which 2 are Executive Directors designated as Managing Director and Whole Time Director. Accordingly, the office of Managing Director shall also be liable to retire by rotation.

Further, on recommendation of the Nomination & Remuneration Committee, the Board in its meeting held on May 22, 2015 has approved revision and increase in remuneration of Mr. Jatin M. Shah effective from April 1, 2015 as under:

Sr. No.	Particulars	Amount (₹ Per Annum)
1	Basic Salary (Fixed)	31,73,423/-
2	Medical Reimbursement (Fixed)	25,000/-
3	Special Allowance (Fixed)	3,80,766/-
4	Performance Bonus (Variable)	15,00,000/-
5	Leave Travel Allowance (Fixed)	40,000/-
6	Contribution of the Company towards Provident Fund	3,80,811/-
	<b>Total</b>	<b>55,00,000/-</b>

In terms of Section 196(4) read with Section 197 of the Companies Act, 2013 and Schedule V thereto, approval of members of the Company is being sought, for the appointment and remuneration of Mr. Jatin M. Shah as Managing Director as per the Board resolution dated September 30, 2014 and also for increase in his remuneration as per Board resolution dated May 22, 2015 as explained in this statement. Accordingly the Board recommends passing of the resolutions as set out in Item No. 13 and 18 by way of special resolutions.

Pursuant to the provisions of Section 190 of the Companies Act, 2013, a copy of agreement with Mr. Jatin M. Shah is available for inspection by the

Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10:00 am to 1:00 pm prior to the date of the Annual General Meeting and shall also be available at Annual General Meeting without payment of any fee.

Except Mr. Jatin M. Shah, Mr. Mahendra R. Shah or relatives of either, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.



## Explanatory Statement

**Note:** The members may take note of the following additional disclosure made in terms of Section II of Part II of Schedule V of the Companies Act, 2013 which forms part of the Explanatory Statement in respect of Item No. 12, 13, 17 and 18.

### Information as per Schedule V of the Companies Act, 2013

#### I. General Information

- i. Nature of Industry: The Company falls under the category of Aluminium Industry.
- ii. Date or expected date of commencement of commercial production: The Company was incorporated in 1992 and has already commenced commercial production since the financial year 2011-12.
- iii. Financial Performance based on given indicators ₹ in Lacs

Particulars	2014-15	2013-14	2012-13
Total Revenue	25,094.07	19,055.86	16,957.10
Profit before Tax	705.31	401.45	441.47
Profit after Tax	467.13	264.51	308.84

- iv. Foreign Investments or Collaborations, if any: Nil

#### II. Information about the appointee(s)

Sr. No.	Particulars	Mr. Mahendra R. Shah	Mr. Jatin M. Shah
1	Background Details	Mr. Mahendra R. Shah and Mr. Jatin M. Shah both fall under the category of Promoters of the Company. Mr. Mahendra R. Shah is founder of the Company. Mr. Mahendra R. Shah is Graduate in Science and Mr. Jatin M. Shah is Graduate in Commerce having around 20 years' and 10 years' experience respectively in aluminium industry.	
2	Past Remuneration	₹ 19,35,002/- paid for the financial year 2014-15	₹ 19,35,002/- paid for the financial year 2014-15
3	Recognition or Awards	Received honour of being appointed as Chairman of Gujarat Chapter of Non Ferrous Metals vide letter dated May 5, 2015 issued by the "ALL INDIA MSME ASSOCIATION".	Received honour of being appointed as Chairman of Gujarat Chapter of Auto Die Casting Components vide letter dated May 5, 2015 issued by the "ALL INDIA MSME ASSOCIATION"
4	Job Profile and Suitability	They shall be responsible for overall day to day management of the Company under the supervision and control of the Board of Directors.	
5	Remuneration Proposed	As stated under Item No. 17 & 18 of the Explanatory Statement.	



## Explanatory Statement

Sr. No.	Particulars	Mr. Mahendra R. Shah	Mr. Jatin M. Shah
6	Comparative Remuneration Profile with respect to Industry, size of the Company, Profile of Person and Position	They carry vast and enriched experience in the business line of the Company. They have been instrumental in the growth of the Company and the remuneration paid to them is fully justifiable and comparable to that prevailing in the industry. They shall be looking after and responsible for whole of the affairs of the management of the Company and shall be accountable to the Board of Directors.	
7	Pecuniary Relationship, directly or indirectly with the Company or relationship with the Managerial Personnel, if any	Both the appointees fall under the category of Promoters of the Company & Mr. Jatin M. Shah is son of Mr. Mahendra R. Shah.	

### III. Other information

- i. Reasons for loss or inadequate profits: The Company has earned a handsome amount of profit during the financial year and is expecting to earn even more during the current financial year, but if the remuneration to the said Executive Directors exceeds 10% of the net profit earned during the financial year, the profit shall be considered as inadequate profit as per Company's interpretation. Thus, inspite of having a handsome amount of profit, just for the sake of provisions of Chapter XIII of the Companies Act, 2013 the profit has been considered as inadequate profit.
- ii. Steps taken or proposed to be taken for improvement: Not Applicable.
- iii. Expected increase in productivity and profits in measurable terms: The Company expects better performance in all measurable parameters in the upcoming years.

### IV. Disclosures

The Corporate Governance Report which forms part of this Annual Report also contains details of the remuneration paid to Mr. Mahendra R. Shah & Mr. Jatin M. Shah.

#### In Respect of Item No. 14

The Company is required to borrow funds from time

to time to meet both its short term and long term business objectives, from various external agencies like Banks, Financial Institutions, Directors, Shareholders, Body Corporate, Individuals or from any other kind of lenders. According to Section 180(1)(c) of the Companies Act, 2013, the total amount of such borrowings including outstanding, at any time cannot exceed the aggregate of paid up share capital and free reserves of the Company, except with the consent of the members. The Board feels that the current limit in this regard is not adequate and needs enhancement & accordingly the resolution having no. 14 has been proposed to increase the limits of borrowing to ₹ 100 Crores.

It is recommended that the resolution be passed as special resolution. None of the Directors, Key Managerial Personnel and their relatives are interested or concerned in the resolution except to the extent of their shareholding in the Company.

#### In Respect of Item No. 15

In pursuance of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint a cost auditor on recommendation of the Audit Committee. Remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of the Audit Committee, the





## Explanatory Statement

Board of Directors has considered and approved appointment of Mr. Chiragkumar Bipinkumar Modh, Proprietor of M/s. C. B. Modh & Co., Cost Accountants, Ahmedabad, to conduct the cost audit of the cost records of the Company for the financial year ended March 31, 2015 & March 31, 2016 at remuneration as mentioned in the resolution no. 15 of the notice. The resolution set out in Item No. 15 of the notice is proposed to be passed as an ordinary resolution for approval and ratification of remuneration payable to the said Cost Auditor for the said financial years, in terms of Section 148 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in anyway, concerned or interested, financially or otherwise, in the said resolution.

### In Respect of Item No. 16

The Company is making all the transactions with related parties in ordinary course of business & at arm's length price. Still Board thinks fit to take a blanket / omnibus approval of shareholders of the Company for transactions to be made in future, as the provisions of Section 188 of the Companies Act, 2013, Rules framed there under and provisions of revised Clause 49 require approval of members for material related party transactions and thus obtaining the said approval at last moment would be difficult and expensive task and thus the Board requests the shareholders to accord their consent to authorize the Board to enter into subsequent related party transactions whether or not in ordinary course of business and / or at arm's length price.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

(a)	Name of related party	Mahendra Aluminium Company Limited	Krish Ferro Industries Private Limited (formerly known as Arfin Capital Limited)	Mahendra Corporation
(b)	Name of the Director or Key Managerial personnel who is related	Mr. Mahendra R. Shah & Mr. Jatin M. Shah	Mr. Mahendra R. Shah & Mr. Jatin M. Shah	Mr. Mahendra R. Shah
(c)	Nature of relationship with regard to (b)	Directors	Directors	Proprietor
(d)	Nature, material terms and particulars of the arrangement	The contract is for sale / purchase of the products / raw materials of the Company and for leasing of or taking on lease properties of any kind.	The contract is for sale / purchase of the products / raw materials of the Company and for leasing of or taking on lease properties of any kind.	The contract is for sale / purchase of the products / raw materials of the Company.
(e)	Sale price	The price for sale of the products of the Company is negotiated and agreed to by both parties based on estimated total costs and risk & return considering prevalent market conditions.		



# Explanatory Statement

## Information of Shareholding as per Secretarial Standard - 2

Sr. No.	Name of Promoter / Director / Manager / KMP	Designation in Arfin India Limited	Shareholding in (As At July 20, 2015)			
			Mahendra Aluminium Company Limited		Krish Ferro Industries Private Limited (Formerly Known as Arfin Capital Limited)	
			No. of Equity Shares Held	%	No. of Equity Shares Held	%
1	Mr. Mahendra R. Shah	Promoter & Director	98,990	8.35%	Less than 2%	
2	Mr. Jatin M. Shah	Promoter & Director	2,93,400	24.76%	50,000	3.12%
3	Mrs. Pushpaben M. Shah	Promoter	Less than 2%		50,000	3.12%
4	Mrs. Rani Jatin Shah	Promoter	2,89,200	24.41%	7,45,400	46.53%
5	M/s. Jatin M. Shah – HUF	Promoter	-	-	-	-
6	Ms. Pooja M. Shah	Promoter	2,85,000	24.05%	4,14,800	25.89%
7	M/s. Mahendra R. Shah – HUF	Promoter	75,900	6.41%	-	-
8	Khushbu M. Shah	Promoter	-	-	-	-
9	Mr. Rameshkumar Babulal Shah <sup>1</sup>	Director	-	-	-	-
10	Mr. Dilip Kumar Daga <sup>1</sup>	Director	-	-	-	-
11	Mr. Shantilal Mehta	Director	-	-	-	-
12	Ms. Mona Chhapia <sup>2</sup>	Director	-	-	-	-
13	Mr. Vijay Lathi <sup>3</sup>	Chief Financial Officer	-	-	-	-
14	Mr. Durgesh D. Soni <sup>4</sup>	Company Secretary	-	-	-	-
15	Ms. Riddhi N. Shah <sup>5</sup>	Company Secretary	-	-	-	-

<sup>1</sup> Appointed w.e.f. August 25, 2014

<sup>2</sup> Appointed w.e.f. December 6, 2014

<sup>3</sup> Appointed w.e.f. May 22, 2015

<sup>4</sup> Appointed w.e.f. July 20, 2015

<sup>5</sup> Appointed w.e.f. November 26, 2014 and Resigned w.e.f. July 20, 2015

The Board further assures that the Management of the Company either expressly or impliedly shall not enter into any related party transaction to take any personal benefit or to defeat interest of the Company.

The Board further informs that nothing contained in the proposed resolution shall restrict the shareholders to review / revise the said approval. Accordingly, the Board recommends passing of the resolution as set out in



## Explanatory Statement

Item No. 16 by way of special resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives except the holding of office as stated in the above table and their respective shareholdings therein, is in anyway, concerned or interested, financially or otherwise, in the said resolution.

### Registered Office

B-302, 3<sup>rd</sup> Floor, Pelican House,  
GCCl Building, Ashram Road,  
Ahmedabad – 380013,  
Gujarat, India.  
CIN: L65990GJ1992PLC017460  
Tel. No.: +91 079 26583791, 92  
Website: [www.arfin.co.in](http://www.arfin.co.in)  
Email: [investors@arfin.co.in](mailto:investors@arfin.co.in)

By order of the Board of Directors

**Mahendra R. Shah**  
(Chairman)  
(DIN: 00182746)  
Place: Ahmedabad  
Date: July 20, 2015



## Explanatory Statement

### Details of Directors seeking Appointment / Re-appointment at the Forthcoming Annual General Meeting

(Pursuant to Revised Clause 49 of the Listing Agreement and Secretarial Standard - 2)

In Respect of Item No. 5, 6 & 7

Name of the Director	Mr. Rameshkumar Babulal Shah	Mr. Dilip Kumar Daga	Ms. Mona Chhopia
Date of Birth	April 15, 1972	June 27, 1959	May 12, 1986
Age	43	56	29
Nationality	Indian	Indian	Indian
Date of Appointment on the Board	August 25, 2014	August 25, 2014	December 6, 2014
Qualifications	Graduate in Commerce	Chartered Accountant	Practizing Company Secretary and Law Graduate
Expertise in Functional Area / Experience	10 Years' Experience in Metal Industry	25 Years' Plus Experience of Practice as a Chartered Accountant	4 Years' Experience of Practice as a Company Secretary
Terms and Conditions of Appointment / Re-appointment	<p>All the proposed appointee(s) / Additional Independent Directors are to be appointed as Independent Directors of the Company for a period of five consecutive years.</p> <p>Terms and conditions of appointment of Independent Directors can be found from following web link:  <a href="http://www.arfin.co.in/pdf/disclosures/terms-and-conditions-of-appointment-of-independent-directors.pdf">http://www.arfin.co.in/pdf/disclosures/terms-and-conditions-of-appointment-of-independent-directors.pdf</a></p>		
Remuneration Sought to be Paid	<p>The Board of Directors at their meeting held on May 22, 2015 decided to pay Sitting Fee to the Non Executive Directors of the Company for attending meetings for the financial year 2015-16 onwards as ₹ 10,000/- per Board Meeting and ₹ 5,000/- per Committee(s) Meeting.</p>		
Remuneration Last Drawn (FY 2014-15)	-	-	-
Relationship with other Directors / Manager / KMP	Independent	Independent	Independent



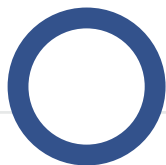
## Explanatory Statement

(....continue)

Name of the Director	Mr. Rameshkumar Babulal Shah	Mr. Dilip Kumar Daga	Ms. Mona Chhopia
No. of Board Meetings Attended During FY 2014-15	13	13	3
Number of Equity Shares Held in the Company (as at March 31, 2015)	-	2,500	-
List of the Directorships Held in Other Companies	-Adeshwar Metals Private Limited -OHM Highline Private Limited -Multi Tech Enterprises Private Limited	-ASE Capital Markets Limited	-
Chairman / Member in the Committees of the Boards of Companies in which he / she is Director	<b>Chairman</b> -Nomination & Remuneration Committee Arfin India Limited <b>Member</b> -Nomination & Remuneration Committee Arfin India Limited -Audit Committee Arfin India Limited	<b>Chairman</b> -Audit Committee Arfin India Limited <b>Member</b> -Nomination & Remuneration Committee Arfin India Limited -Audit Committee Arfin India Limited -Audit Committee ASE Capital Markets Limited	<b>Chairman</b> - <b>Member</b> -

### In Respect of Item No. 12 & 13

Name of the Director	Mr. Mahendra R. Shah	Mr. Jatin M. Shah
Date of Birth	March 9, 1963	December 9, 1983
Age	52	32
Nationality	Indian	Indian
Date of Appointment on the Board	September 30, 1998	June 12, 2012
Qualifications	Graduate in Science	Graduate in Commerce
Expertise in Functional Area / Experience	20 Years' Experience in Aluminium Industry	10 Years' Experience in Aluminium Industry



## Explanatory Statement

(...continue)

Name of the Director	Mr. Mahendra R. Shah	Mr. Jatin M. Shah
<b>Terms and Conditions of Appointment / Re-appointment</b>	As set out in the Item No. 17 of the Explanatory Statement	As set out in the Item No. 18 of the Explanatory Statement
<b>Remuneration sought to be paid</b>	As set out in the Item No. 12 & 17 of the Explanatory Statement	As set out in the Item No. 13 & 18 of the Explanatory Statement
<b>Remuneration last drawn (FY 2014-15)</b>	₹ 19,35,002/-	₹ 19,35,002/-
<b>Relationship with other Directors / Manager / KMP</b>	Mr. Mahendra R. Shah is promoter & founder of the Company and is father of Mr. Jatin M. Shah	Mr. Jatin M. Shah is promoter of the Company and is son of Mr. Mahendra R. Shah
<b>No. of Board Meetings Attended During FY 2014-15</b>	23	23
<b>Number of Equity Shares Held in the Company (as at March 31, 2015)</b>	5,13,400	4,48,900
<b>List of the Directorships held in Other Companies</b>	-Mahendra Aluminium Company Limited -Krish Ferro Industries Private Limited (formerly known as Arfin Capital Limited)	-Mahendra Aluminium Company Limited -Krish Ferro Industries Private Limited (formerly known as Arfin Capital Limited)
<b>Chairman / Member in the Committees of the Boards of Companies in which he / she is Director</b>	<b>Chairman</b> - <b>Member</b> -Audit Committee Arfin India Limited -Stakeholder Relationship Committee Arfin India Limited	<b>Chairman</b> - <b>Member</b> -

### Registered Office

B-302, 3<sup>rd</sup> Floor, Pelican House,  
GCCl Building, Ashram Road,  
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Gujarat, India.  
CIN: L65990GJ1992PLC017460  
Tel. No.: +91 079 26583791, 92  
Website: [www.arfin.co.in](http://www.arfin.co.in)  
Email: [investors@arfin.co.in](mailto:investors@arfin.co.in)

By order of the Board of Directors

**Mahendra R. Shah**  
(Chairman)  
(DIN: 00182746)  
Place: Ahmedabad  
Date: July 20, 2015

# Directors' Report

Dear Members,

Your Directors have pleasure in presenting their 23<sup>rd</sup> Annual Report on the Businesses and Operations of the Company together with Audited Accounts for the financial year ending on March 31, 2015.

## 1. Financial Summary

	₹ in Lacs	
Particulars	2014-15	2013-14
Revenue From Operations	28,028.69	21,319.43
Less: Central Excise Duty	3,033.74	2,282.00
Net Revenue From Operations	24,994.94	19,037.43
Profit / (Loss) Before Taxation	705.31	401.45
Provisions For Income Tax including Deferred Tax	238.18	136.95
Profit / (Loss) After Taxation	467.13	264.51
Proposed Dividend	30.18	Nil
Transfer to General Reserves	40.00	Nil
Profit Carried to Balance Sheet	467.13	264.51
Accumulated Balance of Profit	958.36	568.39

## 2. State of Company's Affair

Your Company's performance during the financial year under report has increased in terms of production, sales quantity as well as turnover.

During the financial year under report, the Company achieved a gross turnover of ₹ 28,028.69 Lacs compared to ₹ 21,319.43 Lacs during the previous financial year. The profit before depreciation and tax increased from ₹ 443.62 Lacs to ₹ 780.75 Lacs. Net profit after tax increased from ₹ 264.51 Lacs to ₹ 467.13 Lacs. In view of infrastructural development of growing Indian economy, your Directors are hopeful of even more increase in demand for Company's products resulting into satisfactory top & bottom line growth of the Company in near future. Detailed analysis as to review of Company's operational and financial performance is given in Management Discussion & Analysis Report.

## 3. Dividend

Your Directors are pleased to recommend a dividend of ₹ 1/- (10%) per equity share on 30,18,300 equity shares of the Company of ₹ 10/- each for the financial

year 2014-15. Total amount of dividend shall be ₹ 30,18,300/- and dividend distribution tax would be ₹ 6,03,482/-.

## 4. Listing With Regional Stock Exchanges

The equity shares of the Company are listed with the Ahmedabad Stock Exchange Limited and the Calcutta Stock Exchange Limited and the listing fees has been duly and timely paid to both the Stock Exchanges for the financial year 2014-15 & 2015-16 as well.

## With Bombay Stock Exchange

30,18,300 equity shares of the Company having face value of ₹ 10/- each got listed with the Bombay Stock Exchange ("BSE") w.e.f. May 28, 2015 under the "Direct Listing Route." Initial as well as Annual Listing fees have been duly and timely paid by the Company to BSE.

## 5. Details in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements

The Company has an Internal Control System,



commensurate with the size, scale and complexity of its operations. The scope and authority of the internal audit function is well defined. To maintain its objectivity and independence, the internal audit function reports to the Chairman of the Audit Committee of the Board. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

### **6. Details of Subsidiary / Joint Venture / Associate Companies**

The Company doesn't have any Subsidiary, Joint Venture or Associate Company.

Group Companies to the Arfin India Limited includes M/s. Mahendra Aluminium Company Limited & M/s. Krish Ferro Industries Private Limited (Formerly known as Arfin Capital Limited).

### **7. Material Changes and Commitment, if any, Affecting the Financial Position of the Company**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these Financial Statements relate and on the date of this report. Further, during the financial year under report, no significant or material orders have been passed by any of the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

### **8. Deposits**

The details relating to deposits covered under Chapter V of the Companies Act, 2013:

(a) accepted and repaid during the year: NIL

(b) remained unpaid or unclaimed as at end of the year: NIL

(c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved: No

(i) at the beginning of the year: Not Applicable

(ii) maximum during the year: Not Applicable

(iii) at the end of the year: Not Applicable

The details of deposits which are not in compliance with the requirements of Chapter V of the Act: NIL.

### **9. Statutory Auditors**

M/s. Raman M. Jain & Co., Statutory Auditors of the Company were re-appointed at the 22<sup>nd</sup> Annual General Meeting of the Company for a period of three years (including transitional period).

In accordance with the provisions of Section 139 of the Companies Act, 2013 & Rules framed there under, the Board recommends the members to ratify their appointment up to the conclusion of next Annual General Meeting.

### **10. Secretarial Auditor**

Mr. Kamlesh M. Shah, Proprietor of M/s. Kamlesh M. Shah & Co., Practicing Company Secretary, Ahmedabad has been appointed by the Board of Directors as Secretarial Auditor of your Company for the financial year ended on March 31, 2015 & March 31, 2016.

### **11. Statutory and Secretarial Audit Report**

The Statutory Auditor's Report is enclosed herewith, which is self explanatory and no comment from the Board of Directors of the Company is required as no qualification, reservation or adverse remark or disclaimer is given by the Statutory Auditor.

Further, the Board wishes to explain for the observations / comments given by the Secretarial Auditor in his report that the Company has passed





various necessary resolutions for borrowings and the same have been properly recorded in the minutes books. However, difficulty in interpretation of provisions of new Companies Act, 2013, absence of appointment of Company Secretary and Compliance Officer on the Management of the Company for a part of financial year under report and lack of proper secretarial guidance led to some non compliances, for which the Company is in process of taking corrective measures.

### 12. Cost Auditors

M/s. C. B. Modh & Co., Cost Accountants, Ahmedabad has been appointed as Cost Auditors by the Board of Directors for auditing the cost accounts of your Company for the financial year ended on March 31, 2015 & March 31, 2016.

### 13. Share Capital

During the financial year 2014-15, the Company re-issued 1,55,000 equity shares at ₹ 40/- per share which includes ₹ 10/- per share for face value & ₹ 30/- per share being securities premium amount. These equity shares were originally forfeited on October 21, 2013.

During the financial year under report, the Company didn't make any issue of equity shares with differential voting rights, sweat equity shares or under employee stock options scheme. Further, the Company didn't make any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.

### 14. Directors & Key Managerial Personnel

#### I. Cessation

As a part of restructuring of the Board of Group Companies of M/s. Arfin India Limited, Mrs. Pushpaben M. Shah (DIN: 00182754), resigned as the Director of the Company w.e.f. November 22, 2014. Mrs. Pushpaben M. Shah joined the Board in April, 2000 as a Director of the Company.

