

ANNUAL REPORT 2017-18



ARFIN INDIA LIMITED



BELIEVES IN GROWTH...



**India's Best Company
of the Year Award 2017**



Arfin India Limited has been honoured with “India's Best Aluminium Products Manufacturing Company of the Year Award 2017” by IBC Info Media Private Limited (a division of International Brand Consulting Corporation, USA) on March 10, 2018 at The Leela Hotel, Mumbai.



**1000 Fastest Growing
Companies in Asia Pacific**



Arfin India Limited has been ranked at 602nd position among 1000 fastest growing companies in Asia Pacific by prestigious newspaper Financial Times.

The Company has been selected from 10 million Companies of 11 countries of Asia-Pacific Region. It is indeed a significant recognition for the Company.



Knowledge Fair



LVER
ONSOR

**World Non-Ferrous
Awards 2017**



Arfin India Limited has been awarded with Best Performing Company by World Non-Ferrous Awards for 2016-17 performance.



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The Company has in built production capacity of 55,700 metric tons per annum. Main products line include Aluminium Wire Rod, Aluminium Deox, Cored Wire, Aluminium Alloy Ingots, Ferro Titanium, Automobile Parts and Conductor & Cables. Arfin covers supply to the Steel Sector, Automobile Sector and Power Sector through its existing portfolio of products. Arfin covers supply to customers in India as well as overseas markets.



Arfin brings the four key components together in the Non-Ferrous Metal Industry - a strong portfolio of Non-Ferrous Metal Product, a well-established production capacity, a pan India and Global reach for its products through a strong supply chain and investment in production of Aluminium Deox, Aluminium Wire Rod, Aluminium Alloy Ingots, Cored Wire Products, Ferro Titanium, Conductors & Cables and Automobile Parts into a single entity. It thus becomes a unique player in the Non-Ferrous Metal Industry that is primed to gain leadership position in Non-Ferrous Metal Industry.

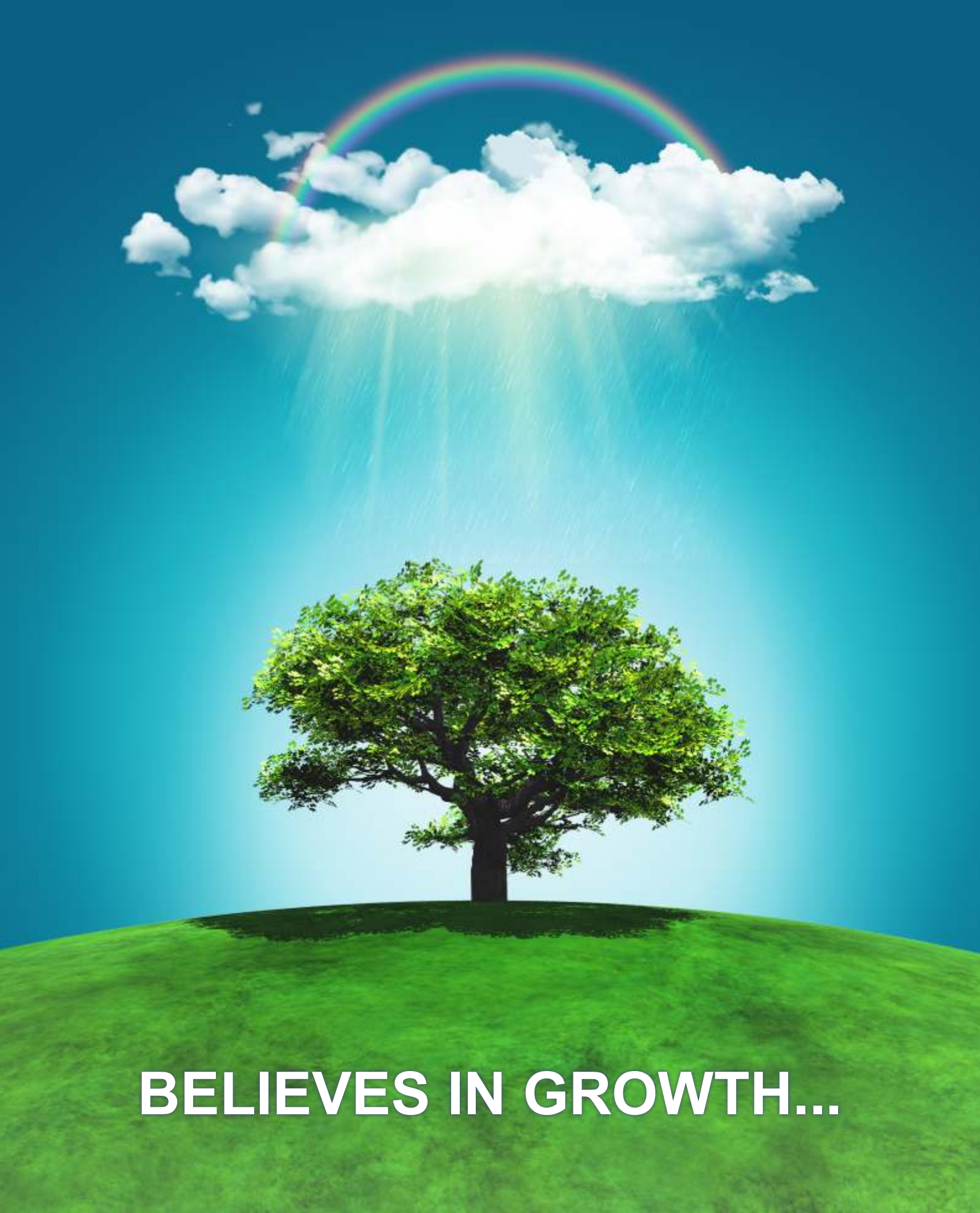




The key to Growth is the introduction of higher dimensions of Belief into our perception. Growth and Belief both are co-related and inter linked, if we Believe in ourselves, Growth is for sure.







BELIEVES IN GROWTH...

A belief is not merely an idea the mind possesses, it is an idea that possesses the mind. The strongest factor for Growth is self-esteem, believing you can do it, believing you deserve it and believing you will get it. If we have belief that we can do it, we shall surely acquire the capacity to do it even if it is not there at the beginning. A belief system is nothing more than a thought, you have thought over and over again.

Our Company's solid market reputation, strong financials, good quality management, commitment of our team, leadership positions in our businesses and our operational excellence are our core strengths that we believe in, which would lead us to ride the wave of growth. Our focused approach to the business, dedication and motivation will keep us growing in the changing markets. We are hopeful and looking the future with endless exciting opportunities to grow further.

Arfin's financial performance has improved significantly over the last 5 years. Revenue of the Company has been consistently growing at a healthy pace. EBITDA has also witnessed healthy growth in tandem with the top-line. Profit After Tax has also grown. Improvement in Operational Profitability has resulted in higher Return on Capital Employed, which has increased to 30.82% in FY18.

Arfin is growing persistently, achieving new milestones in business, creating new records every year, developing new product lines, expanding its customer base and it is the result of that Arfin always BELIEVES IN GROWTH...

“At Arfin, we have been evolving with the changing times and conditions of the market.”



CHAIRMAN'S MESSAGE

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“One of the remarkable successes to the Company in recent years is that it has successfully diversified its businesses.”



BUSINESS OVERVIEW

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“At Arfin, our people form the core of our operations. We invest in employee welfare and happiness to drive performance.”



**MANAGEMENT DISCUSSION
AND ANALYSIS REPORT**

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Corporate Information

The image features a hand in the foreground pointing towards a glowing, circular digital interface. The interface has a bright yellow light at its center, radiating outwards. The background is a blurred image of a person in a white lab coat, overlaid with various futuristic digital graphics, including circuit lines, arrows, and hexagonal shapes. The overall color palette is dominated by light blues, greys, and a vibrant yellow-green at the bottom.

BOARD OF DIRECTORS

MAHENDRA R. SHAH
Chairman

JATIN M. SHAH
Managing Director

PUSHPA M. SHAH
Executive Director

SHANTILAL MEHTA
Independent Director

DINESHCHANDRA SHAH
Independent Director

MUKESH KUMAR CHOWDHARY
Independent Director

CHIEF FINANCIAL OFFICER
Vijay Lathi

COMPANY SECRETARY
Kruti Sheth

STATUTORY AUDITORS
Mukesh Rajendra & Co.,
Ahmedabad

SECRETARIAL AUDITORS
Kamlesh M. Shah & Co.,
Ahmedabad

COST AUDITORS
Ashish Bhavsar & Associates,
Ahmedabad

BANKERS

Axis Bank Limited
IDBI Bank Limited
State Bank of India

REGISTRAR & SHARE TRANSFER AGENT

MCS Share Transfer Agent Limited
201, 2nd Floor, Shatdal Complex,
Ashram Road, Ahmedabad – 380009,
Gujarat, India.
Tel.: +91 79 26580461, 62, 63,
Fax: +91 79 26580462,
Email: mcsahmd@gmail.com,
Website: www.mcsregistrars.com

REGISTERED & CORPORATE OFFICE

B-302, 3rd Floor, Pelican House,
Gujarat Chamber of Commerce Building,
Ashram Road, Ahmedabad - 380009,
Gujarat, India.
CIN: L65990GJ1992PLC017460,
Tel.: +91 79 26583791, 92,
Fax: +91 79 26583792,
Email: investors@arfin.co.in,
Website: www.arfin.co.in

WORKS

118/1, 2, 3, 4 & 117/P-3, 6, 7,
Ravi Industrial Estate,
Behind Hotel Prestige, Billeshwarpura,
Taluka - Kalol, District - Gandhinagar,
Chhatral - 382729, Gujarat, India.
Tel.: +91 2764 232620,
Fax: +91 2764 232621

Our Vision





**“ 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. ”**

Financial Performance

“Arfin's strong and consistent performance is the result of increased volume, change in product mix and increased operational efficiencies.”

5 Years Financial Summary

Key Highlights of Financial Position

₹ in Lakhs

	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Share Capital	290.21	301.83	301.83	405.12	1,324.37
Reserves and Surplus	988.53	1,468.88	2,075.37	5,082.88	6,939.05
Net Worth	1,278.74	1,770.71	2,377.20	5,488.00	8,263.41
Total Borrowings	3,397.93	3,374.71	4,402.19	6,159.95	9,527.88
Capital Employed	4,676.67	5,145.42	6,779.39	11,647.94	17,791.30
Trade Payables	2,676.64	3,566.69	4,635.89	3,519.00	2,167.93
Net Block	925.61	1,212.36	1,410.72	2,122.90	3,047.44
Inventories	2,705.65	4,408.18	6,189.48	7,137.36	8,032.66
Trade Receivables	3,512.62	2,318.14	3,289.81	5,828.90	7,594.23

Key Highlights of Financial Results

₹ in Lakhs

	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Net Sales and Operating Income	19,037.43	24,994.94	27,287.56	34,379.54	46,610.95
Total Income	19,055.86	25,094.07	27,383.74	34,436.72	46,696.90
COGS	16,960.68	21,814.45	23,722.74	28,539.65	37,611.59
PBDIT	628.79	1,265.49	1,570.74	2,771.32	4,537.32
Finance Cost	185.16	484.74	481.89	626.64	1,014.22
PBDT	443.62	780.76	1,088.85	2,144.68	3,523.10
Depreciation	42.17	75.44	88.19	118.94	156.13
Profit Before Tax	401.45	705.31	1,000.66	2,025.74	3,366.97
Profit After Tax	264.51	467.13	660.98	1,300.93	2,170.06
Cash Profit	306.68	542.57	749.17	1,419.87	2,326.19

Notes

1. Financial numbers for the year ended March 31, 2018 are prepared as per Ind AS, hence not comparable with previous year numbers.
2. Financial numbers for 2017-18 are post amalgamation of Mahendra Aluminium Company Limited (MALCO). Hence, not comparable with previous year numbers.

Financial Performance

Ratios

Financial Performance	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Cost of Goods Sold / Net Sales	89.09%	87.28%	86.94%	83.02%	80.70%
Manpower Costs / Net Sales	0.56%	0.65%	0.99%	1.13%	1.30%
Manufacturing Expenses / Net Sales	5.66%	5.44%	4.72%	5.83%	6.38%
Finance Costs / Net Sales	0.97%	1.94%	1.77%	1.82%	2.18%
PBDIT / Interest (Debt-Service Coverage Ratio)	3.40	2.61	3.26	4.42	4.47

Profitability	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
PBDIT / Net Sales	3.30%	5.06%	5.76%	8.06%	9.73%
PBDT / Net Sales	2.33%	3.12%	3.99%	6.24%	7.56%
Net Profit / Net Sales	1.39%	1.87%	2.42%	3.78%	4.66%
RONW (PAT / Average Net Worth)	28.03%	30.64%	31.87%	32.85%	31.56%
ROCE (PBDIT / Average Capital Employed)	15.90%	25.77%	26.34%	29.99%	30.82%

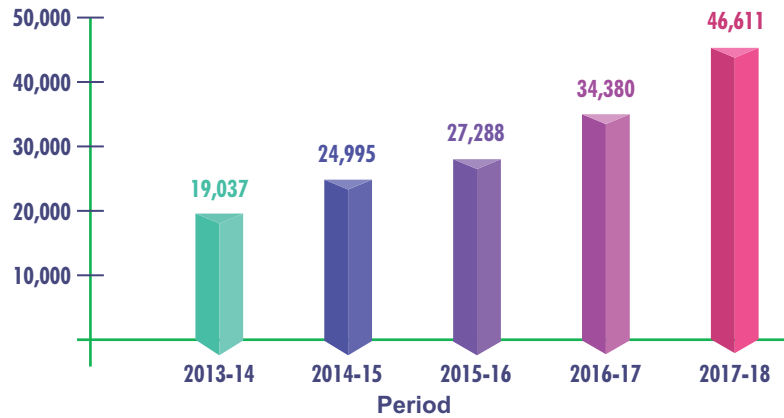
Balance Sheet	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Debt Equity Ratio	2.66	1.91	1.85	1.12	1.15
Debtors Turnover (Days)	58	29	38	52	51
Inventory Turnover (Days)	52	64	83	76	63
Current Ratio	1.27	1.10	1.21	1.35	1.43
Quick Ratio	0.74	0.46	0.46	0.63	0.74
Asset Turnover (Total Income / Total Assets)	2.57	2.83	2.32	2.15	2.22

Key Financial Parameters (₹ in Lakhs)	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Net Sales	19,037.43	24,994.94	27,287.56	34,379.54	46,610.95
Profit Before Depreciation, Interest and Tax	628.79	1,265.49	1,570.74	2,771.32	4,537.32
Profit Before Tax	401.45	705.31	1,000.66	2,025.74	3,366.97
Profit After Tax	264.51	467.13	660.98	1,300.93	2,170.06
Cash Profit	306.68	542.57	749.17	1,419.87	2,326.19

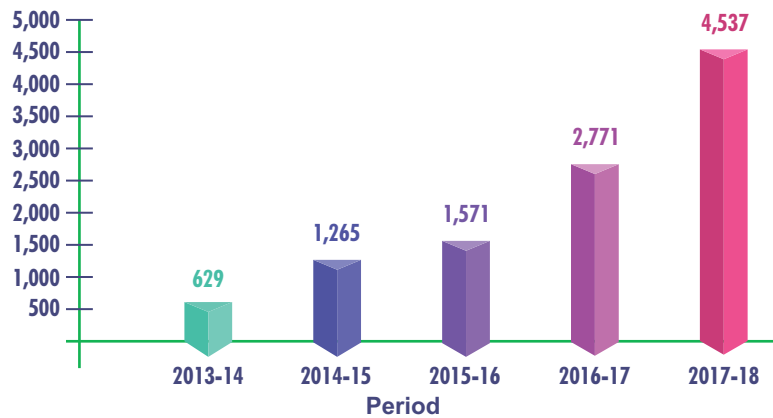
Per Share Data	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Basic Earnings Per Share (₹)	9.24	15.87	21.90	40.06	29.98
Basic Cash Earnings (₹)	10.71	18.44	24.82	43.72	32.14
Book Value (₹)	44.66	58.67	78.76	135.47	62.40

Financial Performance

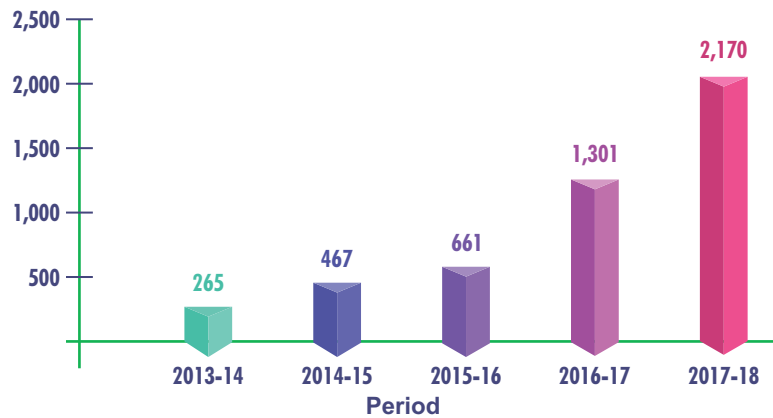
Net Sales (₹ in Lakhs)



EBIDTA (₹ in Lakhs)

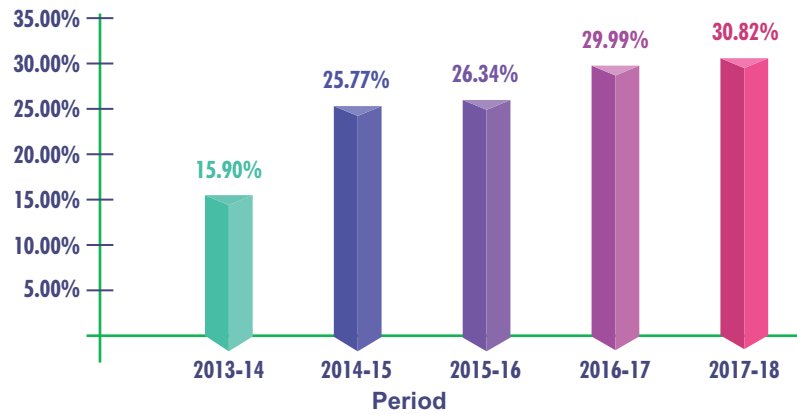


Profit After Tax (₹ in Lakhs)

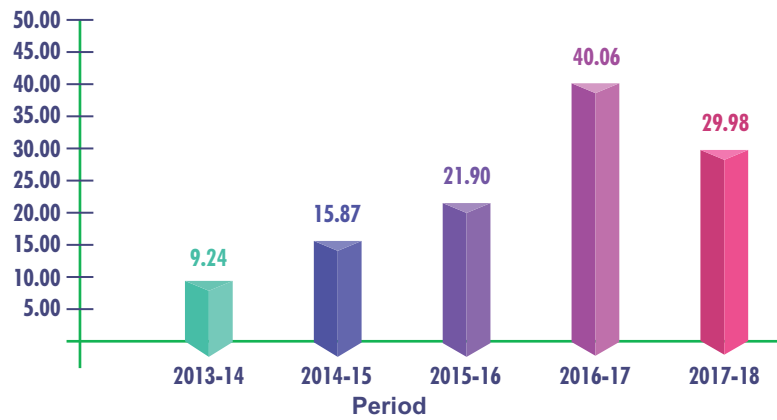


Financial Performance

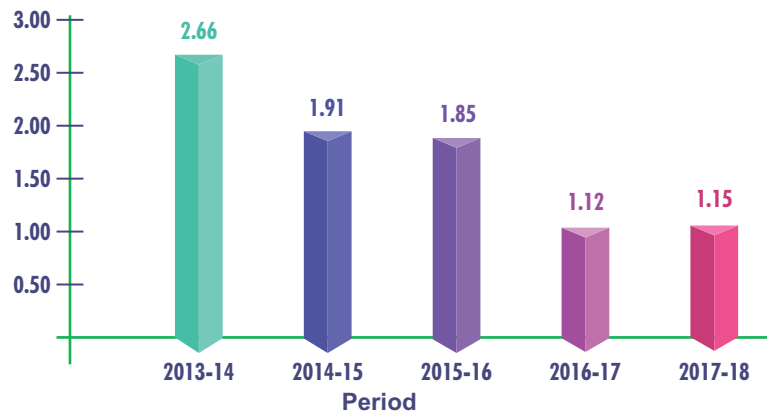
ROCE (%)



Earnings Per Share (₹)



Debt Equity Ratio (x)





**Mahendra R. Shah,
Chairman**

Chairman's Message

Dear Stakeholders,

We are pleased to share with you the Annual Report of your Company for the financial year 2017-18. During the year, your Company's performance has been commendable. It has delivered strong performance, achieved Gross Sales of ₹ 54,686 lakhs, Profit After Tax of ₹ 2,170 lakhs with EBIDTA margins of 9.73% of Net Sales. The Basic Earnings per Equity Share was ₹ 29.98. During the year, the Company's bottom line has increased by more than 66% in compare to previous year. Your Company has sold 29,650 metric tons of goods during the year.

During the year, the Company has completed amalgamation of Group Company, Mahendra Aluminium Company Limited (MALCO) with Arfin India Limited (Arfin). It has strengthened the Balance Sheet of the Company on account of amalgamation of business activities, greater efficiency in the overall business and integration of business operations as well as synergy benefits through combined operations of both the entities.

The stark performance by the Company during the financial year was the result of an extensive hard work and focused approach to the business. We continuously strengthened our manufacturing processes, optimized costs, reduced waste, minimized environmental

hazards and focused on value creation to our customers.

I am happy to share that during the year, the Company has started supplying to power sector through conductor business. The Company has started full-fledged commercial production from conductor plant and supplied goods to MP State Electricity Board Companies during the year. One of the remarkable success to your Company in recent years is that it has successfully diversified its businesses. Now we are covering supply to three sectors viz; Steel Sector, Automobile Sector & Power Sector and aim to grow in each of the sectors going forward. We have created a product basket targeting multiple sectors protecting ourselves from an excessive dependence on any one segment. We widened our product portfolio to be protected from a fundamental risk of supplying limited products into limited sectors.

Ferro Titanium business which we started during March 2017 has performed well during 2017-18. The core business portfolio has performed very well with all the key segments posting steady growth led by Alloy, Cored Wire, Aluminium Deox and Aluminium Wire Rod businesses. Alloy business has shown growth of 28% in sales and volume in compare to previous year.

“At Arfin, we have been evolving with the changing times and conditions of the market. We have been strategically moving our focus towards the high margin value added products while we continue to explore new markets to stay relevant and improve our profit margins.”

Chairman's Message

“At Arfin, our people form the core of our operations. We invest in employee welfare and happiness to drive performance. Work culture at Arfin ensures safety, health, competency enhancement and overall well-being of our employees.

During the year, the Company has increased its export sales through addition of more overseas customers in Japan & Middle-East.

I feel privileged to share that the Company has purchased factory land adjacent to the existing plant which will be used for set up of Aluminium Alloy Wire Rod plant. Production from this plant will be captively consumed for production of conductors which will result in improved margins from conductor business.

Your company is in process of adding one more plant of Ferro Titanium having capacity of 1,200 metric tons per annum to meet increased customer demand. Existing two plants of Cored Wire are running at full capacity. The Company has plan to add one more plant of Cored Wire having capacity of 600 metric tons per annum to meet increased customer demand.

Your Company has purchased one more plot near to existing plant at Chhatral and shed construction work is in under progress. The Company plans to add Alloys and Automobile Parts manufacturing facilities to this location. It will create sufficient space at existing plant for Aluminium Wire Rod, Cored Wire and Ferro Titanium plants.

Despite the market fluctuations and challenges, we have achieved good results. This has

been largely due to ideal cost management, focus on efficiency improvement, productivity and customer centricity. We have done well both in terms of revenue and earnings. The topline and EBIDTA achieved have been the highest ever.

I would like to assure you that all our employees are working extremely hard with great dedication, high energy and strong commitment for your Company. I sincerely thank them all. I would also like to thank all our stakeholders for reposing their faith in us and thanks to our regulators, for their constant support and guidance.

I also express my thanks to all fellow Directors for their invaluable contribution through their guidance and encouragement, which have been momentous for the success of the Company. Finally, I thank each and every shareholder, large and small, for your support and trust.

I must end with optimism that your Company continues to do things better and doing so, intends to enhance value for all its stakeholders in a sustainable way.

With Regards,
Yours Sincerely,



Mahendra R. Shah
(Chairman)

Highlights 2017-18



**START OF COMMERCIAL PRODUCTION
AND SALES FROM CONDUCTOR PLANT**



**GEOGRAPHICAL EXPANSION THROUGH
ADDITION OF CUSTOMERS IN JAPAN
AND MIDDLE EAST**



**HIGHEST EVER SALES AND VOLUME
FROM BUSINESS**



**HIGHEST EVER EBITDA AND PROFIT
AFTER TAX**

51%

**CAGR (COMPOUNDED ANNUAL GROWTH RATE) IN EBITDA
FOR LAST 5 YEARS**

Highlights 2017-18

INCREASED VOLUME, CHANGE IN PRODUCT MIX AND IMPROVED OPERATIONAL EFFICIENCIES DURING 2017-18 HAVE RESULTED CONSISTENT GROWTH FOR THE COMPANY

EBIDTA MARGINS IMPROVED FROM 8.06% IN 2016-17 TO 9.73% OF NET SALES DURING 2017-18

PROFIT AFTER TAX HAS INCREASED TO ₹ 2,170 LAKHS DURING 2017-18 IN COMPARE TO ₹ 1,301 LAKHS DURING 2016-17

31.56%

RETURN OF NET WORTH

30.82%

RETURN OF CAPITAL EMPLOYED

23.03%

VOLUME GROWTH

20.00%

DIVIDEND

₹ 29.98

EARNING PER SHARE

₹ 62.40

BOOK VALUE

Highlights 2017-18

NET SALES (₹ in Lakhs)

2016	27,288
2017	34,380
2018	46,611

SALES QUANTITY (MT)

2016	20,008
2017	24,101
2018	29,650

EBIDTA (₹ in Lakhs)

2016	1,571
2017	2,771
2018	4,537

PAT (₹ in Lakhs)

2016	661
2017	1,301
2018	2,170

EPS (₹)

2016	21.90
2017	40.06
2018	29.98



ARFIN INDIA LTD.



Arfin at a Glance

Arfin India Limited forayed itself as a prominent name in Aluminum Recycling and Ferro Alloys in the year 2012. In 2013-14, Arfin expanded its reach into the automobile industry by extending its manufacturing strength to produce high-quality Aluminum Auto products which was followed by set up of Cored Wire Plant during FY15, Alloy Ingots Plant during FY16 and Ferro Titanium Plant during FY17. During 2017-18, the Company started supplying to Power Sector through its Conductor Plant. Arfin's manufacturing facilities are located at Chhatral industrial area within the vicinity of Ahmedabad. The Company has its corporate office in Ahmedabad. The Company has in built production capacity of 55,700 metric tons per annum. Main products line include Aluminium Wire Rod, Aluminium Deox, Cored Wire, Aluminium Alloy Ingots, Ferro Titanium,

Automobile Parts and Conductor & Cables. Arfin covers supply to the Steel Sector, Automobile Sector and Power Sector through its existing portfolio of products. Arfin covers supply to customers in India as well as overseas markets.

Arfin brings the four key components together in the Non-Ferrous Metal Industry - a strong portfolio of Non-Ferrous Metal Products, a well-established production capacity, a pan India and Global reach for its products through a strong supply chain and investment in production of Aluminium Deox, Aluminium Wire Rod, Aluminium Alloy Ingots, Cored Wire Products, Ferro Titanium, Conductors & Cables and Automobile Parts into a single entity. It thus becomes a unique player in the Non-Ferrous Metal Industry that is primed to gain leadership position in Non-Ferrous Metal Industry.

“The Company is doing well in all its business segments and is under process of organizing its production and warehousing activities.”





Business Overview

India is amongst the lowest cost producers of aluminium across the world owing to easy availability and ranks 2nd in terms of primary aluminium production. Over the next 5 years, it is expected to increase overall aluminium demand at 8% to 9% CAGR largely driven by increase in asset demand especially in automotive sector and infrastructure (power and building). Global aluminium prices had fallen sharply in FY16 (approx USD 1,592 / ton) mainly caused by over supply of Chinese aluminium due to over capacity. However, given better macro-economic conditions globally aluminium prices have made a stellar comeback and the outlook continues to remain stable.

Aluminium is 100% recyclable and the process is less capital intensive than primary metal production as the process requires only 5% of energy. At

present, in India, all the activities related to aluminium scrap recovery are limited to the unorganized sector. In 2016, secondary aluminium demand accounted for 31% of overall demand and has grown at 11% over the past 5 years. India's secondary aluminium market is the fastest growing in the world. The recycled aluminium market is predicted to grow at a CAGR of 9% to 10% fueled by increase in demands for automotive sector especially two-wheelers and cars. The proportion of recycled aluminium has been increasing over the years. It is expected that in the years to come, it will reach at a figure of about 35% to 40% of total aluminium consumption. Since the cost of primary aluminium smelting is high in India, the secondary producers depend upon imports of aluminium scrap from the Middle East, China, South Africa, Taiwan, Nigeria, Spain, Australia, Malaysia and the EU.

“One of the remarkable success to the Company in recent years is that it has successfully diversified its businesses. Now we are covering supply to the Steel Sector, Automobile Sector and Power Sector customers in India as well as abroad and aim to grow in each of sectors.”



Business Overview

“Our focused approach on innovation is of supreme importance for new product development and it also reinforces our operational efficiency and resource optimization, while adhering to the Standard Operating Procedures.”

The country imports huge quantities of scrap which has rose at a CAGR of 27% since 1997-98.

Steel production in India is forecast to double by 2031, with growth rate expected to go above 10% in FY18. Major companies in India are expanding their production capacity. The government is targeting a steel production capacity of 150 million tons by 2020. India's lower per capita consumption compared to the international average leaves a huge potential for increased demand and consumption. New Steel Policy seeks to increase per capita steel consumption to the level of 160 kg by 2030 from existing level of around 60 kg. Government's initiatives like “Housing for All” and plans to increase capex in railways and infrastructure sector are expected to drive the demand and consumption of steel.

Over the last decade, the automotive components industry has registered a CAGR of 14% and has scaled three times to US\$ 43.5 billion in 2016-17 while exports have grown to US\$ 11

billion. According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto-components industry is expected to register a turnover of US\$ 100 billion by 2020. The industry offers 20,000 components grouped into 7 categories. Engine parts & drive transmission and steering parts are the two main product categories. The industry consists predominantly SMEs and few organized players. The organized sector caters to high value-added precision engineering products whereas the unorganized sector caters to after markets.

The Indian auto component industry caters to the needs of OEMs as well as replacement markets, with OEMs contributing around 80% of total component demand. The industry has a distinct global competitive advantage in terms of cost which stems from cost-competitiveness in raw material & labour. An average cost advantage of 25 to 30% has attracted several global automobile manufacturers to set base since 1991.



Business Overview

The Company is benefitted from the State transmission investments which provide impetus to demand with increased focus on intra-state transmission. Additional renewable energy capacities reflect a high potential for transmission line investments over the next few years. Development of green transmission corridors as outlined by the National Green Corridor Program will provide further impetus for the sector.

During FY18, Arfin has also delivered an exceptional performance. The Company has delivered highest ever volume, sales, EBIDTA & Net Profit. The operating efficiencies are improving following addition of new plant of Aluminium Alloy Wire Rod to meet captive consumption requirements of Conductor Plant which will result in improved margins in conductor business. Production from Aluminium Alloy Wire Rod plant is expected to start by second quarter of FY19. The Company is in process to add one more plant of Ferro Titanium to meet the increased customer demand. Commercial production from this plant is expected to start by second quarter of FY19. Existing

two plants of Cored Wire are running at full capacity and the Company plans to add one more plant of Cored wire to meet the increased customer demand.

Aluminium Alloy, Aluminium Wire Rod, Aluminium Deox and Cored Wire businesses have consistently performed well. Sales and quantity from Alloy business has increased by 28% in compare to previous year. The Company's focus on value added products is also yielding desired results and is set to contribute significantly to the profitability. The Company has seeded several initiatives and projects that will bear fruits in the upcoming years.

The Company has sold 29,650 metric tons of goods for the year 2017-18 registering year on year volume growth of 23%. The last quarter of the year was bumper quarter posting highest quarterly sales for the Company.

The Company aims to be a leader in its business segment through its product lines viz. Aluminium Wire Rod, Aluminium Deox, Cored Wire, Alloy Products, Automobile Parts, Cable & Conductors, Master Alloys and FerroAlloys.

“We incorporate customer requirements in our product developments and our expert team works further to develop the products as per customer requirements.”



Business Overview

We are pleased to share that Arfin India Limited has been honoured with “India's Best Aluminium Products Manufacturing Company of the Year Award 2017” by IBC Info Media Private Limited (a division of International Brand Consulting Corporation, USA) on March 10, 2018 at The Leela Hotel, Mumbai.

Arfin India Limited has also been ranked at 602nd position among 1000 fastest growing companies in Asia Pacific Region by prestigious newspaper Financial Times. Arfin India Limited was selected from 10 million Companies of 11 countries of Asia Pacific region. It is indeed a significant recognition for the Company.

Also Arfin India Limited has been awarded with Best Performing Company by World Non-Ferrous Awards for 2016-17 performance.

The success of the Aluminium Industry is attributed to the sharp focus on the product lines leading to better cost control, better customer service and consequently faster growth at higher profitability. Overall, all the developments are in the positive direction and in the segments of focus for your Company. During the year, Arfin has been able to manage well due to balanced portfolio of products, improved operational efficiencies and increase in margins.

“During the year, Arfin has been able to perform well due to balanced portfolio of products, improved operational efficiencies and increase in margins.”



Business Overview

People are one of the most valued asset for Arfin and we have framed policies that lay the ground for right opportunities for our team, while ensuring their health, safety and good working environment. At Arfin, our strong and energetic team helps reinforce the foundation of our business. We always try to attract, develop and maintain the best talent. We stand strong on our commitment to provide growth opportunities to every employee, hence creating a coordination between business requirements and employees.

Arfin had 203 employees as at March 31, 2018. The median age in the organization is around 30 years and around 5% of work force are women. Employees come from every small and large communities with very diverse skill sets. They also come from vastly diverse socio economic group. The diversity in the people force brings in different influences, awareness and understanding thus making change and evolution lot easier.

Employee training programs are integral to our HR department. Recognizing people as our biggest asset, we provide advanced quality training to the employees. The Company constantly launches and takes initiatives that contribute to happier and more productive talent. It is on the belief that a happier employee has a greater drive to perform and adapt to

meet changing needs. The Company always believes that its biggest asset has been the people employed in its business who come from a large cross sections of social and economic backgrounds.

We believe an engaged work force connects better, performs better and adds better values to a business. Therefore, we organize several employee engagement activities throughout the year to remain close to our employees and ensure better business performance. A performance driven culture demands higher efficiency and productivity and the key to achieving higher productivity is attraction, development and nurturing of higher caliber individuals. Keeping this objective in mind, the HR department of the Company has taken number of innovative initiatives. The main objective is to meet the organizational goals and unless not fully sentiment with significant role of the HR, an organization cannot attain evolution through its human capital.

“A performance driven culture demands higher efficiency and productivity and the key to achieving higher productivity is attraction, development and nurturing of higher caliber individuals.”



Business Overview

The Company is doing well in all its business segments and is under process of organizing its production and warehousing activities through systematic allocation of space.

The company is in process to set up second plant of Ferro Titanium (Master Alloys) near existing plant of Ferro Titanium (Master Alloys). Both plants would be run through single production team and with common infrastructure. It will further improve operational efficiencies and reduce the common costs. The Company is in process of allocating space for warehousing of finished goods and raw materials systematically. During the year, the Company has purchased one more plot near to existing plant which is being used for set up of Aluminium Alloy Wire Rod Plant. The shed construction work is almost completed and the plant set up is in process. The Company expects to start commercial production by second quarter of FY19 from this plant. The production from plant

shall be captively consumed for production of conductors. For conductors, aluminium alloy wire rod is the basic raw material. It will ultimately result in higher margins in the business.

Separate space has been allocated for warehousing of finished goods and raw materials which gives better visibility of stock position at any point of time to take business decisions. The Company has separate laboratory set ups for different business verticals. There is separate laboratories for quality testing of Aluminium Deox Products, Aluminium Wire Rod, Cored Wire, Aluminium Alloys, Master Alloys and Conductor & Cable products. Before selling to the customers, each and every batch of production is tested for quality check. The Company has in-house quality testing team which is fully equipped and dedicated for inspection and testing of materials. The Company has total production capacity of 55,700 metric tons per annum as at March 31, 2018.

“The Company has in-house quality testing team which is fully equipped and dedicated for inspection and testing of materials.”



Business Overview

The policies, procedures and systems are well laid out and regularly monitored by the top management ensuring all deviations are always within control. The Company also ensures that financial and operating reporting systems are reliable and that all material risks are evaluated. The Company has strong information and communication network which supports and captures the exchange of information enabling employees to efficiently carry out their responsibilities. The Company also has a review mechanism whereby the Management regularly reviews actual performance in comparison to the plans.

There is a separate in-house team which constantly analyses, understands and works upon to

reduce the cost of production without any impact on quality of products manufactured.

Arfin envisages strong growth in near term as economic growth has picked up and the government is promoting infrastructure investments and consumption through various initiatives taken during last 4 years. The Company also envisages robust growth on the horizon too, as the sectors it caters to are not only large but also growing and it is still quite under-penetrated from the perspective of infrastructure. To ready itself for this take off in growth, the Company has also put in place robust internal risk Management systems & processes and supportive technology.

“The Company has well established internal control procedures across all business verticals commensurate with the size and nature of operations.”





Jatin M. Shah,
Managing Director

Management Discussion and Analysis Report

Industry Structure and Developments

India is one of the fastest growing economies in the world. Strong domestic demand coupled with several reforms that the government has undertaken augurs well to maintain the economic growth momentum going forward. As non-ferrous metals find widespread applications across the economy, the strong growth in GDP provides a tremendous opportunity for the development of the Indian non-ferrous metals industry in the future. A major push is expected to emerge from the government's 'Make in India' initiative, which aims to increase the manufacturing share of GDP from the present 17 to 25% by the end of 2025. Under this initiative, the government has identified 25 sectors such as automotive, power, defense, manufacturing etc. which have extensive applications of various non-ferrous metals and therefore, can provide a boost to the industry.

Aluminium market in India is still growing at a rate of 9% to 10% over the last five years and it is expected to remain so in the near future. Aluminium Industry in India is one of the leading Industries in the Indian economy. The growth of the Aluminium metal industry in India would be sustained by the diversification and exploration of new horizons for the Industry.

The company is operating in multiple products of aluminium and this multiplicity of operations minimizes the operating eventualities. During the year, the company has started the commercial production and sales from the conductors & cables. During the financial year 2017-18, the company has resulted in consistent growth by way of increased volume, change in product mix, increased customer demand, increased margins and improved operational efficiencies. During the year, the company has been honoured with 602nd rank amongst 10 million companies nominated from 11 countries as a fast-growing company in the Asia-Pacific Region, based on the compounded annual growth in the revenue between 2013 and 2016; and with "India's Best Aluminium Products Manufacturing Company of the

Year Award 2017" by IBC Info Media Private Limited (a division of International Brand Consulting Corporation, USA).

Opportunities

The Indian market for aluminium is booming and is forecasting further growth in the coming years. With Indian producers expanding their capacities, new players entering and the current increasing demand for high quality products, the Indian industry is gearing up to adopt state of the art technology & latest equipments to meet quality challenges. Opportunities to be explored in the Indian market are as follows:

- Expected benefits from the infrastructure projects prioritized by the government. The government's thrust on the power, which sector is the dominant consumer of aluminium in India, augurs well for the aluminium industry.
- Expectations from the automobile and food packaging industries to strengthen aluminium growth. Furthermore, rapid urbanisation should augment consumer demand.
- Rise in infrastructure development and automotive production.
- Increased investment by government on infrastructure.

Threats

India's steel industry had been settling into a comfortable groove. The distressed assets tag for the industry is being addressed, with buyers interested in most large steel assets. Overall, demand is improving, prices are rising and new capacities have stabilized. In fact, the growth was to get better as private investment demand is primed to recover in FY19 and beyond. The company expects itself to be exposed to the following types of risks:

- Unfair practices by overseas competitors
- A fall in global prices directly affecting export margins

Management Discussion and Analysis Report

- Imposition of anti dumping duty
- Volatility in prices
- Change in Product mix
- Substitute products

Product / Plant wise Performance

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 / plant wise performance is as follows:

Aluminium Wire Rod

The company has installed capacity of 15,000 metric tons per annum in the business of aluminium wire rod. The Company has sold 8,187 metric tons of aluminium wire rod worth ₹ 15,937 lakhs (Gross Sales). The company expects aluminium wire rod product sales volume to increase by around 5 to 8% during FY19.

Aluminium Deox

The company is having installed capacity of 20,000 metric tons per annum in aluminium deox. The sales during the financial year under report was 11,055 metric tons amounting to ₹ 20,092 lakhs. It reflects increase in sales volume at the rate of 12.7% in terms of quantity and 32.9% in terms of sales amount for aluminium deox products over the last financial year. The Company expect to grow this business at 5 to 8% during FY19.

Cored Wire

The company is having cored wire plant with capacity of 1,500 metric tons per annum. The sales quantity during the financial year under report was 1,498 metric tons which amounts to ₹ 3,177 lakhs. The Company expects to grow this business by 10 to 15% during FY19.

Aluminium Alloy Ingots

The company is having installed capacity of 6,000 metric tons per annum of aluminium alloy plant. The sales during the financial year under report stood at 5,721 metric tons amounting to ₹ 8,986 lakhs which is higher by 28% in compare to previous year.

Conductor and Cables

During the year, the company has started commercial production and sales from conductor plant. The company is having installed capacity of 12,000 metric tons per annum of conductor and cables plant. The sales during the financial year under report stood at 572 metric tons amounting to ₹ 1,090 lakhs. The company has received orders from MP, Gujarat and Punjab State Electricity Board Companies for supply of conductors. The company has successfully set up one aluminium alloy wire rod plant and production of the same shall be captively used for manufacturing of conductor plant production. It is a backward integration of the aluminium alloy wire rod which will result in improved margins in business.

Master and Ferro Alloys (Ferro Titanium)

The company is having installed capacity of 1,200 metric tons per annum of Master Alloys & Ferro Alloys plant. The sales during the financial year under report stood at 422 metric tons amounting to ₹ 1,159 lakhs. The existing plant is fully booked for FY19 and the Company is in process to set up second plant of Master & Ferro Alloys to meet the increased demand.

Outlook

The future for aluminium and aluminium products in India looks favourable with the low per capita consumption in the country coupled with chances of better opportunities. Awareness of the utility of aluminium in various industrial sectors is growing and it provides a lower cost option as compared to various metals in different sectors.

Management Discussion and Analysis Report

Business Highlights

The company has shown significant growth during the financial year ended on March 31, 2018. Increased volume, change in product mix, increased customer demand, increased margins and improved operational efficiencies during 2017-18 have resulted consistent growth for the company. Better market sentiments and new product lines have resulted increase in volume and sales during the year. Aluminium Wire Rod, Aluminium Deox and Aluminium alloy businesses have contributed significantly along with Cored Wire, Ferro Titanium and Conductor verticals during the year.

The salient points for the business overview of the company during the financial year 2017-18 are as follows:

- Total net income from operations of ₹ 46,611 lakhs with year on year growth of 35.58%
- EBIDTA of ₹ 4,537 lakhs
- EBIDTA margins of 9.73% of net sales (higher by 167 bps as compared to previous year)
- Year on year increase in profit after tax of 66.81%
- Basic and diluted earnings per share for the year was ₹ 29.98 per share
- Start of commercial production and sales from conductor and cables plant

Risks and Concerns

Arfin recognizes that risks need to be managed to protect its customers, employees, shareholders and other stakeholders, to achieve its business objectives and to enable the sustainable growth. An integrated system of risk management and internal controls framework has been deployed taking into account various factors such as size and nature of the inherent risk and the regulatory environment. The risk management framework undergoes continuous improvement to allow the management

to optimize its management of risk exposures while taking advantage of business opportunities.

Arfin's financial performance is not impacted by fluctuations in prices of aluminium, exchange rates and interest rates. The company takes a very structured approach to the identification and quantification of each such risk and has a comprehensive risk Management policy.

Risks classified as per Company's Risk Management Policy are:

- Strategic risk
- Operational risk
- Financial risk
- Hazardous risk

Other risks include employment risk, industry risk, raw material risk, regulatory risks, economic uncertainty and price volatility resulting from demand uncertainty etc. Although the board recognizes presence of these risks, but there are no risks which in the opinion of the board threaten the existence of the company.

Internal Control Systems and its Adequacy

The company views internal control as a tool for improving operational performance and ensuring reliability of reporting mechanism. The company is equipped with adequate internal control systems for its business operations which determine the efficiency of its operational strengths in financial reporting and ensure compliance with applicable laws and regulations. The company continuously monitors the effectiveness of the internal controls with an objective to provide to the audit committee and the board of directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance processes. The company also assesses opportunities for improve-

Management Discussion and Analysis Report

ment in business processes, systems and controls; provides recommendations designed to add value to the organization and follows up on the implementation of corrective actions and improvements in business processes after review by the audit committee and the senior management. The internal control systems are supplemented by extensive audits conducted by the internal auditors. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies.

Financial Performance *vis-à-vis* Operational Performance

Details with respect to financial performance *vis-à-vis* operational performance are given at the end of this management discussion and analysis report.

Human Relations / Industrial Relations

Employees are vital and valuable assets for any organization. They have always been part of success stories experienced by the organizations. The company recognizes people as the primary source of its competitiveness and continues to focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfil their aspirations. It believes in creating a favourable work environment which can lead to innovative ideas. The company has an optimum process of recruitment and awarding its human resource which leads to attraction and retention of highly qualified and productive individuals in the organization. The company believes in promoting and nurturing work environment which is conducive to the development and growth of an individual employee, by employing the best HR practices such as performance management, reward and recognition policy, open work culture and effective employee communica-

tions etc. The total number of employees in the company stands at 203 as at March 31, 2018.

Cautionary Statement

Certain statements in this annual report more particularly in the management discussion and analysis report describing the company's strength, strategies, objectives, predictions, expectations and estimates 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 global and domestic financial market conditions affecting the interest rates, availability of resources for the financial sector, market for lending, changes in regulatory directions issued by the government, tax laws, economic situation affecting demand / supply, price conditions in the domestic markets in which company operates, significant changes in political and economic environment in India, applicable statutes, litigations, labour relations that may impact the company's business as well as its ability to implement its strategies. Further, market data and product information contained in this report are based on information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot be assured. 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 net revenue from operations has increased from ₹ 34,379.54 lakhs to ₹ 46,610.95 lakhs during the year 2017-18 registering year on year growth of 35.58%. This growth was on account of increased volume, change in product mix, improved operational efficiencies and stellar performance by the business.

Profit Before Tax

Profit before Tax has increased to ₹ 3,366.97 lakhs during the financial year 2017-18 in compare to ₹ 2,025.74 lakhs during the previous financial year registering year on year growth of 66.21%. 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 cost outflow has increased from ₹ 626.64 to ₹ 1,014.22 lakhs in 2017-18. The increase in finance cost is on account of increase in working capital borrowings for the business. The interest & financial charges cover during the year under report has improved to 4.47 times as compared to 4.42 times in the preceding year.

Net Profit

Net profit for the financial year under report stood at ₹ 2,170.06 lakhs as compared to ₹ 1,300.93 lakhs in the previous financial year registering a strong year on year growth of 66.81%.

Dividend

Management of the company has decided to share progress and growth of the company with the shareholders by paying them dividend at a consistent rate despite of volatile market conditions. The board has recommended a final dividend of ₹ 2.00

(20%) per equity share having face value of ₹ 10/- each for the financial year 2017-18.

Capital Employed

The capital employed in the business was increased by ₹ 6,143.34 lakhs during 2017-18. This is reflected in the liabilities side of the balance sheet through an increase in shareholders' fund by ₹ 2,775.41 lakhs and increase in borrowings by ₹ 3,367.93 lakhs. Return on capital employed for the year was 30.82%.

Surplus Management

The company generated a cash profit of ₹ 2,326.19 lakhs for the year 2017-18 as compared to ₹ 1,419.87 lakhs during the previous financial year. The cash profit is ploughed back into the business to fund the growth. Growth of the company has partly been funded by the cash generated from the business and partly by the additional funds borrowed.

Equity Share Capital

As at March 31, 2018, the company's issued, subscribed and paid-up equity share capital stood at 1,32,43,671 equity shares of ₹ 10/- each amounting to total paid up equity share capital of ₹ 13,24,36,710/-.

The paid-up equity share capital was increased by ₹ 9,19,25,140/- by way of issue of 81,02,314 bonus equity shares of face value of ₹ 10/- each in the ratio of 2 new bonus equity shares of ₹ 10/- each for every 1 existing fully paid up equity share of ₹ 10/- each and also through allotment of 10,90,200 equity shares of face value of ₹ 10/- each fully paid up to the equity shareholders of Mahendra Aluminium Company Limited, pursuant to the scheme of amalgamation of Mahendra Aluminium Company Limited with Arfin India Limited under section 230-232 of the Companies Act, 2013 in the ratio of 92 (ninety two) fully paid up equity shares of the face value of ₹ 10/- each of

Review of Financial Performance of the Company for the Period under Report

Arfin India Limited (transferee company) for every 100 (hundred) fully paid up equity shares of the face value of ₹ 10/- each held by such shareholders in Mahendra Aluminium Company Limited (transferor company).

Debt Equity

Debt equity ratio of the company was 1.15 as at March 31, 2018 in compare to 1.12 as at March 31, 2017.

Earnings Per Share

The company's basic earnings per share for the financial year 2017-18 remains at ₹ 29.98 in compare to ₹ 40.06 for the previous year 2016-17. The diluted earnings per share amounts to ₹ 29.98 in compare to ₹ 38.84 per equity share during the previous year 2016-17.

Cash Earnings Per Share

The company's cash earnings per share during 2017-18 stands at ₹ 32.14.

Notice

NOTICE is hereby given that the **26th Annual General Meeting** of the members of the Company, **Arfin India Limited** is scheduled to be held on Monday, September 24, 2018 at 10:30 A.M. at Gujarat Chamber of Commerce Hall, Opp. H. K. College, Ashram Road, Ahmedabad – 380009, Gujarat, India (route map attached) to transact the following businesses:

Ordinary Businesses

1. Adoption of Financial Statements

To receive, consider and adopt the audited financial statements of the company for the financial year ended on March 31, 2018 together with the directors' report and auditors' report thereon.

2. Declaration of Dividend

To declare a Final Dividend on equity share of the Company for the financial year ended on March 31, 2018.

3. Appointment of Director Retiring by Rotation

To appoint a director in place of Mrs. Pushpa Mahendra Shah (DIN: 00182754), who retires by rotation and being eligible, offers herself for re-appointment.

4. 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(8) of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, pursuant to recommendation of audit committee and the board of directors of the company, M/s. Sanjay Bajoria & Associates, chartered accountants,

Ahmedabad (FRN: 117443W) be and are hereby appointed as statutory auditors of the company to fill the casual vacancy caused due to the resignation of M/s. Mukesh Rajendra & Co., chartered accountants, Ahmedabad (FRN: 143123W) at a remuneration as may be mutually agreed to, between Mr. Mahendra R. Shah, chairman & whole-time director and the said firm of auditors, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them, to hold office of statutory auditor till the conclusion of the thirty first annual general meeting.

RESOLVED FURTHER THAT the board of directors of the company (including committee(s) thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

Special Businesses

5. Appointment of Mr. Dineshchandra Mangaldas Shah (DIN: 02479309) 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, 160 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, regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the articles of association of the company,

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appointment of Mr. Dineshchandra Mangaldas Shah (in respect of whom, the company has, pursuant to the provisions of section 160 of the Companies Act, 2013, received a notice in writing from a member proposing his candidature for the office of independent director) made by the board of directors at its meeting held on September 20, 2017, be and is hereby approved by the members of the company for a term of five consecutive years effective from the date of the board meeting said above and that Mr. Dineshchandra Mangaldas Shah shall not be liable to retire by rotation.”

6. Appointment of Mr. Mukesh Shankerlal Chowdhary (DIN: 00025877) 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, 160 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, regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the articles of association of the company, appointment of Mr. Mukesh Shankerlal Chowdhary (in respect of whom, the company has, pursuant to the provisions of section 160 of the Companies Act, 2013, received a notice in writing from a member proposing his candidature for the office of independent director) made by the board of directors at its meeting held on November 09, 2017, be and is hereby approved by the members of the company for a term of five consecutive years effective from the date of the board meeting said above and that Mr. Mukesh Shankerlal Chowdhary shall not be liable to retire by rotation.”

7. Revision in the Remuneration of Mr. Mahendra R. Shah (DIN: 00182746), Chairman & 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 revise the remuneration of Mr. Mahendra R. Shah, chairman & whole time director of the company and provide the revised remuneration as shown below with effect from April 01, 2018:

Sr. No.	Particulars	Amount (₹ Per Annum)
1	Basic	12,00,000
2	Ad-hoc Allowance	86,56,000
3	Provident Fund	1,44,000
	Total	1,00,00,000

Notice

RESOLVED FURTHER THAT irrespective of the profit(s) being inadequate, in the subsequent years, approval of the members by way of passing of this resolution is also being granted for three financial years, for revision in the above remuneration as the board (including committee(s) thereof) thinks fit and appropriate, within such maximum limits as permissible from time to time, 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 (which term shall include committee(s) / official(s) of the Company 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 and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

8. Revision in Remuneration of Mr. Jatin M. Shah (DIN: 00182683), 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 revise the remuneration of Mr. Jatin M. Shah, managing director of the company and provide the revised remuneration as shown below with effect from April 01, 2018:

Sr. No.	Particulars	Amount (₹ Per Annum)
1	Basic	12,00,000
2	Ad-hoc Allowance	86,56,000
3	Provident Fund	1,44,000
	Total	1,00,00,000

RESOLVED FURTHER THAT irrespective of the profit(s) being inadequate, in the subsequent years, approval of the members by way of passing of this resolution is also being granted for three financial years, for revision in the above remuneration as the board (including committee(s) thereof) thinks fit and appropriate, within such maximum limits as permissible from time to time, 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 (which term shall include committee(s) / official(s) of the Company 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 and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

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9. Revision in Remuneration of Mrs. Pushpa M. Shah (DIN: 00182754), Executive 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 revise the remuneration of Mrs. Pushpa M. Shah, executive director of the company and provide the revised remuneration as shown below with effect from April 01, 2018:

Sr. No.	Particulars	Amount (₹ Per Annum)
1	Basic	6,00,000
2	Ad-hoc Allowance	43,28,000
3	Provident Fund	72,000
	Total	50,00,000

RESOLVED FURTHER THAT irrespective of the profit(s) being inadequate in the subsequent years, approval of the members by way of passing of this resolution is also being granted for three financial years, for revision in the above remuneration as the board (including committee(s) thereof) thinks fit and appropriate, within such maximum limits as permissible from time to time, 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 (which term shall include committee(s) / official(s) of the Company 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 and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

10. To create charges / mortgages on, or sell or otherwise dispose of the movable and immoveable properties of the company, both present and future

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

“**RESOLVED THAT** pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 and rules framed thereunder and along with the statutory amendments thereof, consent of the company be and is hereby accorded to the board of directors of the company, to create charges, mortgages and / or hypothecations in addition to the existing charges, mortgages and hypothecations created by the company, in such form and manner and with such ranking, whether exclusive, pari-passu, subservient or otherwise and at such time and on such terms as the board may determine, on all or any of the movable and / or immovable properties of the company, both present and future and / or on the whole or any part of the undertaking(s) of the company, in favour of the banks, non-banking financial companies, financial institutions and other lender(s), agent(s) and trustee(s), for securing the borrowings of the company availed / to be availed by way of loans(s) (in foreign currency and / or rupees) and / or debentures (convertible / non-convertible / secured / unsecured) and / or securities in the nature of debt instruments issued / to be issued by the company (hereinafter termed 'loans'), from time

Notice

to time, provided that the total amount of loans shall not at any time exceed ₹ 300 crores (rupees three hundred crores only) or such amount as may be approved by the shareholders of the company under section 180(1)(c) of the Companies Act, 2013, in excess of the aggregate of the paid-up capital of the company and its free reserves (apart from temporary loans obtained / to be obtained from the company's bankers in the ordinary course of business) in respect of such borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to, between the board of directors and the lender(s), agent(s) and trustee(s) of the company.