The Board places on record its sincere appreciation for the valuable services rendered by Mrs. Pushpaben M. Shah during her tenure.

### II. Retirement by Rotation

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Article 125 & 126 of the existing Articles of Association of the Company, Mr. Jatin M. Shah, (DIN: 00182683) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board recommends his appointment.

In this connection, it is clarified that as per the present Articles of Association of the Company, the Managing Director and Whole Time Director are not liable to retire by rotation. However, there are only 3 Non Independent Directors out of which one is Managing Director and another is Whole Time Director. Thus, to comply with the provisions of Section 152(6) of the said Act, both the Executive Directors who are otherwise Non Rotational Directors, have consented to be liable to retire by rotation and Mr. Jatin M. Shah being longest in office would retire by rotation.

### III. Appointment

#### Mr. Mahendra R. Shah as an Executive Chairman and Whole Time Director

During the financial year under report, Mr. Mahendra R. Shah (DIN: 00182746), has been designated as an Executive Chairman and Whole Time Director of the Company w.e.f. October 1, 2014 for a period of five years ending on March 31, 2019.

#### Mr. Jatin M. Shah as a Managing Director

During the financial year under report, Mr. Jatin M. Shah (DIN: 00182683), has been designated as the Managing Director of the Company w.e.f. October 1, 2014 for a period of five years ending on March 31, 2019.



### Company Secretary and Compliance Officer

During the financial year under report, Ms. Riddhi N. Shah was appointed as Company Secretary and was designated as Compliance Officer of the Company w.e.f. November 26, 2014. Due to some personal reasons, she has resigned and thus ceases to be Company Secretary of the Company w.e.f. July 20, 2015. Mr. Durgesh D. Soni, a member of the Institute of Company Secretaries of India (ICSI) was appointed in her place as Company Secretary and Compliance Officer of the Company at the meeting of Board of Directors held on July 20, 2015.

### IV. Appointment of Independent Directors

With coming into force of the Companies Act, 2013, the Board appointed Mr. Ramesh Babulal Shah (DIN: 00955337), Mr. Dilip Kumar Daga (DIN: 02918995) & Ms. Mona Chhappia (DIN: 07035947) as Independent Directors of the Company with effect from August 25, 2014, August 25, 2014 & December 6, 2014 respectively.

The shareholders are requested to approve their appointment at this ensuing Annual General Meeting.

The Independent Directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of Independence as provided under Section 149(6). The profile of the Independent Directors forms part of the Corporate Governance Report.

Further, a separate meeting of Independent Directors of the Company was held on March 27, 2015 in accordance with the provisions of Clause VII of the Schedule IV of the Companies Act, 2013.

### V. Evaluation of the Board's Performance

During the financial year under report, exercise of evaluation was carried out through a structured evaluation process covering various aspects of the Boards' functioning such as composition of the

Board & Committee(s), experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board's Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgments, safeguarding of minority shareholders' interest etc.

The evaluation of the Independent Directors was carried out by the entire Board excluding Independent Directors and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company. This may be considered as a statement under provisions of Section 134(3)(p) of the Companies Act, 2013 and Rule 8(4) of the Companies (Accounts) Rules, 2014. Thus, the Board of your Company comprises of a proper mixture of Executive and Non Executive Directors.

### VI. Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees. The policy has been approved by the Nomination & Remuneration Committee and the Board. More details on the same are given in the Corporate Governance Report.

The policy on Remuneration of Directors, Key Managerial Personnel and Senior Employees can be accessed on website of the Company at following web link:

<http://www.arfin.co.in/pdf/policies/remuneration-of-directors-key-managerial-personnel-and-senior-employees-policy.pdf>

### VII. Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, your Company has appointed



Ms. Mona Chhopia as Woman Director on the Board of the Company during the financial year under report. She is also the Independent Director of the Company.

### 15. Number of Meetings of Board of Directors

The Board of Directors met 23 times during the financial year 2014-15. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

### 16. Composition of Audit Committee

The Board has constituted an Audit Committee which comprises of Mr. Dilip Kumar Daga as the Chairman and Mr. Rameshkumar Babulal Shah & Mr. Mahendra R. Shah as members. Further, all the recommendations were accepted by the Board of Directors during the period under report. More details on the committee are given in the Corporate Governance Report.

### 17. Related Party Transactions

All the related party transactions are entered on arm's length basis, in ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Agreement. There were no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

All the related party transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained from Audit Committee & Board of Directors for the transactions which are foreseen and repetitive in nature.

Particulars of contracts or arrangements with related parties referred in Section 188(1) of the Companies Act, 2013 & Rules framed there under in **Form AOC-2** is enclosed herewith this Board's Report as **Annexure - 3**.

The Policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website at the web link:

<http://www.arfin.co.in/pdf/policies/related-party-transactions-policy.pdf>

### 18. Establishment of Vigil Mechanism / Whistle Blower Policy for Directors and Employees

The Company promotes ethical behavior in all its business activities and has put in place at the Board meeting held on May 22, 2015, a mechanism wherein the employees are free to report illegal or unethical behavior, actual or suspected fraud or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity to the Chairman of the Audit Committee of the Company or Chairman of the Board. The Whistle Blower Policy has been appropriately communicated within the Company.

Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. No personnel have been denied access to the Audit Committee.

The said Vigil Mechanism / Whistle Blower Policy has been uploaded on website of the Company and can be accessed at following web link:

<http://www.arfin.co.in/pdf/policies/vigil-mechanism-or-whistle-blower-policy.pdf>

### 19. Nomination and Remuneration Committee

The Board has constituted a Nomination and Remuneration Committee which comprises of Mr. Rameshkumar Babulal Shah as the Chairman and Mr. Dilip Kumar Daga & Mr. Shantilal Mehta as members. The policy, required to be formulated by the Nomination and Remuneration Committee, under Section 178(3) of the Companies Act, 2013 is uploaded on the Company's website at the web link:

<http://www.arfin.co.in/pdf/policies/remuneration-of-directors-key-managerial-personnel-and-senior-employees-policy.pdf>

More details on the Committee are given in the Corporate Governance Report.



### 20. Stakeholder Relationship Committee

The Board has constituted a Stakeholder Relationship Committee which comprises of Mr. Shantilal Mehta as the Chairman and Mr. Mahendra R. Shah & Mr. Durgesh D. Soni as members.

The above Committee has been reconstituted and Mr. Durgesh D. Soni has taken place as a member of the Committee with effect from July 20, 2015, as approved by the Board at its meeting held on that day.

More details on the Committee are given in the Corporate Governance Report.

### 21. Internal Complaints Committee (ICC)

At the Board meeting held on May 22, 2015, the Company has constituted a committee named "Internal Complaints Committee" at its Registered / Corporate Office. The said committee has been formulated both to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under and to provide the employees safety against harassment, if any.

A policy adopted by the Company for Prevention of Sexual Harassment is available on its website at following web link.

<http://www.arfin.co.in/pdf/policies/prevention-of-sexual-harassment-policy.pdf>

During the financial year ended on March 31, 2015 the Company did not receive any complaints pertaining to sexual harassment.

### 22. Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

The Company did not grant / make any Loan or Investment under provisions of Section 186 of the Companies Act, 2013 and Rules framed there under during the financial year under report.

### 23. Managerial Remuneration

The Company follows a policy on remuneration of Directors, KMP and Senior Management Employees. The Company has paid remuneration to the Executive as well as Non Executive Directors during the financial year under report. More details on Managerial Remuneration are given in the Corporate Governance Report.

### 24. Management Discussion & Analysis Report

A detailed analysis of the Company's performance is made in the Management Discussion and Analysis Report, which forms part of this Annual Report.

### 25. Corporate Governance Report

Your Company practices a culture that is built on core values and ethical governance practices and is committed to transparency in all its dealings. A Report on Corporate Governance along with a Certificate from Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under revised Clause 49 of the Listing Agreement is annexed to this Report.

### 26. Code of Conduct

The Board has laid down a Code of Conduct ("Code") for Board Members, Managerial Personnel and for Senior Management Employees of the Company. This Code has been posted on the Company's website at <http://arfin.co.in/code-conduct.html>. All the Board Members and Senior Management Personnel have affirmed compliance with this Code. A declaration signed by the Managing Director to this effect forms part of the Corporate Governance Report.

The Board has also laid down a Code of Conduct for Independent Directors pursuant to Section 149(8) and Schedule IV to the Companies Act, 2013 via terms and conditions for appointment of Independent Directors, which is a guide to professional conduct for Independent Directors and has been uploaded on the website of the Company at following web link:



<http://arfin.co.in/pdf/disclosures/terms-and-conditions-of-appointment-of-independent-directors.pdf>

### 27. Risk Management Policy

The Board of Directors has developed and implemented Risk Management Policy for the Company. It has identified and assessed internal and external risks, with potential impact and likelihood that may impact the Company in achieving its strategic objectives or may threaten its existence. The Policy lays down procedures for risk identification, description, evaluation, estimation, reporting and development of action plan. The policy includes identification of elements of risks which mainly covers Strategic Risk, Operational Risk, Financial Risk and Hazardous Risks. The same can be accessed from the website of the Company at following web link:

<http://www.arfin.co.in/pdf/policies/risk-management-policy.pdf>

More details on the risk and concern factors are given in the Management Discussion & Analysis Report.

### 28. Corporate Social Responsibility

During the financial year under report, the Company did not attract any criteria required for Corporate Social Responsibility. Accordingly, the provisions of Section 135 of the Companies Act, 2013 including Rules framed there under relating to Corporate Social Responsibility including but not limited to constitution of Committee therein and implementation of Policy on Corporate Social Responsibility are not applicable to the Company.

### 29. Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, your Directors, based on the representations received from the head of the various departments, and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating

to material departures;

- (b) the Directors had 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 for the financial year ending on March 31, 2015 and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 30. Disclosure u/s 164(2) of the Companies Act, 2013

The Company has received the disclosure in Form DIR – 8 from its Directors being appointed or re-appointed and has noted that none of the Directors are disqualified under Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

### 31. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as to conservation of energy, technology absorption and foreign exchange earnings and outgo required to be disclosed in terms of Section 134 of the Companies Act, 2013 & Rule 8 of the Companies (Accounts) Rules, 2014 are given separately as **Annexure – 1**.



### 32. Extract of Annual Return

The Extract of Annual Return in the Form MGT-9 is enclosed herewith as **Annexure – 2**.

### 33. Form AOC-2

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred in Section 188(1) of the Companies Act, 2013 is enclosed herewith as **Annexure – 3**.

### 34. Disclosure as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The details as per Rule 5(1) of the aforesaid Rule are enclosed herewith as **Annexure – 4**.

Further, there is no employee falling under the criteria of Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for receipt of remuneration stated therein and thus the statement under the said Sub-rule is not required to be given.

### 35. Secretarial Audit Report

The Secretarial Audit Report given by Mr. Kamlesh M. Shah, Proprietor of M/s. Kamlesh M. Shah & Co., Practicing Company Secretary (C.P. No.: 2072) is enclosed herewith as **Annexure - 5**.

### 36. Disclaimer

Though, the applicability of adherence of provisions

of revised Clause 49 of the Listing Agreement being not mandated, for the time being, for the Companies falling under the criteria of having Paid up Equity Share Capital not exceeding ₹ 10 Crore and Net Worth not exceeding ₹ 25 Crore as on the last date of previous financial year, as stated under the circular CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 issued by the Securities and Exchange Board of India, the Board of Directors of your Company has still made sufficient efforts to provide the information in the Directors' Report and in the entire Annual Report, to the extent possible as a matter of prudence and good governance and to disclose as maximum possible information as the Company should / can.

### 37. Acknowledgments

Your Directors express their deep sense of gratitude to the Bankers, Central and State Governments and their departments and the local authorities for their continued guidance and support.

We would also like to place on record our sincere appreciation for the dedication, commitment and hard work put in by every member of the Arfin family. The Board further expresses that the credit of the success of Arfin goes to each & every member of Arfin family equally. The Management is deeply grateful for the confidence and faith that the shareholders & all other stakeholders have always reposed in them.

For and on Behalf of the Board of Directors

Place: Ahmedabad  
Date: July 20, 2015

**Mahendra R. Shah**  
(Chairman)  
(DIN: 00182746)



# Annexure 1 to the Directors' Report

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Pursuant to the Provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014**

## (A) Conservation of Energy

(i) Steps taken or impact on conservation of energy	Not Applicable
(ii) Steps taken by the Company for utilizing alternate sources of energy	During the financial year Company shifted manufacturing facilities from Gas based consumption to furnace oil.
(iii) Capital investment on energy conservation equipments	The Company has spent ₹ 2.34 Lacs for purchase of MS Oil Tank.

## (B) Technology Absorption

(i) Efforts made towards technology absorption	NIL
(ii) Benefits derived like product improvement, cost reduction, product development or import substitution	NIL
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
(a) Details of technology imported	NIL
(b) 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) Expenditure incurred on Research and Development	NIL

## (C) Foreign Exchange Earnings and Outgo

Description	₹ in Lacs
<b>Foreign Exchange Used (Actual Outflow)</b>	
Sale of Finished Goods	3,421.61
Others	NIL
<b>Total</b>	<b>3,421.61</b>
<b>Foreign Exchange Used (Actual Outflow)</b>	
Import of Raw Material	7,109.32
Import of Capital Goods	17.18
Foreign Travelling Expenses	1.22
Others	13.02
<b>Total</b>	<b>7,140.75</b>

For and on Behalf of the Board of Directors

Place: Ahmedabad  
Date: July 20, 2015

**Mahendra R. Shah**  
(Chairman)  
(DIN: 00182746)

# Annexure 2 to the Directors' Report

## Form No. MGT-9

### Extract of Annual Return

As on the Financial Year ended on March 31, 2015

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

#### I. Registration & Other Details

1 CIN	L65990GJ1992PLC017460
2 Registration Date	April 10, 1992
3 Name of the Company	Arfin India Limited
4 Category / Sub-Category of the Company	Public Company Limited by Shares Indian Non – Government Company
5 Address of the Registered Office & Contact Details	B-302, 3 <sup>rd</sup> Floor, Pelican House, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad – 380009, Gujarat, India. Tel. No.: +91 79 26583791, 92, Email: <a href="mailto:investors@arfin.co.in">investors@arfin.co.in</a>
6 Whether Listed Company	Yes
7 Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited Unit No. 303, Shoppers Plaza - V, Opp. Municipal Market, Off C G Road, Navrangpura, Ahmedabad-380009, Gujarat, India Tel: +91 79 26465179, Fax: +91 79 26465179, Email: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>

#### II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company are given below:

Sr. No.	Name and Description of Main Product / Services	NIC Code of the Product	% to total turnover of the Company
1	Aluminium	242	91.29%

(\*NIC Codes – 2008)

#### III. Particulars of Holding, Subsidiary and Associate Companies

The Company doesn't have any Holding, Subsidiary or Associate Company.



#### IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity) As At March 31, 2015

##### i. Category Wise Shareholding

Category of Share Holders	No. of Shares Held at the Beginning of the Financial Year - April 1, 2014				No. of Shares Held at the End of the Financial Year - March 31, 2015				% Change During the Financial Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individual / HUF	-	21,78,500	21,78,500	76.08%	15,94,000	5,87,200	21,81,200	72.27%	(3.82%)
b. Central Government	-	-	-	-	-	-	-	-	-
c. State Government	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	-	-	-	-	-	-	-	-	-
e. Bank / FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total - (A1)</b>	<b>-</b>	<b>21,78,500</b>	<b>21,78,500</b>	<b>76.08%</b>	<b>15,94,000</b>	<b>5,87,200</b>	<b>21,81,200</b>	<b>72.27%</b>	<b>(3.82%)</b>
<b>2. Foreign</b>									
a. NRI - Individuals	-	-	-	-	-	-	-	-	-
b. Other - Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Bank / FI	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total - (A2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters &amp; Promoters Group (A1+A2)</b>	<b>-</b>	<b>21,78,500</b>	<b>21,78,500</b>	<b>76.08%</b>	<b>15,94,000</b>	<b>5,87,200</b>	<b>21,81,200</b>	<b>72.27%</b>	<b>(3.82%)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b. Bank / FI	-	-	-	-	-	-	-	-	--



## ii.Share Holding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the Beginning of the Financial Year – April 1, 2014		Shareholding at the End of the Financial Year – March 31, 2015		% Change in Share in Holding During the Financial Year
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	
1	Mahendra R. Shah	5,08,400	17.76%	5,13,400	17.01%	(0.75%)
2	Jatin M. Shah	4,48,900	15.68%	4,48,900	14.87%	(0.81%)
3	Rani J. Shah	4,03,400	14.09%	4,03,900	13.38%	(0.71%)
4	Pushpaben M. Shah	3,23,500	11.30%	4,36,700	14.47%	3.17%
5	Jatin M. Shah (HUF)	1,77,200	6.19%	1,77,700	5.89%	(0.30%)
6	Pooja M. Shah	1,32,500	4.63%	1,32,500	4.39%	(0.24%)
7	Mahendra R. Shah (HUF)	62,500	2.18%	62,500	2.07%	(0.11%)
8	Khushbu M. Shah	5,000	0.17%	5,000	0.17%	(0.01%)
9	Jitendra S. Shah	33,100	1.16%	300	0.01%	(1.15%)
10	Shankarlal R. Shah	28,000	0.98%	100	0.003%	(0.97%)
11	Sukanraj Shah	1,500	0.05%	100	0.003%	(0.05%)
12	Vikram S. Shah	1,000	0.03%	100	0.003%	(0.03%)
13	Gulabben S. Shah	28,500	1.00%	-	-	(1.00%)
14	Pistadevi V. Shah	5,700	0.20%	-	-	(0.20%)
15	Kamlaben S. Shah	5,600	0.20%	-	-	(0.20%)
16	Mamta S. Shah	5,600	0.20%	-	-	(0.20%)
17	Rekha J. Shah	3,000	0.10%	-	-	(0.10%)
18	Paniben R. Shah	2,600	0.09%	-	-	(0.09%)
19	Sangati D. Shah	1,500	0.05%	-	-	(0.05%)
20	Deepak Kumar R. Shah	500	0.02%	-	-	(0.02%)
21	Ramesh R. Shah	500	0.02%	-	-	(0.02%)
	<b>Total</b>	<b>21,78,500</b>	<b>76.08%</b>	<b>21,81,200</b>	<b>72.27%</b>	<b>(3.82%)</b>

(\* During the Financial Year under report, 1,55,000 Equity Shares were re-issued on September 25, 2014)



## Annexure 2 to the Directors' Report

### iii. Change in Promoters' Shareholding

Sr. No.	Name of the Shareholder	Shareholding at Beginning of the Financial Year – April 1, 2014		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
1	Mahendra R. Shah				
	At Beginning of the Year	5,08,400	17.76%	5,08,400	17.76%
	Shares allotted on September 25, 2014	5,000	0.17%	5,13,400	17.01%
	At End of the Year			5,13,400	17.01%
2	Jatin M. Shah				
	At Beginning of the Year	4,48,900	15.68%	4,48,900	15.68%
	At End of the Year			4,48,900	14.87%
3	Rani J. Shah				
	At Beginning of the Year	4,03,400	14.09%	4,03,400	14.09%
	Shares Purchased on July 19, 2014	500	0.02%	4,03,900	14.11%
	At End of the Year			4,03,900	13.38%
4	Pushpaben M. Shah				
	At Beginning of the Year	3,23,500	11.30%	3,23,500	11.30%
	Shares Purchased on November 3, 2014	1,13,200	3.75%	4,36,700	14.47%
	At End of the Year			4,36,700	14.47%
5	Jatin M. Shah (HUF)				
	At Beginning of the Year	1,77,200	6.19%	1,77,200	6.19%
	Shares Purchased on July 19, 2014	500	0.02%	1,77,700	6.21%
	At End of the Year			1,77,700	5.89%
6	Pooja M. Shah				
	At Beginning of the Year	1,32,500	4.63%	1,32,500	4.63%
	At End of the Year			1,32,500	4.39%
7	Mahendra R. Shah (HUF)				
	At Beginning of the Year	62,500	2.18%	62,500	2.18%
	At End of the Year			62,500	2.07%
8	Khushbu M. Shah				
	At Beginning of the Year	5,000	0.17%	5,000	0.17%
	At End of the Year			5,000	0.17%
9	Jitendra S. Shah				
	At Beginning of the Year	33,100	1.16%	33,100	1.16%
	Shares Sold on November 3, 2014	(33,000)	(1.09%)	100	0.003%
	Shares Purchased on November 26, 2014	200	0.007%	300	0.01%
	At End of the Year			300	0.01%

## Annexure 2 to the Directors' Report

### iii. Change in Promoters' Shareholding (....continue)

Sr. No.	Name of the Shareholder	Shareholding at Beginning of the Financial Year – April 1, 2014		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
10	Shankarlal R. Shah				
	At Beginning of the Year	28,000	0.98%	28,000	0.98%
	Shares Sold on November 3, 2014	(27,900)	(0.92%)	100	0.003%
	At End of the Year			100	0.003%
11	Sukanraj Shah				
	At Beginning of the Year	1,500	0.05%	1,500	0.05%
	Shares Sold on November 3, 2014	(1,400)	(0.05%)	100	0.003%
	At End of the Year			100	0.003%
12	Vikram S. Shah				
	At Beginning of the Year	1,000	0.03%	1,000	0.035%
	Shares Sold on July 19, 2014	(900)	(0.03%)	100	0.003%
	At End of the Year			100	0.003%
13	Gulabben S. Shah				
	At Beginning of the Year	28,500	1.00%	28,500	0.995%
	Shares Sold on November 3, 2014	(28,400)	(0.94%)	100	0.003%
	Shares Sold on November 26, 2014	(100)	(0.003%)	0	0.00%
	At End of the Year			0	0.00%
14	Pistadevi V. Shah				
	At Beginning of the Year	5,700	0.20%	5,700	0.20%
	Shares Sold on November 3, 2014	(5,600)	(0.19%)	100	0.003%
	Shares Sold on November 26, 2014	(100)	(0.003%)	0	0.00%
	At End of the Year			0	0.00%
15	Kamlaben S. Shah				
	At Beginning of the Year	5,600	0.20%	5,600	0.20%
	Shares Sold on November 3, 2014	(5,600)	(0.19%)	0	0.00%
	At End of the Year			0	0.00%
16	Mamta S. Shah				
	At Beginning of the Year	5,600	0.20%	5,600	0.20%
	Shares Sold on November 3, 2014	(5,600)	(0.19%)	0	0.00%
	At End of the Year			0	0.00%



## Annexure 2 to the Directors' Report

### iii. Change in Promoters' Shareholding (....continue)

Sr. No.	Name of the Shareholder	Shareholding at Beginning of the Financial Year – April 1, 2014		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
17	Rekha J. Shah				
	At Beginning of the Year	3,000	0.10%	3,000	0.10%
	Shares Sold on November 3, 2014	(3,000)	(0.10%)	0	0.00%
	At End of the Year			0	0.00%
18	Paniben Shah				
	At Beginning of the Year	2,600	0.09%	2,600	0.09%
	Shares Sold on November 3, 2014	(2,600)	(0.09%)	0	0.00%
	At End of the Year			0	0.00%
19	Sangati D. Shah				
	At Beginning of the Year	1,500	0.05%	1,500	0.05%
	Shares Sold on July 19, 2014	(1,400)	(0.05%)	100	0.003%
	Shares Sold on November 3, 2014	(100)	(0.003%)	0	0.00%
	At End of the Year			0	0.00%
20	Deepak Kumar R. Shah				
	At Beginning of the Year	500	0.02%	500	0.02%
	Shares Sold on July 19, 2014	(500)	(0.02%)	0	0.00%
	At End of the Year			0	0.00%
21	Ramesh R. Shah				
	At Beginning of the Year	500	0.02%	500	0.02%
	Shares Sold on July 19, 2014	(500)	(0.02%)	0	0.00%
	At End of the Year			0	0.00%

(\* During the financial year under report, 1,55,000 equity shares were re-issued on September 25, 2014)

There is a change / decrease of 3.82% in Shareholding of Promoters during the Financial Year under report and detailed information on the same is available from table ii above.