RESOLVED FURTHER THAT the board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the board to secure any further approval of the members of

the company.”

11. 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 applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 including any amendment, modification or variation thereof, the company hereby ratifies the remuneration of ₹ 40,000 (rupees forty thousand only) plus GST and out of pocket expenses payable to M/s. Ashish Bhavsar & Associates, cost accountants (FRN: 000387) who have been appointed by the board of directors as cost auditors of the company, to conduct audit of cost records of the company as prescribed under the Companies (Cost Records and Audit) Rules 2014, for the financial year ending on March 31, 2019.”

Registered Office

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Gujarat, India.
CIN: L65990GJ1992PLC017460,
Tel. No.: +91 79 26583791, 92,
Fax: +91 79 26583792,
Email: investors@arfin.co.in,
Website: www.arfin.co.in

For & on behalf of Board of Directors

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

Place: Ahmedabad
Date: August 10, 2018

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF HIM / HER. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The Instrument appointing proxies in order to be effective must be deposited at the Company's registered office, duly completed and signed not less than 48 hours before the commencement of the AGM.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10% of the 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, a single person can be appointed 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. A proxy form is annexed at the end of this annual report.

Members / proxies / authorized 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 copies of annual reports would be made available at the annual general meeting and they are further requested to quote their folio numbers / BO ID in all the correspondences.

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 the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, information in case of new appointment / reappointment of

Directors and Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special businesses to be transacted are annexed hereto.

3. The Register of Members and Share Transfer Register of the Company will remain closed on Tuesday, September 18, 2018.

4. The board has recommended a final dividend of ₹ 2.00 (i.e. 20%) per equity share of ₹ 10/- each, which, if approved by the members at this annual general meeting, will be paid on or after Sunday, September 30, 2018 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 17, 2018 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 (India) Limited (CDSL) at the close of business hours on Monday, September 17, 2018.

5. In terms of regulation 12 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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), Direct Credit, Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (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 (DPs) and the members holding securities in physical form are requested to send a request to the registrar and share transfer agent i.e. MCS Share Transfer Agent Limited, 201, 2nd Floor, Shatdal Complex, Ashram Road, Ahmedabad – 380009, Gujarat,

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India or to the company secretary of the company.

6. Non-resident Indian shareholders are requested to inform the registrar, MCS Share Transfer Agent Limited immediately about:
 - a) change in the residential status on return to India for permanent settlement, if any; and
 - 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 MCS Share Transfer Agent Limited at 201, 2nd Floor, Shatdal Complex, Ashram Road, 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 the provisions of 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 specimen signature(s) of the authorized 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 DPs with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the company / registrar.

SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date i.e. December 5, 2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialise shares held by them in physical form.

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 inform their email addresses to their respective DPs and members holding shares in physical form are requested to intimate their email address to the company's registrar and share transfer agent whose e-mail ID is mcsahmd@gmail.com mentioning the company's name i.e. Arfin India Limited, so as to enable the company to send the annual report, notices and other documents through electronic mode to their e-mail addresses.

Electronic copy of the annual report including 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 DPs / company. Physical copies of the same have been sent to those members whose email addresses are not registered with the DPs / 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 on March 31, 2018, free of cost, upon sending a request to the company secretary of the company.

10. Members seeking any information about the accounts and / or operations of the company are requested to write to the company secretary at

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least 10 days before the date of annual general meeting to enable the management to keep the information ready at the meeting.

All the 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 made 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 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 at the ensuing annual general meeting.
12. Pursuant to the provisions of 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.
13. The annual report 2017-18 as circulated to the members of the company is also available on the website of the company at <http://arfin.co.in/financials.html>

14. 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 regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 the 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 (e-voting from a place other than AGM) 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 voting electronically are as under:

- i. The voting period begins on Friday, September 21, 2018 at 9:00 AM (IST) and ends on Sunday, September 23, 2018 at 5:00 PM (IST). 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 17, 2018, 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.
- iii. Click on "Members / Shareholders" tab.

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- 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. 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 and voted on an earlier voting of any Company, then your existing password is to be used.
- 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	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company / Registrar / Depository Participant are requested to use the sequence number mentioned on address slip / email pertaining to the notice of this Annual General Meeting.</p>
Dividend Bank Details OR DOB	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <p>If both the details are not recorded with the Depository or Company, please enter the Member ID / Folio Number in the Dividend Bank Details field as mentioned in instruction (iv) above.</p>

- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then reach directly to 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 used by the demat holders for voting for resolutions of any other Company also 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.

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- 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 print out of the voting done by you by clicking on “CLICK HERE TO PRINT” option on the voting page.
 - xvii. 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.
 - xviii. Shareholders can also use Mobile app - “m - Voting” for e-voting. m - Voting app is available on Apple, Android and Windows based Mobile Phones. Shareholders may log in to m - Voting using their e voting credentials to vote for the Company resolution(s).
 - xix. Note for Non-Individual Members and Custodians:
 - Non-Individual members (i.e. other than Individuals, HUF and 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.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. Further, contact details of the official responsible to address the grievances connected with voting by electronic means are as under:

Mr. Rakesh Dalvi
Manager

Central Depository Services (India) Limited
25th Floor, A Wing, Marathon Futurex,
Mafatlal Mills Compound, NM Joshi Marg,
Lower Parel (E), Mumbai - 400 013,
Maharashtra, India.
CIN: L67120MH1997PLC112443,
Tel. No.: 1800225533,
Email: helpdesk.evoting@cdslindia.com,
Website: www.cdslindia.com

- 15. The voting rights of the members shall be in proportion to the paid up equity share capital of the Company held by them, as on the cut-off date i.e. Monday, September 17, 2018.

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

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member of the Company after dispatch of the Notice of the AGM and prior to the cut-off date i.e. Monday, September 17, 2018, 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.

16. The company has appointed Mr. Kamlesh M. Shah, proprietor of M/s. Kamlesh M. Shah & Co., practicing company secretary, Ahmedabad (ICSI membership number: ACS 8356, certificate of practice number: 2072), who in the opinion of the board is a duly qualified person as a scrutinizer to scrutinize the voting processes in a fair and transparent manner.
17. The scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, 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 present 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.
18. The results declared along with the scrutinizer's report shall be placed on the company's website www.arfin.co.in and on the website of CDSL and shall be communicated to the stock exchange within the time prescribed by the law.
19. The resolution shall be deemed to be passed on the date of the annual general meeting, subject to the same being with requisite majority.
20. 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 section 102 of the Companies Act, 2013 (including additional information on director(s) recommended for appointment / re-appointment as required under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and of the Secretarial Standard on General Meetings)

In Respect of Item No. 3

Mrs. Pushpa Mahendra Shah

Brief Resume and Nature of Expertise

Mrs. Pushpa M. Shah aged about 52 years, born on June 21, 1966 falls under the category of promoters of the company and is a commerce graduate from the Maharashtra University. Mrs. Shah is executive director of the company appointed w.e.f. November 5, 2015. Her expertise in the functional areas includes sound knowledge of business and her experience of around 18 years in the aluminium industry adds value and expertise to her profile.

Disclosure of Relationships between Directors Inter-se

Mrs. Pushpa Mahendra Shah is related to Mr. Mahendra R. Shah and Mr. Jatin M. Shah as being their spouse and mother respectively.

Details of other Directorships, Membership / Chairmanships of Committees of other Board as on March 31, 2018

Directorships: Nil

Membership / chairmanships of committee(s) of other board: Nil

(only statutory committees of board of directors have been taken into consideration)

Shareholding in the Company as on March 31, 2018

18,00,092 equity shares of ₹ 10/- (rupees ten only) each representing 13.59% of total share capital of the company.

No. of Board Meetings Attended during the Financial Year 2017-18

Mrs. Pushpa Mahendra Shah has attended all the 10 board meetings held during the financial year 2017-

18, more details on which have been provided in the corporate governance report forming part of this annual report.

Re-appointment of Mrs. Pushpa Mahendra Shah is being proposed in accordance with the provisions of section 152(6) of the Companies Act, 2013 i.e. appointment of director(s) in place of director(s) retiring by rotation and accordingly being eligible, Mrs. Pushpa Mahendra Shah offers herself for re-appointment. The board recommends the shareholders to approve re-appointment of Mrs. Shah as a director of the company.

In Respect of Item No. 4

The board of directors at its meeting held on Friday, August 10, 2018 appointed M/s. Sanjay Bajoria & Associates, chartered accountants, Ahmedabad (FRN: 117443W) to fill the casual vacancy caused due to resignation of M/s. Mukesh Rajendra & Co., chartered accountants, Ahmedabad (FRN: 143123W).

As per the provisions of Companies Act, 2013 read with rules made thereunder, a casual vacancy caused due to resignation of statutory auditor needs to be approved by the members in a general meeting within three months. Accordingly, the board of directors has recommended the appointment of M/s. Sanjay Bajoria & Associates, chartered accountants, to the members of the company for their approval at the ensuing annual general meeting by way of passing an ordinary resolution, to hold office from the date of their appointment in the aforementioned board meeting till the conclusion of the thirty first annual general meeting of the company.

M/s. Sanjay Bajoria & Associates, chartered accountants, have accorded their consent to be appointed as statutory auditors of the company along with the confirmation that, their appointment, if

Explanatory Statement

approved by the shareholders, would be within the limits prescribed under the Act. Your directors recommend the resolution for approval of members.

None of the directors and key managerial personnel of the company and their relatives is concerned or interested, financially or otherwise, in this resolution. The board of directors recommends the resolution for members' approval.

In Respect of Item No. 5 & 6

Based on the recommendations of the nomination & remuneration committee, the board of directors of the company has at its meetings held on September 20, 2017 & November 09, 2017, appointed Mr. Dineshchandra Mangaldas Shah (DIN: 02479309) and Mr. Mukesh Shankerlal Chowdhary (DIN: 00025877) respectively, as additional independent directors of the company to hold office for a period of five consecutive years from the date of their appointment at the respective board meetings, subject to consent by the members of the company at the ensuing annual general meeting (AGM), and the independent directors shall not be liable to retire by rotation.

In the opinion of the board, Mr. Dineshchandra Mangaldas Shah and Mr. Mukesh Shankerlal Chowdhary fulfill the conditions for their appointment as independent directors as specified in the Act and the listing regulations and they are independent to the management and the company.

Additional details

Name of the Director	Mr. Dineshchandra Mangaldas Shah	Mr. Mukesh Shankerlal Chowdhary
Director Identification Number	02479309	00025877
Date of first Appointment on the Board and at Current Designation	September 20, 2017	November 09, 2017
Brief Resume of the Director including Nature of Expertise in Specific Functional Areas	Mr. Dineshchandra Mangaldas Shah, aged around 65 years basically belongs to Mokalsar village in Barmer district of Rajasthan and currently settled in Ahmedabad. He has strong domain knowledge in the business of finance and land development. Mr. Shah started	Mr. Mukesh Shankerlal Chaowdhary, aged around 44 years has completed his graduation from Chennai University, Chennai and also cleared ICWAI inter and system management diploma from NIIT. Mr. Chowdhary started his career in the year 1994 by joining family

As additional directors, both the proposed appointees hold the office of independent director from the date of their appointments till the date of ensuing annual general meeting or due date thereof. The company has received notices pursuant to the provisions of section 160 of the Companies Act, 2013 ("the Act") from member(s) signifying his / her / its / their intention to propose the appointment of Mr. Dineshchandra Mangaldas Shah and Mr. Mukesh Shankerlal Chowdhary as independent directors of the company.

The company has also received declarations from Mr. Dineshchandra Mangaldas Shah and Mr. Mukesh Shankerlal Chowdhary confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that they are also not disqualified from being appointed as directors in terms of section 164 of the Companies Act, 2013 and have given their consent to act as directors of the company.

Explanatory Statement

Additional details

	<p>his carrier at the age of 17 years and today is well-known in the Ahmedabad business community.</p> <p>Mr. Shah holds position as a vice president of Deesa Chamber of Commerce & Industry. Mr. Shah is trustee of Shraman Arogyam Trust, Rajasthan Hospital and Arihant Jain Sangh, Shahibaug, Ahmedabad. He is also founder chief patron of JITO, Ahmedabad Chapter.</p>	<p>business. He has vast experience in operation and management departments.</p> <p>He has also joined Lions Club of Gokak in the year 1998 and became president in the year 2009-10. In the next year he assumed position of zone chairperson. Lions Club of Gokak was mainly involved into eye donation and blood donation activities and he initiated quarterly blood donation camp by which 2000 units were collected. Mr. Chaowdhary also enrolled for MJF and RMF in the year 2017. He was awarded as best multiple first vice president for the year 2016-17 at the multiple convention held at Baroda.</p>
No. of Shares held in the Company as on March 31, 2018	Nil	Nil
Directorships and Committee Memberships in Other Companies	Directorship: Stavan Buildcon Private Limited Committee membership: Nil	Directorship: Diti Resources Private Limited Committee membership: Nil
Inter-se Relationships between Director	Independent to the company & its directors	

The above qualification and expertise of Mr. Dineshchandra Mangaldas Shah and Mr. Mukesh Shankerlal Chowdhary are considered by the board as justification for choosing them as independent directors. Performance of such directors have been evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgments, safeguarding of minority shareholders' interest etc. and has been found satisfactory to the board of directors.

Except Mr. Dineshchandra Mangaldas Shah and Mr.

Mukesh Shankerlal Chowdhary being the respective proposed appointees, none of the directors, key managerial personnel and relatives of the directors / key managerial personnel of the company is interested in the proposed resolutions.

It is in the company's interest that it should avail their services as members of the board. Accordingly, the board recommends the resolutions in relation to the appointment of Mr. Dineshchandra Mangaldas Shah and Mr. Mukesh Shankerlal Chowdhary, as independent directors, for the approval by

Explanatory Statement

shareholders of the company.

In Respect of Item No. 7, 8 & 9

Considering robust performance of the company and contribution therein made by the executive directors, and as recommended by the nomination and remuneration committee, it is proposed by the board that the remuneration of Mr. Mahendra R. Shah, Mr. Jatin M. Shah and Mrs. Pushpa M. Shah be revised and increased upto the limits as stated in the respective resolutions.

Further, as a matter of good governance and prudent practice, the additional information as required under part II section II of schedule V to the Companies Act, 2013 is being furnished hereunder:

iv. Financial performance based on given indicators

The following are the results of the Company for the last three years, at glance

Financial Parameters	2017-18	2016-17	2015-16
Total Revenue (₹ in Lakhs)	47,824.48	38,735.02	27,383.74
Profit Before Tax (₹ in Lakhs)	3,366.97	2,025.74	1,000.66
Profit After Tax (₹ in Lakhs)	2,170.06	1,300.93	660.98
Rate of Equity Dividend (%)	20%	20%	15%

v. Foreign investments or collaborators, if any: Nil.

II. Information about the appointees:

i. Background details, Recognition / Awards

Mr. Mahendra R. Shah, aged about 55 years, holds a graduate degree in science. Presently he is chairman & whole time director of Arfin India Limited. In his over 25 years of industry experience, he has handled diverse portfolios like capital markets, textile and sugar business prior to entering into the metal business. He has also represented metal industry on various topics of public interest in different forums. He has strong domain knowledge of Indian metal industry with good understanding of manufacturing, sales, imports, exports, international markets and proven ability in business, setting up systems and procedures for robust

I. General Information

i. Nature of Industry

The Company is engaged in the business of manufacturing, trading and supply of Non-ferrous metal products.

ii. Date or expected date of commencement of commercial production

The Company was incorporated on April 10, 1992 as a Private Limited Company. The Company has already started commercial production since the financial year 2011-12.

iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not applicable

growth. Mr. Mahendra R. Shah has received an honor of being appointed as chairman of Gujarat chapter of non-ferrous metals by the "ALL INDIA MSME ASSOCIATION".

Mr. Jatin M. Shah, aged about 35 years, holds a graduate degree in commerce from Gujarat university and is holding position of managing director of the company. He is having over 14 years of rich and abundant experience in the non-ferrous metal industry. His strong domain knowledge and deep understanding of business is a reason for his command over the business which he has attained over a period of time. Mr. Jatin M. Shah has also received an honor of being appointed as chairman of Gujarat chapter of auto die casting components by the "ALL INDIA MSME ASSOCIATION".

Mrs. Pushpa M. Shah is a commerce graduate from the Maharashtra university.

Explanatory Statement

She has been appointed as executive director of the company w.e.f. November 05, 2015. She is having expertise in the functional areas of the business and she is also having sound knowledge of practical aspects of business and her experience of around 18 years in the industry adds significant value to her profile.

ii. Past Remuneration

Both Mr. Mahendra R. Shah & Mr. Jatin M. Shah drew remuneration of ₹ 75 lakhs each and Mrs. Pushpa M. Shah drew remuneration of ₹ 30 lakhs for the financial year 2017-18 from Arfin India Limited.

iii. Job Profile and Suitability

Mr. Mahendra R. Shah in his capacity as Chairman & Whole Time Director of the Company is contributing immensely to the Company. The Company has tremendously benefited from the visionary direction of Mr. Mahendra R. Shah.

Mr. Jatin M. Shah also in his capacity as Managing Director of the Company, has accorded the Company with the great level of inputs for the furtherance of the growth of the Company.

Further, Mrs. Pushpa M. Shah in her capacity as Executive Director of the Company and with her skill sets has contributed significantly for the growth and development of the business.

They are responsible for overall day to day Management of the Company as a part of the Board of Directors of the Company.

iv. Remuneration proposed

The remuneration proposed to be paid to Mr. Mahendra R. Shah, Mr. Jatin M. Shah and Mrs. Pushpa M. Shah shall be as stated as per resolutions under Item No. 7, 8 & 9 respectively.

v. Comparative remuneration profile with respect to industry, size of the Company,

profile of the position and person

The prevalent level of remuneration in aluminium industry is higher. Taking into account the roles and responsibilities of Mr. Mahendra R. Shah, Mr. Jatin M. Shah and Mrs. Pushpa M. Shah in the affairs of the Company, their background, rich experience, the key role played by them in overcoming all the difficulties in the business, the proposed remuneration is reasonable and fully justifiable.

vi. Pecuniary relationship, directly or indirectly, with the Company, or relationship with the managerial personnel, if any

Mr. Mahendra R. Shah is a promoter director and as at March 31, 2018 he held 21,38,188 equity shares of the company in his individual capacity and 2,71,128 equity shares in the capacity of karta of Mahendra R. Shah HUF. Mr. Mahendra R. Shah is father of Mr. Jatin M. Shah & spouse of Mrs. Pushpa M. Shah.

Mr. Jatin M. Shah is also a promoter director of the company and as at March 31, 2018, he held 20,96,628 equity shares of the company in his individual capacity and 5,41,500 equity shares in the capacity of karta of Jatin M. Shah HUF. Mr. Jatin M. Shah is son of Mr. Mahendra R. Shah and Mrs. Pushpa M. Shah.

Mrs. Pushpa M. Shah is also a promoter director of the company and holds 18,00,092 equity shares of the company as at March 31, 2018. Mrs. Pushpa M. Shah is spouse of Mr. Mahendra R. Shah & Mother of Mr. Jatin M. Shah.

III. Other Information

i. Reasons for loss / inadequate profits, if any

The company has earned splendid profit during the financial year under report and is expecting to earn even more in the time coming. However, for the purpose of payment of remuneration to the directors as per industry standard the profit is considered

Explanatory Statement

inadequate. Thus, in spite of having impressive profit, just for the sake of the provisions under Companies Act, 2013 the profit has been considered inadequate.

ii. Steps taken / proposed to be taken for improvement

Not Applicable

iii. Expected increase in productivity and profits in measurable terms

The Company expects even better performance in all the parameters in the upcoming years.

iv. Other Disclosures

Other disclosures under Schedule V of the Companies Act, 2013 has been provided in the Corporate Governance Report and the same forms part of this Annual Report.

In Respect of Item No. 10

As per provisions of section 180(1)(a) of the Companies Act 2013, to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, the board requires consent of the members of the company through passing of a special resolution. Therefore, it is proposed to pass this enabling resolution to authorize the company to create a charge or mortgage on the assets or properties of the company for an amount not exceeding ₹ 300 crores, in excess of the aggregate of the paid-up capital of the company and its free reserves or such amount as may

be approved by the Company under section 180(1)(c) of the Companies Act, 2013 from time to time.

None of the directors / key managerial personnel of the company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out, except to the extent of their shareholding in the company.

The board recommends the special resolution set out at item no. 10 of this notice of annual general meeting for approval by the members.

In Respect of Item No. 11

The board, on the recommendation of the audit committee, has approved the appointment and remuneration of M/s. Ashish Bhavsar & Associates, cost accountants, Ahmedabad, (firm registration no.: 000387) as the cost auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2019. In accordance with the provisions of section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be subsequently ratified by the members of the company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out in this item of the notice for ratification of the remuneration payable to the cost auditors for the financial year ending on March 31, 2019. None of the directors and key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution. The board of directors recommends the resolution for members' approval.

Registered Office

B-302, 3rd Floor, Pelican House,
Gujarat Chamber of Commerce Building,
Ashram Road, Ahmedabad – 380009,
Gujarat, India.
CIN: L65990GJ1992PLC017460,
Tel. No.: +91 79 26583791, 92,
Fax: +91 79 26583792,
Email: investors@arfin.co.in,
Website: www.arfin.co.in

For & on behalf of the Board of Directors

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

Place: Ahmedabad
Date: August 10, 2018

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 26th Annual Report on the Businesses and Operations of the Company together with Audited Accounts for the financial year ended on March 31, 2018.

1. Financial Summary

Particulars	₹ in Lakhs	
	2017-18	2016-17
Revenue from Operations	47,738.53	38,677.84
Other Income	85.95	57.18
Total Income	47,824.48	38,735.02
Total Expenses	44,457.51	36,709.28
Profit / (Loss) Before Tax	3,366.97	2,025.74
Provisions for Income Tax including Deferred Tax	1,196.91	724.81
Profit / (Loss) After Tax	2,170.06	1,300.93
Other Comprehensive Income	17.12	2.40
Total Comprehensive Income for the Period	2,187.18	1,303.33
Earnings per Equity Share		
Basic	29.98	40.06
Diluted	29.98	38.84
Proposed Dividend	264.87	81.02
Transfer to General Reserves	100.00	100.00
Profit carried to Balance Sheet	2,170.06	1,300.93
Accumulated Balance of Profit	3,853.00	2,690.69

* Figures for the financial year 2017-18 are post amalgamation of Mahendra Aluminium Company Limited with Arfin India Limited. Hence, not comparable with previous year numbers.

2. Financial Highlights and State of Company's Affair

After merging the figures of Mahendra Aluminium Company Limited (transferor company), the revenue from operations stood at ₹ 47,738.53 lakhs for the year 2017-18 in compare to ₹ 38,677.84 lakhs for the financial year 2016-17. Total net profit for the year stood at ₹ 2,170.06 in compare to ₹ 1,300.93 for the previous year 2016-17. It is further stated that the above figures for financial year 2016-17 are standalone figures of Arfin India Limited and thus figures for both the years are strictly not comparable.

Further, the company has started commercial production and sales from the conductor and cables plant during the quarter ended December 31, 2017. Master and ferro alloys plant also performed well which was started during the last quarter of FY17. The company is in process to set up second plant of ferro titanium (master

alloys) to meet the increased customer demand. The company is also in process of set up of aluminium alloy wire rod plant and production of the same shall be captively consumed for manufacturing of conductor plant production which will result in improved margins in the business. The company also expects to start commercial production from aluminium alloy wire rod plant from second quarter of FY19.

3. Dividend

Considering the profit, growth and future prospects of the company, the directors have recommended a final dividend of ₹ 2/- per equity share (₹ 2/- per equity share for the previous financial year) on equity shares of ₹ 10/- each for the financial year ended on March 31, 2018.

Considering equity share capital as on March 31, 2018, the dividend distribution would result in a cash outgo of ₹ 318.80 lakhs (including tax on

Directors' Report

dividend distribution of ₹ 53.93 lakhs) compared to ₹ 97.52 lakhs (including tax on dividend distribution of ₹ 16.49 lakhs) paid for the financial year ended on March 31, 2017.

4. Approval of Scheme of Amalgamation

The Hon'ble National Company Law Tribunal, Ahmedabad Bench, Ahmedabad has approved scheme of amalgamation of Mahendra Aluminum Company Limited (transferor company / MALCO), a group company of Arfin India Limited, with Arfin India Limited (transferee company / ARFIN) vide its order dated February 22, 2018.

The restructuring plan of Arfin group in the form of amalgamation of MALCO with Arfin benefits the group as well as its stakeholders in the following manner:

- i. The amalgamation has consolidated the business activities and leads to greater efficiency in the overall business and achieving integration of the business operations as well as synergy benefits through combined operations of both the entities.
- ii. Products of both the companies are similar in nature and thus the contemplated merger leads to economies of scale which in turn promotes cost efficiency by means of reduction in administrative overheads, reduction in multiplicity of legal and regulatory compliances, and help running the business more effectively and economically resulting better utilization of resources.
- iii. This amalgamation created enhanced value for shareholders and allows a focused strategy in operations, which would be in the best interest of all its shareholders, creditors and all persons connected with the Companies.

Further, taking note of appointed date April 01,

2017, the closing books of accounts of MALCO i.e. books of accounts as on March 31, 2018 have been merged into the closing books of Arfin India Limited.

Allotment of equity shares pursuant to the scheme of amalgamation

Pursuant to the aforesaid scheme of amalgamation, the board of directors of the company in its meeting held on March 28, 2018, allotted 10,90,200 equity shares to the shareholders of transferor company i.e. Mahendra Aluminium Company Limited in the ratio of 92 new equity shares of ₹ 10/- each of Arfin India Limited against each 100 existing equity shares of ₹ 10/- each held by such respective shareholders in Mahendra Aluminium Company Limited.

5. Listing on Stock Exchanges

As on March 31, 2018, the equity shares of the company were listed on BSE Limited and the Calcutta Stock Exchange Limited. The company has paid the annual listing fees for the financial year ending on March 31, 2019 within time.

Further, the application made by the company during the financial year 2016-17 with the Calcutta Stock Exchange for delisting of its equity shares is pending with the Calcutta Stock Exchange Limited for its approval. Delisting from such regional stock exchange has been considered by the board as after listing of equity shares of the company on the BSE Limited, listing on such regional stock exchange was not providing any tangible advantage to the company or its investors.

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

The company has in place adequate internal control systems commensurate with the size of its operations. The internal control systems comprising of policies and procedures are

Directors' Report

designed to ensure sound management of your company's operations, safe keeping of its assets, optimal utilization of resources, reliability of its financial information and compliances. Clearly defined roles and responsibilities have been institutionalized within the organization. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your company's operations.

7. Details of Subsidiary / Joint Venture / Associate Companies

The company doesn't have any subsidiary, joint venture or associate company. Group Company to the Arfin India Limited includes Krish Ferro Industries Private Limited. Mahendra Aluminium Company Limited, an erstwhile group company to the Arfin group has been amalgamated into the Arfin India Limited during the financial year under report.

8. 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 except the order of the National Company Law Tribunal, Ahmedabad for amalgamation of Mahendra Aluminium Company Limited into Arfin India Limited under a scheme of amalgamation.

9. Deposits

During the financial year under report, your Company has not accepted any deposits within the meaning of Sections 73 and 74 of the Companies Act, 2013 nor it had any amount of deposits carried forward from the previous financial year.

10. Statutory Auditors

M/s. Mukesh Rajendra & Co., chartered accountants, Ahmedabad (FRN: 143123W) were appointed as statutory auditors of the company for a period of 5 years at the 25th annual general meeting held on September 10, 2017. Due to pre-occupation in other assignments, the auditors have expressed their unwillingness to continue as statutory auditors of the company by way of resignation. Therefore, the board of directors of the company in its meeting held on Friday, August 10, 2018 appointed M/s. Sanjay Bajoria & Associates, chartered accountants, Ahmedabad (FRN: 117443W) as statutory auditors upto the conclusion of this annual general meeting of the company to fill the casual vacancy caused due to resignation of the existing auditors.

Pursuant to the provisions of section 139 of the Companies Act, 2013, the appointment of M/s. Sanjay Bajoria & Associates has been put forth before the members at this ensuing 26th annual general meeting for their appointment till the conclusion of the 31st annual general meeting. M/s. Sanjay Bajoria & Associates, chartered accountants have furnished a certificate that their appointment, if made, will be within the limits prescribed under the said section of the Act.

The auditors' report issued by M/s. Mukesh Rajendra & Co., for the financial year ended on March 31, 2018 forms part of this annual report and the same does not contain any qualification, reservation or adverse remark.

11. Secretarial Auditors

In terms of section 204 of the Companies Act, 2013, the board of directors of your company has re-appointed M/s. Kamlesh M. Shah & Co., practicing company secretary, Ahmedabad as secretarial auditors to conduct an audit of secretarial records and compliances, for the financial year ending on March 31, 2019. The secretarial audit report for the financial year ended on March 31, 2018 is annexed herewith as **Annexure – 5** and the same does not contain any qualification, reservation or adverse remarks.

Directors' Report

12. Cost Auditors

The board of directors of your company has re-appointed M/s. Ashish Bhavsar & Associates

(FRN: 000387), cost accountants, Ahmedabad, as cost auditors to conduct audit of cost records for the financial year ending on March 31, 2019.

13. Share Capital

During the financial year under report, the company has allotted equity shares under the bonus issue as well as to the shareholders of Mahendra Aluminium Company Limited under the scheme of amalgamation. The detail of change in the capital structure of the company is tabulated as below:

Event date	Particulars	Authorised share capital		Issued, subscribed and paid-up share capital	
		No. of equity shares	Amount in ₹	No. of equity shares	Amount in ₹
April 01, 2017	Share capital at the beginning of the financial year	1,10,00,000	11,00,00,000	40,51,157	4,05,11,570
October 24, 2017	Addition of 1,90,00,000 equity shares of ₹ 10/- each into the authorised share capital (pursuant to the approval of members dated October 24, 2017 obtained vide postal ballot notice dated September 20, 2017)	1,90,00,000	19,00,00,000	0	0
November 03, 2017	Allotment of bonus shares in the ratio of 2:1	0	0	81,02,314	8,10,23,140
	Resultant share capital	3,00,00,000	30,00,00,000	1,21,53,471	12,15,34,710
February 22, 2018	Merging of authorized share capital of Mahendra Aluminium Company Limited into Arfin India Limited pursuant to the scheme of amalgamation	15,00,000	1,50,00,000	0	0
March 28, 2018	Allotment of equity shares pursuant to the scheme of amalgamation	0	0	10,90,200	1,09,02,000
March 31, 2018	Resultant share capital / capital at the end of the financial year	3,15,00,000	31,50,00,000	1,32,43,671	13,24,36,710

14. Directors & Key Managerial Personnel

I. Appointments

Based on the recommendations of the nomination & remuneration committee, the board of directors of the company has at its meetings held on September 20, 2017 & November 09, 2017, appointed Mr. Dineshchandra Mangaldas Shah (DIN: 02479309) and Mr. Mukesh Shankerlal

Chowdhary (DIN: 00025877) as additional independent directors of the company to hold office for a period of five consecutive years from the date of their appointment at the respective board meetings. As additional directors, both the proposed appointees hold the office of independent director from the date of their appointments till the date of ensuing annual general meeting or due date thereof.

Directors' Report

The board recommends the resolutions in relation to appointment of Mr. Dineshchandra Mangaldas Shah and Mr. Mukesh Shankerlal Chowdhary, as independent directors, for the approval by shareholders of the company.

Also, appointment of Mr. Bherulal Lalchand Chopra (DIN: 01149396) made on December 27, 2016 was approved by the shareholders of the company at their 25th annual general meeting held on September 10, 2017.

Further, at the meeting held on November 09, 2017, the board of directors of the company has appointed Ms. Kruti Sheth as company secretary and compliance officer of the company.

II. Cessations

During the financial year under report, Mr. Dilip Kumar Daga and Mr. Bherulal Lalchand Chopra resigned and thus ceased to be independent directors of the company w.e.f. June 23, 2017 and November 03, 2017 respectively. Mr. Purvesh Pandit resigned from the post of company secretary and compliance officer of the company from the closure of working hours of August 10, 2017.

The board places on record its sincere appreciation for the valuable services rendered by the outgoing directors and the company secretary during their tenure.

III. Retirement by Rotation

In accordance with the provisions of section 152(6) of the Companies Act, 2013 and the articles of association of the company, Mrs. Pushpa M. Shah (DIN: 00182754) will retire by rotation at this annual general meeting and being eligible, she offers herself for reappointment. The board recommends her appointment.

IV. Evaluation of the Board's Performance

During the financial year under report, exercise of evaluation was carried out through a structured process covering

various aspects of the board's 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 each individual director 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. The board of your company is composed with proper number of executive and non-executive directors.

V. 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 have been 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 the following web link: <http://arfin.co.in/pdf/policies/remuneration-of-directors-key-managerial-personnel-and-senior-employees-policy.pdf>

15. Number of Meetings of Board of Directors

Directors' Report

The board of directors met 10 times during the financial year ended on March 31, 2018. The details of the board meetings and the attendance of the directors are provided in the corporate governance report.

16. Audit Committee

The audit committee of the company is constituted with Mr. Dineshchandra Mangaldas Shah as chairman and Mr. Mukesh Shankerlal Chowdhary and Mr. Mahendra R. Shah as members of the committee. All the recommendations, if any, made by the audit committee were accepted by the board of directors during the period under report. More details on the audit committee have been provided in the corporate governance report.

17. Nomination and Remuneration Committee

The nomination and remuneration committee of the company is constituted unanimously by the non-executive directors of the company. Mr. Mukesh Shankerlal Chowdhary holds position of chairman of the committee and Mr. Dineshchandra Mangaldas Shah and Mr. Shantilal Mehta are members of the committee.

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

More details on the committee have been provided in the corporate governance report.

18. Stakeholder Relationship Committee

In order to redress the grievances of stakeholders timely and in efficient manner and as statutorily required, the company has formulated a committee named stakeholder relationship committee which is headed by Mr. Shantilal Mehta as chairman and is further constituted with Mr. Mahendra R. Shah and Ms. Kruti Sheth as members of the committee.

More details on the committee have been provided in the corporate governance report.

19. Internal Complaints Committee (ICC)

The board of directors of the company has constituted a committee named internal complaints committee at its registered / corporate office. The said committee has been formed to comply with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder and to provide the employees safety against harassment, if any. A policy adopted by the company for prevention of sexual harassment at workplace is available on its website at the following web link: <http://arfin.co.in/pdf/policies/prevention-of-sexual-harassment-policy.pdf>

During the financial year ended on March 31, 2018, the company did not receive any complaint pertaining to sexual harassment.

20. Related Party Transactions

All the related party transactions are being entered on arm's length basis, in ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and relevant regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 to the board. Omnibus approval has been obtained from audit committee, board of directors and members of the company for the transactions with the related parties.

The policy on related party transactions as approved by the board has been uploaded on the company's website at the following weblink:

Directors' Report

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

21. 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 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 to the chairman of the board. The whistle blower policy has been duly 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 in this regard.

The said vigil mechanism / whistle blower policy has been uploaded on website of the company and can be accessed at the following web link: <http://arfin.co.in/pdf/policies/vigil-mechanism-or-whistle-blower-policy.pdf>

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

The company did not provide any guarantee in respect of loans availed by others, under the provisions of section 186 of the Companies Act, 2013 and rules framed thereunder during the financial year under report. Details of loans and investments covered under the provisions of section 186 are given in the notes forming part of the financial statements that form part of this annual 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 sitting fees to the non-executive directors during the

financial year under report. More details on the managerial remuneration have been given in the extract of annual return and 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 as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this annual report.

26. Code of Conduct

The board has laid down a code of conduct ("code") for the 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 the independent directors pursuant to the provisions of 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 the professional conduct for independent directors and has been uploaded on the website of the company at the following weblink: <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 a risk management policy for the

Directors' Report

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 the 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 the following web link: <http://arfin.co.in/pdf/policies/risk-management-policy.pdf>

More details on the risk and concern factors have been given in the management discussion and analysis report.

28. Corporate Social Responsibility

Pursuant to the provisions of section 135 of the Companies Act, 2013 including rules framed thereunder, the company attracts the criteria for applicability of corporate social responsibility. Accordingly, it has constituted a corporate social responsibility committee which comprises of:

Sr. No.	Name of the Member	Nature of Membership
1	Mr. Mahendra R. Shah	Chairman
2	Mr. Shantilal Mehta	Member
3	Mrs. Pushpa M. Shah	Member

In compliance with the requirements of section 135 of the Companies Act, 2013, the company has also laid down a CSR policy which can be accessed from the website of the company at the following web link: <http://arfin.co.in/pdf/policies/corporate-social-responsibility-policy.pdf>

The contributions in this regard have been made to Shri Swaminarayan Gurukul, Patdi, Gujarat, Karnavati Lions Club, Ahmedabad and All India Social Education Charitable Trust, Ahmedabad.

The report of CSR activities for the financial year 2017-18 as per the provisions of section 135 of the Companies Act, 2013 has been given

separately as **Annexure – 7**.

29. Directors' Responsibility Statement

In accordance with the provisions of section 134(5) of the Companies Act, 2013, with respect to the director's responsibility statement, it is hereby stated:

- that in the preparation of the annual financial statements for the year ended on March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in notes to the financial statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31, 2018 and of the profit of the company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements for the year ended on March 31, 2018 have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- that the system to ensure the compliances with the provisions of all applicable laws was in place and 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 reappointed 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 the Companies (Appointment and Qualification of Directors) Rules, 2014.

Directors' Report

31. Transfer of Amount(s) and Shares to the Investor Education and Protection Fund

Section 124 of the Companies Act, 2013 mandates that companies shall transfer dividend(s) that remain unpaid or unclaimed for a period of seven years, from the unpaid dividend account to the investor education and protection fund. In this respect, the stakeholders are requested to take note that company has not completed seven years from its first dividend paying financial year and thus there remains no unpaid dividend amount or equity shares corresponding thereto to be transferred to the investor education and protection fund.

32. 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 have been given separately as **Annexure – 1**.

33. Extract of Annual Return

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

34. Form AOC-2

Form AOC - 2 pursuant to clause (h) of sub section (3) of section 134 of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules, 2014 for disclosure of particulars of contracts / arrangements, if any, entered into by the company with the related parties as referred in section 188(1) of the Companies Act, 2013 is enclosed herewith as **Annexure – 3**.

35. Particulars of Employees and Remuneration

As required by the provisions of section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the particulars are set out in **Annexure – 4**.

36. Secretarial Audit Report

The secretarial audit report given by Mr. Kamlesh M. Shah, proprietor of M/s. Kamlesh M. Shah & Co., practicing company secretary, Ahmedabad, for the financial year ended on March 31, 2018 is enclosed herewith as **Annexure – 5**.

37. Auditors Certificate on Corporate Governance

A certificate from statutory auditors of the company regarding compliance of conditions of corporate governance as stipulated under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith as **Annexure – 6**.

38. Acknowledgments

Your directors express their deep sense of gratitude to the bankers, central & state governments, their departments, the local authorities, other regulators and the stock exchanges 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 all the stakeholders have always reposed in them.

For and on Behalf of the Board of Directors

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

Place: Ahmedabad
Date: August 10, 2018

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	Nil
(ii) steps taken by the Company for utilizing alternate sources of energy	Nil
(iii) capital investment on energy conservation equipments	Nil

(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 Lakhs
Foreign Exchange Earned (Actual Inflow)	
Sale of finished goods	2,374.55
Others	-
Total	2,374.55
Foreign Exchange Used (Actual Outflow)	
Import of raw material	20,697.95
Import of capital goods	173.84
Consultancy expenses	2.58
Foreign travelling expenses	13.55
Membership & subscription fees	0.72
Interest	27.35
Total	20,915.99

For and on Behalf of the Board of Directors

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

Place: Ahmedabad
Date: August 10, 2018

Annexure 2 to the Directors' Report

Form No. MGT-9

Extract of Annual Return

As on the Financial Year ended on March 31, 2018

[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. Corporate Identification Number	L65990GJ1992PLC017460
2. Registration Date	April 10, 1992
3. Name of the Company	Arfin India Limited
4. Category / Sub-Category	Public Company, Limited by Shares
5. Address of the Registered Office & Contact Details	B-302, 3 rd Floor, Pelican House, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad – 380009, Gujarat, India. Tel. No.: +91 79 26583791, 92, Fax: +91 79 26583792, Email: investors@arfin.co.in , Website: www.arfin.co.in
6. Whether Listed Company	Yes

Details of Stock Exchanges where Shares are listed

Stock Exchange(s)	Script Code				
BSE Limited	539151				
The Calcutta Stock Exchange Ltd.	10011140				
7. Name, Address & Contact Details of Registrar & Share Transfer Agent, if any.	MCS Share Transfer Agent Limited Website: www.mcsregistrars.com				
	<table border="1"><thead><tr><th>Ahmedabad Branch</th><th>Head Office (Kolkata)</th></tr></thead><tbody><tr><td>201, 2nd Floor, Shatdal Complex, Ashram Road, Ahmedabad-380009, Gujarat, India. Tel No.: +91 79 26580461, 0462, 0463, Email: mcsahmd@gmail.com</td><td>12/1/5, Manohar Pukur Road, Kolkata – 700026, West Bengal, India. Tel No.: +91 33 4072, 4051, 4052, 4053, 4054, Fax: +91 33 40724050, Email: helpdeskkol@mcsregistrars.com</td></tr></tbody></table>	Ahmedabad Branch	Head Office (Kolkata)	201, 2 nd Floor, Shatdal Complex, Ashram Road, Ahmedabad-380009, Gujarat, India. Tel No.: +91 79 26580461, 0462, 0463, Email: mcsahmd@gmail.com	12/1/5, Manohar Pukur Road, Kolkata – 700026, West Bengal, India. Tel No.: +91 33 4072, 4051, 4052, 4053, 4054, Fax: +91 33 40724050, Email: helpdeskkol@mcsregistrars.com
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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.	Non-ferrous metal	242	95.88%

(NIC Codes – 2008)

III. Particulars of Holding, Subsidiary and Associate Companies

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

Annexure 2 to the Directors' Report

IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity) As At March 31, 2018
i. Category Wise Shareholding

Category of shareholders	No. of shares held at the beginning of the financial year - April 01, 2017			No. of shares held at the end of the financial year - March 31, 2018			% change during the financial year
	Demat	Physical	Total	Demat	Physical	Total	
A. PROMOTERS AND PROMOTERS GROUP							
1. INDIAN							
a. Individual / HUF	29,44,257	-	29,44,257	98,13,942	-	98,13,942	74.10
b. Central government	-	-	-	-	-	-	-
c. State government(s)	-	-	-	-	-	-	-
d. Bodies corporate	-	-	-	-	-	-	-
e. Banks / financial institutions	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-
Sub total - (A1)	29,44,257	-	29,44,257	98,13,942	-	98,13,942	74.10
2. FOREIGN							
a. NRI - individuals	-	-	-	-	-	-	-
b. Other - individuals	-	-	-	-	-	-	-
c. Bodies corporate	-	-	-	-	-	-	-
d. Banks / financial institutions	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-
Sub total - (A2)	-	-	-	-	-	-	-
Total shareholding of promoters & promoters group (A1+A2)	29,44,257	-	29,44,257	98,13,942	-	98,13,942	74.10
B. PUBLIC SHAREHOLDING							
1. INSTITUTIONS							
a. Mutual funds / UTI	-	-	-	-	-	-	-
b. Banks / financial institutions	-	-	-	-	-	-	-
c. Central government	-	-	-	-	-	-	-
d. State government(s)	-	-	-	-	-	-	-
e. Venture capital funds	-	-	-	-	-	-	-
f. Insurance companies	-	-	-	-	-	-	-
g. Foreign institutional investors	-	-	-	-	-	-	-
h. Foreign venture capital investors	-	-	-	-	-	-	-

Annexure 2 to the Directors' Report

IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity) As At March 31, 2018

i. Category Wise Shareholding

Category of shareholders	No. of shares held at the beginning of the financial year - April 01, 2017			No. of shares held at the end of the financial year - March 31, 2018			% change during the financial year
	Total		% of total shares	Total		% of total shares	
	Demat	Physical		Demat	Physical		
i. Others	-	-	-	-	-	-	-
Sub total - (B1)	-	-	-	-	-	-	-
2. NON – INSTITUTIONS							
a. Bodies corporate	1,38,268	2,500	1,40,768	35,368	-	35,368	0.27
b. Individuals							
(i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	2,04,585	75,900	2,80,485	4,75,864	95,890	5,71,754	4.32
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	6,02,964	11,900	6,14,864	23,10,573	1,28,400	24,38,973	18.42
c. Others							
(i) HUF	24,431	-	24,431	2,62,344	-	2,62,344	1.98
(ii) NRI (non repatriable)	10,005	27,900	37,905	32,351	69,100	1,01,451	0.77
(iii) NRI (repatriable)	592	-	592	1,582	-	1,582	0.01
(iv) Clearing members	7,855	-	7,855	18,257	-	18,257	0.13
Sub total - (B2)	9,88,700	1,18,200	11,06,900	31,36,339	2,93,390	34,29,729	25.90
Net total (B1+B2)	9,88,700	1,18,200	11,06,900	31,36,339	2,93,390	34,29,729	25.90
C. SHARES HELD BY CUSTODIANS FOR GDRs & ADRs							
Promoter and promoter group	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-
Net total (C)	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	39,32,957	1,18,200	40,51,157	1,29,50,281	2,93,390	1,32,43,671	100.00

Note: The shareholding for the financial year ended on March 31, 2018 includes 10,90,200 equity shares allotted on March 28, 2018 under the scheme of amalgamation. However, the allotted shares were pending to be credited to the demat account(s) of respective shareholders as on March 31, 2018.

Annexure 2 to the Directors' Report

ii. Share Holding of Promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the financial year - April 01, 2017			Shareholding at the end of the financial year – March 31, 2018			% change during the financial year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Mahendra R. Shah	6,82,400	16.84	-	21,38,188	16.14	-	(0.70)
2	Jatin M. Shah	6,08,900	15.03	-	20,96,628	15.83	-	0.80
3	Pushpa M. Shah	5,97,700	14.75	-	18,00,092	13.59	-	(1.16)
4	Rani J. Shah	5,03,900	12.44	-	17,77,764	13.42	-	0.98
5	Jatin M. Shah (HUF)	1,80,500	4.46	-	5,41,500	4.09	-	(0.37)
6	Pooja Shah	1,35,500	3.34	-	6,68,700	5.05	-	1.71
7	Mahendra R. Shah (HUF)	62,500	1.54	-	2,71,128	2.05	-	0.51
8	Khushbu Shah	47,857	1.18	-	1,44,942	1.09	-	(0.09)
9	Krish Jatin Shah	1,00,000	2.47	-	3,00,000	2.27	-	(0.20)
10	Khwaish Jatin Shah	25,000	0.62	-	75,000	0.57	-	(0.05)
	Total	29,44,257	72.68	-	98,13,942	74.10	-	1.42

Note: Percentage of Shareholding at the beginning of the financial year is based on total paid up equity share capital as on April 01, 2017 (40,51,157 equity shares) and percentage of shareholding at the end of the financial year is based on total paid up equity share capital on March 31, 2018 (1,32,43,671 equity shares). The shareholding for the financial year ended on March 31, 2018 includes 10,90,200 equity shares allotted on March 28, 2018 under the scheme of amalgamation. However, the allotted shares were pending to be credited to the demat account(s) of respective shareholders as on March 31, 2018.

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 01, 2017		Cumulative shareholding during the financial year	
		No. of shares	% of total no. of shares of the company	No. of shares	% of total no. of shares of the company
1	Mahendra R. Shah				
	At the beginning of the year	6,82,400	16.84	6,82,400	16.84
	Allotted on November 03, 2017 under bonus issue	13,64,800	11.23	20,47,200	16.84
	Allotted on March 28, 2018 under scheme of amalgamation	90,988	0.69	21,38,188	16.14
	At the end of the year			21,38,188	16.14
2	Jatin M. Shah				
	At the beginning of the year	6,08,900	15.03	6,08,900	15.03
	Allotted on November 03, 2017 under bonus issue	12,17,800	10.02	18,26,700	15.03
	Allotted on March 28, 2018 under scheme of amalgamation	2,69,928	2.04	20,96,628	15.83
	At the end of the year			20,96,628	15.83
3	Pushpa M. Shah				
	At the beginning of the year	5,97,700	14.75	5,97,700	14.75
	Allotted on November 03, 2017 under bonus issue	11,95,400	9.84	17,93,100	14.75
	Allotted on March 28, 2018 under scheme of amalgamation	6,992	0.05	18,00,092	13.59
	At the end of the year			18,00,092	13.59
4	Rani J. Shah				
	At the beginning of the year	5,03,900	12.44	5,03,900	12.44
	Allotted on November 03, 2017 under bonus issue	10,07,800	8.29	15,11,700	12.44
	Allotted on March 28, 2018 under scheme of amalgamation	2,66,064	2.01	17,77,764	13.42
	At the end of the year			17,77,764	13.42
5	Jatin M. Shah (HUF)				
	At the beginning of the year	1,80,500	4.46	1,80,500	4.46
	Allotted on November 03, 2017 under bonus issue	3,61,000	2.97	5,41,500	4.46
	At the end of the year			5,41,500	4.09

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 01, 2017		Cumulative shareholding during the financial year	
		No. of shares	% of total no. of shares of the company	No. of shares	% of total no. of shares of the company
6	Pooja Shah				
	At the beginning of the year	1,35,500	3.34	1,35,500	3.34
	Allotted on November 03, 2017 under bonus issue	2,71,000	2.23	4,06,500	3.34
	Allotted on March 28, 2018 under scheme of amalgamation	2,62,200	1.98	6,68,700	5.05
	At the end of the year			6,68,700	5.05
7	Mahendra R. Shah (HUF)				
	At the beginning of the year	62,500	1.54	62,500	1.54
	Allotted on November 03, 2017 under bonus issue	1,25,000	1.03	1,87,500	1.54
	Allotted on March 28, 2018 under scheme of amalgamation	83,628	0.63	2,71,128	2.05
	At the end of the year			2,71,128	2.05
8	Khushbu Shah				
	At the beginning of the year	47,857	1.18	47,857	1.18
	Allotted on November 03, 2017 under bonus issue	95,714	0.79	1,43,571	1.18
	Purchased on March 09, 2018	500	0.00	1,44,071	1.19
	Purchased on March 16, 2018	202	0.00	1,44,273	1.19
	Purchased on March 23, 2018	421	0.00	1,44,694	1.19
	Purchased on March 31, 2018	248	0.00	1,44,942	1.09
	At the end of the year			1,44,942	1.09
9	Krish Jatin Shah				
	At the beginning of the year	1,00,000	2.47	1,00,000	2.47
	Allotted on November 03, 2017 under bonus issue	2,00,000	1.65	3,00,000	2.47
	At the end of the year			3,00,000	2.27
10	Khwaish Jatin Shah				
	At the beginning of the year	25,000	0.62	25,000	0.62
	Allotted on November 03, 2017 under bonus issue	50,000	0.41	75,000	0.62
	At the end of the year			75,000	0.57

Note: Percentage of shareholding is based on the paid up equity share capital post the respective transaction(s).

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 01, 2017		Cumulative shareholding during the financial year	
		No. of shares	% of total no. of shares of the company	No. of shares	% of total no. of shares of the company
1	Parasmal Ghewarchand Nahata				
	At the beginning of the year	50,000	1.23	50,000	1.23
	Allotted on November 03, 2017 under bonus issue	1,00,000	0.82	1,50,000	1.23
	At the end of the year			1,50,000	1.13
2	Shantilal Tulsiram Khator				
	At the beginning of the year	50,000	1.23	50,000	1.23
	Allotted on November 03, 2017 under bonus issue	1,00,000	0.82	1,50,000	1.23
	At the end of the year			1,50,000	1.13
3	Khatod Vartika Vijendra				
	At the beginning of the year	50,000	1.23	50,000	1.23
	Allotted on November 03, 2017 under bonus issue	1,00,000	0.82	1,50,000	1.23
	At the end of the year			1,50,000	1.13
4	Babita R. Shah				
	At the beginning of the year	41,800	1.03	41,800	1.03
	Allotted on November 03, 2017 under bonus issue	83,600	0.69	1,25,400	1.03
	At the end of the year			1,25,400	0.95
5	Sumitra Lalitkumar Shah				
	At the beginning of the year	41,600	1.03	41,600	1.03
	Allotted on November 03, 2017 under bonus issue	83,200	0.68	1,24,800	1.03
	At the end of the year			1,24,800	0.94
6	Gopal Shantilal Shah				
	At the beginning of the year	50,000	1.23	50,000	1.23
	Purchased on April 28, 2017	1,16,568	2.88	1,66,568	4.11
	Sold on August 11, 2017	(50,000)	(1.23)	1,16,568	2.88
	Allotted on November 03, 2017 under bonus issue	2,33,136	1.92	3,49,704	2.88
	Sold on December 29, 2017	(1,00,000)	(0.82)	2,49,704	2.05
	Sold on February 16, 2018	(1,50,000)	(1.23)	99,704	0.82
Purchased on March 23, 2018	1,50,000	1.23	2,49,704	2.05	
	At the end of the year			2,49,704	1.89

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 01, 2017		Cumulative shareholding during the financial year	
		No. of shares	% of total no. of shares of the company	No. of shares	% of total no. of shares of the company
7	Taruben Lalitkumar Gandhi				
	At the beginning of the year	-	-	-	-
	Purchased on August 18, 2017	21,000	0.52	21,000	0.52
	Purchased on August 25, 2017	50,000	1.23	71,000	1.75
	Purchased on September 01, 2017	4,000	0.10	75,000	1.85
	Allotted on November 03, 2017 under bonus issue	1,50,000	1.23	2,25,000	1.85
At the end of the year			2,25,000	1.70	
8	Bela Himanshu Shah				
	At the beginning of the year	-	-	-	-
	Purchased on March 23, 2018	99,942	0.82	99,942	0.82
At the end of the year			99,942	0.75	
9	Kinnari Vaibhav Shah				
	At the beginning of the year	-	-	-	-
	Purchased on January 05, 2018	74,674	0.61	74,674	0.61
	Purchased on January 12, 2018	15,777	0.13	90,451	0.74
At the end of the year			90,451	0.68	
10	Lalitkumar Babulal Shah HUF				
	At the beginning of the year	25,000	0.62	25,000	0.62
	Allotted on November 03, 2017 under bonus issue	50,000	0.41	75,000	0.62
At the end of the year			75,000	0.57	
11	Pratik Lalitkumar Shah				
	At the beginning of the year	35,309	0.87	35,309	0.87
	Sold on August 18, 2017	(5,000)	(0.12)	30,309	0.75
	Sold on August 25, 2017	(2,500)	(0.06)	27,809	0.69
	Purchased on October 27, 2017	2,567	0.06	30,376	0.75
	Sold on November 03, 2017	(2,500)	(0.06)	27,876	0.69
	Allotted on November 03, 2017 under bonus issue	55,752	0.46	83,628	0.69
	Purchased on November 17, 2017	7,500	0.06	91,128	0.75
	Sold on December 29, 2017	(50,000)	(0.41)	41,128	0.34
At the end of the year			41,128	0.31	

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 01, 2017		Cumulative shareholding during the financial year	
		No. of shares	% of total no. of shares of the company	No. of shares	% of total no. of shares of the company
12	Jagdish Babulal Shah HUF				
	At the beginning of the year	29,700	0.73	29,700	0.73
	Sold on August 18, 2017	(5,000)	(0.12)	24,700	0.61
	Sold on August 25, 2017	(2,681)	(0.07)	22,019	0.54
	Purchased on October 27, 2017	2,500	0.06	24,519	0.61
	Sold on November 03, 2017	(2,500)	(0.06)	22,019	0.54
	Allotted on November 03, 2017 under bonus issue	44,038	0.36	66,057	0.54
	Purchased on November 17, 2017	7,500	0.06	73,557	0.61
	Sold on December 29, 2017	(50,000)	(0.41)	23,557	0.19
	At the end of the year			23,557	0.18
13	Rishabh Rameshkumar Shah				
	At the beginning of the year	40,910	1.01	40,910	1.01
	Sold on August 18, 2017	(5,000)	(0.12)	35,910	0.89
	Sold on August 25, 2017	(2,507)	(0.06)	33,403	0.82
	Purchased on October 27, 2017	2,500	0.06	35,903	0.89
	Sold on November 03, 2017	(2,500)	(0.06)	33,403	0.82
	Allotted on November 03, 2017 under bonus issue	66,806	0.55	1,00,209	0.82
	Purchased on November 17, 2017	7,500	0.06	1,07,709	0.89
	Sold on December 29, 2017	(1,00,000)	(0.82)	7,709	0.06
	At the end of the year			7,709	0.06
14	Edelweiss Broking Limited				
	At the beginning of the year	1,16,578	2.88	1,16,578	2.88
	Decreased on April 28, 2017	(1,16,568)	(2.88)	10	0.00
	Increased on May 12, 2017	10	0.00	20	0.00
	Increased on May 19, 2017	10	0.00	30	0.00
	Decreased on June 02, 2017	(20)	(0.00)	10	0.00
	Decreased on June 09, 2017	(10)	(0.00)	0	0.00
	Increased on August 11, 2017	50,000	1.23	50,000	1.23
	Decreased on August 18, 2017	(50,000)	(1.23)	0	0.00
	Increased on August 25, 2017	2,000	0.05	2,000	0.05
	Decreased on September 01, 2017	(1,995)	(0.05)	5	0.00

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 01, 2017		Cumulative shareholding during the financial year	
		No. of shares	% of total no. of shares of the company	No. of shares	% of total no. of shares of the company
	Increased on September 08, 2017	1,536	0.04	1,541	0.04
	Increased on September 15, 2017	927	0.02	2,468	0.06
	Decreased on September 22, 2017	(2,208)	(0.05)	260	0.01
	Decreased on September 29, 2017	(230)	(0.01)	30	0.00
	Decreased on September 30, 2017	(20)	(0.00)	10	0.00
	Increased on October 06, 2017	227	0.01	237	0.01
	Decreased on October 13, 2017	(193)	(0.00)	44	0.00
	Increased on October 20, 2017	1,374	0.03	1,418	0.04
	Decreased on October 27, 2017	(1,047)	(0.03)	371	0.01
	Decreased on November 03, 2017	(231)	(0.01)	140	0.00
	Allotted on November 03, 2017 under bonus issue	270	0.00	410	0.00
	Increased on November 17, 2017	702	0.01	1,112	0.01
	Increased on November 24, 2017	460	0.00	1,572	0.01
	Increased on December 08, 2017	1	0.00	1,573	0.01
	Increased on December 15, 2017	422	0.00	1,995	0.02
	Decreased on December 22, 2017	(300)	(0.00)	1,695	0.01
	Increased on December 29, 2017	1,00,002	0.82	1,01,697	0.84
	Decreased on January 05, 2018	(99,426)	(0.82)	2,271	0.02
	Increased on January 12, 2018	274	0.00	2,545	0.02
	Decreased on January 19, 2018	(248)	(0.00)	2,297	0.02
	Decreased on January 26, 2018	(50)	(0.00)	2,247	0.02
	Decreased on February 02, 2018	(99)	(0.00)	2,148	0.02
	Decreased on February 09, 2018	(100)	(0.00)	2,048	0.02
	Decreased on March 31, 2018	(248)	(0.00)	1,800	0.01
	At the end of the year			1,800	0.01

Note: Percentage of shareholding is based on the paid up equity share capital post the respective transaction(s).