## Annexure 2 to the Directors' Report

### iv. Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the Shareholder	Shareholding at Beginning of the Financial Year - April 1, 2014		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
1	Priti Gopal Shah				
	At Beginning of the Year	0	0.00%	0	0.00%
	Shares Allotted on September 25, 2014	1,50,000	4.97%	1,50,000	4.97%
	At End of the Year			1,50,000	4.97%
2	Rishab Rameshkumar Shah				
	At Beginning of the Year	0	0.000%	0	0.00%
	Purchased on November 26, 2014	54,300	1.80%	54,300	1.80%
	At End of the Year			54,300	1.80%
3	Dilip Shah				
	At Beginning of the Year	46,000	1.61%	46,000	1.61%
	At End of the Year			46,000	1.52%
4	Kantaben Shah				
	At Beginning of the Year	46,000	1.61%	46,000	1.61%
	At End of the Year			46,000	1.52%
5	Hasumati Shah				
	At Beginning of the Year	46,000	1.61%	46,000	1.61%
	At End of the Year			46,000	1.52%
6	Pratik Lalitkumar Shah				
	At Beginning of the Year	0	0.00%	0	0.000%
	Purchased on November 26, 2014	44,800	1.48%	44,800	1.48%
	At End of the Year			44,800	1.48%
7	Manjuben Madanlal Shah				
	At Beginning of the Year	40,000	1.40%	40,000	1.40%
	At End of the Year			40,000	1.33%
8	Ratnadevi Suresh Nahta				
	At Beginning of the Year	40,000	1.40%	40,000	1.40%
	At End of the Year			40,000	1.33%
9	Sushiladevi Parasmal Nahta				
	At Beginning of the Year	40,000	1.40%	40,000	1.40%
	At End of the Year			40,000	1.33%



## Annexure 2 to the Directors' Report

### iv. Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters and Holders of GDRs and ADRs) (....continue)

Sr. No.	Name of the Shareholder	Shareholding at Beginning of the Financial Year – April 1, 2014		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
10	Jagdish Babulal Shah (HUF)				
	At Beginning of the Year	0	0.00%	0	0.00%
	Purchased on November 26, 2014	39,500	1.31%	39,500	1.31%
	At End of the Year			39,500	1.31%

(\* During the Financial Year under report, 1,55,000 Equity Shares were re-issued on September 25, 2014)





## Annexure 2 to the Directors' Report

### v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Shareholder	Shareholding at Beginning of the Financial Year - April 1, 2014		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
1	Mahendra R. Shah				
	At Beginning of the Year	5,08,400	17.76%	5,08,400	17.76%
	Shares Allotted on September 25, 2014	5,000	0.17%	5,13,400	17.01%
	At End of the Year			5,13,400	17.01%
2	Jatin M. Shah				
	At Beginning of the Year	4,48,900	15.68%	4,48,900	15.68%
	At End of the Year			4,48,900	14.87%
3	Shantilal Mehta				
	At Beginning of the Year	0	0.00%	0	0.00%
	At End of the Year			0	0.00%
4	Dilip Kumar Daga <sup>1</sup>				
	At Beginning of the Year	2,500	0.09%	2,500	0.09%
	At End of the Year			2,500	0.08%
5	Rameshkumar Babulal Shah <sup>1</sup>				
	At Beginning of the Year	0	0.00%	0	0.00%
	At End of the Year			0	0.00%
6	Mona Chhapi <sup>2</sup>				
	At Beginning of the Year	0	0.00%	0	0.00%
	At End of the Year			0	0.00%
7	Pushpaben M. Shah <sup>3</sup>				
	At Beginning of the Year	3,23,500	11.30%	3,23,500	11.30%
	Purchased on November 3, 2014	1,13,200	3.75%	4,36,700	14.47%
	At End of the Year			4,36,700	14.47%
8	Riddhi N. Shah <sup>4</sup>				
	At Beginning of the Year	0	0.00%	0	0.00%
	At End of the Year			0	0.00%

(\* During the Financial Year under report, 1,55,000 Equity Shares were re-issued on September 25, 2014)

<sup>1</sup> Appointed w.e.f. August 25, 2014

<sup>2</sup> Appointed w.e.f. December 6, 2014

<sup>3</sup> Resigned w.e.f. November 22, 2014

<sup>4</sup> Appointed w.e.f. November 26, 2014 and Resigned w.e.f. July 20, 2015



## Annexure 2 to the Directors' Report

### V. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment ₹ in Lacs

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the Beginning of the Financial Year April 1, 2014</b>				
1) Principal Amount	2,451.00	946.93	-	3,397.93
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>2,451.00</b>	<b>946.93</b>	<b>-</b>	<b>3,397.93</b>
<b>Change in Indebtedness During the Financial Year</b>				
+ Addition	2,744.73	247.10	-	2,991.83
- Reduction	2,068.13	946.93	-	3,015.06
Net change	676.60	(699.83)	-	(23.22)
<b>Indebtedness at the End of the Financial Year March 31, 2015</b>				
1) Principal Amount	3,127.61	247.10	-	3,374.71
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>3,127.61</b>	<b>247.10</b>	<b>-</b>	<b>3,374.71</b>

### VI. Remuneration of Directors and Key Managerial Personnel

#### A. Remuneration to Managing Director, Whole-Time Directors and / or Manager

Amount in ₹

Sr. No	Particulars of Remuneration	Whole Time Director Mr. Mahendr R. Shah	Managing Director Mr. Jatin M. Shah	Total Amount
1	Gross Salary			
	(a) Salary as per Provisions Contained in Section 17(1) of the Income Tax Act	12,73,440/-	12,73,440/-	25,46,880/-
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of Salary u/s 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of Profit			
	- Other, Specify			



## Annexure 2 to the Directors' Report

### VI. Remuneration of Directors and Key Managerial Personnel

#### A. Remuneration to Managing Director, Whole-Time Directors and / or Manager (...continue) Amount in ₹

Sr. No	Particulars of Remuneration	Whole Time Director Mr. Mahendr R. Shah	Managing Director Mr. Jatin M. Shah	Total Amount
5	Others			
	Medical Reimbursement	8,750/-	8,750/-	17,500/-
	Contribution of Employer to Provident Fund	1,52,812/-	1,52,812/-	3,05,624/-
	Performance Bonus	5,00,000/-	5,00,000/-	10,00,000/-
	<b>Total</b>	<b>19,35,002/-</b>	<b>19,35,002/-</b>	<b>38,70,004/-</b>
	Ceiling as per the Act	10% of the Net Profit of the Company		

(\* Excluding Gratuity Provision)

#### B. Salary of Other Directors

##### I. Independent Directors

Amount in ₹

Particulars of Salary	Name of Directors			Total Amount
	Mr. Ramesh kumar Shah <sup>1</sup>	Mr. Dilip Kumar Daga <sup>1</sup>	Ms. Mona Chhopia <sup>2</sup>	
Fee for Attending Board & Committee Meetings	-	-	-	-
Commission	-	-	-	-
Others	-	-	-	-
<b>Total (1)</b>	-	-	-	-

<sup>1</sup> Appointed w.e.f. August 25, 2014

<sup>2</sup> Appointed w.e.f. December 6, 2014

##### II. Other Non Executive Directors

Amount in ₹

Other Non-Executive Directors	Mrs. Pushpaben M. Shah <sup>3</sup>	Mr. Shantilal Mehta	Total Amount
Fee for attending board committee meetings	-	-	-
Commission	-	-	-
Others	6,30,760/-	90,000/-	7,20,760/-
<b>Total (2)</b>	<b>6,30,760/-</b>	<b>90,000/-</b>	<b>7,20,760/-</b>
<b>Total B = (1+2)</b>	<b>6,30,760/-</b>	<b>90,000/-</b>	<b>7,20,760/-</b>
<b>Total Managerial Remuneration</b>			<b>45,90,764/-</b>
Overall Ceiling as per the Act	11% of the Net Profit of the Company		

<sup>3</sup> Resigned w.e.f. November 22, 2014

(\*Excluding Service Tax)



## Annexure 2 to the Directors' Report

### C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Amount in ₹

Sr. No.	Particulars of Remuneration	Ms. Riddhi N. Shah <sup>4</sup> (Company Secretary)
1	Gross Salary	9,784/-
	(a) Salary as per Provisions Contained in Section 17(1) of the Income Tax Act	-
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	-
	(c) Profits in lieu of Salary u/s 17(3) Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission -As % of Profit -Others, Specify	-
5	Others	
	House Rent Allowance	4,892/-
	Special Allowance	14,176/-
	Contribution to Provident Fund	1,174/-
	ESIC – Company's Contribution	1,426/-
	<b>Total</b>	<b>31,452/-</b>

<sup>4</sup> Appointed w.e.f November 26, 2014 and Resigned w.e.f July 20, 2015

### VII. Penalties / Punishment / Compounding of Offences (Under the Companies Act 1956 / 2013):

None

For and on Behalf of the Board of Directors

Place: Ahmedabad  
Date: July 20, 2015

**Mahendra R. Shah**  
(Chairman)  
(DIN: 00182746)



# Annexure 3 to the Directors' Report

## 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)

Form for 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 Contract or Arrangements of Transactions not at arm's length price: Not Applicable
2. Details of Material Contracts or Arrangement or Transactions at Arm's Length Basis

Name(s) of the Related Party and Nature of Relationship (a)	Nature of Contracts / Arrangements / Transactions (b)	Duration of the Contracts / Arrangements / Transactions (c)	Salient Terms of the Contracts or Arrangements or Transactions including the Value, if any (d)	Date(s) of Approval by the Board, (e)	Amount Paid as Advances, if any (f)
Mahendra Aluminium Company Limited	Sales	Not Applicable	₹ 4,86,19,733/-	May 22, 2015	The Company has paid / received advances for the said transactions as & when deemed appropriate by both the parties mutually.
	Purchase		₹ 32,05,86,061/-	May 22, 2015	
	Rent Payment		₹ 1,20,000/-	May 22, 2015	
	Rent Received		₹ 1,75,000/-	May 22, 2015	
	Purchase of Fixed Assets		₹ 16,55,733/-	May 22, 2015	

For and on Behalf of the Board of Directors

Place: Ahmedabad  
Date: July 20, 2015

**Mahendra R. Shah**  
(Chairman)  
(DIN: 00182746)

# Annexure 4 to the Directors' Report

## Disclosure as per Section 197(12) of the Companies Act, 2013 & Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The Ratio of the Remuneration of Each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2014-15

Name	Designation	Ratio to Median Employee
Mr. Mahendra R. Shah	Executive Chairman & Whole Time Director	10.40:1
Mr. Jatin M. Shah	Managing Director	10.40:1
Mr. Shantilal Mehta	Non Executive Director	0.48:1
Mr. Rameshkumar Babulal Shah <sup>1</sup>	Non Executive Independent Director	-
Mr. Dilip Kumar Daga <sup>1</sup>	Non Executive Independent Director	-
Ms. Mona Chhopia <sup>2</sup>	Non Executive Independent Director	-
Mrs. Pushpaben M. Shah <sup>3</sup>	Non Executive Director	3.39:1

ii. The Percentage Increase in Remuneration of Each Director, Chief Financial Officer and Company Secretary during the Financial Year 2014-15

Name	Designation	% Increase in Remuneration in the Financial Year 2014-15
Mr. Mahendra R. Shah	Executive Chairman & Whole Time Director	No remuneration was paid during 2013-14
Mr. Jatin M. Shah	Managing Director	130.36%
Mr. Shantilal Mehta	Non Executive Director	No remuneration was paid during 2013-14
Mr. Rameshkumar Babulal Shah <sup>1</sup>	Non Executive Independent Director	Not Applicable
Mr. Dilip Kumar Daga <sup>1</sup>	Non Executive Independent Director	Not Applicable
Ms. Mona Chhopia <sup>2</sup>	Non Executive Independent Director	Not Applicable
Mrs. Pushpaben M. Shah <sup>3</sup>	Non Executive Director	-24.91% <sup>(note 5)</sup>
Ms. Riddhi N. Shah <sup>4</sup>	Company Secretary & Compliance Officer	Not Applicable

<sup>1</sup> Appointed w.e.f. August 25, 2014

<sup>2</sup> Appointed w.e.f. December 6, 2014

<sup>3</sup> Resigned w.e.f. November 22, 2014

<sup>4</sup> Appointed w.e.f. November 26, 2014 & Resigned w.e.f. July 20, 2015

<sup>5</sup> As Mrs. Pushpaben M. Shah has Resigned during the Financial Year, the Actual Payment made for both the Financial Years has been taken into consideration



## Annexure 4 to the Directors' Report

iii. The Percentage Increase in the Median Remuneration of Employees in the Financial Year 2014-15: 77.14%

iv. The Number of Permanent Employees on the Rolls of Company as at March 31, 2015: 56 Employees

v. The Explanation on the Relationship between Average Increase in Remuneration and Company Performance

- The total revenue growth during the financial year 2014-15 over financial year 2013-14 was 31.69%.
- Profit before tax for the financial year 2014-15 has increased by 75.69% as compared to financial year 2013-14. Profit after tax has increased by 76.60% for the same periods.
- The average increase in remuneration is associated with and driven by achievement of goals and overall business, financial and operational performance of the Company.

vi. Comparison of the Remuneration of the Key Managerial Personnel(s) against the Performance of the Company

Aggregate remuneration of KMP(s)	₹ 39,01,456/-
Remuneration of KMP (% of Revenue)	0.16%
Remuneration of KMP (% of PBT)	5.53%
Remuneration of KMP (% of PAT)	8.35%

vii. Variations in the Market Capitalisation of the Company, Price Earnings Ratio as at the Closing Date of the Current Financial Year and Previous Financial Year

- Market Capitalization: Not Applicable
- Price Earnings Ratio: as at March 31, 2015: Not Applicable  
as at March 31, 2014: Not Applicable
- The Company has not made any recent public offer in the recent past and shares of the Company were inactive for trading on Regional Stock Exchanges during the financial year under report and accordingly, comparison of Public Offer Price and the Current Market Price (as at March 31, 2015) of the Company's shares couldn't be given.

viii. Average Percentile Increase already made in the Salaries of Employees other than the Managerial Personnel in the last Financial Year and its Comparison with the Percentile Increase in the Managerial Remuneration

Average percentage increase in Salary of the Employees of the Company was around 11%.

ix. Comparison of the Each Remuneration of the Key Managerial Personnel against the Performance of the Company

Name	Designation	Remuneration	Remuneration as % of Revenue	Remuneration as % of PBT	Remuneration as % of PAT
Mr. Mahendra R. Shah	Whole Time Director	₹ 19,35,002/-	0.08%	2.74%	4.14%
Mr. Jatin M. Shah	Managing Director	₹ 19,35,002/-	0.08%	2.74%	4.14%
Ms. Riddhi N. Shah <sup>4</sup>	Company Secretary	₹ 31,452/-	0.001%	0.045%	0.067%

<sup>4</sup> Appointed w.e.f. November 26, 2014 & Resigned w.e.f. July 20, 2015



## Annexure 4 to the Directors' Report

- x. The Key Parameters for any Variable Component of Remuneration Availed by the Directors: Not Applicable
- xi. The Ratio of the Remuneration of the Highest Paid Director to that of the Employees who are not Directors but receive Remuneration in Excess of the Highest Paid Director during the Year: Not Applicable
- xii. It is affirmed that the Remuneration is as per the Remuneration Policy of the Company.

For and on Behalf of the Board of Directors

Place: Ahmedabad  
Date: July 20, 2015

**Mahendra R. Shah**  
(Chairman)  
(DIN: 00182746)





# Annexure 5 to the Directors' Report

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2015

[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,  
**Arfin India Limited,**  
**Ahmedabad, Gujarat**  
**CIN: L65990GJ1992PLC017460**

I / we have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ARFIN INDIA LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me / us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my / our opinion thereon.

Based on my / our verification of the records of **ARFIN INDIA LIMITED** (books, papers, minute books, forms and returns filed and other records maintained by the Company) and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I / we hereby report that in my / our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliances-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I / We have examined the books, papers, minute books, forms and returns filed and record maintained by **ARFIN INDIA LIMITED (CIN: L65990GJ1992PLC017460)** for the financial year ended on March 31, 2015 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956

('SCRA') and the Rules made there under;

**There was no instance requiring Company to do compliance under the SCRA or any Rules made thereunder and to maintain any records during the financial year under the review.**

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;  
**The Company has complied the provisions of the Depositories Act, 1996 and its Regulations for dematerialization of 18,82,600 Equity Shares of ₹ 10/- each during the financial year under report.**
4. Foreign Exchange Management Act, 1999 and the Rules and Regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;  
**There was no instance requiring Company to do compliance under the FEMA Act, 1999 and Rules framed thereunder during the financial year under the review.**
5. 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 Takeover) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Training) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable as the Company did not issue any Security during the financial year under review**);



## Annexure 5 to the Directors' Report

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the financial year under review)**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company as Company did not issue any Debt Security during the financial year under review)**;
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable as the Company has not delisted its Security from any Stock Exchange during the financial year under the review) and**;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable as the Company does not buy back any shares during the financial year under the review)**.
6. As stated in the “Annexure A” all the Laws, Rules, Regulations are applicable specifically to the Company.

I / We have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India though applicable w.e.f. July 01, 2015 and not mandatory right now is also complied.
- (b) The Listing Agreements entered into by the Company with Stock Exchanges.

### Management Responsibility for Secretarial Compliances

The Management of the Company is responsible for preparation and maintenance of Secretarial Record and for devising proper systems to ensure

compliances with the applicable Laws, Rules and Regulations.

### Auditor's Responsibility

My / Our responsibility is to express an opinion on Secretarial Records, Standards and Procedures followed by the Company with respect of the secretarial compliances. I / We believe that audit evidence and information obtained from the Company's Management is adequate and appropriate for me / us to provide basis to my / our opinion.

During the period under review, on the basis of the Company's books, papers, minute books, forms and returns filed and other record maintained by the Company in respect of Acts, Rules and Regulations listed above and also information and explanation provided by the Company, its officers, agents and authorized representative during the conducting of Secretarial Audit we hereby report that, in our opinion, the Company has complied with the aforesaid Act, Rules, Guidelines, Regulations and Notifications issued by MCA from time to time for the financial year ended on March 31, 2015, to the extent and subject to our following comments / observations and qualifications.

1. Adequate Notices were given to all Directors to schedule the Board Meetings, Agenda and Detailed Notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting except for the Board meetings which have been convened at a shorter notice with the consent of all the Directors. Majority decisions are carried through while the Dissenting Members' views have been captured and recorded as part of the minutes.
2. The Company has duly complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 for disclosure required to be made there under.



## Annexure 5 to the Directors' Report

3. The Company has also duly complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as regards to Code of Internal Procedure and Disclosure required to be made to the Stock Exchanges during the financial year under review.
4. Secretarial Standards (SS) issued by the ICSI were not applicable to the Company during the financial year under audit, however in respect of issue of notices for Board and General Meetings, Adequate Notices are given along with full supporting documents, Agenda papers and draft resolutions, explanatory statements except for the meetings of Board convened at shorter notices with consent of all the Directors of the Company.
5. The Company has complied with the provisions of the Listing Agreement entered into by the Company with both the Stock Exchanges (Ahmedabad and Calcutta Stock Exchanges) on belated basis & both the Stock Exchanges have issued NOC for listing of shares on Bombay Stock Exchange.
6. The Board of Directors of the Company has from time to time passed various resolutions for borrowing and the same are properly recorded in the minutes books. However it is still in process of filling necessary forms along with resolutions as required by Section 179(3) of the Companies Act, 2013. Further, the Company was required to file some of the forms and returns with supporting documents with the office of Registrar of Companies which are yet to be filed. The same is being completed with due process and in due course of time.
7. The Company has entered into transactions with the Related Parties for sale / purchase of goods and services. The Company is also used to make advance payment for procurement of goods from some of the Parties. As represented by the Management, all such transactions are made at prevailing market price and on arms length basis in the ordinary course of business. Further, we are given to understand that the advance payments

are being made as per normal trade and commercial practices. We are unable to comment upon it.

### **We further report that:**

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executives Directors, Independent Directors and Woman Director. However, the Women Director was appointed on December 06, 2014.
- II. The changes in the Composition of the Board of Directors that took place during the period under review under the provision of the Act are properly made and necessary returns are filed with the appropriate Authorities and intimated to Regulators.
- III. As informed to us by the Officers of the Company, the Company being engaged in manufacturing and selling of Aluminum Cubes, Aluminium Wire Rod and Other Non Ferrous Metal Products, pertains to the Aluminum Industry for which no law is in force specifically applicable to the Company. Accordingly, we do not make any comment as to compliance requirements of the Laws specifically applicable to the Company.
- IV. The Company has constituted various Committees and has assigned roles and responsibilities concerning the scope and objectives of the Committees.
- V. The Company has duly complied with the requirements of appointment of Company Secretary and Compliance Officer and other KMPs.
- VI. The Company has made / submitted all past pending compliances of Listing Agreement with the Ahmedabad and Calcutta Stock Exchange and has obtained NOC for listing of shares at the Bombay Stock Exchange.
- VII. During the financial year under audit, the Company has transferred the shares as per the provisions of the Companies Act and Articles of Associations of the Company.



## Annexure 5 to the Directors' Report

- VIII. The Company has reissued its forfeited 1,55,000 Equity Shares with due compliances and the same are listed.
- IX. The Company has complied with the provisions for getting the enhanced credit facilities to meet fund requirements towards the business growth.
- X. As confirmed by the Management, no prosecution, legal notices initialed on the Company, its Directors and KMP and no prosecutions are filed.

**I / We further report that** during the audit period the Company has not made any:

- (I) Public / Right / Preferential Issue of Shares / Debentures / Sweat Equity etc.
- (II) Redemption / Buy Back of Securities.
- (III) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- (IV) Merger / Amalgamation / Reconstruction etc.
- (V) Foreign Technical Collaborations.

For **Kamlesh M. Shah & Co.**  
Practicing Company Secretaries

Place: Ahmedabad  
Date: July 15, 2015

**Kamlesh M. Shah**  
ACS: 8356, COP: 2072



### ANNEXURE "A"

#### Securities Laws

1. All Price Sensitive Information were informed to the Stock Exchanges from time to time.
2. All investor complains directly received by the Company are recorded on the same date of receipts.

#### Labour Laws

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour / bonded labour in any of its establishments.
3. The Company is ensuring the compliances of PF / ESIC and other social security measures to the employees. One of the responsible officers of the Company carries out the survey regarding the compliance in this regards.

#### Environmental Laws

1. The Company is not discharging the contaminated water at the public drains / rivers. The Company has efficient water treatment plants at its factory premises (as applicable).
2. The Company has been disposing the hazardous waste as per applicable Rules.

#### Taxation Laws

1. The Company follows all the provisions of the taxation and Income Tax Act, 1961 and filing of returns at proper time with Income Tax Department and all other necessary Departments.

For **Kamlesh M. Shah & Co.**  
Practicing Company Secretaries

Place: Ahmedabad  
Date: July 15, 2015

**Kamlesh M. Shah**  
ACS: 8356, COP: 2072

# Corporate Governance Report

## 1. Company's Philosophy on Code of Corporate Governance

At Arfin, we view Corporate Governance in its widest sense, almost like trusteeship, integrity, transparency, accountability and compliance with laws which are the columns of good governance & are manufactured in the Company's business practices to ensure ethical and responsible leadership both at the Board and at the Management level. The Company's philosophy on Corporate Governance is to enhance the long-term economic value of the Company and to give sustainable return to its stakeholders i.e. the society at large by adopting best corporate practices in fair and transparent manner by aligning interest of the Company with that of its shareholders / other key stakeholders. Corporate Governance is not merely compliance and not simply creating checks and balances, it is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality. This, together with sustainable development policies followed by the Company, has enabled your Company to earn trust and goodwill of its investors, business partners, employees and the communities in which it operates.

### Note

Though, the applicability of adherence of provisions of revised Clause 49 of the Listing Agreement being not mandated, for the time being, for the Companies falling under the criteria of having Paid up Equity Share Capital not exceeding ₹ 10 Crore and Net Worth not exceeding ₹ 25 Crore as on the last date of previous financial year, as stated under the circular CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 issued by the Securities and Exchange Board of India, the Board of Directors of your Company has still made sufficient efforts to provide the information in the Directors' Report and in the entire Annual Report, to the extent possible as a matter of prudence and good governance and to disclose as maximum possible information as the Company should / can.

## 2. Board of Directors

### i. Composition of the Board

The Board of Directors at Arfin is headed by Mr.

Mahendra R. Shah, Executive Chairman & Whole Time Director of the Company. The Independent Directors on the Board are experienced, competent and highly reputed persons from their respective fields. The Independent Directors take active part at the Board and Committee Meetings, which adds vision, strategic direction and value in the decision making process of the Board of Directors. As at March 31, 2015 the composition of the Board of Directors is given herein below:

- One Promoter, Executive Chairman, Whole Time Director (Mr. Mahendra R. Shah)
- One Promoter, Executive, Managing Director (Mr. Jatin M. Shah)
- One Non Executive, Non Independent Director (Mr. Shantilal Mehta)
- Three Non Executive, Independent Directors (Mr. Rameshkumar Babulal Shah, Mr. Dilip Kumar Daga & Ms. Mona Chhapiya)

### ii. Attendance of each Director at Board Meetings and last Annual General Meeting

The Board meets at least once a quarter to review the quarterly financial results and operations of your Company. In addition, the Board also meets as and when necessary to address specific issues relating to the business of your Company.

During the financial year ended on March 31, 2015, 23 Board Meetings were held on the following dates:

- |                         |                         |
|-------------------------|-------------------------|
| 1. May 13, 2014,        | 13. September 21, 2014, |
| 2. May 16, 2014,        | 14. September 25, 2014, |
| 3. May 27, 2014,        | 15. September 30, 2014, |
| 4. June 2, 2014,        | 16. October 17, 2014,   |
| 5. June 16, 2014,       | 17. October 29, 2014,   |
| 6. July 15, 2014,       | 18. November 3, 2014,   |
| 7. July 19, 2014,       | 19. November 26, 2014,  |
| 8. July 31, 2014,       | 20. December 6, 2014,   |
| 9. August 14, 2014,     | 21. January 16, 2015,   |
| 10. August 25, 2014,    | 22. February 10, 2015 & |
| 11. August 28, 2014,    | 23. March 17, 2015.     |
| 12. September 12, 2014, |                         |



## Corporate Governance Report

Attendance of each Director at Board Meetings and at last Annual General Meeting (AGM) is as under:

Sr. No	Name of Director	No. of Board Meetings Attended	Attendance at last AGM
1	Mr. Mahendra R. Shah	23	Yes
2	Mr. Jatin M. Shah	23	Yes
3	Mr. Shantilal Mehta	15	Yes
4	Mr. Rameshkumar Babulal Shah <sup>1</sup>	13	No
5	Mr. Dilip Kumar Daga <sup>1</sup>	13	No
6	Ms. Mona Chhapia <sup>2</sup>	3	No
7	Mrs. Pushpaben M. Shah <sup>3</sup>	18	Yes

<sup>1</sup>Appointed w.e.f. August 25, 2014 <sup>2</sup>Appointed w.e.f. December 6, 2014 <sup>3</sup>Resigned w.e.f. November 22, 2014

### iii. The number of Directorships on the Board and Board Committees of other Companies, of which the Directors are Members / Chairman is given as under

Sr. No.	Name of Director	Category	Relationship Interse Directors	No. of other Directorships (Other than Arfin India Limited)	No. of Board Committees (Other than Arfin India Limited)	
					Chairman	Member
1	Mr. Mahendra R. Shah	Promoter, Executive, Non Independent	Related to Mrs. Pushpaben M. Shah & Mr. Jatin M. Shah	2	-	-
2	Mr. Jatin M. Shah	Promoter, Executive, Non Independent	Related to Mr. Mahendra R. Shah & Mrs. Pushpaben M. Shah	2	-	-
3	Mr. Shantilal Mehta	Non Executive, Non Independent	-	-	-	-
4	Mr. Rameshkumar Babulal Shah <sup>1</sup>	Non Executive, Independent	-	3	-	-
5	Mr. Dilip Kumar Daga <sup>1</sup>	Non Executive, Independent	-	1	-	-
6	Ms. Mona Chhapia <sup>2</sup>	Non Executive, Independent	-	-	-	-
7	Mrs. Pushpaben M. Shah <sup>3</sup>	Promoter, Non Executive, Non Independent	-	-	-	-

<sup>1</sup>Appointed w.e.f. August 25, 2014 <sup>2</sup>Appointed w.e.f. December 6, 2014 <sup>3</sup>Resigned w.e.f. November 22, 2014



### iv. Non Executive Directors' Compensation and Disclosures

During the financial year under report, the Company has compensated Mrs. Pushpaben M. Shah, a sum of ₹ 6,30,760/- and Mr. Shantilal Mehta, a sum of ₹ 90,000/- for the financial year 2014-15 being Non-Executive, Non-Independent Directors.

Apart from above, no transaction for payment of any sum has been made with Non-Executive and / or Independent Directors *vis-a-vis* your Company.

At the Board Meeting held on May 22, 2015, the Board has decided to remunerate Non Executive Directors by way of paying Sitting Fees to them for attending Board and Committee(s) meetings thereof for the financial year 2015-16 onwards.

### v. Other Provisions as to Board & Committees

Your Company's Board plays a pivotal role in ensuring good governance and functioning of your Company. The Independent Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board and their foresight helps in decision making process.

The Board has unfettered and complete access to every information of the Company. Members of the Board have complete freedom to express their views on agenda items and decisions at Board level are taken after due deliberations and full transparency. The Board provides direction and exercises appropriate control to ensure that your Company is managed in a manner that fulfils stakeholders' aspirations and social expectations.

The matters placed before the Board as required under revised Clause 49 of Listing Agreement *inter alia* include:

- Business plans and progress thereof
- Key elements of Annual Budget
- Company's presentation on quarterly performance
- Delegation of powers to the Management
- Significant human resources related issues
- Sale / purchase or material nature of investment, which is not in normal course of business

- Review of compliance of all laws applicable to the Company including the requirements of the Listing Agreement with the Stock Exchange(s) and steps taken by the Company to rectify instances of non compliances, if any
- Minutes of meetings of Audit Committee, and other Committees of Board of Directors

### 3. Audit Committee

#### i. Broad Terms of Reference

The Audit Committee reviews the matters falling in its terms of reference and addresses larger issues and examines those facts that could be of vital concerns to the Company. The terms of reference of the Audit Committee constituted by the Board in terms of Section 177 of the Companies Act, 2013 and the Corporate Governance Code as prescribed under revised Clause 49 of the Listing Agreement, broadly includes matters pertaining to adequacy of internal control systems, review of financial reporting process, discussion of financial results, interaction with auditors, appointment and remuneration of auditors, adequacy of disclosures and other relevant matters. In particular, these include:

1. recommending to the Board, appointment, reappointment and, if required, replacement or removal of the Auditors and fixation of audit fees.
2. over sighting of Company's financial reporting process and disclosure of its financial information to ensure that the Financial Statements are correct, credible and sufficient.
3. approval of payments to the Auditors for any other services rendered by them.
4. reviewing with Management, the Annual Financial Statements before submission to the Board for approval with particulars reference to:
  - a) matters required to be included in the Directors' Responsibility Statement and Board's Report in terms of Section 134(5) of the Companies Act, 2013.
  - b) changes if any, in accounting policies and practices and reasons for the same.
  - c) major accounting entries involving estimates based on the exercise of judgment by Management.





- d) significant adjustments made in the Financial Statements arising out of audit findings.
- e) compliance with listing and other legal requirements relating to Financial Statements.
- f) disclosure of any related party transactions.
- g) qualifications in the draft Audit Report.
5. reviewing with the Management, the Quarterly Financial Statements before submission to the Board for approval.
6. reviewing with the Statutory and Internal Auditors, the adequacy of internal controls and steps to be taken for strengthening the areas of weaknesses in internal controls.
7. reviewing reporting structure, coverage and frequency of internal audit.
8. discussion with Internal Auditors of any significant findings and follow up thereon.
9. reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. discussion with 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.
11. to review the following information:
  - a) Management Discussion and Analysis of financial condition and results of operations,
  - b) Statement of significant related party transactions (as defined by the audit committee), submitted by the Management,
  - c) Management letters / letters of internal control weaknesses issued by the Auditors.
12. approval of the Annual Internal Audit Plan.
13. reviewing whistle Blower Mechanism.
14. carrying out any other functions as required for routine compliances.

### ii. Composition of Audit Committee

As at March 31, 2015, the following Directors were members of the Audit Committee:

- (i) Mr. Dilip Kumar Daga: Chairman, Independent, Non Executive Director
- (ii) Mr. Rameshkumar Babulal Shah: Independent, Non Executive Director
- (iii) Mr. Mahendra R. Shah: Non Independent, Executive Director

All members of the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

Mr. Durgesh D. Soni, Company Secretary & Compliance Officer acts as Secretary of the Committee. (appointed at the Board meeting held on July 20, 2015)

### iii. Meetings & Attendance

During the financial year ended on March 31, 2015, two meetings were held: (i) October 10, 2014 & (ii) February 5, 2015. All three members of the Audit Committee had attended both the Audit Committee Meetings.

### iv. Self assessment by Audit Committee

The Audit Committee has set in place a process to measure and benchmark its performance on an annual basis. The assessment broadly covers composition, structure and committee meetings; business and risk management; overview of the financial reporting process; internal control systems and overview of internal and external audits. The results of self assessment are presented to the Audit Committee along with action plan in the areas requiring improvement.

### 4. Nomination & Remuneration Committee

#### i. The Nomination & Remuneration Committee reviews the matters falling in its terms of reference & mainly includes:

- a) reviewing and deciding the policy on specific remuneration package of Executive Directors, KMP & other Senior Employees.
- b) deciding quantum of Commission / Sitting Fee or



## Corporate Governance Report

other amounts of Non Executive Directors of the Company.

### ii. Composition of the Committee

As at March 31, 2015, the following Directors were members of the Nomination & Remuneration Committee:

- (i) Mr. Rameshkumar Babulal Shah: Chairman, Independent, Non Executive Director
- (ii) Mr. Dilip Kumar Daga: Independent, Non Executive Director
- (iii) Mr. Shantilal Mehta: Non Independent, Non Executive Director

Mr. Durgesh D. Soni, Company Secretary & Compliance Officer of the Company acts as Secretary of the Committee. (appointed at the Board meeting held on July 20, 2015)

### iii. Meetings & Attendance

During the financial year ended on March 31, 2015, two meetings were held: (i) September 25, 2014 & (ii) November 15, 2014. All three members of the Nomination & Remuneration Committee had attended both the Committee Meetings.

### iv. Remuneration Policy

The Company's Remuneration Policy is based on the principles of pay for performance. Keeping in view the above, the Remuneration Committee is vested with all the necessary powers and authorities to ensure appropriate disclosure on remuneration to the Executive Directors including details of fixed components and performance linked incentives.

As for the Non Executive Directors, their appointment on the Board is for the benefit of the Company due to their vast professional expertise in their individual capacity. The Board at its meeting held on May 22, 2015 has decided to remunerate the Non Executive Directors by way of paying them sitting fee for attending Board and Committee Meetings thereof.

The Remuneration policy adopted by the Company can be found at below web link:

<http://www.arfin.co.in/pdf/policies/remuneration-of-directors-key-managerial-personnel-and-senior-employees-policy.pdf>

The numbers of equity shares held by Non Executive Directors of the Company as at March 31, 2015 are as under:

Sr. No.	Name of Non Executive Director	No. of Equity Shares held
1	Mr. Shantilal Mehta	-
2	Mr. Rameshkumar Babulal Shah <sup>1</sup>	-
3	Mr. Dilip Kumar Daga <sup>1</sup>	2,500
4	Ms. Mona Chhapiya <sup>2</sup>	-

<sup>1</sup> Appointed w.e.f. August 25, 2014    <sup>2</sup> Appointed w.e.f. December 06, 2014

### v. Details of Salary paid to the Directors for the Financial Year ended on March 31, 2015

Amount in ₹

Name of Director	Salary	Benefits	Commission	Sitting Fee	Others	Total
1 Mr. Mahendra R. Shah	12,73,440/-	6,61,562/-	-	-	-	19,35,002/-
2 Mr. Jatin M. Shah	12,73,440/-	6,61,562/-	-	-	-	19,35,002/-
3 Mr. Shantilal Mehta	-	-	-	-	90,000/-	90,000/-
4 Mr. Rameshkumar Babulal Shah <sup>1</sup>	-	-	-	-	-	-
5 Mr. Dilip Kumar Daga <sup>1</sup>	-	-	-	-	-	-
6 Ms. Mona Chhapiya <sup>2</sup>	-	-	-	-	-	-
7 Mrs. Pushpaben M. Shah <sup>3</sup>	3,27,010/-	3,03,750/-	-	-	-	6,30,760/-

<sup>1</sup> Appointed w.e.f. August 25, 2014    <sup>2</sup> Appointed w.e.f. December 6, 2014    <sup>3</sup> Resigned w.e.f. November 22, 2014



## 5. Stakeholder Relationship Committee or Shareholders' / Investors' Grievance Committee

### i. Composition

As at July 20, 2015, the followings were members of the Stakeholder Relationship Committee / Shareholders' / Investors' Grievance Committee:

- (i) Mr. Shantilal Mehta: Chairman, Non Independent, Non Executive Director
- (ii) Mr. Mahendra R. Shah: Non Independent, Executive Director
- (iii) Mr. Durgesh D. Soni: Company Secretary &

Compliance Officer (appointed at the Board meeting held on July 20, 2015)

### ii. Function & Complaints

The Committee specifically looks into redressal of shareholders' / investors' complaints such as transfer of shares, issue of duplicate shares, non-receipts of shares, non-receipt of dividend declared & annual reports and to ensure expeditious share transfer process and to review the status of investors' grievances, redressal mechanism and recommend measures to improve the level of investors' services.

The Company did not receive any complaint in this regard during the financial year 2014-15.

## 6. General Body Meetings

Dates, time and places of last three Annual General Meetings (AGMs) held are given below:

AGM	Date	Time	Place
22 <sup>nd</sup> AGM	Tuesday, July 22, 2014	3:30 pm	B-302, 3 <sup>rd</sup> Floor, Pelican House, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad – 380009, Gujarat, India
21 <sup>st</sup> AGM	Monday, September 30, 2013	5:30 pm	B-302, 3 <sup>rd</sup> Floor, Pelican House, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad – 380009, Gujarat, India
20 <sup>th</sup> AGM	Saturday, September 29, 2012	12:30 pm	B-302, 3 <sup>rd</sup> Floor, Pelican House, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad – 380009, Gujarat, India

No Special Resolution was passed at any of the last three Annual General Meetings. Further, no Extraordinary General Meeting was held during the financial year under report.

There were no matters required to be dealt / passed by the Company through postal ballot, in any of the aforesaid meetings, as required under the provisions of Section 192A of the Companies Act, 1956 (corresponding Section 110 of the Companies Act, 2013). Further, no special resolution is proposed to be passed by postal ballot for the ensuing AGM.

## 7. Disclosures

There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries / Associates or

relatives conflicting with Company's interest. Suitable disclosures as required by the Accounting Standard (AS18) have been made in the Annual Report. **Form AOC-2** also forms part of the Directors' Report.

No penalties or strictures have been imposed on the Company by the Stock Exchange(s) or SEBI or any other statutory authority on any matter related to capital markets during last three financial years.

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013, Rules framed thereunder and the Listing Agreement, the Company has duly established a Vigil Mechanism / Whistle Blower Policy for Directors and Employees at the Board Meeting held on May 22, 2015. Mr. Jatin M. Shah,



Managing Director & Mr. Mahendra R. Shah, Whole Time Director of the Company do hereby affirm that no personnel are being denied access to the Audit Committee to report genuine concerns in this regard.

The Company has complied with the non mandatory requirements relating to appointment of separate persons to the post of Chairman and Managing Director.

### **Disclosure regarding Appointment or Re-appointment of Directors**

According to the provisions of Companies Act, 2013 read with the Articles of Association of the Company, Mr. Jatin M. Shah, Managing Director will be retiring by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment. Brief resume of Mr. Jatin M. Shah is given at the end of explanatory statement attached to the notice of this ensuing Annual General Meeting.

In terms of Section 149 and all other applicable provisions of the Companies Act, 2013, Mr. Rameshkumar Babulal Shah, Mr. Dilip Kumar Daga & Ms. Mona Chhavia appointed as Additional Independent Directors by the Board are now being proposed to be appointed as Independent Directors in accordance with the provisions of Section 160 of the Companies Act, 2013 and shall hold office as such for five consecutive years from the date of their appointment by the Board. Notes and Explanatory Statement appended to the Notice of Annual General Meeting disclose all the necessary details in this regard.

### **Code of Conduct**

The Board of Directors has already adopted a Code of Ethics & Business Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Executives as well as Non Executive Directors and members of the Senior Management. A copy of the Code has been hosted on the Company's website at web link: <http://www.arfin.co.in/code-conduct.html>.

The Code has been circulated to all the members of the Board and Senior Management Personnel and

compliance of the same has been affirmed by them. A declaration signed by the Managing Director in this regard is given below:

"I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the code of Ethics and Business Conduct framed for Directors and Senior Management Personnel in respect to the financial year 2014-15."

Yours' Sincerely

**Jatin M. Shah**

(Managing Director)

(DIN: 00182683)

### **8. Means of Communication**

The Annual, Half yearly and Quarterly results are submitted to the Stock Exchange(s) in accordance with the provisions of the Listing Agreement and the same are normally published in "The Economic Times", both English and Gujarati publications. Management Discussion and Analysis Report forms part of the Annual Report, which is posted to Shareholders of the Company.

All vital information relating to the Company viz. Report on Corporate Governance and its performance including Quarterly Results, Shareholding Pattern etc. are simultaneously posted on Company's website viz. [www.arfin.co.in](http://www.arfin.co.in). Further, Shareholding Pattern, Quarterly Corporate Governance Report etc. are also uploaded on websites of Stock Exchange(s) where shares of the Company are listed.

Official news releases, as & when required are displayed at the website of the Company at [www.arfin.co.in](http://www.arfin.co.in). Quarterly Presentations in the form of Investor Updates are being uploaded on website of the Company.



## 9. General Shareholders Information

### i. Annual General Meeting

Date & Time : Sunday, September 27, 2015 at 11:00 am

Venue : Gujarat Chamber of Commerce Hall, Opp. H. K. College, Ashram Road, Ahmedabad – 380009, Gujarat, India

### ii. Financial Year / Calendar

(a) <b>First Quarter Results</b>	Within 45 days from closure of Quarter ending on June 30, 2015
(b) <b>Second Quarter Results</b>	Within 45 days from closure of Quarter ending on September 30, 2015
(c) <b>Third Quarter Results</b>	Within 45 days from closure of Quarter ending on December 31, 2015
(d) <b>Results for the Financial Year ending March 31, 2016</b>	Within 60 days from closure of Quarter / Financial Year ending on March 31, 2016

### iii. Date of Book Closure

Monday, September 21, 2015 to Sunday, September 27, 2015 (both days inclusive)

### iv. Dividend Payment Date

The dividend, if any, declared for the financial year 2014-15, in the ensuing Annual General Meeting shall be paid on or after Friday, October 2, 2015.

### v. Listing on Stock Exchanges

The equity shares of the Company are listed on the Ahmedabad Stock Exchange (ASE) and the Calcutta Stock Exchange (CSE) and the listing fees has been duly and timely paid to both the Stock Exchanges for financial year 2014-15 & 2015-16 as well.

Further, after payment of initial as well as annual fee to Bombay Stock Exchange, 30,18,300 equity shares of the Company got listed with the Bombay Stock Exchange w.e.f. May 28, 2015 under Direct Listing Route.

### vi. Stock (Scrip) Code

BSE : 539151

ASE : 05027

CSE : 10011140

ISIN : INE784R01015

### vii. Market Price Data

Note: During the financial year under report, the equity shares of the Company were inactive for trade on Regional Stock Exchanges from last few years and thus Market Price Data of the equity shares couldn't be given.

### viii. Performance in Comparison to Broad - Based Indices: Not Applicable

### ix. Registrar & Share Transfer Agents

M/s. Link Intime India Private Limited is acting as Registrar & Share Transfer Agent of the Company for Physical and Demat segment. Their address for communication is as under:

#### **M/s. Link Intime India Private Limited**

Unit No. 303, Shoppers Plaza - V,  
Opp. Municipal Market, Off C. G. Road,  
Navrangpura, Ahmedabad – 380009,  
Gujarat, India.

Tel: +91 79 26465179,

Fax: +91 79 26465179,

Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

### x. Share Transfer System

Share transfer work of physical segment is attended by the Company's Registrar & Share Transfer Agent within the prescribed period under law and the Listing Agreements with Stock Exchanges.