Annexure 2 to the Directors' Report

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the director / KMP	Shareholding at beginning of the financial year – April 01, 2017		Cumulative shareholding during the financial year	
		No. of shares	% of total no. of shares of the company	No. of shares	% of total no. of shares of the company
1	Mahendra R. Shah				
	At the beginning of the year	6,82,400	16.84	6,82,400	16.84
	Allotted on November 03, 2017 under bonus issue	13,64,800	11.23	20,47,200	16.84
	Allotted on March 28, 2018 under scheme of amalgamation	90,988	0.69	21,38,188	16.14
	At the end of the year			21,38,188	16.14
2	Jatin M. Shah				
	At the beginning of the year	6,08,900	15.03	6,08,900	15.03
	Allotted on November 03, 2017 under bonus issue	12,17,800	10.02	18,26,700	15.03
	Allotted on March 28, 2018 under scheme of amalgamation	2,69,928	2.04	20,96,628	15.83
	At the end of the year			20,96,628	15.83
3	Pushpa M. Shah				
	At the beginning of the year	5,97,700	14.75	5,97,700	14.75
	Allotted on November 03, 2017 under bonus issue	11,95,400	9.84	17,93,100	14.75
	Allotted on March 28, 2018 under scheme of amalgamation	6,992	0.05	18,00,092	13.59
	At the end of the year			18,00,092	13.59
4	Shantilal Mehta				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
5	Dineshchandra Mangaldas Shah¹				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
6	Mukesh Shankerlal Chowdhary²				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
7	Vijay Lathi				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
8	Kruti Sheth³				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-

Annexure 2 to the Directors' Report

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the director / KMP	Shareholding at beginning of the financial year – April 01, 2017		Cumulative shareholding during the financial year	
		No. of shares	% of total no. of shares of the company	No. of shares	% of total no. of shares of the company
9	Dilip Kumar Daga ⁴ At the beginning of the year Sold on during the year At the end of the year	2,500 (2,500)	0.06 (0.06)	2,500 - -	0.06 - -
10	Bherulal Lalchand Chopra ⁵ At the beginning of the year At the end of the year	-	-	- -	- -
11	Purvash Pandit ⁶ At the beginning of the year At the end of the year	-	-	- -	- -

¹ appointed w.e.f. September 20, 2017

² appointed w.e.f. November 09, 2017

³ appointed w.e.f. November 09, 2017

⁴ resigned w.e.f. June 23, 2017

⁵ resigned w.e.f. November 03, 2017

⁶ resigned w.e.f. August 10, 2017

Note: Percentage of shareholding is based on the paid up equity share capital post the respective transaction(s).

V. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment ₹ In Lakhs

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness as at April 01, 2017				
1) Principle amount	5,761.43	398.52	-	6,159.95
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total (1+2+3)	5,761.43	398.52	-	6,159.95
Change of indebtedness during the year				
Addition	3,290.36	410.51	-	3,700.87
Reduction	332.94	-	-	332.94
Net change	2,957.42	410.51	-	3,367.93
Indebtedness as at March 31, 2018				
1) Principle amount	8,718.85	809.03	-	9,527.88
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total (1+2+3)	8,718.85	809.03	-	9,527.88

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

Amount in ₹

Sr. No.	Particulars of Remuneration	Whole Time Director	Managing Director	Total Amount
		Mr. Mahendra R. Shah	Mr. Jatin M. Shah	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	12,00,000	12,00,000	24,00,000
2	Stock option	-	-	-
3	Sweat equity	-	-	-
4	Commission - As % of profit - Other, specify	- -	- -	- -
5	Others - Ad hoc allowance - Medical reimbursement - Contribution of employer to the provident fund	61,41,000 15,000 1,44,000	61,41,000 15,000 1,44,000	1,22,82,000 30,000 2,88,000
	Total	75,00,000	75,00,000	1,50,00,000

Ceiling as per the Act: ₹ 75.00 lakhs per annum for whole time director & managing director each, as approved by the members at their 25th annual general meeting, under section II of part II of schedule V of the Companies Act, 2013.

B. Salary of Other Directors

I. Other Executive Directors

Amount in ₹

Sr. No.	Particulars of remuneration	Mrs. Pushpa M. Shah
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	6,00,000 - -
2	Stock option	-
3	Sweat equity	-
4	Commission - As % of profit - Other, specify	- -
5	Others - Ad hoc allowance - Medical reimbursement - Contribution of employer to the provident fund	23,13,000 15,000 72,000
	Total	30,00,000

Ceiling as per the Act: ₹ 30.00 lakhs per annum as approved by the members at their 25th annual general meeting under section II of part II of schedule V of the Companies Act, 2013

Annexure 2 to the Directors' Report

II. Non-Executive Independent Directors

Amount in ₹

Particulars of Salary	Name of the Directors					Total Amount
	Mr. Shantilal Mehta	Mr. Dineshchandra Mangaldas Shah ¹	Mr. Mukesh Shankerlal Chowdhary ²	Mr. Dilip Kumar Daga ³	Mr. Bherulal Lalchand Chopra ⁴	
Fee for Attending Board Meetings	50,000	20,000	10,000	20,000	30,000	1,30,000
Fee for Attending Committee Meetings	-	10,000	5,000	10,000	15,000	40,000
Commission	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	50,000	30,000	15,000	30,000	45,000	1,70,000

Ceiling as per the Companies Act, 2013

Section 197(5) read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 allows payment to each of the Non-Executive Director up to ₹ 1 lakh per meeting attended. Payment to the Directors in this respect is well within the limits.

Overall Ceiling as per the Companies Act, 2013

11% of the Net Profit of the Company subject to the provisions of Chapter XIII of the Companies Act, 2013 & Schedule thereto

¹ appointed w.e.f. September 20, 2017

² appointed w.e.f. November 09, 2017

³ resigned w.e.f. June 23, 2017

⁴ resigned w.e.f. November 03, 2017

Annexure 2 to the Directors' Report

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

Amount in ₹

Sr. No.	Particulars of Remuneration	Mr. Vijay Lathi (Chief Financial Officer)	Ms. Kruti Sheth (Company secretary) ¹	Mr. Purvesh Pandit (Company Secretary) ²
1	Gross Salary			
	(a) Salary as per Provisions Contained in Section 17(1) of the Income Tax Act	4,20,000	49,946	75,016
	(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			
	- Medical Reimbursement	15,000	6,889	-
	- House Rent Allowance	2,10,000	3,307	-
	- Conveyance Allowance	-	4,962	-
	- Special Allowance	24,58,493	12,348	6,263
	- Bonus	-	2,920	2,920
	Total	31,03,493	80,372	84,199

¹ appointed w.e.f. November 09, 2017

² resigned w.e.f. August 10, 2017

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

There were no penalties, punishment or compounding of offences during the financial year ended March 31, 2018.

For and on Behalf of the Board of Directors

Place: Ahmedabad
Date: August 10, 2018

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 Companies Act, 2013 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: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis: Nil

For & on behalf of Board of Directors

Place: Ahmedabad
Date: August 10, 2018

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) & (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Rule 5(1)

- The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ended on March 31, 2018 and
- The percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary or manager, if any, in the financial year

Name	Designation	Ratio to Median Employee	% Increase in Remuneration in the Financial Year 2017-18
Mahendra R. Shah	Chairman & whole time director	28.80:1	37.36%
Jatin M. Shah	Managing director	28.80:1	37.36%
Pushpa M. Shah	Executive director	11.52:1	51.52%
Shantilal Mehta	Independent director	Being non-executive directors, only sitting fees was paid and ratio of remuneration to the remuneration of median employee is not being given.	
Dineshchandra Mangaldas Shah ¹	Independent director		
Mukesh Shankerlal Chowdhary ²	Independent director		
Vijay Lathi	Chief financial officer	NA	47.01%
Kruti Sheth ³	Company secretary	NA	NA
Dilip Kumar Daga ⁴	Independent director	Being non-executive directors, only sitting fees was paid and ratio of remuneration to the remuneration of median employee is not being given.	
Bherulal Lalchand Chopra ⁵	Independent director		
Purvash Pandit ⁶	Company secretary	NA	NA

¹ appointed w.e.f. September 20, 2017

² appointed w.e.f. November 09, 2017

³ appointed w.e.f. November 09, 2017

⁴ resigned w.e.f. June 23, 2017

⁵ resigned w.e.f. November 03, 2017

⁶ resigned w.e.f. August 10, 2017

Annexure 4 to the Directors' Report

- iii. The percentage increase in the median remuneration of employees in the financial year ended on March 31, 2018: 20.56%
- iv. The number of permanent employees on the rolls of company: 203 employees (Previous year 90 employees)
- v. 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 increase in remuneration of employees excluding KMPs: (11.19%)
Average increase in remuneration of KMPs: 39.72%
- vi. It is affirmed that the remuneration is as per the remuneration policy of the company.

Annexure 4 to the Directors' Report

Rule 5(2)

Statement showing employees who are covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name	Designation	Remuneration per annum (₹)	Qualification / experience of the employee	Date of commencement of the employment	Age (years)	Last employment held	% of equity shares held in the company as on March 31, 2018	Whether the employee is relative of any director / manager?
1	Ashish Thakkar	Group President	40,00,000	B.Tech Mechanical Experience - 21 Years	August 07, 2017	43	Minerals Tech INC	-	NA
2	Rajeshkumar Rajbhar	Cored Wire Head	9,60,004	B.A. Experience - 11 Years	February 09, 2015	33	Tuf Metallurgical Pvt. Ltd.	-	NA
3	Jagdish Joshi	Alloy Head	8,15,992	B.A. Experience - 16 Years	June 01, 2015	39	Mech Trade India Ltd.	-	NA
4	Shrikant Patel	Assistant General Manager	7,50,004	B.E Mechanical Experience - 21 Years	December 19, 2016	55	Sampat Aluminium Pvt. Ltd.	-	NA
5	Santosh Kumar Sahu	Shop Supervisor	6,59,992	B.A. Experience - 17 Years	March 01, 2018	47	Minex Metallurgical Co. Ltd.	-	NA
6	Anant Sureshbhai Patel	Chief Accounting Officer	5,87,998	ICWA Experience - 7 Years	January 16, 2012	34	Sakar Industries Ltd.	-	NA
7	Ramkesh Choubejji	Ferro Alloy Head	5,19,716	B.Sc. Experience - 19 Years	September 01, 2016	43	Shivam Hitec Steel Pvt. Ltd.	-	NA
8	Ramesh Kumar Pandey	Deputy Manager Marketing	5,13,400	B.A. Experience - 13 Years	December 01, 2017	40	JSK Industry Pvt. Ltd.	-	NA
9	Aakash Soni	Assistant Manager	4,86,004	MBA Finance - 9 Years	August 11, 2014	31	Mayur Woovens P. Ltd.	-	NA
10	Brij Kishore Prasad	Quality Head	4,55,992	M.Sc. Experience - 24 Years	November 10, 2017	56	Commercial Lab	-	NA

For & on behalf of Board of Directors

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

Place: Ahmedabad
Date: August 10, 2018

Annexure 5 to the Directors' Report

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The members,
Arfin India Limited
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, minutes 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, 2018 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, minutes books, forms and returns filed and records maintained by Arfin India Limited (CIN: L65990GJ1992PLC017460) for the financial year ended on March 31, 2018 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- II. The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- IV. The 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: (not applicable for the year under review);
- V. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;

Annexure 5 to the Directors' Report

- b) The Securities and Exchange Board of India (Prohibition of Insider Training) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (not applicable for the year under review);
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable for the 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 clients;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable for the year under review); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable for the year under review).

VI. As stated in the **Annexure–A**, all the laws, rules, regulations are applicable specifically to the company.

VII. Other observations as mentioned in **Annexure–B** regarding other major corporate events occurred during the financial year and various compliances made by the company with applicable laws, rules, regulations, listing regulations etc.

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

- (i) Secretarial standards issued by the Institute of Company Secretaries of India and applicable w.e.f. July 01, 2015, or any amendment, substitution thereof, if any, are adopted by the company and are complied with.
- (ii) The listing agreements entered into by the company with Bombay Stock Exchange Limited and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the company has complied with the provision of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

I / we further report that

The board of directors of the company is duly constituted with proper balance of executive directors, non-executive directors, independent directors and woman director. The changes in the composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the Act and with intimation to the stock exchange(s).

Adequate notice is given to all directors to schedule the board meetings; agenda and detailed notes on agenda were sent at least seven days in advance or with consent of directors at a shorter notice, 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. Majority decision is carried through while the

Annexure 5 to the Directors' Report

dissenting members' views, if any, are captured and recorded as part of the minutes.

I / we further report that there are adequate systems and processes in the company commensurate with its size and operations to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I / we further report that during the audit period, the company has not incurred any specific event / action that can have a bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guideline, standards, etc. except the following events for which the company has duly complied with the necessary provisions thereof:

- (i) Alteration of capital clause of the memorandum of association;
- (ii) Issue and allotment of bonus equity shares; and
- (iii) Amalgamation of Mahendra Aluminium Company Limited (transferor company) with Arfin India Limited (transferee company).

For Kamlesh M. Shah & Co.,
Practicing Company Secretary

Place: Ahmedabad
Date: August 10, 2018

Kamlesh M. Shah
(Proprietor)
(ACS: 8356, COP: 2072)

Annexure 5 to the Directors' Report

“ANNEXURE-A”

Securities laws

1. All price sensitive information were informed to the stock exchanges form time to time.
2. All investors complain directly received by the RTA & company is recorded on the same date of receipts and all such complaints are resolved within reasonable time.

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. Provisions with related to compliances of PF / ESI / Gratuity Act are applicable to company and are duly complied with.

Environmental laws

As the company is engaged in the manufacturing activities, the environmental laws as are applicable to it and it has properly complied with such provisions to the extent applicable.

Taxation laws

The company follows all the provisions of the taxation and Income Tax Act, 1961 and filing the returns at proper time with income tax department and all other concerned departments.

For Kamlesh M. Shah & Co.,
Practicing Company Secretary

Kamlesh M. Shah
(Proprietor)
(ACS: 8356, COP: 2072)

Place: Ahmedabad
Date: August 10, 2018

Annexure 5 to the Directors' Report

“ANNEXURE-B”

Other observations regarding other major corporate events occurred during the year and various compliances made by the company with applicable laws, rules, regulations, and listing regulations etc.:

1. During the year under review, the company has issued and allotted 81,02,314 equity shares of ₹ 10/- each as fully paid up bonus equity shares in its board meeting held on November 03, 2017, in the ratio of 2 (two) new fully paid-up equity share of ₹ 10/- each of the company for every 1 (one) fully paid equity share of ₹ 10/- each held, to the members eligible whose names appeared in the register of members and the register of beneficial owners as on November 02, 2017, 'the record date' fixed for this purpose.
2. The company has completed the process of crediting the bonus shares in the demat account of all the respective shareholders and dispatched physical share certificates to those shareholders who held shares in physical form within the time limit prescribed for the purpose by the Act and the listing regulation.
3. The company had obtained listing and trading approval of bonus equity shares from Bombay Stock Exchange on November 07, 2017 and November 10, 2017 respectively.
4. During the year under review, the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT"), has sanctioned the scheme of amalgamation of Mahendra Aluminium Company Limited ('transferor company') with Arfin India Limited ('transferee company') under section 230-232 of the Companies Act, 2013 on February 22, 2018. The same has been filed with Registrar of Companies, Gujarat within appropriate time by the transferor and transferee companies.
5. The board of directors of the company at its meeting held on March 28, 2018 has allotted 10,90,200 equity shares of face value of ₹ 10/- each fully paid up to the equity shareholders of Mahendra Aluminium Company Limited as per the terms of the scheme in the following ratio:
“92 (ninety two) equity shares of the face value of ₹ 10/- each as fully paid up of Arfin India Limited ('transferee company') for every 100 (hundred) equity shares of the face value of ₹ 10/- each held by such shareholders in Mahendra Aluminium Company Limited ('transferor company').”
6. The company has made necessary application to the Superintendent of Stamps, Gujarat State, Gandhinagar for adjudication of stamp duty payable on the amalgamation order on April 05, 2018.

For Kamlesh M. Shah & Co.,
Practicing Company Secretary

Kamlesh M. Shah
(Proprietor)
(ACS: 8356, COP: 2072)

Place: Ahmedabad
Date: August 10, 2018

Annexure 6 to the Directors' Report

Auditors' 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, 2018, as stipulated in chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 regulations. 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, we certify that the company has complied with the conditions of corporate governance as stipulated in the provisions as specified in chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Mukesh Rajendra & Co.,
Chartered accountants
Firm registration number: 143123W

Place: Ahmedabad
Date: August 10, 2018

Mukesh Garg
(Proprietor)
(Membership No.: 125292)

Annexure 7 to the Directors' Report

Annual Report on CSR Activities

Sr. No.	Particulars	Details
1.	A brief outline of the company's corporate social responsibility (CSR) policy, including overview of projects or programs proposed to be taken and a reference to the web link to the CSR policy and projects or programs	<p>The Company believes to actively contribute to the social and economic development of the society in which the company operates.</p> <p>The company undertakes corporate social responsibility activities enumerated in schedule VII of the Companies Act, 2013 from time to time.</p> <p>In doing so it plans to build a better and sustainable way of life for the weaker sections and to contribute to the social and economical development of the society in which the company operates.</p> <p>Our projects focus on – education, healthcare, sustainable livelihood, infrastructure development and social reforms.</p> <p>The company's CSR policy can be accessed on: http://arfin.co.in/pdf/policies/corporate-social-responsibility-policy.pdf</p>
2.	Composition of CSR committee	Mr. Mahendra R. Shah (Chairman) Mrs. Pushpa M. Shah (Member) Mr. Shantilal Mehta (Member)
3.	Average net profit of the company for the last three financial years	₹ 1,269.59 lakhs
4.	Prescribed CSR expenditure (2% of the amount as mentioned in point 3 above)	₹ 25.39 lakhs
5.	Details of CSR expenditure during the year	
	Total amount spent for the financial year	₹ 36.40 lakhs
	Amount unspent, if any	Not applicable

Annexure 7 to the Directors' Report

Sr. No.	Particulars			Details			
Manner in which amount spent during the financial year 2017-18 is detailed below:							
Sr. No.	CSR project or activity identified	Sector in which project is covered	Area where the project undertaken	Amount outlay (budget) project or program wise (₹)	Amount spent directly on projects (₹)	Cumulative expenditure upto reporting period (₹)	Implementing agency through which amount spent
1.	Running Schools, colleges and publication of books and providing scholarships	Education promotion	Near Surendranagar, Gujarat, India	25,40,000	25,40,000	60,70,496	Shri Swaminarayan Gurukul Trust
2.	Kidney Dialysis, Blood Bank, Eye Hospital	Healthcare	Ahmedabad, Gujarat, India	1,00,000	1,00,000		Ahmedabad Karnavati Lions Club
3.	Basic and higher education to the needy and poor people	Education promotion	Bharuch, Gujarat, India	10,00,000	10,00,000		All India Social Education Charitable Trust
Total				36,40,000	36,40,000		
<p>Shri Swaminarayan Gurukul Trust (trust registration no.: E/772) situated at Rajkot and having its branches at Junagadh, Surat, Hyderabad, Navsari, Mumbai, Banglore, Vadodara etc. is mainly engaged in the establishment and running of pre-primary, secondary, colleges, libraries, including publication of books and providing scholarship for development of real and mental education without distinction of any caste or creed.</p> <p>Ahmedabad Karnavati Lions Club founded in 1917, conducts vision screenings, equips hospitals and clinics, distributes medicine and raises awareness of eye disease. It also supports local children and schools through scholarships, recreation and mentoring. The club also helps during disasters by providing for immediate needs such as food, water, clothing and medical supplies – and aiding in long-term reconstruction.</p> <p>All India Social Education Charitable Trust located at Maninagar, Ahmedabad (registration number E-17166/Ahmedabad is engaged in education to the needy and poor people of the society, women & child's social development, removal of domestic violence etc. Organization's main focus i.e. child education and higher education to young student, it's other objects are gender equality, human right education, protection of HIV/AIDS, etc.</p>							
6.	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount on CSR			Not applicable			
7.	Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company			It is affirmed that implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.			

For **Arfin India Limited**

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

Place: Ahmedabad
Date: August 10, 2018

For **Arfin India Limited**

Mahendra R. Shah
(CSR Committee Chairman)
(DIN: 00182746)

Place: Ahmedabad
Date: August 10, 2018

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 involved 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 or simply creating checks and balances but 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.

2. Board of Directors

a. Composition of the Board

The board of directors at Arfin is headed by Mr. Mahendra R. Shah, 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, 2018 the composition of the board of directors is given below:

Sr. No.	Name	Category and designation
1.	Mr. Mahendra R. Shah	Promoter chairman & whole time director
2.	Mr. Jatin M. Shah	Promoter managing director
3.	Mrs. Pushpa M. Shah	Promoter executive woman director
4.	Mr. Shantilal Mehta	Non promoter non-executive independent director
5.	Mr. Dineshchandra Mangaldas Shah ¹	Non promoter non-executive independent director
6.	Mr. Mukesh Shankerlal Chowdhary ²	Non promoter non-executive independent director

¹ appointed w.e.f. September 20, 2017

² appointed w.e.f. November 09, 2017

b. Attendance of Directors 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, 2018, 10 (ten) board meetings were held on the following dates:

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- | | | |
|-----------------------|-----------------------|----------------------|
| 1. May 15, 2017 | 2. May 20, 2017 | 3. August 08, 2017 |
| 4. September 10, 2017 | 5. September 20, 2017 | 6. November 03, 2017 |
| 7. November 09, 2017 | 8. November 30, 2017 | 9. January 24, 2018 |
| 10. March 28, 2018 | | |

Attendance of each director at board meetings and at last annual general meeting (AGM) held on September 10, 2017 is as under:

Sr. No.	Name of director	Serial number of meetings stated above										Attendance at last AGM	
		1	2	3	4	5	6	7	8	9	10		
1.	Mr. Mahendra R. Shah	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Mr. Jatin M. Shah	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Mrs. Pushpa M. Shah	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Mr. Shantilal Mehta	Y	Y	Y	N	N	N	Y	N	Y	N	Y	Y
5.	Mr. Dineshchandra Mangaldas Shah ¹	NA	NA	NA	NA	NA	N	Y	N	Y	N	NA	NA
6.	Mr. Mukesh Shankerlal Chowdhary ²	NA	NA	NA	NA	NA	NA	NA	N	Y	N	NA	NA
7.	Dilip Kumar Daga ³	Y	Y	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
8.	Bherulal Lalchand Chopra ⁴	Y	Y	Y	N	N	NA	NA	NA	NA	NA	NA	Y

¹ appointed w.e.f. September 20, 2017

² appointed w.e.f. November 09, 2017

³ resigned w.e.f. June 23, 2017

⁴ resigned w.e.f. November 03, 2017

c. The number of Directorships on the Board and Board Committees of other Companies, of which the Directors are Members / Chairman, as on March 31, 2018 is given as under

Sr. No.	Name of director	Relationship inter-se 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	Related to Mr. Jatin M. Shah & Mrs. Pushpa M. Shah	2	-	-
2.	Mr. Jatin M. Shah	Related to Mr. Mahendra R. Shah & Mrs. Pushpa M. Shah	1	-	-
3.	Mrs. Pushpa M. Shah	Related to Mr. Mahendra R. Shah & Mr. Jatin M. Shah	-	-	-
4.	Mr. Shantilal Mehta	-	-	-	-
5.	Mr. Dineshchandra Mangaldas Shah ¹	-	1	-	-
6.	Mr. Mukesh Shankerlal Chowdhary ²	-	1	-	-

¹ appointed w.e.f. September 20, 2017

² appointed w.e.f. November 09, 2017

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d. Number and Dates of Meetings of the Board of Directors

Please refer point b. above.

e. Relationship Between Directors Inter-se

Please refer point c. above.

f. No. of Shares and Convertible Instruments held by the Non-Executive Directors

Sr. No.	Name of the non-executive director	No. of equity shares held as on March 31, 2018	No. of convertible instruments held as on March 31, 2018
1	Mr. Shantilal Mehta	-	NA
2	Mr. Dineshchandra Mangaldas Shah ¹	-	
3	Mr. Mukesh Shankerlal Chowdhary ²	-	
4	Dilip Kumar Daga ³	-	
5	Bherulal Lalchand Chopra ⁴	-	

¹ appointed w.e.f. September 20, 2017

² appointed w.e.f. November 09, 2017

³ resigned w.e.f. June 23, 2017

⁴ resigned w.e.f. November 03, 2017

g. Web Link of Familiarization Programs imparted to the Independent Directors

The company has duly conducted programme(s) during the financial year under report to familiarize the independent directors about their roles, rights, responsibilities, nature of the industry in which the company operates and business model of the company. More details on the same can be accessed at the website of the company at following web link: <http://www.arfin.co.in/policies-disclosures.html>

3. Audit Committee

a. Brief Description of Terms of Reference

The terms of reference of the audit committee are very extensive. The audit committee analyses the matters falling in its terms of reference and also addresses higher issues and inspects those facts that could be of significant concerns to the company.