# Corporate Governance Report

## xi. Distribution of Shareholding as at March 31, 2015

No. of Equity Share Held	No. of Shareholders	% of Shareholders	No. of Equity Shares Held	% of Shareholding
Upto 500	438	84.56%	56,200	1.86%
501 To 1,000	27	5.21%	20,400	0.68%
1,001 To 2,000	12	2.32%	17,600	0.58%
2,001 To 3,000	10	1.93%	24,900	0.82%
3,001 To 4,000	1	0.19%	3,400	0.11%
4,001 To 5,000	4	0.77%	19,200	0.64%
5,001 To 10,000	4	0.77%	32,600	1.08%
10,001 And Above	22	4.25%	28,44,000	94.23%
<b>Total</b>	<b>518</b>	<b>100%</b>	<b>30,18,300</b>	<b>100%</b>

## Category of Share Holders as at March 31, 2015

Category	No. of Share Holders	% of Share Holders	No. of Shares Held	% of Share Holding
A. Promoter & Promoter Group	12	2.32%	21,81,200	72.27%
B. Public Shareholding				
(a) Bodies Corporate	1	0.19%	2,500	0.08%
(b) Resident Individuals	471	90.93%	6,66,900	22.10%
(c) NRI (Individuals)	34	6.56%	1,67,700	5.56%
<b>Total</b>	<b>518</b>	<b>100%</b>	<b>30,18,300</b>	<b>100%</b>

## xii. Dematerialization of Shares

The Company's equity shares have been allotted ISIN (INE784R01015) both by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

18,82,600 equity shares representing 62.37% of the Paid up Equity Share Capital of the Company have been dematerialized till March 31, 2015.

## xv. Address of Correspondence

Company	Registrar & Share Transfer Agents
Mr. Durgesh D. Soni Company Secretary & Compliance Officer Arfin India Limited B-302, 3rd Floor, Pelican House, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad –380009, Gujarat, India Tel: +91 79 26583791, 92, Fax: +91 79 26583792, Email: <a href="mailto:investors@arfin.co.in">investors@arfin.co.in</a>	M/s. Link Intime India Private Limited Unit No. 303, Shoppers Plaza - V, Opp. Municipal Market, Off C. G. Road, Navrangpura, Ahmedabad – 380009, Gujarat, India. Tel: +91 79 26465179, Fax: +91 79 26465179, Email: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>

xiii. The Company has not issued any GDRs / ADRs / Warrants or any Convertible Instruments.

## xiv. Plant Location

The Company's manufacturing facilities are located at:

118/1, Ravi Industrial Estate, Behind Hotel Prestige, Billeshwarpura, Chhatral, Taluka - Kalol, Dist. Gandhinagar – 382729, Gujarat, India.



### 10. Others

#### MD / CFO Certification

Mr. Jatin M. Shah, Managing Director & Mr. Vijay Lathi, Chief Financial Officer heading finance functions have certified to the Board, inter alia the accuracy of Financial Statements and adequacy of internal controls for the financial reporting purpose as required under revised Clause 49 (ix) of the Equity Listing Agreement, for the financial year ended on March 31, 2015.

#### Details of Shares Lying in the Escrow Account of the Registrar & Share Transfer Agent

As per SEBI Circular dated April 24, 2009 bearing reference no. SEBI/CFD/DIL/ LA/1/2009/24/04, every Company is required to report the details of the shares lying in the Escrow Account which are yet to be credited to the investors who were allotted shares in the IPO. Accordingly, it is reported that as at March 31, 2015, no equity shares of the Company were lying in such account.

#### Prevention of Insider Trading

In accordance with the Securities and Exchange

Board of India (Prohibition of Insider Trading) Regulations, 2015, a comprehensive code of conduct for prevention and regulation of trading in the Company's shares by insiders is in vogue.

The Code prohibits purchase or sale of Company's shares by Directors, KMP and other designated employees while in possession of unpublished price sensitive information in relation to the Company.

#### Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total Issued and Paid-Up Share Capital of the Company. This audit is carried out every quarter. The audit, inter alia, confirms that the Listed and Paid-Up Share Capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and the total number of shares in physical form.

For and on Behalf of the Board of Directors

Place: Ahmedabad  
Date: July 20, 2015

**Mahendra R. Shah**  
(Chairman)  
(DIN: 00182746)



# Certificate on Corporate Governance

To  
The Members,  
Arfin India Limited,

We have examined the compliance of conditions of Corporate Governance by ARFIN INDIA LIMITED for the financial year ended on March 31, 2015, as stipulated in revised Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s). The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of 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 and based on the representations made by the Directors and the Management, we certify that though, the applicability of adherence of provisions of revised Clause 49 of the Listing Agreement being not mandated, for the time being, for the Companies falling under the criteria of having Paid up Equity Share Capital not exceeding ₹ 10 Crore and Net Worth not exceeding ₹ 25 Crore as at the last date of previous financial year, as stated under the circular CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 issued by the Securities and Exchange Board of India, Board of Directors of the Company has still made sufficient efforts to comply with the provisions of the said clause, to the extent possible as a matter of prudence and good governance and has disclosed as maximum possible information as the Board / Company should / can.

We state that such compliance 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.

For **Raman M. Jain & Co.**  
Chartered Accountants  
Firm Registration No.: 113290W

Place: Ahmedabad  
Date: July 20, 2015

**Raman M. Jain**  
Partner  
Membership No.: 045790



# MD & CFO Certification

To,  
The Board of Directors,  
Arfin India Limited

We, Jatin M. Shah, Managing Director & Vijay Lathi, Chief Financial Officer of the Company have reviewed the Financial Statements and the Cash Flow Statement of Arfin India Limited for the financial year ended on March 31, 2015 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with current 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 financial year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and 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 steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
  - (i) significant changes, if any, in the internal control over financial reporting during the financial year.
  - (ii) significant changes, if any, in accounting policies made during the financial 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.

Yours sincerely,

**Jatin M. Shah**  
Managing Director  
(DIN: 00182683)

Place: Ahmedabad  
Date: July 20, 2015

**Vijay Lathi**  
Chief Financial Officer

# Financial Performance - 5 Years

## Balance Sheet

₹ in Lacs

PARTICULARS	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS FUNDS</b>					
Share Capital	186.77	186.77	186.77	290.21	301.83
Reserves And Surplus	101.26	112.99	421.84	988.53	1,468.88
Money Received Against Share Warrants	0.00	0.00	0.00	0.00	0.00
	<b>288.04</b>	<b>299.77</b>	<b>608.61</b>	<b>1,278.74</b>	<b>1,770.71</b>
<b>NON-CURRENT LIABILITIES</b>					
Long Term Borrowings	98.20	472.61	811.05	969.78	247.10
Deferred Tax Liabilities (Net)	18.53	21.65	49.27	76.22	97.40
Other Long Term Liabilities	0.00	0.00	0.00	0.00	0.00
Long Term Provisions	0.00	0.00	0.00	0.00	0.00
	<b>116.73</b>	<b>494.25</b>	<b>860.32</b>	<b>1,046.00</b>	<b>344.50</b>
<b>CURRENT LIABILITIES</b>					
Short Term Borrowings	0.39	103.48	1,737.35	2,349.75	3,111.18
Trade Payables	0.51	589.32	2,101.11	2,676.64	3,566.69
Other Current Liabilities	0.00	42.85	81.98	78.41	29.02
Short Term Provisions	1.28	1.87	60.94	49.97	156.03
	<b>2.17</b>	<b>737.52</b>	<b>3,981.38</b>	<b>5,154.77</b>	<b>6,862.91</b>
<b>TOTAL</b>	<b>406.94</b>	<b>1,531.54</b>	<b>5,450.31</b>	<b>7,479.50</b>	<b>8,978.12</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Fixed Assets					
Tangible Assets (Net Block)	210.60	394.56	821.80	925.61	1,212.36
Intangible Assets	0.00	0.00	0.00	0.00	0.00
Capital Work-In-Progress	0.00	0.00	13.45	0.00	208.42
Non Current Investments	172.11	172.11	0.00	0.00	0.00
Long Term Loans And Advances	4.50	17.93	20.22	23.17	19.51
Other Non Current Assets	0.00	0.00	0.00	0.00	0.00
	<b>387.21</b>	<b>584.59</b>	<b>855.46</b>	<b>948.78</b>	<b>1,440.29</b>
<b>CURRENT ASSETS</b>					
Current Investments	0.00	0.00	0.00	0.00	0.00
Inventories	1.96	543.60	1,269.87	2,705.65	4,408.18
Trade Receivables	2.42	227.04	2,774.54	3,512.62	2,318.14
Cash And Cash Equivalents	1.34	42.40	399.42	233.42	385.59
Short Term Loans And Advances	14.01	133.91	151.01	79.03	425.92
Other Current Assets	0.00	0.00	0.00	0.00	0.00
	<b>19.73</b>	<b>946.95</b>	<b>4,594.85</b>	<b>6,530.72</b>	<b>7,537.83</b>
<b>TOTAL</b>	<b>406.94</b>	<b>1,531.54</b>	<b>5,450.31</b>	<b>7,479.50</b>	<b>8,978.12</b>



## Financial Performance - 5 Years

### Statement of Profit and Loss

₹ in Lacs

PARTICULARS	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
Domestic Sales	0.00	1,692.42	18,333.59	21,143.55	24,607.07
Export Sales	0.00	0.00	272.90	175.88	3,421.61
<b>Revenue From Operations</b>	<b>0.00</b>	<b>1,692.42</b>	<b>18,606.49</b>	<b>21,319.43</b>	<b>28,028.69</b>
Less: Excise Duty	0.00	145.02	1,719.81	2,282.00	3,033.74
<b>Revenue From Operations (Net)</b>	<b>0.00</b>	<b>1,547.40</b>	<b>16,886.68</b>	<b>19,037.43</b>	<b>24,994.94</b>
Other Operating Income	0.00	66.87	4.42	0.00	0.00
<b>Income From Operations</b>	<b>0.00</b>	<b>1,614.27</b>	<b>16,891.10</b>	<b>19,037.43</b>	<b>24,994.94</b>
<b>Cost of Goods Sold</b>	<b>0.00</b>	<b>1,456.59</b>	<b>15,421.69</b>	<b>16,960.68</b>	<b>21,623.61</b>
<b>Gross Margin</b>	<b>0.00</b>	<b>157.68</b>	<b>1,469.41</b>	<b>2,076.76</b>	<b>3,371.33</b>
Other Income	3.77	4.06	66.00	18.43	99.13
<b>Total Income</b>	<b>3.77</b>	<b>161.74</b>	<b>1,535.41</b>	<b>2,095.19</b>	<b>3,470.46</b>
<b>EXPENSES</b>					
Manufacturing Expenses	0.00	102.27	692.51	1,078.07	1,541.07
Selling & Distribution Expense	0.04	0.04	102.68	223.80	408.94
Employee Benefit Expense	1.20	19.05	77.74	105.84	162.72
Administrative Expenses	1.77	6.26	84.27	58.69	92.24
<b>Total Operating Expenses</b>	<b>3.01</b>	<b>127.61</b>	<b>957.20</b>	<b>1,466.40</b>	<b>2,204.97</b>
<b>PBDIT</b>	<b>0.76</b>	<b>34.12</b>	<b>578.22</b>	<b>628.79</b>	<b>1,265.49</b>
Finance Cost	0.00	13.25	113.45	185.16	484.74
<b>PBDT</b>	<b>0.76</b>	<b>20.87</b>	<b>464.76</b>	<b>443.62</b>	<b>780.76</b>
Depreciation	0.00	2.56	23.29	42.17	75.44
<b>PBT</b>	<b>0.76</b>	<b>18.31</b>	<b>441.47</b>	<b>401.45</b>	<b>705.31</b>
Current Tax	0.00	3.47	105.00	110.00	217.00
Deferred Tax	0.00	3.11	27.62	26.95	21.18
<b>PAT</b>	<b>0.76</b>	<b>11.73</b>	<b>308.84</b>	<b>264.51</b>	<b>467.13</b>



## Financial Performance - 5 Years

### Ratios

FINANCIAL PERFORMANCE	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
Cost of Goods Sold / Net Sales	0.00%	90.23%	91.30%	89.09%	86.51%
Manpower Costs / Net Sales	0.00%	1.18%	0.46%	0.56%	0.65%
Manufacturing Expenses / Net Sales	0.00%	6.34%	4.10%	5.66%	6.17%
Finance Cost / Net Sales	0.00%	0.82%	0.67%	0.97%	1.94%
PBDIT/ Interest (Debt-Service Ratio)	0.00	2.58	5.10	3.40	2.61

PROFITABILITY	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
PBDIT / Net Sales	0.00%	2.11%	3.42%	3.30%	5.06%
PBDT / Net Sales	0.00%	1.29%	2.75%	2.33%	3.12%
Net Profit / Net Sales	0.00%	0.73%	1.83%	1.39%	1.87%
RONW (PAT / Average Net Worth)	0.26%	3.99%	68.00%	28.03%	30.64%
ROCE (PBDIT / Average Capital Employed)	0.22%	5.24%	27.88%	15.90%	25.77%

BALANCE SHEET	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
Debt-Equity Ratio	0.34	2.05	4.31	2.66	1.91
Debtors Turnover (Days)	0	48	54	57	29
Inventory Turnover (Days)	0	121	27	51	63
Current Ratio	9.08	1.28	1.15	1.27	1.10
Quick Ratio	8.18	0.55	0.84	0.74	0.46
Asset Turnover (Total Income / Total Assets)	0.01	1.07	3.14	2.57	2.83

₹ in Lacs

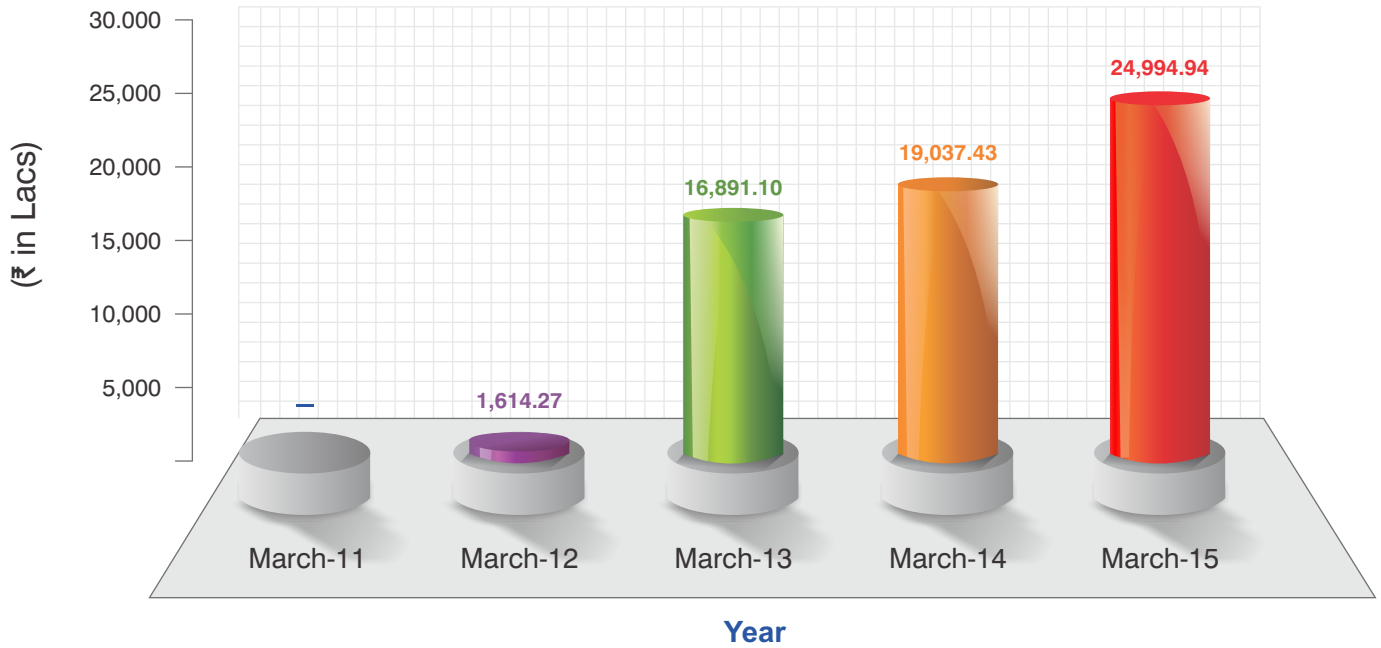
KEY FINANCIAL PARAMETERS	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
Net Sales	0.00	1,614.27	16,891.10	19,037.43	24,994.94
Profit Before Depreciation, Interest and Tax	0.76	34.12	578.22	628.79	1,265.49
Profit Before Tax	0.76	18.31	441.47	401.45	705.31
Profit After Tax	0.76	11.73	308.84	264.51	467.13
Cash Profit	0.76	14.29	332.14	306.68	542.57

PER SHARE DATA	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
Basic Earnings Per Share (₹)	0.03	0.39	10.23	9.24	15.87
Basic Cash Earnings(₹)	0.03	0.47	11.00	10.71	18.44
Book Value (₹)	9.54	9.93	20.16	44.66	58.67

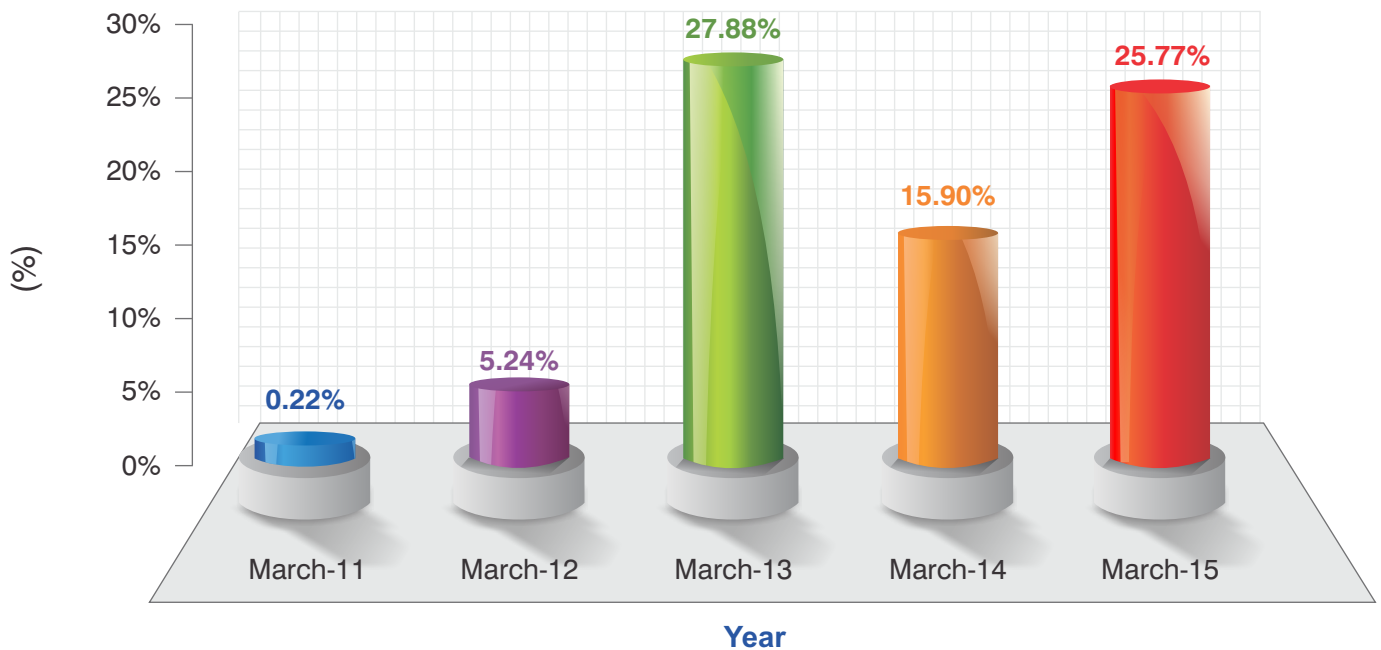


# Financial Performance - 5 Years

## Growth in Net Sales



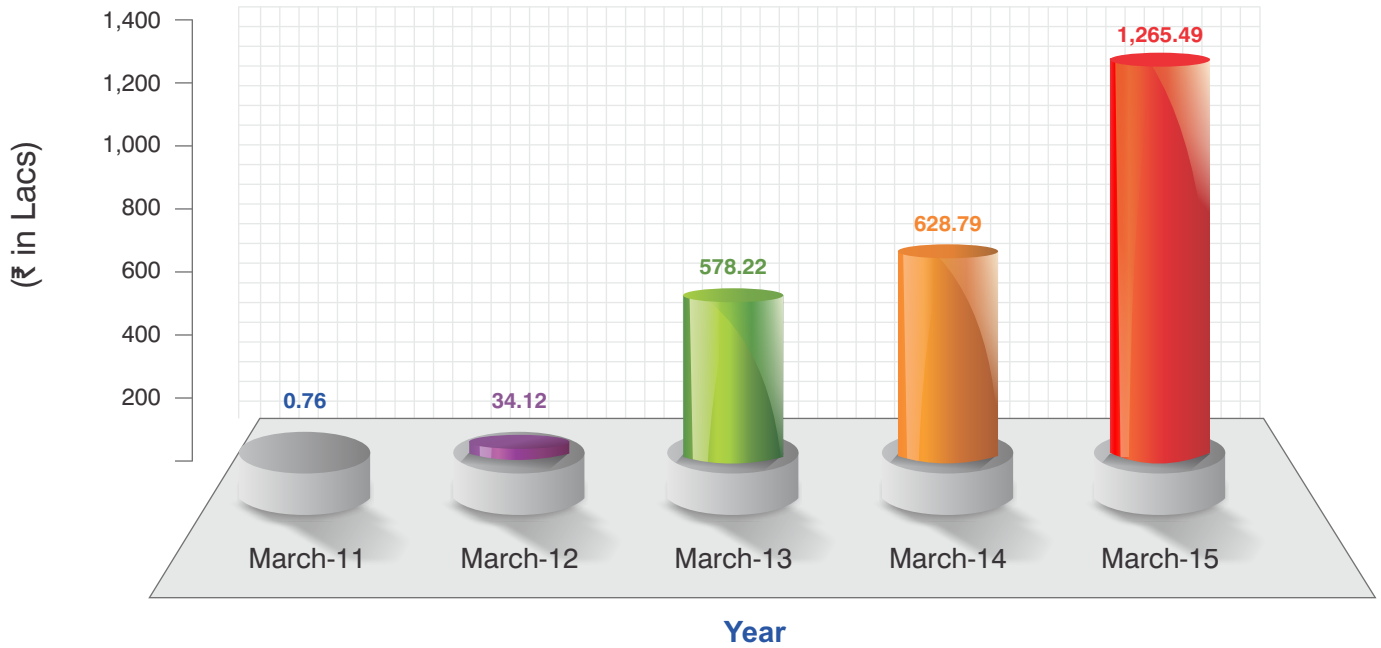
## ROCE



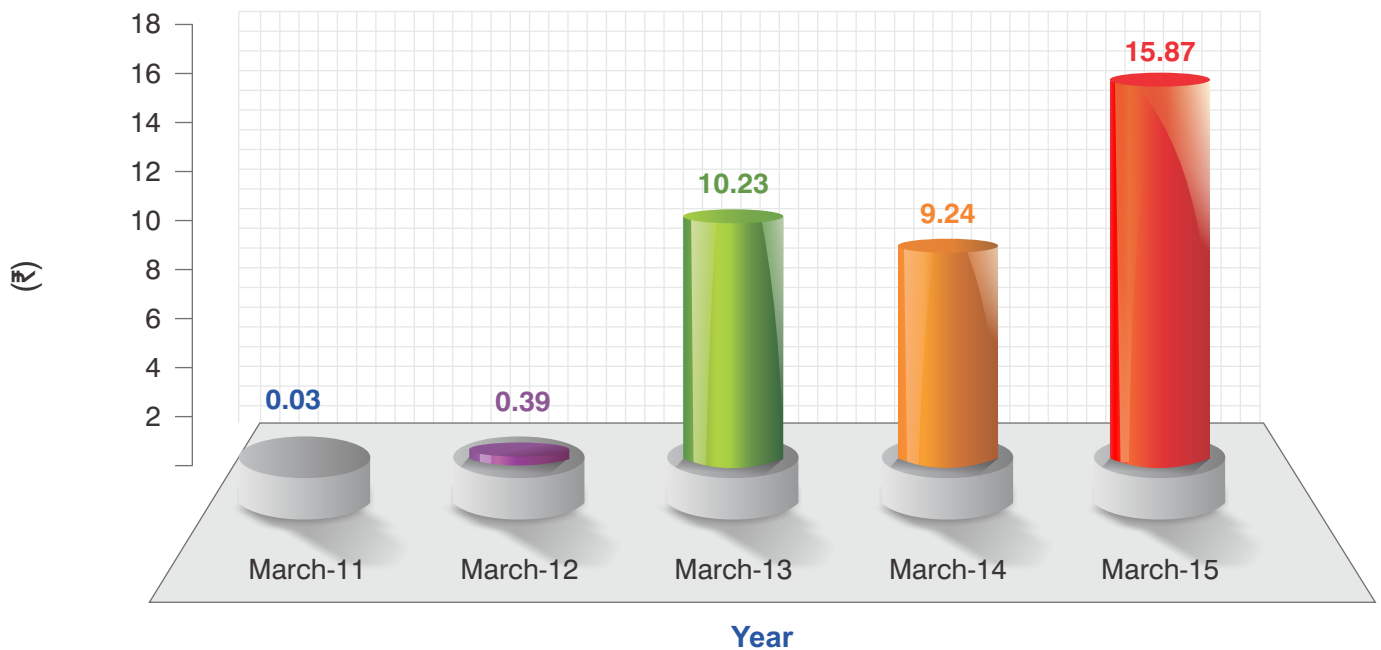


## Financial Performance - 5 Years

### Growth in PBDIT



### Earnings Per Share



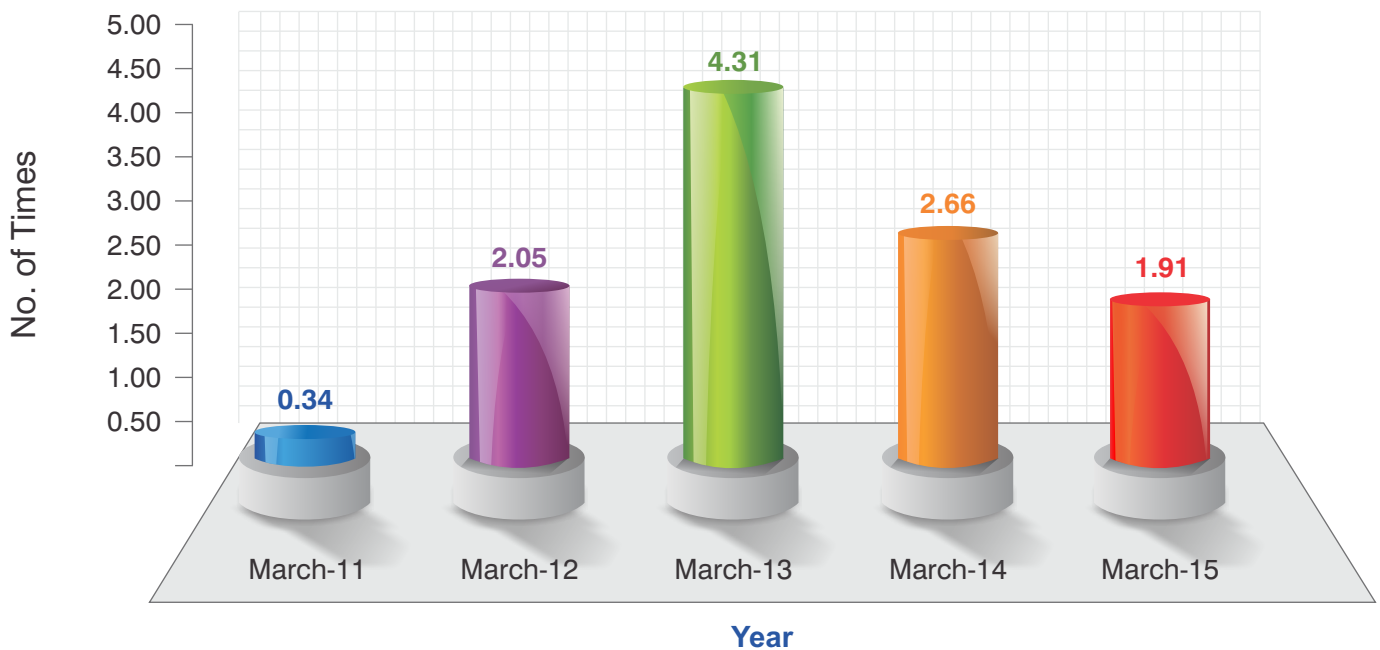


# Financial Performance - 5 Years

## Growth in Profit After Tax



## Debt-equity Ratio



# Auditors' Report

To,  
**The Members**  
**Arfin India Limited**

## **Report on Financial Statements**

1 We have audited the accompanying Financial Statements of ARFIN INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Financial Statements**

2 The Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounting) Rules, 2014. This responsibility includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable & prudent; and design, implementation & 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

3 Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

4 An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the Financial Statements. 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. In making those risk assessments, the Auditor considers internal financial control relevant to the Company's preparation of the Financial Statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Financial Statements.

5 We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.





## Opinion

6 In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2015,
- (b) In the case of Statement of Profit and Loss, of the Profit for the year ended on that date, and
- (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

7 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

8 As required by Section 143(3) of the Act, we further 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 purpose of our audit;
- (b) in our opinion proper books of accounts 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid Financial Statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) on the basis of written representations received from the Directors as on March 31, 2015 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164(2) of the Act;

(f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014;

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) In our opinion and as per the information and explanations provided to us, the Company has not entered into any long term contracts including derivative contracts, requiring provisions, under the applicable law or accounting standards, for material foreseeable losses, and

(iii) There has not been any occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.

For **Raman M. Jain & Co.**  
Chartered Accountants  
Firm Registration No.: 113290W

**Raman M. Jain**  
Partner  
Membership No.: 045790



### Annexure To The Auditor's Report

Referred to in Paragraph 1 of our Report of even date on the Account of **Arfin India Limited** for the year ended on March 31, 2015

- (1) In respect of Fixed Assets
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of physical verification of its fixed assets, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, fixed assets have been physically verified by the management during the year and according to the information and explanations given to us, no material discrepancies have been noticed on such verification.
- (2) In respect of Inventory of Stores, Operating Suppliers etc.
  - (a) Physical verification of inventory has been conducted during the year by the management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (3) In respect of loans, secured or unsecured, granted by the Company to Companies, Firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013, according to the information and explanation given to us:
  - (a) The Company has not granted any loans to Companies listed in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause III (a) to (b) of paragraph 3 of the aforesaid order, in our opinion, are not applicable to the Company.
  - (b) There are no overdue amounts of more than ₹ 1 Lac in respect of the loans granted to the bodies corporate listed in the register maintained under Section 189 of the Act.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weakness in the internal control system.
- (5) In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and Rules framed there under, with regard to the deposits accepted from the public are not applicable to the Company.
- (6) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of cost records under Sub-Section (1) of Section 148 of the Companies Act, 2013 for the business activity carried out by the Company, and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination for the same.
- (7) In respect of Statutory Dues:
  - (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and



## Auditors' Report

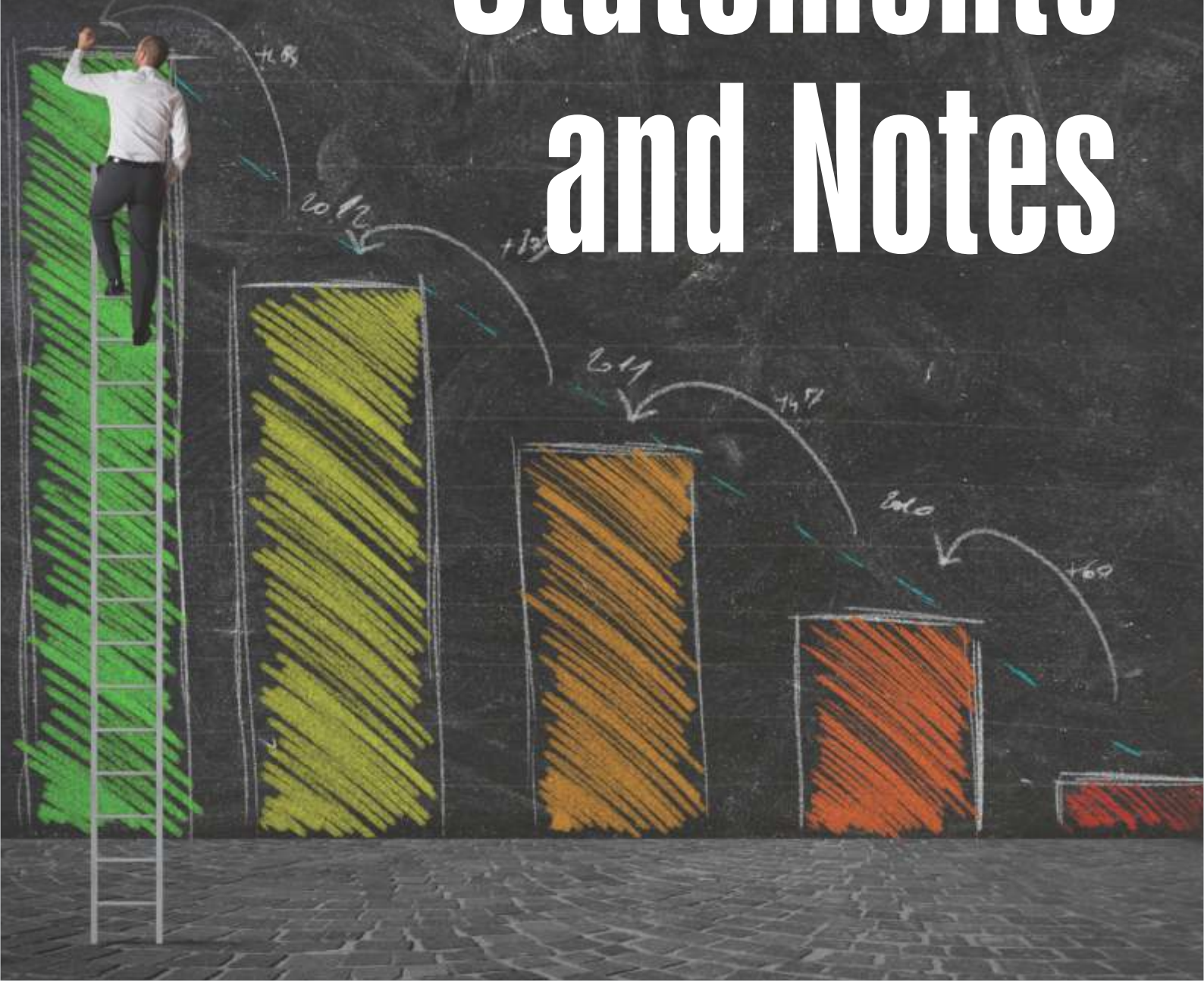
- protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, wealth tax, excise duty, and cess which have not been deposited on account of any dispute.
- (c) There has not been any occasion in case of the Company during the year under report to transfer any sum to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.
- (8) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year under report and during the immediately preceding financial year.
- (9) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or financial institutions. The Company has not issued any Debentures.
- (10) In our opinion and according to information and explanations given to us, the Company has not given any guarantee to any financial institution or banks for loans taken by others from bank or financial institutions.
- (11) The Company has not raised any new term loans during the year. In our opinion and according to information and explanations given to us, the term loans raised earlier were applied for the purpose for which they were obtained.
- (12) During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across during the course of our audit of any instance of fraud on or by the Company nor we have been informed of any such instance by the Management.

For **Raman M. Jain & Co.**  
Chartered Accountants  
Firm Registration No.: 113290W

**Raman M. Jain**  
Partner  
Membership No.: 045790

Place: Ahmedabad  
Date: May 22, 2015

# Financial Statements and Notes



# Balance Sheet As At March 31, 2015

₹ in Lacs

	Note	As At March 31, 2015	As At March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2	301.83	290.21
Reserves And Surplus	3	1,468.88	988.53
Money Received Against Share Warrants		0.00	0.00
		<b>1,770.71</b>	<b>1,278.74</b>
<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b>			
		<b>0.00</b>	<b>0.00</b>
<b>NON CURRENT LIABILITIES</b>			
Long Term Borrowings	4	247.10	969.78
Deferred Tax Liabilities (Net)	5	97.40	76.22
Other Long Term Liabilities	6	0.00	0.00
Long Term Provisions	7	0.00	0.00
		<b>344.50</b>	<b>1,046.00</b>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	8	3,111.18	2,349.75
Trade Payables	9	3,566.69	2,676.64
Other Current Liabilities	10	29.02	78.41
Short Term Provisions	11	156.03	49.97
		<b>6,862.91</b>	<b>5,154.77</b>
		<b>8,978.12</b>	<b>7,479.50</b>
<b>TOTAL ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets	12		
Tangible Assets		1,212.36	925.61
Intangible Assets		0.00	0.00
Capital Work-In-Progress		208.42	0.00
Non Current Investments	13	0.00	0.00
Long Term Loans And Advances	14	19.51	23.17
Other Non Current Assets	15	0.00	0.00
		<b>1,440.29</b>	<b>948.78</b>
<b>CURRENT ASSETS</b>			
Current Investments	16	0.00	0.00
Inventories	17	4,408.18	2,705.65
Trade Receivables	18	2,318.14	3,512.62
Cash And Cash Equivalents	19	385.59	233.42
Short Term Loans And Advances	20	425.92	79.03
Other Current Assets	21	0.00	0.00
		<b>7,537.83</b>	<b>6,530.72</b>
		<b>8,978.12</b>	<b>7,479.50</b>

The accompanying notes 1 to 31 are integral part of these Financial Statements.

As Per Our Report of Even Date Attached

**For Raman M. Jain & Co**

Chartered Accountants

Firm's Registration No.: 113290W

**Raman M. Jain**

Partner

Membership No.: 045790

Place: Ahmedabad

Date: May 22, 2015

**For & on Behalf of Board of Directors**

**Mahendra R. Shah**

Chairman

**Riddhi N. Shah**

Company Secretary

**Jatin M. Shah**

Managing Director

**Vijay Lathi**

Chief Financial Officer

# Statement of Profit and Loss for the Year Ended March 31, 2015

₹ in Lacs

	Note	As At March 31, 2015	As At March 31, 2014
<b>REVENUE</b>			
Revenue From Operations	22	<b>28,028.69</b>	21,319.43
Less: Central Excise Duty		<b>3,033.74</b>	2,282.00
Revenue From Operations (Net)		<b>24,994.94</b>	19,037.43
Other Income	23	<b>99.13</b>	18.43
<b>Total Revenue</b>		<b>25,094.07</b>	19,055.86
<b>EXPENSES</b>			
Cost of Materials Consumed	24	<b>21,570.38</b>	16,142.40
Purchases of Stock-In-Trade		<b>442.28</b>	967.40
Changes In Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	25	<b>(389.05)</b>	(149.12)
Employee Benefits Expense	26	<b>162.72</b>	105.84
Finance Costs	27	<b>484.74</b>	185.16
Depreciation And Amortization Expense	12	<b>75.44</b>	42.17
Other Expenses	28	<b>2,042.25</b>	1,360.57
<b>Total Expenses</b>		<b>24,388.76</b>	18,654.41
<b>Profit Before Tax</b>		<b>705.31</b>	401.45
Tax Expense			
Current Tax	29	<b>217.00</b>	110.00
Deferred Tax		<b>21.18</b>	26.95
<b>Profit/(Loss) For The Period</b>		<b>467.13</b>	264.51
<b>Earnings Per Equity Share: (Face Value of ₹ 10/- Each )</b>			
Basic and Diluted	30	<b>15.87</b>	9.24

The accompanying notes 1 to 31 are integral part of these Financial Statements.

As Per Our Report of Even Date Attached

**For Raman M. Jain & Co**

Chartered Accountants

Firm's Registration No.: 113290W

**Raman M. Jain**

Partner

Membership No.: 045790

Place : Ahmedabad

Date: May 22, 2015

**For & on Behalf of Board of Directors**

**Mahendra R. Shah**

Chairman

**Jatin M. Shah**

Managing Director

**Riddhi N. Shah**

Company Secretary

**Vijay Lathi**

Chief Financial Officer



# Notes Forming Part of the Financial Statements

## Note-1 Significant Accounting Policies

### a) Basis of Preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention, in accordance with the Generally Accepted Accounting Principles and provisions of the Companies Act, 2013. All Income and Expenditure having material bearing on the Financial Statements are recognized on accrual basis.

### b) Use of Estimates

The preparation of the Financial Statements in conformity with the Generally Accepted Accounting Policies requires the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, Revenues and Expenses and disclosure of Contingent Liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of Financial Statements. Difference between the actual results and estimates are recognized in the period in which the result are known / materialized.

### c) Revenue Recognition

- Revenue / Income and Cost / Expenditure are generally accounted on accrual basis as they are earned / incurred, except those with significant uncertainties.
- Dividend Income from investment is recognized as and when received.
- Other Incomes are accounted for on accrual basis except when the recovery is uncertain, it is accounted for on receipt basis.
- Claims made against the Company are evaluated as to type thereof, period for which they are outstanding and appropriate provisions made. Claims are stated net of recoveries from insurance Companies and others.
- Administrative and other expenses are stated net of recoveries, wherever applicable.

### d) Fixed Assets

Fixed Assets acquired by the Company are reported at acquisition value, with deductions for accumulated depreciation and impairment of losses, if any. The acquisition value indicates the purchase price and expenses directly attributable to assets to bring it to the office and in the working condition for its intended use.

### e) Depreciation

Till the year ended March 31, 2014, depreciation rates prescribed under schedule XIV were treated minimum rates and the Company was not allowed to charge depreciation even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets. Depreciation is systematically allocated over the useful life of an asset as specified in Part C of Schedule II of the Companies Act, 2013.

### f) Investments

Investments are accounted at the cost plus brokerage and stamp charges. Long term Investments are valued at cost less provision for diminution other than temporary, in value, if any. Profits or Losses on investment are calculated on FIFO Method and are accounted as and when realized.



## Notes Forming Part of the Financial Statements

### g) Inventories

Inventories at year-end are valued at the Lower of the Cost Price or Net Realizable Value after providing for obsolescence and other losses, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and costs incurred in bringing them to their respective present location and condition.

### h) Miscellaneous Expenditure

Preliminary expenses and pre-operative expenses are amortized over a period of 10 years.

### i) Retirement Benefits

i) Short term employee benefits are recognized as expenses at the undiscounted amount in the Statement of Profit and Loss of the year for which the related service is rendered.

ii) **Defined Contribution Plan:** Monthly contribution to the provident fund which is under defined contribution schemes are charged to Statement of Profit & Loss and deposited with the provident fund authorities on monthly basis.

iii) **Defined Benefit Plans:** Gratuities to employees are covered under the employees' group gratuity schemes and the premium is paid on the basis of their actuarial valuation using the projected unit credit method. Actuarial gains and losses arising on such valuation are recognized immediately in the Statement of Profit and Loss. Any short falls in case of premature resignation or termination to the extent not reimbursed by LIC is being absorbed in the year of payment.

iv) Termination benefits are charged to the Statement of Profit and Loss in the year of accrual.

### j) Taxes on Income

i). Current tax is determined on the basis of amount of tax payable on taxable income for the year.

ii) In accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, amount of the deferred tax for timing difference between the book and tax profits for the year is accounted for using the tax rate and laws that have been enacted or substantially enacted as at the Balance Sheet date. Deferred Tax Assets arising from temporary timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future.

### k) Expenses

Material known liabilities are provided for & on the basis of available information / estimates with the Management.

Whenever external evidences for expenses are not available, Management has taken care of proper authorization of such expenses.

### l) Transaction in Foreign Currency

Foreign currency transactions are recorded at the exchange rate prevailing on the date of such transactions. Foreign currency monetary assets and liabilities are reported using the closing rates. Gains and losses arising on account of difference in foreign exchange rates on settlement / translation of monetary assets and liabilities on the closing date are recognized in the Statement of Profit and Loss.

### m) Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them and (ii) the grant / subsidy will be received.





## Notes Forming Part of the Financial Statements

Where the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an expense, it is deducted from related expenses.

### **n) Borrowing Cost**

Borrowing costs are recognized in the period to which they relate, regardless of how the funds have been utilized, except where they relate to the financing of new assets requiring a substantial period of time for their intended future use. Interest on borrowings, if any, is capitalized up to the date when the asset is ready for its intended use. The amount of interest capitalized for the period is determined by applying the interest rate applicable to the appropriate borrowings.

### **o) Earnings Per Share**

Basic earnings per share is computed and disclosed using the weighted average number of common shares outstanding during the year. Dilutive earning per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except when the results would be anti-dilutive.

### **p) Impairments of Assets**

At each Balance Sheet date, the Company reviews the carrying amount of fixed assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment of loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the assets to their present value.

### **q) Provisions and Contingent Liabilities**

Provisions involving substantial degrees of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions (excluding long term benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

### **r) Cash Flow Statement**

The Cash Flow Statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flow by Operating, Investing and Financing activities of the Company.

Cash and Cash Equivalents presented in the Cash Flow Statement consist of Cash on Hand, Bank Balances and Demand Deposits with Banks.