The committee acts as a bridge between the statutory and the internal auditors and the board of directors of the company. It is authorized to select and establish accounting policies, review reports of the statutory and the internal auditors and meet with them to discuss and deliberate their suggestions, findings and other related matters. Further, it is empowered

to make necessary discussion with internal auditors regarding internal control weakness and any other significant findings and follow up thereon.

Apart from having access to all the required information from within the company, the committee can also obtain outside professional advice whenever required.

The committee is authorized to oversee the functioning of the whistle blower policy / vigil mechanism. The committee is also empowered to review, inter alia, the remuneration payable to the internal auditors and statutory auditors, fees paid / payable for other services and to recommend changes in the auditors, if thought proper.

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Further, the committee is authorized to, inter-alia, monitor, review and evaluate the auditor's independence, performance and effectiveness of the audit process, oversight of the company's financial reporting process and the disclosure of its financial information, reviewing with the management the quarterly and annual financial statements before submission to the board for approval, examination of the financial statements and the auditors' report thereon, approval of transactions of the company with related parties including consequent modifications thereof, analysis of inter-corporate loans and investments, grant omnibus approvals subject to fulfillment of certain conditions, valuation of undertakings or assets of the company wherever it is necessary, evaluation of internal financial controls and risk management systems.

Further, it is also empowered to review the management discussion and analysis of financial condition and results of operations and statement of significant related party transactions. It also looks into any other matters as referred to it by the board of directors from time to time.

Generally all the items stated in section 177(4) of the Companies Act, 2013 and point A of part C of the schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are covered under the roles of the audit committee.

The audit committee has been granted powers as prescribed under provisions of the regulation 18(2)(c) of the aforesaid regulations and reviews all the information as prescribed in point B of the part C of the schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Composition of Audit Committee

As at March 31, 2018, the following directors were members of the audit committee:

Sr. No.	Name of the member	Designation	Committee position
1	Mr. Dineshchandra Mangaldas Shah ¹	Independent Director	Chairman
2	Mr. Mukesh Shankerlal Chowdhary ²	Independent Director	Member
3	Mr. Mahendra R. Shah	Chairman & WTD	Member

¹ appointed w.e.f. September 20, 2017

² appointed w.e.f. November 09, 2017

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. Ms. Kruti Sheth, company secretary & compliance officer acts as secretary of the committee.

c. Meetings & Attendance

During the financial year ended on March 31, 2018, the committee met five times on (i) May 15, 2017, (ii) May 20, 2017, (iii) August 08, 2017, (iv) November 09, 2017 and (v) January 24, 2018. All the committee members attended the meetings held during their tenure.

4. Nomination & Remuneration Committee

a. Brief Description of Terms of Reference includes:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. formulation of criteria for evaluation of performance of independent directors and the

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board of directors;

3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
5. to recommend to the board, whether to extend or continue the term of appointment of the independent director(s), on the basis of the report of performance evaluation; and
6. deciding /recommending quantum of commission / sitting fee or other amounts of non-executive directors of the company.

b. Composition of the Committee

As at March 31, 2018, the following directors were members of the nomination and remuneration committee:

Sr. No.	Name of the member	Designation	Committee position
1	Mr. Mukesh Shankerlal Chowdhary ¹	Independent director	Chairman
2	Mr. Dineshchandra Mangaldas Shah ²	Independent director	Member
3	Mr. Shantilal Mehta	Independent director	Member

¹ appointed w.e.f. November 09, 2017

² appointed w.e.f. September 20, 2017

Ms. Kruti Sheth, company secretary & compliance officer acts as secretary of the committee.

c. Meetings & Attendance

During the financial year ended on March 31, 2018, two committee meetings were held on (i) September 11, 2017 and (ii) October 25, 2017. All the committee members attended all the

committee meetings held during their tenure.

d. Performance Evaluation Criteria of Independent Directors

The performance evaluation criteria of the independent directors are determined by the nomination and remuneration committee. An indicative list of the factors that may be evaluated includes participation and contribution by the director, commitment, effective deployment of knowledge, expertise of their field, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

5. Remuneration of Directors

a. Pecuniary Relationship or Transactions of the Non-Executive Directors vis-à-vis Company

Apart from receiving sitting fees for attending board and committee meetings, no transaction for payment of any sum has been made with non-executive directors vis-à-vis your company.

b. Criteria of making payments to the Non-Executive Directors

The non-executive directors of the company have been paid remuneration of ₹ 10,000/- for attending each of the board meetings and ₹ 5,000/- for attending each of the committee meetings during the financial year 2017-18.

c. Disclosure of Remuneration

The amount of remuneration paid to the directors of the company during the financial year ended on March 31, 2018 is as follows:

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Amount in ₹

Particulars of remuneration	Whole time director	Managing director	Executive director
	Mr. Mahendra R. Shah	Mr. Jatin M. Shah	Mrs. Pushpa M. Shah
Gross salary	12,00,000	12,00,000	6,00,000
Ad hoc allowance	61,41,000	61,41,000	23,13,000
Medical reimbursement	15,000	15,000	15,000
Contribution of employer to the provident fund	1,44,000	1,44,000	72,000
Total	75,00,000	75,00,000	30,00,000

Amount in ₹

Non-executive directors	Mr. Shantilal Mehta	Mr. Dineshchandra Mangaldas Shah ¹	Mr. Mukesh Shankerlal Chowdhary ²	Dilip Kumar Daga ³	Bherulal Lalchand Chopra ⁴	Total
Sitting fee paid	50,000	30,000	15,000	30,000	45,000	1,70,000

¹ appointed w.e.f. September 20, 2017

² appointed w.e.f. November 09, 2017

³ resigned w.e.f. June 23, 2017

⁴ resigned w.e.f. November 03, 2017

6. Stakeholder Relationship Committee or Shareholders' / Investors' Grievance Committee

a. Composition

As on March 31, 2018, followings were the members of the stakeholders relationship committee / shareholders' / investors' grievance committee:

Sr. No.	Name of the member	Designation	Committee position
1	Mr. Shantilal Mehta	Independent director	Chairman
2	Mr. Mahendra R. Shah	Chairman & WTD	Member
3	Ms. Kruti Sheth ¹	Company secretary & compliance officer	Member

¹ appointed w.e.f. November 09, 2017

b. Status of Complaints

One investor complaint pending at the beginning of the financial year of which action taken reports / replies had already been submitted by the company at SEBI scores portal, has been duly resolved during the year and thus, there remains no investor complaint pending at the end of the financial year ended on March 31, 2018.

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7. General Body Meetings

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

AGM	Place	Date	Time	No. of special resolution(s) set out at AGM
2016-17 25 th AGM	Alishan, Courtyard by Marriott, Ramdev Nagar Cross Road, Satellite Road, Ahmedabad - 380015, Gujarat, India.	Sunday, September 10, 2017	12:00 noon	3
2015-16 24 th AGM	Regency Ballroom, Hyatt Regency, 17A, Ashram Road, Usmanpura, Ahmedabad – 380014, Gujarat, India.	Saturday, September 10, 2016	12:00 noon	2
2014-15 23 rd AGM	Gujarat Chamber of Commerce Hall, Opp. H. K. College, Ashram Road, Ahmedabad – 380009, Gujarat, India.	Sunday, September 27, 2015	11:00 am	9

b. Whether any Special Resolution(s) passed in the previous three annual general meetings: Yes, details as per point a. above

c. Whether any Special Resolution(s) passed last year through postal ballot:

Mr. Kamlesh M. Shah, proprietor of M/s. Kamlesh M. Shah & Co., practicing company secretary was appointed as scrutinizer for conducting the postal ballot voting process. The brief particulars of resolutions passed by way of postal ballot are given herein below:

Sr. No.	Brief particulars of special resolution	Postal ballot notice date	Voting period	Date of passing of resolution
1	Increase in authorized share capital and consequent alteration to the capital clause of the memorandum of association	September 20, 2017	September 25, 2017 to October 24, 2017	October 24, 2017
2	Issue of bonus shares			
3	Approval of scheme of amalgamation of Mahendra Aluminium Company Limited into Arfin India Limited	November 9, 2017	November 13, 2017 to December 12, 2017	December 13, 2017

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All the resolutions were duly passed with the requisite majority. The details of voting pattern are given herein below:

1. Increase in authorized share capital

Resolution required: (Ordinary / special)	Ordinary resolution
Whether promoter / promoter group are interested in the agenda / resolution?	No

Category of shareholder	Mode of voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
		(1)	(2)	(3) = [(2)/(1)] *100	(4)	(5)	(6) = [(4)/(2)] *100	(7) = [(5)/(2)] *100
Promoter and promoter group	E-voting	29,44,257	29,44,257	100.00	29,44,257	-	100.00	-
	Poll		-	-	-	-	-	-
	Postal ballot		-	-	-	-	-	-
	Sub-total		29,44,257	100.00	29,44,257	-	100.00	-
Public – institutions	E-voting		-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal ballot		-	-	-	-	-	-
	Sub-total		-	-	-	-	-	-
Public – non institutions	E-voting	11,06,900	6,87,572	62.12	6,87,572	-	100.00	-
	Poll		-	-	-	-	-	-
	Postal ballot		-	-	-	-	-	-
	Sub-total		6,87,572	62.12	6,87,572	-	100.00	-
Grand total		40,51,157	36,31,829	89.65	36,31,829	-	100.00	-

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2. Issue of bonus shares

Resolution required: (Ordinary / special)	Ordinary resolution
Whether promoter / promoter group are interested in the agenda / resolution?	No

Category of shareholder	Mode of voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
		(1)	(2)	(3) = [(2)/(1)] *100	(4)	(5)	(6) = [(4)/(2)] *100	(7) = [(5)/(2)] *100
Promoter and promoter group	E-voting	29,44,257	29,44,257	100.00	29,44,257	-	100.00	-
	Poll		-	-	-	-	-	-
	Postal ballot		-	-	-	-	-	-
	Sub-total		29,44,257	100.00	29,44,257	-	100.00	-
Public – institutions	E-voting		-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal ballot		-	-	-	-	-	-
	Sub-total		-	-	-	-	-	-
Public – non institutions	E-voting	11,06,900	6,87,572	62.12	6,87,572	-	100.00	-
	Poll		-	-	-	-	-	-
	Postal ballot		-	-	-	-	-	-
	Sub-total		6,87,572	62.12	6,87,572	-	100.00	-
Grand total		40,51,157	36,31,829	89.65	36,31,829	-	100.00	-

3. Approval of scheme of amalgamation

Resolution required: (Ordinary / special)	Special resolution
Whether promoter / promoter group are interested in the agenda / resolution?	No

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Category of shareholder	Mode of voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
		(1)	(2)	(3) = [(2)/(1)] *100	(4)	(5)	(6) = [(4)/(2)] *100	(7) = [(5)/(2)] *100
Promoter and promoter group	E-voting	29,44,257	29,44,257	100.00	29,44,257	-	100.00	-
	Poll		-	-	-	-	-	-
	Postal ballot		-	-	-	-	-	-
	Sub-total		29,44,257	100.00	29,44,257	-	100.00	-
Public – institutions	E-voting		-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal ballot		-	-	-	-	-	-
	Sub-total		-	-	-	-	-	-
Public – non institutions	E-voting	11,06,900	6,83,616	61.76	6,83,615	1	100.00	0.00
	Poll		7,817	0.71	7,817	-	100.00	-
	Postal ballot		2,764	0.25	2,764	-	100.00	-
	Sub-total		6,94,197	62.72	6,94,196	1	100.00	0.00
Grand total		40,51,157	36,38,454	89.81	36,38,454	-	100.00	-

d. Person who conducted the Postal Ballot exercise

Please refer point c. above.

e. Whether any special resolution is proposed to be conducted through Postal Ballot

No special resolution is proposed to be conducted through postal ballot in the ensuing annual general meeting.

f. Procedure for Postal Ballot

Not applicable since there is no proposal to pass any resolution through postal ballot in the ensuing annual general meeting.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same are normally published in “The Economic Times” all India publications. Management discussion and analysis report forms part of the annual report of the company.

All vital information relating to the company viz. report on corporate governance, financial results, shareholding pattern, stock exchange submissions etc. are simultaneously posted on company's website viz. www.arfin.co.in. Further, financial results, shareholding pattern, quarterly corporate governance report, corporate announcements etc. are also uploaded on website of the Bombay Stock Exchange Limited where the equity shares of the company are listed.

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Official news releases, as & when required are displayed at the website of the company at www.arfin.co.in. Quarterly presentations in the form of investor updates are also being uploaded on the website of the company. In order to keep the stakeholders updated, the company has also uploaded all the relevant documents to the scheme of amalgamation on the website of the Company at www.arfin.co.in/amalgamation.html.

9. General Shareholders Information

a. Annual General Meeting

Date : Monday, September 24, 2018
Time : 10:30 am
Venue : Gujarat Chamber of Commerce Hall, Opp. H. K. College, Ashram Road, Ahmedabad- 380009, Gujarat, India.
Book Closure Date : Tuesday, September 18, 2018

b. Financial Year / Calendar

(a)	First quarter results	Within 45 days from the closure of quarter ended on June 30, 2018
(b)	Second quarter results	Within 45 days from the closure of quarter and half year ending on September 30, 2018
(c)	Third quarter results	Within 45 days from the closure of quarter and nine months ending on December 31, 2018
(d)	Results for the financial year	Within 60 days from the closure of quarter / financial year ending on March 31, 2019

c. Dividend Payment Date

The final dividend, if declared for the financial year 2017-18, in the ensuing annual general meeting will be paid on or after **Sunday, September 30, 2018**.

d. Listing on Stock Exchanges

Sr. No.	Name of the exchange	Address	Script code
1	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India.	539151
2	The Calcutta Stock Exchange Limited	7, Lyons Range, Dalhousie, Murgighata, BBD Bagh, Kolkata – 700001, West Bengal, India	10011140

ISIN: INE784R01015

The listing fee has been duly and timely paid to the Stock Exchanges for the financial year under report.

The application made by the company during the financial year 2016-17 with the Calcutta Stock Exchange for delisting of its equity shares is pending with the Calcutta Stock Exchange Limited for its approval.

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e. Stock (Scrip) Code

Please refer Point 9d. above.

f. Market Price Data

Month(s)	Price of equity shares of the company at BSE		
	High (₹)	Low (₹)	Volume (No. of Shares)
April 2017	510.00	470.00	13,351
May 2017	599.00	475.05	26,160
June 2017	543.85	460.00	12,229
July 2017	529.95	471.00	8,694
August 2017	580.00	460.00	99,614
September 2017	1,129.00	560.00	52,034
October 2017	1,384.70	930.00	39,492
November 2017	509.80	360.05	94,770
December 2017	390.00	311.00	3,74,448
January 2018	580.65	360.20	1,69,356
February 2018	597.00	450.00	44,700
March 2018	539.95	437.10	41,276

(Source: Bombay Stock Exchange Portal)

g. Performance in Comparison to Broad - Based Indices

Month(s)	Months closing price of BSE sensx index (₹)	% increase / (decrease) in compare to previous month	Month closing prices of company's equity shares on BSE (₹)	% increase / (decrease) in compare to previous month
April 2017	29,918.40	1.01	489.85	(0.18)
May 2017	31,145.80	4.10	506.00	3.30
June 2017	30,921.61	(0.72)	478.90	(5.36)
July 2017	32,514.94	5.15	500.00	4.41
August 2017	31,730.49	(2.41)	556.90	11.38
September 2017	31,283.72	(1.41)	991.20	77.99
October 2017	33,213.13	6.17	1,275.95	28.73
November 2017	33,149.35	(0.19)	377.85	(70.39)
December 2017	34,056.83	2.74	370.50	(1.95)
January 2018	35,965.02	5.60	511.50	38.06
February 2018	34,184.04	(4.95)	512.20	0.14
March 2018	32,968.68	(3.56)	466.00	(9.02)

(Source: Bombay Stock Exchange Portal)

h. Suspension of Securities

During the financial year under report and during any of the previous financial years, the securities of the company were never suspended from trading on any of the stock exchange(s).

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i. Registrar & Share Transfer Agent

The company has in April 2018, appointed MCS Share Transfer Agent Limited as registrar and share transfer agent in place of Link Intime India Private Limited. The communication address of the new registrar and share transfer agent is as stated below:

Registered office

MCS Share Transfer Agent Limited
12/1/15, Manohar Pukur Road,
Kolkata- 700026, West Bengal, India.
Tel. No: +91 33 40724051 / 52 / 53 / 54,
Fax: +91 33 40724050,
Email: mcssta@rediffmail.com,
Website: www.mcsregistrars.com

Ahmedabad office

MCS Share Transfer Agent Limited
201, 2nd Floor, Shatdal Complex, Ashram
Road, Ahmedabad - 380009,
Gujarat, India.
Tel. No.: +91 79 26580461 / 62 / 63,
Email: mcsahmd@gmail.com

j. 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.

k. Distribution of Shareholding as at March 31, 2018

No. of equity shares held	No. of shareholders	% of shareholders	No. of equity shares held	% of shareholding
Upto 500	1,349	81.22	1,17,287	0.89
501 To 1,000	95	5.72	68,944	0.52
1,001 To 2,000	58	3.49	82,859	0.62
2,001 To 3,000	41	2.47	1,05,929	0.80
3,001 To 4,000	21	1.26	74,674	0.56
4,001 To 5,000	10	0.60	43,960	0.33
5,001 To 10,000	26	1.57	1,79,517	1.36
10,001 and above	61	3.67	1,25,70,501	94.92
Total	1,661	100.00	1,32,43,671	100.00

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Category of Shareholders as at March 31, 2018

Category	No. of shareholders	% of shareholders	No. of equity shares held	% of shareholding
A. Promoter & promoter group	10	0.60	98,13,942	74.10
B. Public shareholding				
(a) Bodies corporate	28	1.69	35,368	0.27
(b) Resident individuals	1,485	89.40	30,10,727	22.73
(c) HUF	75	4.52	2,62,344	1.98
(d) NRI	44	2.65	1,03,033	0.78
Others				
Clearing members	19	1.14	18,257	0.14
Total	1,661	100.00	1,32,43,671	100.00

I. Break up of Shares in physical & demat form as at March 31, 2018

Particulars	No. of equity shares	% of shares
Physical segment	2,93,390	2.21
Demat segment		
• CDSL	1,18,15,561	89.22
• NSDL	11,34,720	8.57
Total	1,32,43,671	100.00

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).

m. Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, conversion date and impact on equity

During the financial year under report, the company has neither issued any of the securities namely global depository receipts or american depository receipts or warrants or any other convertible instruments nor the company had any such securities outstanding throughout the year.

n. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Commodities form a part of the raw materials required for company's products portfolio and hence commodity price risk is one of the important market risk for the company. The commodities are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks. Your company has a robust framework and governance mechanism in place to ensure that the organization is adequately protected from the market volatility in terms of price and availability. A robust planning and strategy ensures company's interests are protected despite volatility in commodity prices. The company has managed the foreign exchange risk with appropriate activities in accordance with policies of the company. The aim of the company's approach to manage currency risk is to leave the company with the no material residual risk.

CORPORATE GOVERNANCE REPORT

o. Plant Location

118/1,2,3, 4 & 117/P-3,6,7, Ravi Industrial Estate,
Behind Hotel Prestige, Billeshwarpura,
Taluka – Kalol, District – Gandhinagar,
Chhatral – 382729, Gujarat, India.

p. Address of Correspondence

Company	Registrar & share transfer agent
Ms. Kruti Sheth Company Secretary & Compliance Officer Arfin India Limited B-302, 3 rd Floor, Pelican House, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad – 380009, Gujarat, India. Tel. No.: +91 79 26583791, 92, Fax: +91 79 26583792, Email: investors@arfin.co.in , Website: www.arfin.co.in	MCS Share Transfer Agent Limited 201, 2 nd Floor, Shatdal Complex, Ashram Road, Ahmedabad – 380009, Gujarat, India. Tel. No.: +91 79 26580461 / 62 / 63, Email: mcsahmd@gmail.com , Website: www.mcsregistrars.com

10. Others Disclosures

- a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

The company doesn't have any material significant related party transactions that may have potential conflict with the interests of the listed entity at large.

- b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

Other than the penalty of ₹ 20,000/- for delay of 1 day in getting trading approval from the Bombay Stock Exchange for the bonus shares issued during the financial year under report, there were no instances of any non-compliance by the company or any other penalties or strictures imposed upon it by any of the exchange(s) or the board or any other statutory authority, on any matter related to capital markets, during the last three years.

- c. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee:

Pursuant to the provisions of section 177(9) of the Companies Act, 2013, Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the vigil mechanism / whistle blower policy for directors and employees have already been established and the same is in place.

Mr. Mahendra R. Shah, whole time director and Mr. Jatin M. Shah, managing director of the company do hereby affirm that no personnel are being denied access to the chairman of audit committee & to the chairman of the board of directors of the company to report genuine concerns in this regard.

CORPORATE GOVERNANCE REPORT

- d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:
The board periodically reviewed the compliance of all the applicable laws and steps were taken by the company to rectify instances of non-compliance, if any. During the year, the company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Further, the company has also complied with the non-mandatory requirements relating to having regime of financial statements with audit report with unmodified opinion, appointment of separate persons to the post of chairman and managing director and reporting by internal auditor directly to the audit committee.
- e. The company doesn't have any subsidiaries and thus it has not adopted any policy for determination of material subsidiaries.
- f. Web link of the policy on dealing with related party transactions is as follow:
<http://arfin.co.in/pdf/policies/related-party-transactions-policy.pdf>
- g. Disclosure of commodity price risks and commodity hedging activities
Please refer point 9n. above.

11. Non Compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed

The company has complied with all the provisions of corporate governance related to the matters enumerated in the point 2 to 10 above to the extent applicable.

12. Compliance with Discretionary Requirements under Listing Regulations

Please refer point 10d. above.

13. Disclosures of Requirements of Corporate Governance specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46

The company is in compliance with the corporate governance requirements specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (listing regulations) for the financial year ended on March 31, 2018, to the extent applicable.

14. Declaration signed by the Managing Director stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management

The board of directors has adopted a code of conduct & policy 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(s) that they have complied with the code of ethics and

CORPORATE GOVERNANCE REPORT

business conduct framed for directors and senior management personnel in respect to the financial year ended on March 31, 2018.”

Yours Sincerely
For **Arfin India Limited**

Place: Ahmedabad
Date: August 10, 2018

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

15. Compliance certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance

A certificate from statutory auditors of the company regarding compliance of conditions of corporate governance has been attached as an annexure to the directors' report.

16. Disclosure with respect to Demat Suspense Account / Unclaimed Suspense Account

- a. Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year: nil
- b. Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: nil
- c. Number of shareholders to whom shares were transferred from suspense account during the year: nil
- d. Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year: nil
- e. That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: NA

For and on Behalf of the Board of Directors

Place: Ahmedabad
Date: August 10, 2018

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

CORPORATE GOVERNANCE REPORT

MD & CFO CERTIFICATION

To,
The Board of Directors,
Arfin India Limited

We, Mr. Jatin M. Shah, managing director and Mr. Vijay Lathi, chief financial officer of the company, do hereby certify that on the basis of the review of the financial statements and the cash flow statement of Arfin India Limited for the financial year ended on March 31, 2018 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; and
 - 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 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: August 10, 2018

Vijay Lathi
(Chief Financial Officer)

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Arfin India Limited
Reports on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Arfin India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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.

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

Opinion

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

INDEPENDENT AUDITORS' REPORT

that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure - 1**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) on the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness

of such controls, refer to our separate Report in **Annexure - 2** to this report;

- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. (Refer Note No. 35)
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses, if any.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 prepared in accordance with Ind AS, included in these Ind AS financial statements, have been audited by the predecessor auditor who had audited the financial statements for the relevant periods.

For Mukesh Rajendra & Co.,
Chartered Accountants
Firm Registration No.: 143123W

Mukesh Garg
(Partner)
(Membership No.: 125292)

Place: Ahmedabad
Date: May 18, 2018

INDEPENDENT AUDITORS' REPORT

Annexure 1 to the Independent Auditors' Report

Referred to in Paragraph 1 of report on Legal & regulatory requirements of our report of even date to the members of **Arfin India Limited** on the Financial Statements for the year ended on **March 31, 2018**.

- 1 In respect of Fixed Assets:
 - a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) As explained to us, the fixed assets have been physically verified by the management during the year according to a phased program designed by the Company to cover all the items, 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; and
 - c) The title deeds of immovable properties other than self-constructed immovable properties, as disclosed in fixed assets note to the Financial Statements, are held in the name of Company.
- 2 In our opinion and according to the information and explanations given to us, physical verification of inventories have been conducted at reasonable intervals by the management during the year and discrepancies noticed on verification between the physical stocks and book records were not material having regard to the size of the Company.
- 3 According to the information and explanation given to us, the Company has not granted any secured or unsecured loans to Companies, Firms, LLP or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause III of paragraph 3 of the aforesaid Order, in our opinion, are not applicable to the Company.
- 4 In our opinion and according to the information and explanations given to us, the Company has not granted any loans or given any guarantee or provided any security or made any investment to any parties covered under Section 185 of the Act. The Company has not advanced any loans or given guarantees or provided any security or made investments pursuant to the provisions of Section 186 of the Act and hence not commented upon.
- 5 In our opinion and according to the 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 accounts maintained by the Company pursuant to the Rules prescribed by the Central Government for maintenance of cost records under Sub-Section (1) of Section 148 of the Companies Act, 2013 for the business activities 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 with a view to determine whether they are accurate or complete.
- 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 protection fund, employees' state insurance, GST, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues, if any. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax,

INDEPENDENT AUDITORS' REPORT

wealth tax, sales tax, customs duty and excise duty etc. were outstanding as at March 31, 2018 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, GST, service tax, value added tax, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- 8 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to any banks or financial institutions or government. The Company has not issued any Debentures.
- 9 To the best of our knowledge and belief and according to information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). However, term loans obtained were prima facie, applied by the Company during the year for the purpose for which they were raised.
- 10 To the best of our knowledge and belief, during the course of our examination of the books and records of the Company, carried out with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across of any instances of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year nor we have been informed of any such case by the management.
- 11 To the best of our knowledge and belief and according to the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 12 As the Company is not Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- 13 To the best of our knowledge and belief and according to the information and explanations given to us, all the transactions with related parties are in compliance with the provisions of Section 177 and Section 188 of the Act, wherever applicable. The details of related party transactions have been disclosed in the Financial Statements, under "Related Party Disclosures".
- 14 To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- 15 To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with them. Consequently, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- 16 According to the nature of business of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Consequently, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Mukesh Rajendra & Co.,
Chartered Accountants
Firm Registration No.: 143123W

Mukesh Garg
(Partner)
(Membership No.: 125292)

Place: Ahmedabad
Date: May 18, 2018

INDEPENDENT AUDITORS' REPORT

Annexure 2 to the Independent Auditor's Report

Referred to in Paragraph 2 of report on Legal & regulatory requirements of our report of even date to the members of **Arfin India Limited** on the Financial Statements for the year ended on **March 31, 2018**.

Report on the Internal Financial Controls under clause (i) of Sub-Section 3 of Section 143 of the Act

We have audited the Internal Financial Controls over financial reporting of **Arfin India Limited** ("the Company") as on March 31, 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over financial reporting and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal

Financial Controls and both issued by the Institute of Chartered Accountants of India (ICAI). Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidences about the adequacy of the Internal Financial Control Systems over financial reporting and their operating effectiveness. Our audit of Internal Financial Control Systems over financial reporting includes obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon the Auditor's judgment, including the assessment of the risks of material misstatement, if any, of the Financial Statements, whether due to fraud or error.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Control Systems over financial reporting.