## Notes Forming Part of the Financial Statements

### 2 SHARE CAPITAL

₹ in Lacs

Sr. No	Particulars	As At March 31, 2015	As At March 31, 2014
<b>1</b>	<b>AUTHORIZED SHARE CAPITAL</b>		
	35,00,000 Equity Shares of ₹ 10/- Each (Previous Year 35,00,000)	<b>350.00</b>	350.00
		<b>350.00</b>	<b>350.00</b>
<b>2</b>	<b>ISSUED , SUBSCRIBED &amp; PAID UP SHARE CAPITAL</b>		
	At The Beginning Period	<b>290.21</b>	301.83
	Add: Issued During The Period	<b>15.50</b>	0.00
	Add: Issued on Account of Merger / Conversion / Bonus / Split	<b>0.00</b>	0.00
	Less: Deduction on Forfeiture of Shares	<b>3.88</b>	15.50
	<b>Issued Capital At The End of The Period</b>	<b>301.83</b>	<b>286.33</b>
	Less: Calls Unpaid (Showing Aggregate Value of Calls Unpaid by Directors And Members)	<b>0.00</b>	0.00
	At The End of Reporting Period	<b>301.83</b>	286.33
	Add: Equity Shares Forfeited	<b>0.00</b>	3.88
	<b>Total</b>	<b>301.83</b>	<b>290.21</b>

#### 2.1 The Reconciliation of The Number of Shares Outstanding as at March 31,2015 and March 31, 2014 is Set Out Below

Particulars	As At March 31, 2015		As At March 31, 2014	
	No. of Shares	(₹ In Lacs)	No. of Shares	(₹ In Lacs)
<b>Equity Shares</b>				
Shares Outstanding At Beginning of The Year	<b>2,863,300</b>	<b>286.33</b>	3,018,300	301.83
Add: Shares Issued During The Year	<b>155,000</b>	<b>15.50</b>	0	0.00
Less: Buy Back / Forfeited Shares	<b>0</b>	<b>0.00</b>	155,000	15.50
Shares Outstanding At The End of The Year	<b>3,018,300</b>	<b>301.83</b>	2,863,300	286.33

#### 2.2 The Details of Shareholders Holding More Than 5% Shares is Set Out Below

Sr. No.	Name of The Shareholder	As At March 31, 2015		As At March 31, 2014	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Mahendra R. Shah	<b>513,400</b>	<b>17.01%</b>	508,400	17.76%
2	Jatin M. Shah	<b>448,900</b>	<b>14.87%</b>	448,900	15.68%
3	Pushpaben M. Shah	<b>436,700</b>	<b>14.47%</b>	323,500	11.30%
4	Rani J. Shah	<b>403,900</b>	<b>13.38%</b>	403,400	14.09%
5	Jatin M. Shah-HUF	<b>177,700</b>	<b>5.89%</b>	177,200	6.19%



## Notes Forming Part of the Financial Statements

2.3 The Company has only one class of Ordinary Equity Shares and the Holders of these Ordinary Shares are entitled to receive Dividends as and when declared by the Company. All Shares rank Equally with regard to the Company's Residual Assets.

### 3 RESERVES & SURPLUS

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
<b>I CAPITAL RESERVE</b>			
	Opening Balance	22.50	0.00
	Add: Created During The Year	3.88	22.50
	Less: Transfer to General Reserve	0.00	0.00
		<b>26.38</b>	<b>22.50</b>
<b>II SECURITIES PREMIUM RESERVE</b>			
	Opening Balance	397.65	117.96
	Add: Amount Received on Conversion of FCCB / From Proceeds of Right Issue / on Account of Merger / Re-Issue of Forfeited Shares etc.	46.50	270.00
	Add/ (Less): Call in Arrears Received	0.00	32.16
	Less: Right Share Issue Expenses Written Off	0.00	0.00
	Less: Deduction on Forfeiture of Shares	0.00	22.47
	Less: Call in Arrears	0.00	0.00
	Less: Bonus Shares Issued by Capitalization of Share Premium	0.00	0.00
		<b>444.15</b>	<b>397.65</b>
<b>III GENERAL RESERVE</b>			
	Opening Balance	0.00	0.00
	Add: Transferred During The Year From Statement of Profit and Loss	40.00	0.00
	Add: Any Others	0.00	0.00
	Less: Utilization During The Year	0.00	0.00
		<b>40.00</b>	<b>0.00</b>
<b>IV SURPLUS IN STATEMENT OF PROFIT AND LOSS</b>			
	Opening Balance	568.39	303.88
	Add: Profit For The Year	467.13	264.51
	Add: Addition During The Year (Including Transfer From Reserve)	0.00	0.00
	Less: Appropriations		
	Proposed Dividend on Equity Shares	30.18	0.00
	Tax on Dividend	6.03	0.00
	Residual Value of Fixed Assets Transferred	0.94	0.00
	Transferred to General Reserve	40.00	0.00
		<b>958.36</b>	<b>568.39</b>
<b>Total</b>		<b>1,468.88</b>	<b>988.53</b>



## Notes Forming Part of the Financial Statements

### 4 LONG TERM BORROWINGS

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
<b>I</b>	<b>TERM LOANS</b>		
	<b>(a) Secured</b>		
	<b>(i) From Banks</b>		
	- <b>HDFC Bank (Car Loan)</b>	<b>0.00</b>	14.60
	i) Tenure of Loan is 36 Months & Repayable in Equal Monthly Installments		
	ii) Nature of Security: Loan is Secured by Pledge of Cars.		
	iii) Loan is Guaranteed by Directors of Company.		
	- <b>Axis Bank (Hydra Machine &amp; Toyota Forklift Loan)</b>	<b>0.00</b>	4.36
	i) Tenure of Loan is 36 Months & Repayable in Equal Monthly Installments		
	ii) Nature of Security: Secured by Pledge of Hydra Machine & Forklift.		
	iii) Loan is Guaranteed by Directors of Company.		
	- <b>Axis Bank Ltd. - (Term Loan)</b>	<b>0.00</b>	3.88
	i) Tenure of Loan is 48 Months & Repayable in Equal Monthly Installments and at Present Rate of Interest is (Bank's Base Rate+2%) i.e. 12.25% p.a.		
	ii) Nature of Security : (1) Secured by Hypothecation of Fixed Asset including Plant & Machinery Purchased out of Bank Finance.		
	iii) Loan is Guaranteed by Following Directors: (1) Jatin M. Shah (2) Mahendra R. Shah (3) Pushpaben M. Shah (Note: Pushpaben M. Shah has resigned w.e.f. November 22, 2014)		
	<b>(ii) From Other Parties</b>	<b>0.00</b>	0.00
		<b>0.00</b>	22.85
	<b>(b) Unsecured</b>		
	i) From Bank	<b>0.00</b>	0.00
	ii) From Other Parties	<b>0.00</b>	0.00
		<b>0.00</b>	0.00
<b>II</b>	<b>LOANS AND ADVANCES FROM RELATED PARTIES</b>		
	(a) Secured	<b>0.00</b>	0.00
	(b) Unsecured		
	- Krish Ferro Industries Private Limited (Formerly Known as Arfin Capital Limited)	<b>0.00</b>	218.41
	- Jatin M. Shah	<b>98.50</b>	0.00
	- Mahendra Corporation	<b>0.00</b>	728.52
	- Mahendra R. Shah	<b>148.60</b>	0.00
	<b>Total</b>	<b>247.10</b>	946.93



## Notes Forming Part of the Financial Statements

Notes: (i) As Per Management's Explanation, the above Loans are for Long Term and Repayable Over a Period of Three to Five Years From The Date of Balance Sheet.

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
<b>III DEFERRED PAYMENT LIABILITIES</b>			
	(a) Secured	0.00	0.00
	(b) Unsecured	0.00	0.00
		0.00	0.00
<b>IV OTHER LOANS AND ADVANCES</b>			
	(a) Secured	0.00	0.00
	(b) Unsecured	0.00	0.00
		0.00	0.00
	<b>Total</b>	<b>247.10</b>	<b>969.78</b>

### 5 DEFERRED TAX LIABILITY (NET)

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
<b>I DEFERRED TAX LIABILITIES</b>			
	- Related to Fixed Assets	97.40	76.22
	- Related to Others	0.00	0.00
		97.40	76.22
<b>II LESS: DEFERRED TAX ASSETS</b>			
	- Related to Fixed Assets	0.00	0.00
	- Related to Others	0.00	0.00
		0.00	0.00
	<b>Total</b>	<b>97.40</b>	<b>76.22</b>

### 6 OTHER LONG TERM LIABILITIES

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
	(a) Trade Payables	0.00	0.00
	(b) Others	0.00	0.00
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>



## Notes Forming Part of the Financial Statements

### 7 LONG TERM PROVISIONS

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
	<b>PROVISIONS FOR EMPLOYEE BENEFITS</b>		
	(a) Provision For Leave Encashment	0.00	0.00
	(b) Others	0.00	0.00
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>

### 8 SHORT TERM BORROWINGS

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
<b>I</b>	<b>LOAN REPAYABLE ON DEMAND</b>		
	<b>(a) Secured</b>		
	(i) From Banks		
	- Axis Bank Ltd. - Cash Credit Limits	366.44	1,262.23
	- Axis Bank Ltd. - PCFC Limits	300.44	0.00
	- Axis Bank Ltd. - Buyer's Credit Limits	845.27	0.00
	- IDBI Bank Ltd. - Buyer's Credit Limits	810.63	0.00
	- IDBI Bank Ltd. - PCFC Limits	599.40	0.00
	- IDBI Bank Ltd. - Cash Credit Limits	189.00	0.00
	- State Bank of India - Cash Credit Limits	0.00	1,087.52
	<b>All the above loans are secured by following:</b>		
	i) Nature of Security : (1) Secured by Hypothecation of Entire Current Assets Including Book Debts and Stock at Present and in Future.		
	ii) Collateral Security : (1) Mortgage of Factory Land & Building at "118/1, Ravi Industrial Estate" Situated at Bileshwarpura Village, Chhatral, Gandhinagar.		
	(2) Mortgage of Office Building situated at "B-302, 3 <sup>rd</sup> Floor, Pelican House, Near GCCI Compound, Ashram Road, Ahmedabad - 380009.		
	iii) Rate of Interest on Cash Credit Loan is in range between 11% to 11.50%.		
	iv) All the above Short Term Cash Credits Loans are renewable every year.		
	v) Loan is Guaranteed by Following Directors: (1) Jatin M. Shah (2) Mahendra R. Shah (3) Pushpaben M. Shah (Note: Pushpaben M. Shah has resigned w.e.f. November 22, 2014.)		
	(ii) From Other Parties	0.00	0.00
		<b>3,111.18</b>	<b>2,349.75</b>



## Notes Forming Part of the Financial Statements

₹ in Lacs

Sr. No	Particulars	As At March 31, 2015	As At March 31, 2014
	<b>(b) Unsecured</b>		
	(i) From Banks	0.00	0.00
	(ii) From Other Parties	0.00	0.00
		<b>0.00</b>	<b>0.00</b>
		<b>3,111.18</b>	<b>2,349.75</b>
	<b>II LOANS AND ADVANCES FROM RELATED PARTIES</b>		
	(a) Secured	0.00	0.00
	(b) Unsecured	0.00	0.00
		<b>0.00</b>	<b>0.00</b>
	<b>III DEPOSITS</b>		
	(a) Secured	0.00	0.00
	(b) Unsecured	0.00	0.00
		<b>0.00</b>	<b>0.00</b>
	<b>Total</b>	<b>3,111.18</b>	<b>2,349.75</b>

### 9 TRADE PAYABLES

₹ in Lacs

Sr. No	Particulars	As At March 31, 2015	As At March 31, 2014
1	Due to Micro, Small and Medium Enterprises	0.00	0.00
2	Due to Others	3,566.69	2,676.64
	<b>Total</b>	<b>3,566.69</b>	<b>2,676.64</b>

### 10 OTHER CURRENT LIABILITIES

₹ in Lacs

Sr. No	Particulars	As At March 31, 2015	As At March 31, 2014
1	Current Maturities of Long Term Debt - Bank Term Loan	16.43	78.41
2	Unpaid Dividends	0.00	0.00
3	Creditors For Capital Goods	12.59	0.00
4	Other Payables	0.00	0.00
	<b>Total</b>	<b>29.02</b>	<b>78.41</b>



## Notes Forming Part of the Financial Statements

### 11 SHORT TERM PROVISIONS

₹ in Lacs

Sr. No	Particulars	As At March 31, 2015	As At March 31, 2014
<b>I</b>	<b>PROVISION FOR EMPLOYEE BENEFITS</b>		
	- Provision For Bonus	0.00	0.00
	- Provision For Gratuity / Leave Encashment	0.00	0.00
		<b>0.00</b>	<b>0.00</b>
<b>II</b>	<b>OTHERS</b>		
	- Provision for Income Tax (Net of Advance Tax & TDS)	84.02	42.50
	- Proposed Dividend	30.18	0.00
	- Provision For Corporate Tax on Dividend	6.03	0.00
	- Service Tax Payable	1.69	0.82
	- Audit Fees Payable	1.23	1.23
	- VAT Payable	11.14	0.00
	- Professional Tax Payable	0.03	1.05
	- TDS Payable	20.47	3.10
	- Unpaid Expenses	1.24	0.00
	- Listing Fees Payable	0.00	1.28
		<b>156.03</b>	<b>49.97</b>
<b>Total</b>		<b>156.03</b>	<b>49.97</b>





## Notes Forming Part of the Financial Statements

### 12. FIXED ASSETS

₹ in Lacs

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As At April 01, 2014	Addition During The Year	Sales and or Adjustm ent During The Year	As At March 31, 2015	Up to March 31, 2014	For The Year	Adjustment For The Year	Up to March 31, 2015	As At March 31, 2015	As At March 31, 2014
<b>(I) TANGIBLE ASSETS</b>										
Factory Land	78.02	0.00	0.00	78.02	0.00	0.00	0.00	0.00	78.02	78.02
Factory Building	214.97	160.90	0.00	375.86	13.37	9.98	0.00	23.34	352.52	201.60
Plant & Machineries	524.58	179.03	0.06	703.55	33.15	41.16	0.00	74.31	629.24	491.43
Computer	6.72	3.17	0.19	9.69	1.60	4.84	0.00	6.44	3.26	5.12
Furniture and Fixtures	17.52	10.84	0.22	28.13	4.86	2.11	0.00	6.98	21.16	12.66
Vehicles	92.24	1.13	0.00	93.38	12.91	12.42	0.00	25.33	68.05	79.33
Office Equipment	14.21	8.07	0.46	21.82	2.39	3.97	0.00	6.36	15.46	11.82
Office Building Pelican House	55.37	0.00	0.00	55.37	9.74	0.97	0.00	10.71	44.66	45.63
<b>Total (I)</b>	<b>1,003.63</b>	<b>363.14</b>	<b>0.94</b>	<b>1,365.83</b>	<b>78.02</b>	<b>75.44</b>	<b>0.00</b>	<b>153.47</b>	<b>1,212.36</b>	<b>925.61</b>
<b>(II) INTANGIBLE ASSETS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>(III) CAPITAL WORK-IN-PROGRESS</b>	<b>0.00</b>	<b>208.42</b>	<b>0.00</b>	<b>208.42</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>208.42</b>	<b>0.00</b>
<b>Total (I) + (II) + (III)</b>	<b>1,003.63</b>	<b>571.56</b>	<b>0.94</b>	<b>1,574.25</b>	<b>78.02</b>	<b>75.44</b>	<b>0.00</b>	<b>153.47</b>	<b>1,420.79</b>	<b>925.61</b>



## Notes Forming Part of the Financial Statements

### 13 NON CURRENT INVESTMENTS

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
<b>I</b>	<b>TRADE INVESTMENT</b>		
	(a) Investment In Property	0.00	0.00
	(b) Investment in Equity Instruments	0.00	0.00
	(c) Other Non-Current Investments (Specify Nature)	0.00	0.00
<b>II</b>	<b>OTHER INVESTMENTS</b>		
	(a) Investment In Property	0.00	0.00
	(b) Investment In Equity Instruments In Equity Shares of Associate Company - (Unquoted, Fully Paid up)	0.00	0.00
	(c) Investment In Government And Trust Securities	0.00	0.00
	(d) Investment In Partnership Firms	0.00	0.00
	(e) Other Non-Current Investments (Specify Nature) (Previous Year)	0.00	0.00
	<b>AGGREGATE</b>		
	<b>QUOTED</b>		
	<b>UNQUOTED</b>		
	NIL		
	NIL		
	NIL		
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>

### 14 LONG TERM LOANS AND ADVANCES

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
	<b>UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED</b>		
<b>I</b>	<b>CAPITAL ADVANCES</b>		
	Advance Against Fixed Assets	0.00	4.98
		0.00	4.98
<b>II</b>	<b>OTHER LOANS &amp; ADVANCES</b>		
	Sundry Deposits And Advances	19.51	18.19
		19.51	18.19
	<b>Total</b>	<b>19.51</b>	<b>23.17</b>

### 15 OTHER NON CURRENT ASSETS

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
<b>I</b>	<b>LONG TERM TRADE RECEIVABLES</b>		
	Unsecured, Considered Good	0.00	0.00
<b>II</b>	<b>OTHERS</b>		
	Bank Fixed Deposit For More Than 12 Months (Transferred From Cash & Bank Balances)	0.00	0.00
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>



## Notes Forming Part of the Financial Statements

### 16 CURRENT INVESTMENTS

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
1	Investment In Mutual Fund	0.00	0.00
2	Investment In Equity Shares	0.00	0.00
3	Investment In Others	0.00	0.00
	<b>AGGREGATE</b>		
	NIL		
	<b>QUOTED</b>		
	NIL		
	<b>UNQUOTED</b>		
	NIL		
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>

### 17 INVENTORIES (AT LOWER OF COST OR NET REALIZABLE VALUE)

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
1	Raw Material	3,328.74	2,030.26
2	Work In Process	0.00	0.00
3	Stores & Spares	22.53	7.54
4	Finished Goods	1,056.90	665.90
5	Stock-In-Trade	0.00	1.96
	<b>Total</b>	<b>4,408.18</b>	<b>2,705.65</b>

### 18 TRADE RECEIVABLES

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
<b>I</b>	<b>OUTSTANDING FOR NOT MORE THAN SIX MONTHS</b>		
	(a) Secured, Considered Good	2,244.43	3,452.89
	(b) Unsecured, Considered Good	0.00	0.00
	(c) Others Considered Doubtful	0.00	0.00
	Less: (d) Allowance For Bad And Doubtful Debts	0.00	0.00
		<b>2,244.43</b>	<b>3,452.89</b>
<b>II</b>	<b>OUTSTANDING FOR MORE THAN SIX MONTHS</b>		
	(a) Secured, Considered Good	73.71	59.73
	(b) Unsecured, Considered Good	0.00	0.00
	(c) Others Considered Doubtful	0.00	0.00
	Less: (d) Allowance For Bad And Doubtful Debts	0.00	0.00
		<b>73.71</b>	<b>59.73</b>
	<b>Total</b>	<b>2,318.14</b>	<b>3,512.62</b>



## Notes Forming Part of the Financial Statements

### 19 CASH AND CASH EQUIVALENTS

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
<b>I</b>	<b>CASH AND BANK BALANCES</b>		
	(a) Balances With Schedule Banks	2.79	0.65
	(b) Cash in Hand	5.42	14.55
	(c) Others		
	- In Fixed Deposits For Less Than 3 Months	0.00	0.00
		<b>8.22</b>	<b>15.19</b>
<b>II</b>	<b>OTHER BANK BALANCES</b>		
	(a) Fixed Deposits With Banks		
	- Bank Fixed Deposit For Less Than 12 Months	377.37	218.22
	- Bank Fixed Deposit For More Than 12 Months	0.00	0.00
	(b) Earmarked Balances With Banks (Unpaid Dividend)	0.00	0.00
		<b>377.37</b>	<b>218.22</b>
	Less: Bank Fixed Deposit For More Than 12 Months Transferred to Non Current Assets	0.00	0.00
		<b>377.37</b>	<b>218.22</b>
	<b>Total</b>	<b>385.59</b>	<b>233.42</b>

### 20 SHORT TERM LOANS AND ADVANCES

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
	<b>UNSECURED, CONSIDERED GOOD</b>		
<b>I</b>	<b>LOANS &amp; ADVANCES TO RELATED PARTIES</b>	0.00	0.00
		<b>0.00</b>	<b>0.00</b>
<b>II</b>	<b>OTHERS</b>		
	Advance Recoverable in Cash or in Kind or For Value to be Received	35.13	0.31
	Advance Tax and TDS/ TCS Receivable (Net of Provision)	0.00	0.00
	Loans And Advances to Staff	0.97	0.80
	Balance With Statutory / Government Authority	0.00	0.00
	Deferred Cenvat Credit Receivable	7.48	5.42
	SED- 4% Claim Receivable	0.00	3.92
	Interest Receivable	4.48	1.24
	Service Tax Receivable	3.43	0.11
	Excise Duty Claim Receivable	209.61	20.02
	PLA / Cenvat (Excise Duty) Credit Receivable	7.70	41.12
	Vat Receivable	152.66	5.75
	Pre Paid Expenses	4.46	0.33
		<b>425.92</b>	<b>79.03</b>
	<b>Total</b>	<b>425.92</b>	<b>79.03</b>



## Notes Forming Part of the Financial Statements

### 21 OTHER CURRENT ASSETS

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
1	Interest Accrued on Investments	0.00	0.00
2	Advance Premium on Forward Contracts	0.00	0.00
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>

### 22 REVENUE FROM OPERATIONS

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
<b>I</b>	<b>REVENUE FROM OPERATIONS</b>		
	<b>Sale of Products</b>		
	Domestic Sales	25,701.14	22,099.60
	Export Sales (*)	3,421.61	175.88
		<b>29,122.75</b>	<b>22,275.48</b>
	(*) Earning in Foreign Exchange		
<b>II</b>	<b>OTHER OPERATING REVENUE</b>		
	Job Work Charges	0.00	0.00
	Revenue From Operations (Gross)	29,122.75	22,275.48
	Less: Vat / CST	1,094.07	956.06
	<b>Revenue From Operations</b>	<b>28,028.69</b>	<b>21,319.43</b>
	Less: Central Excise Duty	3,033.74	2,282.00
	<b>Revenue from Operations (Net)</b>	<b>24,994.94</b>	<b>19,037.43</b>
	<b>Total</b>	<b>24,994.94</b>	<b>19,037.43</b>

22.1 The above sales include Trading sales of ₹ 471.87 Lacs during the year (Previous Year ₹ 1,258.14 Lacs)

### 23 OTHER INCOME

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
1	Interest Income	26.23	7.57
2	Dividend Income	0.00	0.00
3	Profit on Sale of Shares	0.00	0.00
4	Other Non Operating Income		
	- Gain on Exchange Rate Fluctuation	70.20	7.10
	- Profit on Sale of Assets	0.00	0.51
	- Rent Income	2.40	2.70
	- Duty Drawback Income	0.00	0.56
	- Discount / Sundry Balances Written Back	0.30	0.00
		<b>72.90</b>	<b>10.87</b>
	<b>Total</b>	<b>99.13</b>	<b>18.43</b>



## Notes Forming Part of the Financial Statements

### 24 COST OF MATERIALS CONSUMED

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
<b>I Raw Material</b>			
	Opening Stock	2,030.26	751.14
	Add: Purchases	22,567.68	17,257.72
		24,597.95	18,008.86
	Less: Closing Stock	3,328.74	2,030.26
		21,269.20	15,978.60
<b>II Packing Material And Consumable Stores</b>			
	Opening Stock	7.54	0.00
	Add: Purchases	316.18	171.34
		323.71	171.34
	Less: Closing Stock	22.53	7.54
		301.18	163.80
<b>Total</b>		21,570.38	16,142.40

### 25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
<b>I Finished Goods</b>			
	Opening Stock	665.90	516.77
	Less: Closing Stock	1,056.90	665.90
		(391.00)	(149.12)
<b>II Stock-In-Trade</b>			
	Opening Stock	1.96	1.96
	Less: Closing Stock	0.00	1.96
		1.96	0.00
<b>Total</b>		(389.05)	(149.12)

### 26 EMPLOYEE BENEFITS EXPENSE

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
1	Salaries, Wages and Bonus	109.15	85.62
2	Directors Salary Expense	42.85	16.80
3	Contribution to Provident Fund / ESIC / Gratuity	10.10	3.27
4	Staff Welfare Expenses	0.62	0.14
	<b>Total</b>	162.72	105.84



## Notes Forming Part of the Financial Statements

### 27 FINANCE COSTS

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
<b>I</b>	<b>INTEREST EXPENSE</b>		
	For Short Term Borrowings		
	To Bank	440.11	269.68
	To Others	14.35	13.77
	For Others (Term Loan)	7.33	10.35
		<b>461.79</b>	<b>293.81</b>
<b>II</b>	<b>OTHER BORROWING COSTS</b>		
	Bank Charges & Commission	18.25	6.24
	Interest from Customer on Delay in Payment	(40.43)	(145.41)
	Bank Loan Processing & Documentation Charges	45.13	30.52
		<b>22.94</b>	<b>(108.65)</b>
	<b>Total</b>	<b>484.74</b>	<b>185.16</b>

### 28 OTHER EXPENSES

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
<b>I</b>	<b>MANUFACTURING EXPENSES</b>		
	Electricity Expense	37.83	38.98
	Gas & Fuel Expense	694.40	469.71
	Freight Inward-Octroi-Coolies and Cartages	45.06	17.40
	Repairs and Maintenance		
	To Buildings	0.16	1.47
	To Plant and Machineries	14.09	1.07
	To Other Assets	7.49	10.22
	CHA Agency Charges - Import	26.45	10.26
	Clearing & Forwarding Expense	158.34	71.13
	Custom Duty Expense	190.84	226.07
	Job Work Charges	95.25	54.62
	Crane & Forklift Expense	5.19	0.56
	Security Expense	16.17	4.27
	Demurrage & Detention Charges	146.72	50.55
	Bhatthi Consumable Items & Maintenance Expense	66.10	42.43
	Water Expense	10.56	4.48
	VAT Expense & VAT Credit Not Available	26.43	74.86
		<b>1,541.07</b>	<b>1,078.07</b>



## Notes Forming Part of the Financial Statements

### 28 OTHER EXPENSES (Continued)

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
<b>II SELLING AND DISTRIBUTION EXPENSES</b>			
	Freight Outward, Detention and Cartages	334.31	196.90
	CHA Agency Charges - Export	1.73	0.00
	Clearing & Forwarding Expense - Export	34.23	0.00
	Commission Expenses	1.47	0.70
	Traveling Expenses		
	For Directors	26.20	9.68
	For Staff and Guests	7.95	13.70
	Advertisement Expenses	3.05	2.82
		<b>408.94</b>	<b>223.80</b>
<b>III ADMINISTRATIVE EXPENSES</b>			
	Insurance Premium Expenses	6.70	5.13
	Rent Expenses	3.73	1.04
	Rates and Taxes	1.17	2.82
	Payments to Auditors		
	As Auditor		
	Statutory Audit fees	1.12	1.10
	Tax Audit Fees	0.11	0.10
	For Other Services (Income Tax)	0.11	0.00
	Donation Expense	0.35	0.05
	Electricity Expense	2.51	0.68
	Income Tax Expense	0.82	0.98
	Interest on VAT, Service Tax & Custom Duty	4.03	3.60
	Legal & Professional Fees	29.90	12.84
	License, Membership & Annual Subscription Fees	0.79	0.52
	Listing Fees Expense	9.95	0.00
	Loss on Sale of Fixed Assets	0.00	9.57
	Office Expense	1.16	1.98
	Penalty Expense	6.55	0.51
	Petrol & Conveyance Expense	2.85	2.25
	Postage & Courier Expense	0.96	0.35
	Printing & Stationery Expense	4.21	1.97
	Prior Period Expense	0.00	0.00
	Recruitment Expenses	0.56	0.00
	ROC & Filing Fees	0.96	0.01
	Service Tax Expense	7.67	4.81
	Telephone & Internet Expense	3.89	4.43
	Other Expenses	2.14	3.97
		<b>92.24</b>	<b>58.69</b>
<b>Total</b>		<b>2,042.25</b>	<b>1,360.57</b>





## Notes Forming Part of the Financial Statements

### 28.1 C. I. F. VALUE OF IMPORTS

Sr. No.	Particulars	As At March 31, 2015		As At March 31, 2014	
		M.T.	(₹ In Lacs)	M.T.	(₹ In Lacs)
1	Raw Materials	7,700.77	7,109.32	1,243.24	2,187.35
2	Stores	0.00	0.00	0.00	0.00
3	Capital Goods	0.00	17.18	0.00	0.00

### 28.2 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
1	Travelling Expenses	1.22	9.19
2	Professional Fees	0.00	0.00
3	Subscription & Membership	0.00	0.00
4	Interest Expense	13.02	0.00
	<b>Total</b>	<b>14.25</b>	<b>9.19</b>

### 28.3 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES & SPARES CONSUMED AND PERCENTAGE THEREOF

Sr. No.	Particulars	As At March 31, 2015		As At March 31, 2014	
		M.T.	(₹ In Lacs)	M.T.	(₹ In Lacs)
<b>a) RAW MATERIALS</b>					
1	Imported	7,700.77	7,109.32	1,243.24	2,187.35
	Percentage (%)	37.16	31.50	8.49	12.67
3	Indigenous	13,022.35	15,458.36	13,403.23	15,070.37
	Percentage (%)	62.84	68.50	91.51	87.33
	<b>Total</b>	<b>20,723.12</b>	<b>22,567.68</b>	<b>14,646.47</b>	<b>17,257.72</b>
<b>b) STORES &amp; SPARES</b>					
1	Imported	0.00	0.00	0.00	0.00
	Percentage (%)	0.0%	0.0%	0.0%	0.0%
2	Indigenous	0.00	316.18	0.00	171.34
	Percentage (%)	0.0%	100.0%	0.0%	100.0%
	<b>Total</b>	<b>0.00</b>	<b>316.18</b>	<b>0.00</b>	<b>171.34</b>

### 28.4 EARNING IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
1	Sale of Products (On FOB Basis)	3,421.61	175.88
	<b>Total</b>	<b>3,421.61</b>	<b>175.88</b>



## Notes Forming Part of the Financial Statements

### 29 CURRENT TAX

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
1	Current Tax	217.00	110.00
	<b>Total</b>	<b>217.00</b>	<b>110.00</b>

### 30 EARNING PER SHARE

Sr. No.	Particulars	As At March 31, 2015	As At March 31, 2014
1	Profit Attributable to The Equity Shareholders (A) (₹ in Lacs)	467.13	264.51
2	Basic / Weighted Average Number of Equity Shares Outstanding During The Period (B)	2,943,136	2,863,300
3	Nominal Value of Equity Shares (₹)	10.00	10.00
4	Basic / Diluted Earnings Per Share [C=A/B] (₹)	15.87	9.24

### NOTE – 31

- The balances in respect of Sundry Debtors, Current Liabilities and Loans and Advances are subject to confirmations and reconciliations, if any.
- In the opinion of Board of Directors & Management, the Current Assets, Current Liabilities, Unsecured Loans, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The Provisions for depreciation and for all known liabilities are adequate and not in excess of amounts reasonably necessary.
- In the opinion of Management, the Company is mainly engaged in a single segment of manufacturing & trading of non ferrous metals, therefore there are no separate reportable segments as per Accounting Standard (AS-17) "Segment Reporting".

#### 4. Related Party Transaction

As per Accounting Standard 18 on "Related Party Disclosures", disclosure of transactions with related parties as defined therein are given below.

List of related parties with whom transactions have taken place and Nature of relationship.

##### a) Key Management Personnel ("KMP"):

- Mahendra R. Shah - Whole Time Director
- Jatin M. Shah - Managing Director
- Riddhi N. Shah - Company Secretary



## Notes Forming Part of the Financial Statements

### b) Enterprises significantly influenced by Directors and or Their relatives

Mahendra Aluminium Company Limited	- Sister Concern
Krish Ferro Industries Private Limited (Formerly known as Arfin Capital Limited)	- Sister Concern
Mahendra Corporation	- Sister Concern

### Transactions with Related Parties during the year

The following transactions were carried out with the Related Parties in the ordinary course of business.

#### a) Details of Related Party Transaction with “KMP”:

₹ in Lacs

Particulars	2014-15	2013-14
Directors Salary	42.85	16.80
Company Secretary Salary	0.31	NIL

#### b) Details of Related Party Transaction with Relatives of “KMP” & Sister Concerns:

₹ in Lacs

Nature of Transaction	2014-15	2013-14
<b>1. Expenses</b>		
Purchase & Job work Charges	3,937.43	8,046.17
Interest Expense	13.05	12.57
Rent Expense	1.75	0.00
Purchase of Fixed Assets	16.56	0.00
<b>2. Income</b>		
Rent Income	2.40	2.70
Sales & Job Work	651.37	818.87
Sales of Fixed Assets	0.00	11.62
Interest Income	0.00	0.00
<b>Balances as on March 31, 2015</b>		
Unsecured Loans	247.10	946.93
Trade Receivables	0.00	4.62
Trade Payables	1,115.70	528.98

## 5. Employee Benefits

### a) Defined Benefit Plan

No Liability in respect of present or future liability of gratuity has been ascertained and provided in the accounts (Previous Year – Not ascertained and provided for).



## Notes Forming Part of the Financial Statements

### b) Defined Contribution Plan

The Company has recognized the following amount in Statement of Profit and Loss which is included under contribution to funds.

₹ in Lacs

Particulars	2014-15	2013-14
Contribution to Provident Fund	5.71	3.27

- The Company has not received information from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosure, if any, relating to amount unpaid as at the Balance Sheet date together with interest paid or payable as per the requirement under the said act, have not been made.
- In the opinion of the Board, Current Assets and Loans & Advances have a value of the least equal to the amounts shown in the Balance Sheet, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.
- For the Financial Year Ended March 31, 2015 the Board of Directors of the Company have recommended a dividend of ₹ 1/- (10%) Per Share (2014: ₹ Nil) to Equity Shareholders. Dividend, if approved, at the ensuing Annual General Meeting, will be paid / credited to those members whose names appear on the Company's Register of Members on Record Date.
- Previous year's figures have been regrouped, reclassified & rearranged wherever considered necessary.
- Expenditure incurred on employees who were in receipt of not less than ₹ 60,00,000/- per year if employed throughout the year and ₹5,00,000/- per month if employed for a part of a month: ₹ NIL

As Per Our Report of Even Date Attached

**For Raman M. Jain & Co**

Chartered Accountants

Firm's Registration No.: 113290W

**Raman M. Jain**

Partner

Membership No.: 045790

Place : Ahmedabad

Date: May 22, 2015

**For & on Behalf of Board of Directors**

**Mahendra R. Shah**

Chairman

**Riddhi N. Shah**

Company Secretary

**Jatin M. Shah**

Managing Director

**Vijay Lathi**

Chief Financial Officer

# Cash Flow Statement For The Year Ended March 31, 2015

₹ in Lacs

Particulars	As At March 31, 2015	As At March 31, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) Before Tax	705.31	401.45
Adjustments for :		
Depreciation	75.44	42.17
Interest, Dividend etc. Received	(28.63)	(10.27)
Profit on Sale of Assets	0.00	(0.51)
Loss on Sale of Assets	0.00	9.57
Miscellaneous Expenditure	0.00	0.00
	<b>46.81</b>	<b>40.97</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>752.12</b>	<b>442.42</b>
Adjustments :		
Trade and Other Receivables	851.26	(669.05)
Inventories	(1,702.52)	(1,435.78)
Trade Payable / Provision	742.89	447.46
	<b>(108.38)</b>	<b>(1,657.37)</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>643.74</b>	<b>(1,214.95)</b>
Interest and Finance Charges Received	0.00	0.00
Excess Provision Written Back	0.00	0.00
Income Tax & FBT Paid	0.00	0.00
	<b>0.00</b>	<b>0.00</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>643.74</b>	<b>(1,214.95)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(363.14)	(156.89)
Sale of Investment	0.00	0.00
Sale of Fixed Assets	0.00	15.29
Capital Expenditure on WIP	(208.42)	0.00
Interest, Dividend etc. Received	28.63	10.27
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(542.93)</b>	<b>(131.33)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Share Capital / Calls in Arrears Received	62.00	405.62
Net Increase in Borrowings	(10.64)	774.66
Share Issue Expenses	0.00	0.00
Dividend Paid	0.00	0.00
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>51.36</b>	<b>1,180.28</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>152.17</b>	<b>(166.00)</b>
<b>CASH AND CASH EQUIVALENTS-OPENING BALANCE</b>	<b>233.42</b>	<b>399.42</b>
<b>CASH AND CASH EQUIVALENTS-CLOSING BALANCE</b>	<b>385.59</b>	<b>233.42</b>

As Per Our Report of Even Date Attached

**For Raman M. Jain & Co**

Chartered Accountants

Firm's Registration No.: 113290W

**Raman M. Jain**

Partner

Membership No.: 045790

Place: Ahmedabad

Date: May 22, 2015

**For & on Behalf of Board of Directors**

**Mahendra R. Shah**

Chairman

**Riddhi N. Shah**

Company Secretary

**Jatin M. Shah**

Managing Director

**Vijay Lathi**

Chief Financial Officer

# Auditors' Certificate

We have examined the attached Cash Flow Statement of **Arfin India Limited** for the year ended March 31, 2015. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreements with the Stock Exchanges and is based on in agreement with the corresponding Statement of Profit and Loss and Balance Sheet of the Company covered by our report of even date to the members of the Company.

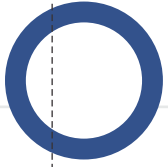
For **Raman M. Jain & Co.**  
Chartered Accountants  
Firm Registration No.: 113290W

Place: Ahmedabad  
Date: May 22, 2015

**Raman M. Jain**  
Partner  
Membership No.: 045790







## Attendance Slip



### ARFIN INDIA LIMITED

B-302, 3<sup>rd</sup> Floor, Pelican House, Gujarat Chamber of Commerce Building,  
Ashram Road, Ahmedabad – 380009, Gujarat, India  
CIN: L65990GJ1992PLC017460, Contact: +91 79 26583791, 92, Fax: +91 79 26583792,  
Email: investors@arfin.co.in, Website: www.arfin.co.in

#### 23<sup>rd</sup> Annual General Meeting – Sunday, September 27, 2015

#### ATTENDANCE SLIP

(To be presented at the entrance)

Full Name and Address :  
of the Shareholder

Full Name of the Proxy :  
(to be filled in if Proxy Form has been  
duly deposited with the Company)

Registered Folio No. / :  
DP ID & Client ID

No. of Equity Shares held :

Email Id :

I certify that I am a member / proxy / authorized representative for the member of the Company.  
I hereby accord my presence at the 23<sup>rd</sup> Annual General Meeting of the Company at Gujarat Chamber  
of Commerce Hall, Opp. H. K. College, Ashram Road, Ahmedabad – 380009, Gujarat, India on  
Sunday, September 27, 2015 at 11:00 am.

\_\_\_\_\_  
Signature of the Member / Proxy  
(To be signed at the time of handling over this slip)

Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual  
Report.



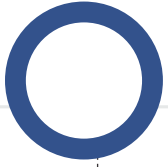




# Route Map to the Venue of the AGM

- Gujarat Chamber of Commerce Hall (GCCCI Hall),  
Opp. H. K. College, Ashram Road,  
Ahmedabad – 380009, Gujarat, India





# Proxy Form



ARFIN INDIA LIMITED

## ARFIN INDIA LIMITED

B-302, 3<sup>rd</sup> Floor, Pelican House, Gujarat Chamber of Commerce Building,  
Ashram Road, Ahmedabad – 380009, Gujarat, India  
CIN: L65990GJ1992PLC017460, Contact: +91 79 26583791, 92, Fax: +91 79 26583792,  
Email: investors@arfin.co.in, Website: www.arfin.co.in

### 23<sup>rd</sup> Annual General Meeting – Sunday, September 27, 2015 PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :

Registered Address :

Email :

Folio No. / Client ID :

DP ID :

I/We, being the member(s) holding \_\_\_\_\_ equity shares of Arfin India Limited, hereby appoint;

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email ID: \_\_\_\_\_

Signature: \_\_\_\_\_

#### Or failing him / her

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email ID: \_\_\_\_\_

Signature: \_\_\_\_\_

#### Or failing him / her

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email ID: \_\_\_\_\_

Signature: \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **23<sup>rd</sup> Annual General Meeting** of the Company, to be held on Sunday, September 27, 2015 at 11:00 am at Gujarat Chamber of Commerce Hall, Opp. H. K. College, Ashram Road, Ahmedabad – 380009, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated overleaf:





# Proxy Form

Resolution	Vote – Refer Note 4		
	For	Against	Abstain
<b>Ordinary Business</b>			
1 Adoption of Financial Statements of the Company and Reports of the Directors and Auditors thereon.			
2 Declaration of Dividend on Equity Shares			
3 Re-appointment of a Director in place of Mr. Jatin M. Shah, who retires by rotation and being eligible, seeks re-appointment			
4 Ratification of Re-appointment of Statutory Auditors			
<b>Special Business</b>			
5 Appointment of Mr. Rameshkumar Babulal Shah as an Independent Director			
6 Appointment of Mr. Dilip Kumar Daga as an Independent Director			
7 Appointment of Ms. Mona Chhopia as an Independent Director			
8 Alteration in Object Clause of the Memorandum of Association of the Company			
9 Alteration in Liability Clause of the Memorandum of Association of the Company			
10 Increase in Authorized Share Capital of the Company			
11 Adoption of new set of Articles of Association of the Company			
12 Appointment of Mr. Mahendra R. Shah as an Executive Chairman & Whole Time Director of the Company			
13 Appointment of Mr. Jatin M. Shah as a Managing Director of the Company			
14 Borrowings in excess of aggregate of Paid-up Share Capital & Free Reserve			
15 Ratification of Remuneration payable to Cost Auditors			
16 To give omnibus approval for Related Party Transactions			
17 Increase in remuneration of Mr. Mahendra R. Shah, Executive Chairman and Whole Time Director of the Company			
18 Increase in remuneration of Mr. Jatin M. Shah, Managing Director of the Company			

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Affix Revenue Stamp of not less than ₹ 1/-

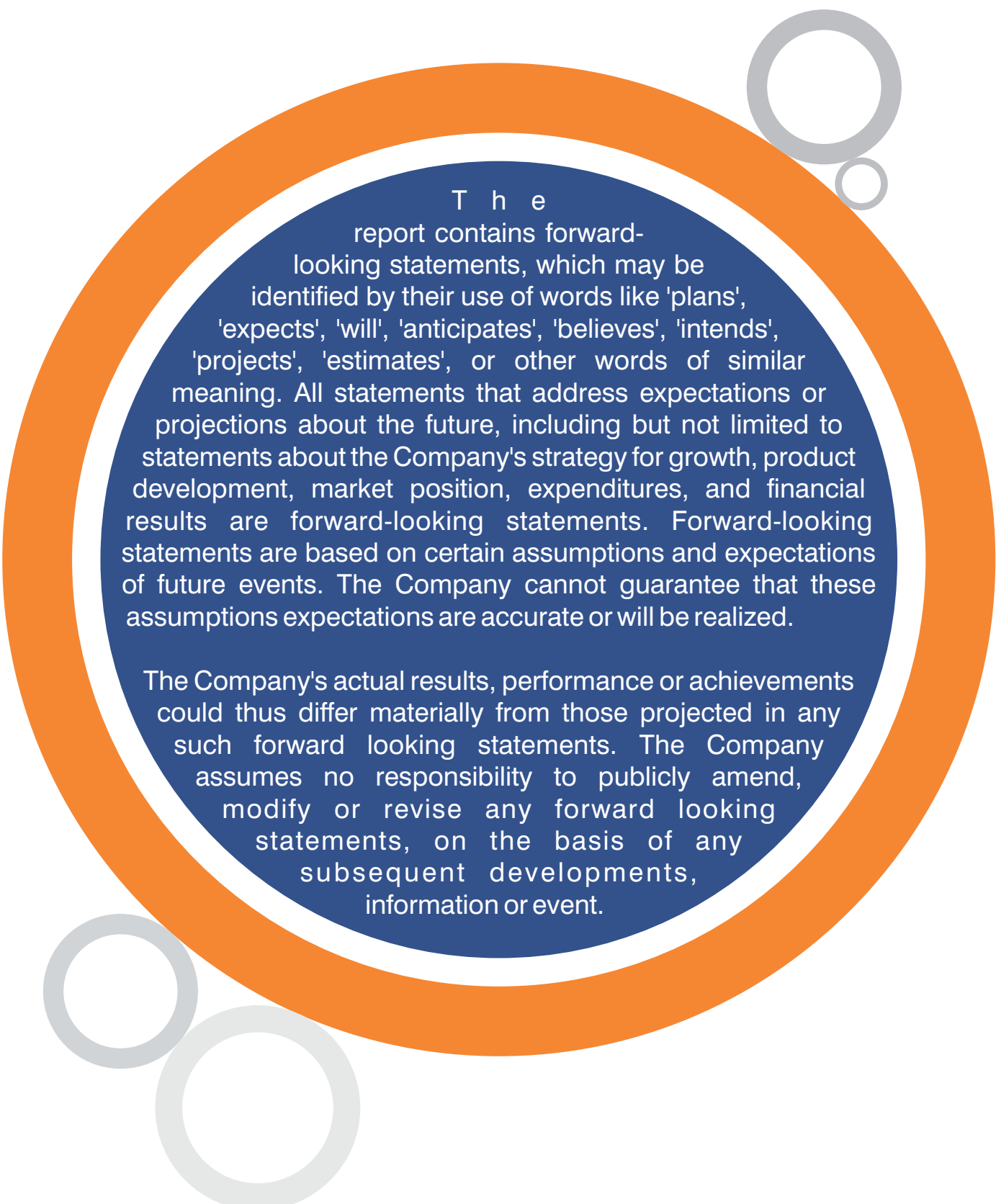
\_\_\_\_\_  
Signature of Member(s)

\_\_\_\_\_  
Signature of Proxy holder (s)

## NOTES:

- For the Resolutions, Explanatory Statements and Notes, please refer to the notice of the 23<sup>rd</sup> Annual General Meeting.
- This Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A Proxy need not be a member of the Company.
- It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
- Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip / Proxy.





The report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions expectations are accurate or will be realized.

The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or event.



ARFIN INDIA LIMITED

**Registered Office:**

B-302, 3<sup>rd</sup> Floor, Pelican House, Gujarat Chamber of Commerce Building,  
Ashram Road, Ahmedabad - 380009, Gujarat, India.  
Phone: +91 79 26583791, 92

**Factory:**

118/1, Ravi Industrial Estate, Behind Hotel Prestige, Billeshwarpura,  
Chhatral, Taluka-Kalol, Dist - Gandhinagar - 382729, Gujarat, India.  
Phone: +91 2764 232620, 21

Email: [info@arfin.co.in](mailto:info@arfin.co.in)

Web: [www.arfin.co.in](http://www.arfin.co.in)

CIN: L65990GJ1992PLC017460