Meaning of Internal Financial Control Systems over Financial Reporting

A Company's Internal Financial Control Systems over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's Internal Financial Control Systems over financial reporting includes those policies and procedures that;

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (ii) provides reasonable assurance that the transactions are recorded as necessary to permit

INDEPENDENT AUDITORS' REPORT

preparations of Financial Statements in accordance with the Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and

- (iii) provides reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Control Systems over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Control Systems over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Control Systems over financial reporting issued by the Institute of Chartered Accountants of India.

For Mukesh Rajendra & Co.,

Chartered Accountants
Firm Registration No.: 143123W

Mukesh Garg

(Partner)
(Membership No.: 125292)

Place: Ahmedabad
Date: May 18, 2018

FINANCIAL

Statements and Notes



Balance Sheet As At March 31, 2018

₹ In Lakhs

Particulars	Note No.	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
ASSETS				
NON CURRENT ASSETS				
(a) Property, Plant and Equipment	3	3,047.44	2,122.90	1,410.72
(b) Capital Work-In-Progress	3	970.04	34.56	429.82
(c) Intangible Assets	3	0.00	0.00	0.00
(d) Financial Assets				
(i) Investments	4	442.10	414.83	0.00
(ii) Loans	5	51.05	16.72	20.75
(iii) Others	6	41.30	37.09	0.00
(e) Other Non-Current Assets	7	20.06	8.26	9.29
		4,571.99	2,634.36	1,870.59
CURRENT ASSETS				
(a) Inventories	8	8,032.66	7,137.36	6,189.47
(b) Financial Assets				
(i) Trade Receivables	9	7,594.23	5,828.90	3,289.81
(ii) Cash and Cash Equivalents	10	25.93	27.70	9.81
(iii) Bank Balances other than (ii) above	11	336.24	301.85	386.55
(iv) Loans	12	266.21	74.58	85.55
(v) Others Current Financial Assets	13	1.34	2.91	2.69
(c) Other Current Assets	14	438.21	28.86	124.49
		16,694.82	13,402.16	10,088.37
		21,266.82	16,036.52	11,958.95
TOTAL ASSETS				
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	15	1,324.37	405.12	301.83
(b) Other Equity	16	6,939.05	5,082.88	2,129.83
		8,263.41	5,488.00	2,431.66
LIABILITIES				
NON CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	17	1,096.85	462.14	1,094.91
(ii) Other Financial Liabilities	18	0.00	0.00	0.00
(b) Provisions	19	15.37	5.91	3.90
(c) Deferred Tax Liabilities (Net)	20	225.80	179.18	117.11
		1,338.02	647.23	1,215.91
CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	21	8,245.24	5,601.61	3,218.11
(ii) Trade Payables	22	2,167.93	3,519.00	4,674.74
(iii) Other Financial Liabilities	23	215.92	113.76	110.85
(b) Other Current Liabilities	24	51.21	171.48	98.26
(c) Provisions	25	985.08	495.44	209.43
		11,665.38	9,901.29	8,311.39
		21,266.82	16,036.52	11,958.96
TOTAL EQUITY AND LIABILITIES				

Balance Sheet As At March 31, 2018

Corporate Information, Basis of Preparation & Significant Accounting Policies 1-2

The accompanying notes 1 to 47 are an integral part of the Financial Statements.
As per our Report of even date attached

For Mukesh Rajendra & Co.,
Chartered Accountants
Firm Registration No.: 143123W

For & on Behalf of Board of Directors

Mukesh Garg
(Partner)
(Membership No.: 125292)

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

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

Place: Ahmedabad
Date: May 18, 2018

Kruti Sheth
(Company Secretary)

Vijay Lathi
(Chief Financial Officer)

Statement of Profit and Loss for the Year Ended March 31, 2018

₹ In Lakhs

Particulars		Note No.	As At March 31, 2018	As At March 31, 2017
I	Revenue From Operations	26	47,738.53	38,677.84
II	Other Income	27	85.95	57.18
III	Total Income (I+II)		47,824.48	38,735.02
IV	EXPENSES			
	Cost of Materials Consumed	28	37,788.79	28,956.58
	Purchases of Stock-in-Trade		0.00	39.51
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	29	(177.20)	(456.44)
	Excise Duty on Sales		1,127.58	4,298.30
	Employee Benefits Expense	30	603.98	388.39
	Finance Costs	31	1,014.22	626.64
	Depreciation and Amortization Expense	3	156.13	118.94
	Other Expenses	32	3,944.01	2,737.36
	Total Expenses (IV)		44,457.51	36,709.28
V	Profit / (Loss) Before Exceptional Items and Tax (I-IV)		3,366.97	2,025.74
VI	Exceptional Items		0.00	0.00
VII	Profit / (Loss) Before Tax (V-VI)		3,366.97	2,025.74
VIII	Tax Expense:			
	(1) Current Tax	33	1,174.49	664.00
	(2) Deferred Tax	20	22.42	60.81
IX	Profit / (Loss) for the Period (VII-VIII)		2,170.06	1,300.93
X	Other Comprehensive Income			
	A (i) Items that will not be Reclassified to Profit or Loss		(1.10)	0.84
	(ii) Income tax relating to Items that will not be Reclassified to Profit or Loss		0.38	(0.29)
	B (i) Items that will be Reclassified to Profit or Loss		27.28	2.83
	(ii) Income tax relating to items that will be Reclassified to Profit or Loss		(9.44)	(0.98)
XI	Total Comprehensive Income for the Period (IX+X) (Comprising Profit / (Loss) and Other Comprehensive Income for the Period)		2,187.18	1,303.33
XII	Earnings per Equity Share	34		
	(1) Basic (₹)		29.98	40.06
	(2) Diluted (₹)		29.98	38.84

Corporate Information, Basis of Preparation & Significant Accounting Policies 1-2

The accompanying notes 1 to 47 are an integral part of the Financial Statements.
As per our Report of even date attached

For Mukesh Rajendra & Co.,
Chartered Accountants
Firm Registration No.: 143123W

Mukesh Garg
(Partner)
(Membership No.: 125292)

Place: Ahmedabad
Date: May 18, 2018

For & on Behalf of Board of Directors

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

Kruti Sheth
(Company Secretary)

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

Vijay Lathi
(Chief Financial Officer)

Statement of Changes in Equity for the Period Ended March 31, 2018

A. EQUITY SHARE CAPITAL

Equity Shares of ₹ 10/- Each Issued, Subscribed and Fully Paid Up

₹ In Lakhs

Particulars	As At March 31, 2018	As At March 31, 2017
Balance at the Beginning of the Reporting Period	405.12	301.83
Add: Issued on Account of Conversion of Warrants into Equity Shares During the Year	0.00	103.29
Add: Bonus Shares Issued During the Year in the Ratio of 2:1 (i.e. Two Bonus Equity Shares Issued for Each One Existing Equity Share held)	810.23	0.00
Add: Issued to the Shareholders of MALCO on Account of Amalgamation	109.02	0.00
Balance at the End of the Reporting Period	1,324.37	405.12

B. OTHER EQUITY

₹ In Lakhs

Particulars	Capital Reserve	Securities Premium Reserve	General Reserves	Surplus in Profit & Loss Statement	Other Items of Other Comprehensive Income (Specify Nature)	Total
Balance at the Beginning of the Reporting Period April 01, 2017	26.38	2,148.36	215.00	2,690.69	2.45	5,082.88
Profit for the Year	0.00	0.00	0.00	2,170.06	0.00	2,170.06
Fair Valuation of Debt Instrument	0.00	0.00	0.00	0.00	17.84	17.84
Re-measurement Gains / (Losses) on Employee Benefits	0.00	0.00	0.00	0.00	(0.72)	(0.72)
Dividend Payment	0.00	0.00	0.00	(81.02)	0.00	(81.02)
Tax on Dividend Payment	0.00	0.00	0.00	(16.49)	0.00	(16.49)
Capital Reserve Received on Account of Amalgamation	576.74	0.00	0.00	0.00	0.00	576.74
Transfer to General Reserve	0.00	0.00	0.00	(100.00)	0.00	(100.00)
Transfer from Retained Earnings	0.00	0.00	100.00	0.00	0.00	100.00
Used for Issue of Bonus Shares	0.00	0.00	0.00	(810.23)	0.00	(810.23)
Balance at the End of the Reporting Period March 31, 2018	603.11	2,148.36	315.00	3,853.00	19.57	6,939.05

Statement of Changes in Equity for the Period Ended March 31, 2018

B. OTHER EQUITY

₹ In Lakhs

Particulars	Capital Reserve	Securities Premium Reserve	General Reserves	Surplus in Profit & Loss Statement	Other Items of Other Comprehensive Income (Specify Nature)	Total
Balance at the Beginning of the Reporting Period April 01, 2016	26.38	444.15	115.00	1,544.25	0.06	2,129.83
Profit for the Year	0.00	0.00	0.00	1,300.93	0.00	1,300.93
Fair Valuation of Debt Instrument	0.00	0.00	0.00	0.00	1.85	1.85
Re-Measurement Gains / (Losses) on Employee Benefits	0.00	0.00	0.00	0.00	0.55	0.55
Premium Received on Issue of Equity Shares	0.00	1,704.21	0.00	0.00	0.00	1,704.21
Dividend Payment	0.00	0.00	0.00	(45.27)	0.00	(45.27)
Tax on Dividend Payment	0.00	0.00	0.00	(9.22)	0.00	(9.22)
Transfer to General Reserve	0.00	0.00	0.00	(100.00)	0.00	(100.00)
Transfer from Retained Earnings	0.00	0.00	100.00	0.00	0.00	100.00
Balance at the End of the Reporting Period March 31, 2017	26.38	2,148.36	215.00	2,690.69	2.45	5,082.88

As per our Report of even date attached

For Mukesh Rajendra & Co.,
Chartered Accountants
Firm Registration No.: 143123W

Mukesh Garg
(Partner)
(Membership No.: 125292)

Place: Ahmedabad
Date: May 18, 2018

For & on Behalf of Board of Directors

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

Kruti Sheth
(Company Secretary)

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

Vijay Lathi
(Chief Financial Officer)

Cash Flow Statement for the Year Ended March 31, 2018

₹ In Lakhs

Particulars	As At March 31, 2018	As At March 31, 2017
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) Before Tax	3,366.97	2,025.74
Adjustments for:		
Depreciation and Amortization	156.13	118.94
Interest and Finance Charges	1,014.22	626.64
Interest income	(42.66)	(46.76)
(Gain) / Loss on Fixed Assets Sold / Discarded (Net)	10.59	13.88
Others	0.00	0.00
Operating Profit Before Working Capital Changes	4,505.25	2,738.44
Adjustments for Changes in Working Capital:		
(Increase) / Decrease in Trade Receivables, Loans & Advances and Other Assets	(2,364.74)	(2,432.71)
(Increase) / Decrease in Inventories	(895.30)	(947.89)
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	(1,458.57)	(1,087.34)
Increase / (Decrease) Other Non-Current Assets	(50.33)	(32.03)
Increase / (Decrease) Other Non-Current Liabilities	9.46	2.01
Cash Generated From Operations	(254.24)	(1,759.51)
Income Taxes Paid	755.61	403.99
Net Cash Flow From Operating Activities	(1,009.84)	(2,163.50)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,123.22)	(419.03)
Additions in Capital Work-in-Progress	(935.48)	(34.56)
Proceeds From Sale of Fixed Assets	31.76	3.85
Purchase of Non-Current Investments	0.00	(412.00)
Investments in Bank Deposits (with Original Maturity over 3 Months)	(34.39)	84.70
Interest Received	42.66	46.76
Net Cash Flow From Investing Activities	(2,018.67)	(730.28)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Share Capital & Capital Reserve*	685.76	1,807.50
Proceeds / (Repayment) from Long Term Borrowings	724.30	(625.74)
Proceeds / (Repayment) from Short Term Borrowings	2,643.64	2,383.50
Payment of Dividend & Dividend Tax thereon	(97.73)	(52.95)
Interest and Finance Charges	(929.22)	(600.64)
Net Cash Flow from Financing Activities	3,026.75	2,911.68
Net Increase / (Decrease) in Cash and Cash Equivalents	(1.76)	17.89
Cash and Bank Balances at the Beginning of the Year	27.70	9.81
Cash and Bank Balances at the End of the Year	25.93	27.70

* Includes issue of shares to shareholders of MALCO and Capital Reserve created due to scheme of amalgamation. (Refer Note No. 41)

Cash Flow Statement for the Year Ended March 31, 2018

NOTES:

- 1) The above cash flow statement has been prepared as per the "Indirect method" set out in the Indian Accounting Standard Ind AS - 7 Statement of Cash Flows.
- 2) Figures in bracket indicate cash outflow.
- 3) Previous year figures have been regrouped and recast wherever necessary to confirm to current year's classification.

Cash and cash equivalents at the end of the year consist of cash on hand, cheques, draft on hand and balance with banks as follows:

DETAIL OF CASH AND CASH EQUIVALENTS

Particulars	₹ In Lakhs	
	As At March 31, 2018	As At March 31, 2017
Balances with Banks		
In Current Accounts	4.07	7.34
In Deposits with Original Maturity of Less than 3 Months	0.00	0.00
Cash on Hand	21.86	20.36
Cheque on Hand	0.00	0.00
Total	25.93	27.70

As per our Report of even date attached

For Mukesh Rajendra & Co.,
Chartered Accountants
Firm Registration No.: 143123W

Mukesh Garg
(Partner)
(Membership No.: 125292)

Place: Ahmedabad
Date: May 18, 2018

For & on Behalf of Board of Directors

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

Kruti Sheth
(Company Secretary)

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

Vijay Lathi
(Chief Financial Officer)

Notes Forming Part of the Financial Statements

Note-1 Company Overview and Significant Accounting Policies

1. Corporate Information

Arfin India Limited (the “Company”) is a public Company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on Bombay Stock Exchange Limited and the Calcutta Stock Exchange Limited. The registered office of the Company is located at B-302, 3rd Floor, Pelican House, Near Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad-380009, Gujarat, India. The Company is engaged in the business of manufacturing, trading and selling of various non-ferrous metal products and its manufacturing facilities are located at Chhatral in the State of Gujarat. The Company caters to both domestic and as well as international markets.

The Hon’ble National Company Law Tribunal, Ahmedabad Bench (“NCLT”) vide its order dated February 22, 2018 has approved the Scheme of Amalgamation of Mahendra Aluminium Company Limited (“MALCO”) with Arfin India Limited (“the Company”). Appointed date for the scheme is April 01, 2017. Accordingly books of both the above Companies have been merged for preparing financial statements for the financial year 2017-18.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors dated May 18, 2018.

2.1 Basis of Preparation of Financial Statements

Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (‘Act’) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The Company has adopted all the relevant Ind AS and its adoption was carried out in accordance with Ind AS 101, “First Time Adoption of Indian Accounting Standards”. The transition was carried out from Indian Accounting Principles generally accepted in India (IGAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the previous GAAP. Reconciliation and description of the effect of the transition have been summarized in Note 45.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 01, 2016 being the date of transition to Ind AS.

Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- i. Certain financial assets and liabilities that are measured at fair value or amortized cost;
- ii. Defined benefit plans - plan assets are measured at fair value less present value of defined benefit obligations.

Current and Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees in lakh as per the requirement of Schedule III, unless otherwise stated.

Notes Forming Part of the Financial Statements

2.2 Use of Estimates

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

2.3 Property, Plant & Equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, less depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and other cost directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method over the estimated useful lives of assets.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and the management believes that useful life of assets are same as those prescribed in Schedule II to the Act.

Asset Class	Useful Life
Factory Building	30 years
Non- Factory Building	60 years
Plant and Machinery	15 years
Furniture and Fixtures / Electric Installations	10 years
Office Equipment	5 years
Vehicles	8 / 10 years
Computers	3 years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

Notes Forming Part of the Financial Statements

Capital Work in Progress and Capital Advances

Cost of assets not ready for intended use, as on the Balance Sheet date is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at Balance Sheet date are disclosed as Other Current Assets.

2.4 Intangible Assets

Computer software are stated at cost, less accumulated amortization and impairments, if any.

Amortization method and useful life

The Company amortizes computer software using the straight-line method over the period of 5 years. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

2.5 Inventories

Items of inventories of Raw Material, Finished Goods, Spares and Stores, Packing Material & Fuel are valued at lower of cost or net realizable value except waste which is valued at estimated net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

2.6 Financial Instrument

(i) Initial Recognition and Measurement

The Company recognizes financials asset and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular purchase and sale of financial assets are recognized on the trade date.

(ii) Subsequent Measurement

A. Non-Derivative Financial Instrument

(a) Financial Assets Carried at Amortized Cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial Assets at Fair Value through Other Comprehensive Income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(c) Financial Assets at Fair Value through Profit or Loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

Notes Forming Part of the Financial Statements

(d) Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

B. Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank.

Financial Assets or Liabilities, at Fair Value through Profit or Loss

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / liabilities if they are either held for trading or are expected to be realized within twelve months after the balance sheet date.

C. De-recognition of Financial Instruments

The Company derecognizes a financial asset when the contractual right to receive the cash flows from the financial asset expires or it transfers the financial asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

2.7 Current versus Non-Current Classification

An asset is considered as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- A cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is considered as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Notes Forming Part of the Financial Statements

All other liabilities are classified as non-current.

Deferred tax assets and liabilities, if any, are classified as non-current assets and liabilities respectively.

2.8 Measurement of Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1– Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Input for the asset or liability that are not based on observable market data (unobservable inputs).

2.9 Investments and Other Financial Assets

Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- Those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets are expensed out in the Statement of Profit and Loss.

Impairment of Financial Assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate

Notes Forming Part of the Financial Statements

basis. The impairment methodology applied depends on whether there has been a significant increase in the credit risk.

2.10 Revenue Recognition

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty (up to June 2017) and net of returns, trade allowances, rebates, discounts, value added taxes and amounts collected on behalf of third parties.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below:

Sale of Goods

Sales are recognized when substantial risk and rewards of ownership are transferred to customers. In case of domestic customer, generally sales take place when goods are dispatched or delivery is handed over to the transporter. In case of export customers, generally sales take place when goods are shipped on board based on bill of lading.

Other Operating Revenue

Export Incentives under various schemes are accounted in the year in which right to receive is irrevocably established.

Other Revenue

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

Revenue in respect of insurance / other claims etc. is recognized only when it is reasonably certain that the ultimate collection will be made.

Dividend

Dividends are generally recognized in the Statement of Profit and Loss only when the right to receive payment is established.

2.11 Foreign Currency Transactions

The financial statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing on the date of the balance sheet. All exchange differences other than those relating to the acquisition of fixed assets from outside India are dealt with in the Statement of Profit and Loss. Exchange gain or loss relating to fixed assets acquired from outside India is adjusted in the cost of respective fixed assets.

In case of forward contracts, the gain / loss on contracts are treated as periodical expense or revenue. Any profit or loss arising on the cancellation or renewal of a forward exchange contract is recognized as income or expense for the year, except in case of a forward exchange contract relating to liabilities incurred for acquiring fixed assets from outside India, in which case, such profit or loss is adjusted in the cost of fixed assets.

Exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting

Notes Forming Part of the Financial Statements

date. Such exchange differences are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

2.12 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In that case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax Credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.13 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

2.14 Employee Benefits

Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled

Notes Forming Part of the Financial Statements

wholly within twelve months after the end of the period in which the employees rendered the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Post-Employment Obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Gratuity Obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Gratuity liability of employees is not funded.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred.

2.15 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying property, plant and equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

2.16 Earnings per Share

Basic Earnings per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company by
- average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential

Notes Forming Part of the Financial Statements

equity shares, and

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.17 Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.18 Leases

As a lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. Lease under which the Company assumes potentially all the risks and rewards of ownership are classified as finance lease. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.

Lease payments under operating leases are recognized as expenses on straight line basis in the Statement of Profit and Loss over the lease term. Unless the payments are structured to increase in line with expected general inflation to compensate, lessors expect inflationary cost increases.

2.19 Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy / rebates are credited to the Statement of Profit and Loss under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquired non-current assets are recognized as deferred income and disclosed under non-current liabilities and transferred to the Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets are transferred to the Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

2.20 Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees and other professional and consulting fees are expensed as incurred.

2.21 Cash and Cash Equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are really convertible to know amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

Notes Forming Part of the Financial Statements

2.22 Cash Flow Statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for effect of the transactions of a non cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.23 Share Capital

Shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

2.24 Cash Dividend

The Company recognizes a liability to make cash or non-cash distributions to equity shareholders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in the equity.

Notes Forming Part of the Financial Statements

₹ In Lakhs

3. PROPERTY, PLANT, EQUIPMENT AND CAPITAL WORK IN PROGRESS

Particulars	Factory Land	Factory Buildings	Plant & Equipment	Computer	Furniture & Fixtures	Vehicles	Office Equipment	Office Building Pelican House	Total	Capital Work in Progress
COST OF ASSETS										
As at April 01, 2016	137.62	440.66	770.40	10.41	28.35	183.75	25.83	55.37	1,652.38	429.82
Addition	0.00	266.48	547.44	2.57	3.19	25.83	3.34	0.00	848.85	34.56
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	33.75	0.00	0.00	33.75	429.82
As at March 31, 2017	137.62	707.14	1,317.84	12.98	31.53	175.83	29.17	55.37	2,467.48	34.56
Add: Acquired under the Scheme*	95.42	174.86	42.43	3.98	15.77	18.09	3.51	0.00	354.05	0.00
Addition	316.78	1.26	229.93	4.32	0.89	15.67	1.95	244.63	815.45	935.48
Disposal / Adjustments	0.00	0.00	21.86	3.98	0.00	60.19	1.27	0.00	87.30	0.00
As at March 31, 2018	549.83	883.26	1,568.34	17.30	48.19	149.40	33.36	300.00	3,549.68	970.04
DEPRECIATION										
As at April 01, 2016	0.00	36.98	125.19	7.80	9.31	39.51	11.30	11.57	241.65	0.00
Charge For The Year	0.00	18.96	67.64	1.50	2.43	21.95	5.54	0.91	118.94	0.00
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	16.02	0.00	0.00	16.02	0.00
As at March 31, 2017	0.00	55.94	192.83	9.31	11.74	45.44	16.84	12.48	344.58	0.00
Add: Acquired under the Scheme*	0.00	17.73	5.84	3.81	7.16	9.85	1.90	0.00	46.28	0.00
Charge For The Year	0.00	28.24	93.53	2.46	4.57	18.31	4.98	4.05	156.13	0.00
Disposal / Adjustments	0.00	0.00	2.77	3.86	0.00	36.94	1.18	0.00	44.76	0.00
As at March 31, 2018	0.00	101.90	289.44	11.71	23.47	36.65	22.54	16.53	502.24	0.00
NET BLOCK										
As at March 31, 2018	549.83	781.36	1,278.90	5.59	24.72	112.74	10.82	283.47	3,047.44	970.04
As at March 31, 2017	137.62	651.20	1,125.00	3.67	19.79	130.39	12.33	42.89	2,122.90	34.56
As at April 01, 2016	137.62	403.69	645.20	2.60	19.04	144.24	14.53	43.80	1,410.72	429.82

* Please refer Note No. 41.

Notes Forming Part of the Financial Statements

INTANGIBLE ASSETS

₹ In Lakhs

Particulars	Computer Software
COST OF ASSETS	
As at April 01, 2016	0.00
Addition	0.00
Disposal / Adjustments	0.00
As at March 31, 2017	0.00
Add: Acquired under the Scheme*	0.16
Addition	0.00
Disposal / Adjustments	0.16
As at March 31, 2018	0.00
DEPRECIATION	
As at April 01, 2016	0.00
Charge For The Year	0.00
Disposal / Adjustments	0.00
As at March 31, 2017	0.00
Add: Acquired under the Scheme*	0.15
Charge For The Year	0.00
Disposal / Adjustments	0.15
As at March 31, 2018	0.00
NET BLOCK	
As at March 31, 2018	0.00
As at March 31, 2017	0.00
As at April 01, 2016	0.00

* Please refer Note No. 41.

Notes Forming Part of the Financial Statements

4. NON - CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
I	TRADE INVESTMENT (AT COST)			
	Investment in Equity Instruments	0.00	0.00	0.00
		0.00	0.00	0.00
II	NON-TRADE INVESTMENT			
	Investment in SBI Corporate Bond Fund (Quoted) (At Fair Value through OCI)	442.10	414.83	0.00
	Total	442.10	414.83	0.00

5. NON - CURRENT FINANCIAL ASSETS - LOANS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
I	UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED			
	(i) Security Deposits	51.05	16.72	20.75
	(ii) Others	0.00	0.00	0.00
II	Loans to Employees	0.00	0.00	0.00
	Total	51.05	16.72	20.75

6. NON - CURRENT FINANCIAL ASSETS - OTHERS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
I	Bank Deposits with Original Maturity Greater than 12 Months	0.00	0.00	0.00
II	Balance with Statutory / Government Authority (Refer Note 6.1)	41.30	37.09	0.00
	Total	41.30	37.09	0.00

6.1 Payment of Custom Duty under protest against which the appeal has been filed before Commissioner of Custom Appeals, Ahmedabad.

7. NON - CURRENT ASSETS - OTHERS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
I	CAPITAL ADVANCES			
	(i) Considered good	0.00	0.00	0.00
	(ii) Considered doubtful	0.00	0.00	0.00
II	Less: Provision for doubtful advances	0.00	0.00	0.00
		0.00	0.00	0.00
III	Preliminary Expense to the Extent Not Written Off	20.06	8.26	9.29
		20.06	8.26	9.29

Notes Forming Part of the Financial Statements

8. INVENTORIES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	(Valued at Lower of Cost and Net Realizable Value)			
(i)	Raw Materials (Refer Note No. 8.2)	6,604.19	5,976.79	5,502.16
(ii)	Work-In-Progress	0.00	0.00	0.00
(iii)	Stores and Spares	61.10	33.52	16.70
(iv)	Finished Goods	1,367.37	1,127.05	670.61
(v)	Stock-In-Trade	0.00	0.00	0.00
	Total	8,032.66	7,137.36	6,189.47

As per inventory taken and valued by the Management.

- 8.1 Inventories are hypothecated to Secured Working Capital Facilities from State Bank of India, Axis Bank and IDBI Bank.
- 8.2 Raw Materials inventory includes goods in transit which are lying at custom port worth ₹ 159.31 lakhs as at March 31, 2018.

9. TRADE RECEIVABLES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
I	UNSECURED			
	(i) Considered good	7,594.23	5,828.90	3,289.81
	(ii) Considered doubtful	0.00	0.00	0.00
		7,594.23	5,828.90	3,289.81
II	Less: Provision for doubtful debts	0.00	0.00	0.00
	Total	7,594.23	5,828.90	3,289.81

9.1 AGEING OF TRADE RECEIVABLES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(i)	Within the Credit Period	7,243.98	5,678.98	3,266.98
(ii)	1-180 Days Past Dues	337.70	147.56	22.83
(iii)	More than 180 Days Past Dues	12.54	2.36	0.00
	Total	7,594.23	5,828.90	3,289.81
(i)	Current Trade Receivables	7,594.23	5,828.90	3,289.81
(ii)	Non-Current Trade Receivables	0.00	0.00	0.00
	Total	7,594.23	5,828.90	3,289.81

- 9.2 Trade Receivables are hypothecated to Secured Working Capital Facilities from State Bank of India, Axis Bank and IDBI Bank.

Notes Forming Part of the Financial Statements

10. CASH AND CASH EQUIVALENTS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
I	Balances with Scheduled Banks			
	(i) In Current Accounts	4.07	7.34	0.51
	(ii) In Deposit Accounts (Maturity Less than 3 Months)	0.00	0.00	0.00
II	Cash in Hand	21.86	20.36	9.29
III	Cheques in Hand	0.00	0.00	0.00
	Total	25.93	27.70	9.81

11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
I	Other Balances	0.00	0.00	0.00
II	Earmarked Balances with Banks for:			
	(i) Unpaid Dividends (Refer Note No. 11.1 below)	2.46	2.67	1.13
	(ii) Bank Fixed Deposits*	333.77	299.17	385.42
	Total	336.24	301.85	386.55

11.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2018.

* Includes ₹ 200 lakhs (Previous Year ₹ 200 lakhs) as Margin Money Deposit (Lien) against Borrowings from Axis Bank and IDBI Bank.

* Includes FDR of ₹ 104.93 lakhs (Previous Year ₹ 248.21 lakhs) against Buyers Credit Taken from Banks.

12. CURRENT FINANCIAL ASSETS - LOANS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED			
I	Security Deposits	0.00	0.00	0.00
II	Others:			
	(i) Advances Recoverable in Cash or Kind	260.09	64.67	85.34
	(ii) Advances to Staff	6.12	9.90	0.21
	Total	266.21	74.58	85.55

13. CURRENT FINANCIAL ASSETS - OTHERS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(i)	Interest Accrued on Deposits	1.34	2.91	2.69
	Total	1.34	2.91	2.69

Notes Forming Part of the Financial Statements

14. CURRENT ASSETS – OTHERS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED			
I	Capital Advances			
	(i) Considered Good	100.91	9.00	7.05
	(ii) Considered Doubtful	0.00	0.00	0.00
II	Others			
	(i) Prepaid Expenses	11.82	6.54	5.30
	(ii) Balance with Statutory Authorities	325.48	13.32	112.15
	Total	438.21	28.86	124.49

15. EQUITY SHARE CAPITAL

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
I	AUTHORIZED* 3,15,00,000 Equity Shares of ₹ 10/- Each (As At March 31, 2017 -1,10,00,000 Equity Shares and As At April 01, 2016 - 1,10,00,000 Equity Shares)	3,150.00	1,100.00	1,100.00
II	ISSUED, SUBSCRIBED AND PAID UP 1,32,43,671 Equity Shares of ₹ 10/- Each (As At March 31, 2017 - 40,51,157 Equity Shares and As At April 01, 2016 - 30,18,300 Equity Shares)	1,324.37	405.12	301.83

- 15.1 *During the Financial Year 2017-18, Mahendra Aluminium Company Limited (MALCO) has been amalgamated into Arfin India Limited. Accordingly, Authorized Share Capital of MALCO (15,00,000 Equity Shares of ₹ 10/- Each) has been added to the Authorized Share Capital of Arfin India Limited.
- 15.2 The Company has only One Class of Ordinary Equity Shares having Par Value of ₹ 10/- Each and the holders of these Ordinary Shares are entitled to receive Dividends as and when declared by the Company. Each holder of the Equity Shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution to all preferential amounts, in proportion to their shareholding.
- 15.3 The Board of Directors in their meeting held on May 18, 2018 has recommended the final dividend of ₹ 2/- (i.e. 20%) per equity share of ₹ 10/- each for the financial year ended on March 31, 2018. Payment of the same is subject to approval of shareholders in their ensuing Annual General meeting.

Notes Forming Part of the Financial Statements

15.4 The Reconciliation of the Number of Shares Outstanding as at March 31, 2018 March 31, 2017 and April 01, 2016 is set out below

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018		As At March 31, 2017		As At April 01, 2016	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
I	EQUITY SHARES						
	Shares Outstanding at the Beginning of the Year	40,51,157	405.12	30,18,300	301.83	30,18,300	301.83
	Add: Shares Issued During the Year on Account of Conversion of Warrants	0	0.00	10,32,857	103.29	0	0.00
	Add: Bonus Shares Issued During the Year in the ratio of 2 Bonus Equity Shares for Each 1 Equity Share held	81,02,314	810.23	0	0.00	0	0.00
	Add: Shares Issued During the Year on Account of amalgamation of Mahendra Aluminium Company Limited	10,90,200	109.02	0	0.00	0	0.00
	Shares Outstanding at the End of the Year	1,32,43,671	1,324.37	40,51,157	405.12	30,18,300	301.83

15.5 During the year the Company has, on November 03, 2017, issued and allotted 81,02,314 Bonus Equity Shares to the shareholders holding shares as on the record date fixed for this purpose, i.e. November 02, 2017 in the ratio of 2:1 i.e. in the proportion of 2 (Two) new fully paid-up equity share of ₹ 10/- (Rupees Ten Only) each for every 1 (One) existing fully paid-up equity share of ₹ 10/- (Rupees Ten Only) each.

15.6 The Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") has by vide its order dated February 22, 2018 approved the Scheme of Amalgamation of Mahendra Aluminium Company Limited ("MALCO") with Arfin India Limited ("the Company") and their respective shareholders and creditors. Appointed date for the scheme is April 01, 2017. As per the scheme of amalgamation, the Company has issued and allotted 10,90,200 equity shares of ₹ 10/- (Rupees Ten Only) each per share to the shareholders of MALCO towards purchase consideration.

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

Sr. No.	Name of the Shareholder	As At March 31, 2018		As At March 31, 2017		As At April 01, 2016	
		No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
(i)	Mr. Mahendra R. Shah	21,38,188	16.14	6,82,400	16.84	5,13,400	17.01
(ii)	Mr. Jatin M. Shah	20,96,628	15.83	6,08,900	15.03	4,48,900	14.87
(iii)	Mrs. Pushpa M. Shah	18,00,092	13.59	5,97,700	14.75	4,36,700	14.47
(iv)	Mrs. Rani J. Shah	17,77,764	13.42	5,03,900	12.44	4,03,900	13.38
(v)	Ms. Pooja Shah	6,68,700	5.05	1,35,500	3.34	1,32,500	4.39
(vi)	Jatin M. Shah HUF	5,41,500	4.09	1,80,500	4.46	1,77,700	5.89

Notes Forming Part of the Financial Statements

16. OTHER EQUITY

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
I	CAPITAL RESERVE			
	Opening Balance	26.38	26.38	26.38
	Addition due to the Scheme of Amalgamation	576.74	0.00	0.00
	Deductions during the Financial Year	0.00	0.00	0.00
	Closing Balance	603.11	26.38	26.38
II	SECURITIES PREMIUM			
	Opening Balance	2,148.36	444.15	444.15
	Additions During the Financial Year	0.00	1,704.21	0.00
	Deductions During the Financial Year	0.00	0.00	0.00
	Closing Balance	2,148.36	2,148.36	444.15
III	GENERAL RESERVE			
	Opening Balance	215.00	115.00	40.00
	Additions During the Financial Year	100.00	100.00	75.00
	Adjusted to FVTOCI Reserve on Transition to Ind AS	0.00	0.00	0.00
	Closing Balance	315.00	215.00	115.00
IV	SURPLUS IN STATEMENT OF PROFIT AND LOSS			
	Opening Balance	2,690.69	1,544.25	958.36
	Profit / (Loss) During the Year	2,170.06	1,300.93	660.98
	Add: Addition During the Year (Including Transferred From Reserves)	0.00	0.00	0.00
	Less: Appropriations			
	Dividend Paid	81.02	45.27	0.00
	Tax on Dividend Paid	16.49	9.22	0.00
	Residual Value of Fixed Assets Transferred	0.00	0.00	0.00
	Used for Issue of Bonus Shares	810.23	0.00	0.00
	Transferred to General Reserve	100.00	100.00	75.00
V	ADJUSTED TO PROFIT / (LOSS) ON ACCOUNT OF IND AS			
	Net effect of Ind AS opening adjustment	0.00	0.00	(0.09)
	FVOCI Reserve - Re-measurement Gains / (Losses) on Employee Benefits	0.00	0.00	0.00
	Closing Balance	3,853.00	2,690.69	1,544.25
VI	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME [FVTOCI] RESERVE			
	Opening Balance	2.45	0.06	0.00
	Adjusted from General Reserve on Transition to Ind AS	0.00	0.00	0.00
	Fair Valuation of Debt Instrument	17.84	1.85	0.00
	Adjusted from Surplus in Statement of Profit and Loss			
	Re-measurement Gains / (Losses) on Employee Benefits	(0.72)	0.55	0.06
	Deductions during the Financial Year	0.00	0.00	0.00
	Closing Balance	19.57	2.45	0.06
	Total Other Equity As At March 31, 2018	6,939.05	5,082.88	2,129.83

Notes Forming Part of the Financial Statements

17. NON - CURRENT FINANCIAL LIABILITIES – BORROWINGS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	SECURED TERM LOANS			
A	FROM BANKS			
(1)	For Acquisition of Plant & Machinery			
	State Bank of India - (Term Loan)	281.28	0.00	0.00
	i) Tenure of Loan is 41 Months and Repayable in Monthly Installments. Present Rate of Interest is 10.95% per annum.			
	ii) Nature of Security: (a) Loan is Secured by Pledge of Plant & Machineries. (b) Collateral Security with State Bank of India: (i) Mortgage of Factory Land and Building at "118/2,3 & 4, Ravi Industrial Estate situated at Bileshwarpura Village, Chhatral, Gandhinagar - 382729, Gujarat, India".			
	iii) Loan is Guaranteed by following Directors:			
	(1) Mr. Mahendra R. Shah (2) Mr. Jatin M. Shah			
	(3) Mrs. Pushpa M. Shah			
(2)	For Acquisition of Vehicles			
	HDFC Bank Limited - (Vehicle Loan)	11.77	31.71	51.19
	i) Tenure of Loan is 36 Months and Repayable in Equal Monthly Installments. Present Rate of Interest is 9.35% per annum.			
	ii) Nature of Security: Loan is Secured by Pledge of Vehicle.			
	iii) Loan is Guaranteed by following Directors:			
	(1) Mr. Mahendra R. Shah (2) Mr. Jatin M. Shah	293.05	31.71	51.19
	Less: Adjustment of Transaction Costs as per Ind AS 109	5.22	0.00	0.00
		287.83	31.71	51.19
B	FROM FINANCIALS INSTITUTIONS			
(1)	For Acquisition of Plant & Machinery			
	Tata Capital Financial Services Limited - (Term Loan)	0.00	31.92	96.44
	i) Tenure of Loan is 36 Months and Repayable in Monthly Installments. Present Rate of Interest is 12.50% per annum.			
	ii) Nature of Security: Secured by Hypothecation of Plant and Machinery Purchased out of Tata Capital Finance.			
	iii) Loan is Guaranteed by following Directors:			
	(1) Mr. Mahendra R. Shah (2) Mr. Jatin M. Shah			
C	FROM OTHERS (UNSECURED)			
	Inter Corporate Deposits*	717.32	355.00	565.00
	Directors*	91.71	43.52	382.27
	Total	1,096.85	462.14	1,094.91

* As per the 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.

Notes Forming Part of the Financial Statements

18. NON - CURRENT - OTHER FINANCIAL LIABILITIES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	Security Deposits	0.00	0.00	0.00
	Total	0.00	0.00	0.00

19. NON - CURRENT PROVISIONS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	Provision for employee benefit (i) Gratuity Payable	15.37	5.91	3.90
	Total	15.37	5.91	3.90

20. NON - CURRENT DEFERRED TAX LIABILITIES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(i)	Deferred Tax Liabilities	230.72	180.82	118.34
(ii)	Deferred Tax Assets	4.91	1.64	1.23
	Total	225.80	179.18	117.11

20.1 COMPONENTS OF DEFERRED TAX ASSETS AS AT MARCH 31, 2018

₹ In Lakhs

Sr. No.	Particulars	As At April 01, 2017	Charge / (Credit) Recognized in Profit / Loss	Charge(Credit) Recognized in Other Comprehensive Income	As At March 31, 2018
I	DEFERRED TAX ASSETS				
	Fair Valuation of (Gain) / Loss on Debt Instrument	0.00	0.00	0.00	0.00
	Provision for Post-Retirement and Other Employee Benefits	1.96	2.89	0.00	4.85
	Re-measurement of Defined Benefit Obligations	(0.32)	0.00	0.38	0.06
	Total Deferred Tax Assets	1.64	2.89	0.38	4.91

Notes Forming Part of the Financial Statements

COMPONENTS OF DEFERRED TAX LIABILITIES AS AT MARCH 31, 2018

₹ In Lakhs

Sr. No.	Particulars	As At April 01, 2017	Charge / (Credit) Recognized in Profit / Loss	Charge(Credit) Recognized in Other Comprehensive Income	As At March 31, 2018
I	DEFERRED TAX LIABILITIES				
	Fair Valuation of (Gain) / Loss on Debt Instrument	0.98	0.00	9.44	10.42
	Timing Difference with respect to Property, Plant & Equipment	194.99	25.31	0.00	220.30
	Borrowings Designated at Amortized Cost	0.00	0.00	0.00	0.00
	Total Deferred Tax Liabilities	195.97	25.31	9.44	230.72

20.2 COMPONENTS OF DEFERRED TAX ASSETS AS AT MARCH 31, 2017

₹ In Lakhs

Sr. No.	Particulars	As At April 01, 2016	Charge / (Credit) Recognized in Profit / Loss	Charge(Credit) Recognized in Other Comprehensive Income	As At March 31, 2017
I	DEFERRED TAX ASSETS				
	Fair Valuation of (Gain) / Loss on Debt Instrument	0.00	0.00	0.00	0.00
	Provision for Post-Retirement and Other Employee Benefits	1.26	0.70	0.00	1.96
	Re-measurement of Defined Benefit Obligations	(0.03)	0.00	(0.29)	(0.32)
	Total Deferred Tax Assets	1.23	0.70	(0.29)	1.64

COMPONENTS OF DEFERRED TAX LIABILITIES AS AT MARCH 31, 2017

₹ In Lakhs

Sr. No.	Particulars	As At April 01, 2016	Charge / (Credit) Recognized in Profit / Loss	Charge(Credit) Recognized in Other Comprehensive Income	As At March 31, 2017
I	DEFERRED TAX LIABILITIES				
	Fair Valuation of (Gain) / Loss on Debt Instrument	0.00	0.00	0.98	0.98
	Timing Difference with respect to Property, Plant & Equipment	118.34	61.51	0.00	179.85
	Borrowings Designated at Amortized Cost	0.00	0.00	0.00	0.00
	Total Deferred Tax Liabilities	118.34	61.51	0.98	180.82

Notes Forming Part of the Financial Statements

21. CURRENT FINANCIAL LIABILITIES – BORROWINGS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
I	SECURED LOANS REPAYABLE ON DEMAND			
	(a) Secured			
	(i) From Banks			
	Axis Bank Limited - Cash Credit Limits	2,828.08	1,067.03	680.47
	Axis Bank Limited - Buyer's Credit Limits (In USD)(Refer Note No. 40)	512.85	605.66	806.08
	IDBI Bank Limited - Cash Credit Limits	1,774.60	1,315.42	1,058.03
	IDBI Bank Limited - Buyer's Credit Limits (In USD) (Refer Note No. 40)	0.00	188.27	673.52
	State Bank of India - Cash Credit Limits	3,129.72	2,425.22	0.00
	Axis & IDBI Bank Loans are secured by following:			
	1) Nature of Security: (i) Secured by Hypothecation of Entire Current Assets Including Book Debts and Stock at Present and in Future. It is on <i>pari-passu</i> basis with SBI.			
	2) Collateral Security: (i) Mortgage of Factory Land and Building at "118/1, Ravi Industrial Estate situated at Bileshwarpura Village, Chhatral, Gandhinagar - 382729, Gujarat, India". (ii) Mortgage of Office Building situated at "B-302, Pelican House, GCCI Building, Ashram Road, Ahmedabad - 380009, Gujarat, India". (iii) Fixed Deposit of ₹ 200 lakhs with Axis Bank Limited.			
	3) In addition to above, Axis Bank has been given below separate collateral security for working capital loans transferred from Malco to Arfin on account of amalgamation of Malco into Arfin. (i) Mortgage of Factory Land and Building at "117/P 3, 6 & 7, Ravi Industrial Estate situated at Bileshwarpura Village, Chhatral, Gandhinagar - 382729, Gujarat, India".			
	4) Rate of Interest on Cash Credit Loan is in the range of 10.30% to 11.00% per annum.			
	5) General tenure of Buyers Credit is 120 days.			
	6) Cash Credit limits are renewable every year.			
	SBI Loan is secured by following:			
	1) Nature of Security: (i) Secured by Hypothecation of Entire Current Assets Including Book Debts and Stock at Present and in Future. It is on <i>pari-passu</i> basis with Axis Bank & IDBI Bank.			
	2) Collateral Security with State Bank of India:			
	(i) Mortgage of Factory Land and Building at "118/2, 3 & 4,			

Notes Forming Part of the Financial Statements

21. CURRENT FINANCIAL LIABILITIES – BORROWINGS

₹ In Lakhs

	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	Ravi Industrial Estate situated at Bileshwarpura Village, Chhatral, Gandhinagar - 382729, Gujarat, India". (ii) SBI Corporate Bond of ₹ 412 lakhs with State Bank of India. 3) Rate of Interest on Cash Credit Loan is in Range Between 9.95% to 10.75% per annum. 4) All the above Short Term Cash Credit Loans are renewable every year. 5) Loans are Guaranteed by following Directors: (i) Mr. Mahendra R. Shah (ii) Mr. Jatin M. Shah (iii) Mrs. Pushpa M. Shah			
	(ii) From Other Parties	0.00	0.00	0.00
		8,245.24	5,601.61	3,218.11
	(b) Unsecured			
	(i) From Banks	0.00	0.00	0.00
	(ii) From Other Parties	0.00	0.00	0.00
		0.00	0.00	0.00
		8,245.24	5,601.61	3,218.11
II	LOANS AND ADVANCES FROM RELATED PARTIES			
	(a) Secured	0.00	0.00	0.00
	(b) Unsecured	0.00	0.00	0.00
		0.00	0.00	0.00
III	DEPOSITS			
	(a) Secured	0.00	0.00	0.00
	(b) Unsecured	0.00	0.00	0.00
		0.00	0.00	0.00
	Total	8,245.24	5,601.61	3,218.11

22. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(i)	Due to Micro and Small Enterprises	0.00	0.00	0.00
(ii)	Due to other than Micro and Small Enterprises	2,167.93	3,519.00	4,674.74
	Total	2,167.93	3,519.00	4,674.74

22.1 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made. The above information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Notes Forming Part of the Financial Statements

23. CURRENT - OTHER FINANCIAL LIABILITIES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(i)	Current Maturities of Long Term Debt - Term Loans	185.79	96.20	89.18
(ii)	Payables for Capital Goods	27.66	14.88	20.55
(iii)	Unpaid / Unclaimed Dividend (Refer Note No. 23.1)	2.47	2.67	1.13
	Total	215.92	113.76	110.85

23.1 No Unpaid Dividend remains due for payment to the Investor Education and Protection Fund as at March 31, 2018.

24. OTHER CURRENT LIABILITIES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(i)	Salary Payable	37.56	10.48	0.00
(ii)	Statutory Liabilities	13.65	161.00	88.15
(iii)	CSR Expenses Payable	0.00	0.00	10.11
	Total	51.21	171.48	98.26

25. SHORT TERM PROVISIONS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(i)	Current Tax Provision	985.08	495.44	209.43
(ii)	Provision for Expenses	0.00	0.00	0.00
	Total	985.08	495.44	209.43

26. REVENUE FROM OPERATIONS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017
I	REVENUE FROM OPERATIONS		
	Sale of Products		
	Domestic Sales	52,219.97	40,154.87
	Export Sales (*)	2,465.97	471.11
		54,685.94	40,625.98
II	OTHER OPERATING REVENUE		
	(*) Earning in Foreign Exchange		
	Job Work Charges	1.41	3.65
	Revenue From Operations (Gross)	54,687.35	40,629.62
	Less: VAT / CST	495.22	1,951.79
		54,192.13	38,677.84
	Less: GST Recovered	6,453.60	0.00
	Revenue from Operations (Net)	47,738.53	38,677.84
	Net Sales	47,738.53	38,677.84

26.1 The above sales includes Trading Sales of ₹ 1,061.16 lakhs during the year (Previous Year ₹ 43.66 lakhs) (Refer Note No. 38)

Notes Forming Part of the Financial Statements

27. OTHER INCOME

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017
I	Interest Income	28.95	26.87
II	Interest from Customer on Delay in Payment	13.71	19.88
III	Other Non-Operating Income		
	Gain on Exchange Rate Fluctuation	32.31	7.83
	Rent Income	1.20	2.40
	Duty Drawback Income	0.41	0.19
	MEIS Export Benefit Income	9.37	0.00
	Sub-Total	43.29	10.43
	Total	85.95	57.18

28. COST OF MATERIALS CONSUMED

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017
I	RAW MATERIAL		
	Opening Stock (Refer Note No. 28.1)	6,410.92	5,502.16
	Add: Purchases (Refer Note No. 38)	37,457.48	29,061.42
		43,868.40	34,563.57
	Less: Closing Stock	6,604.19	5,976.79
		37,264.21	28,586.79
II	PACKING MATERIAL AND CONSUMABLE STORES		
	Opening Stock	33.52	16.70
	Add: Purchases	552.15	386.61
		585.67	403.31
	Less: Closing Stock	61.10	33.52
		524.57	369.79
	Total	37,788.79	28,956.58

28.1 Opening Inventory of Raw Materials includes ₹ 434.14 lakhs opening inventory received from MALCO on account of amalgamation during the year.

Notes Forming Part of the Financial Statements

29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017
I	FINISHED GOODS		
	Opening Stock (Refer Note No. 29.1)	1,190.17	670.61
	Less: Closing Stock	1,367.37	1,127.05
		(177.20)	(456.44)
II	STOCK-IN-TRADE		
	Opening Stock	0.00	0.00
	Less: Closing Stock	0.00	0.00
		0.00	0.00
	Total	(177.20)	(456.44)

29.1 Opening Inventory of Finished Goods includes ₹ 63.12 lakhs opening inventory received from MALCO on account of amalgamation during the year.

30. EMPLOYEE BENEFITS EXPENSE

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017
I	Salaries, Wages and Bonus	407.82	250.88
II	Directors' Salary Expense	176.40	119.98
III	Contribution to Provident Fund / ESIC / Gratuity	17.84	14.76
IV	Staff Welfare Expenses	1.92	2.78
	Total	603.98	388.39

31. FINANCE COSTS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017
I	INTEREST EXPENSE		
	For Short Term Borrowings		
	To Bank	620.73	256.83
	To Others	177.38	238.21
	For Others (Term Loan)	13.13	17.51
		811.24	512.55
II	OTHER BORROWING COSTS		
	Bank Charges and Commission	82.07	41.79
	Bank Loan Processing and Documentation Charges	35.40	46.29
	Interest on income Tax	85.51	26.00
		202.98	114.09
	Total	1,014.22	626.64

Notes Forming Part of the Financial Statements

32. OTHER EXPENSES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017
I	MANUFACTURING EXPENSES		
	Electricity Expenses	169.27	90.31
	Gas and Fuel Expenses	803.47	455.49
	Freight Inward-Octroi-Coolies and Cartages	119.99	61.44
	Repairs and Maintenance		
	To Buildings	2.67	2.86
	To Plant and Machineries	51.42	28.88
	To Other Assets	7.28	13.27
	CHA Agency Charges – Import	84.65	47.87
	Clearing and Forwarding Expenses	1,263.14	1,018.67
	Consultancy Expenses – Plant	17.00	9.00
	Job Work Charges	31.20	125.73
	Security Expenses	23.96	24.28
	Bhatti Consumable Items and Maintenance Expenses	349.99	91.73
	Water Expenses	20.58	6.97
	VAT Expense and VAT Credit not available	6.03	23.38
	Other Manufacturing Expenses	23.45	5.81
		2,974.11	2,005.68
II	SELLING AND DISTRIBUTION EXPENSES		
	Freight Outward, Detention, Cartages and Others	611.56	459.67
	CHA Agency Charges – Export	1.84	0.35
	Clearing and Forwarding Expenses - Export	13.41	2.62
	Commission and Other Expenses	28.98	23.00
	Traveling Expenses		
	For Directors	57.34	34.33
	For Staff and Guests	22.65	5.65
	Business Promotion Expenses	7.50	24.45
	Advertisement Expenses	11.16	21.89
		754.45	571.95
III	ADMINISTRATIVE EXPENSES		
	Insurance Premium Expenses	6.08	4.80
	Rent Expenses	4.15	5.87
	Rates and Taxes	3.18	3.43
	Payments to Auditors		
	As Auditor		
	Statutory Audit Fees	1.53	1.67
	Tax Audit Fees	0.10	0.11
	For Other Services (Income Tax)	0.10	0.11
	Donation Expenses	0.29	0.11
	Electricity Expenses	3.77	1.94
	Income Tax Expenses	32.72	3.31
	CSR Expenses	36.40	14.20

Notes Forming Part of the Financial Statements

32. OTHER EXPENSES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017
	Delisting Fees	0.00	1.15
	Directors' Sitting Fees	1.70	3.00
	Legal and Professional Fees	34.15	29.70
	License, Membership and Annual Subscription Fees	8.60	12.08
	Listing Fees Expenses	6.13	2.49
	Loss on Sale of Fixed Assets	10.59	13.88
	Office Expenses	3.06	1.74
	Penalty Expenses	0.60	12.16
	Petrol and Conveyance Expenses	9.18	6.82
	Postage and Courier Expenses	1.46	1.28
	Printing and Stationery Expenses	7.21	7.26
	ROC and Filling Fees	0.30	0.17
	Sundry Balances Written Off	7.47	9.86
	Service Tax Expenses	0.25	0.44
	Telephone and Internet Expenses	4.99	5.21
	Other Expenses	31.47	16.95
		215.46	159.73
	Total	3,944.01	2,737.36

32.1 C. I. F. VALUE OF IMPORTS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018		As At March 31, 2017	
		M.T.	₹ in Lakhs	M.T.	₹ in Lakhs
1	Raw Materials	19,375.16	20,697.95	13,317.09	12,719.17
2	Stores	0.00	0.00	0.00	0.66
3	Capital Goods	0.00	173.84	0.00	5.13

32.2 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017
1	Travelling Expenses	13.55	14.92
2	Business Promotion Expenses	0.00	4.56
3	Consultancy Expenses	2.58	0.00
4	Membership & Subscription Fees	0.72	0.00
5	Interest Expenses	27.35	14.86
	Total	44.20	34.34

Notes Forming Part of the Financial Statements

32.3 EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017
1	Sale of Products (On FOB Basis)	2,374.55	418.76
	Total	2,374.55	418.76

33. CURRENT TAX

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017
1	Current Tax	1,174.49	664.00
	Total	1,174.49	664.00

33.1 RECONCILIATION OF INCOME TAX EXPENSE

₹ In Lakhs

Particulars	As At March 31, 2018	As At March 31, 2017
Accounting Profit Before Tax	3,366.97	2,025.74
Enacted Income Tax Rate in India applicable to the Company	34.608%	34.608%
Tax using the Company's Domestic Tax Rate	1,165.24	701.07
Tax Effects of:		
Exempt Income	0.00	0.00
Deduction Under Chapter VIA	0.00	0.00
Income Tax Allowances	0.00	0.00
Non Deductible Expenses	46.16	22.96
Excess Provision for Current Tax of Earlier Years	11.32	1.15
Effect of Other Adjustments	0.00	0.32
Less: Others	48.23	61.50
Total	1,174.49	664.00

34. EARNINGS PER SHARE

Sr. No.	Particulars	As At March 31, 2018	As At March 31, 2017
1	Profit Attributable to the Equity Shareholders (A) (₹ in Lakhs)	2,170.06	1,300.93
2	Basic Number of Equity Shares Outstanding During the Period	1,32,43,671	40,51,157
3	Weighted Average Number of Equity Shares Outstanding During the Period (B)	72,37,436	32,47,658
4	Weighted Average Number of Equity Shares (Including Warrants) Outstanding During The Period (C)	72,37,436	33,49,380
5	Nominal Value of Equity Shares (₹)	10.00	10.00
6	Basic Earnings Per Share [D=A/B] (₹)	29.98	40.06
7	Diluted Earnings Per Share [E=A/C] (₹)	29.98	38.84

Notes Forming Part of the Financial Statements

35. CONTINGENT LIABILITIES

₹ In Lakhs

Particulars	As At March 31, 2018	As At March 31, 2017
(a) Claims against the Company / Disputed Liabilities not acknowledged as debts*	41.30	37.09
(b) Guarantees issued by Bank to Custom Department*	107.17	69.31
(c) Guarantees issued by Bank to Customers & Vendors	186.87	0.00
(d) Sales bills discounted with Financial institution	722.26	0.00

* Litigation pertaining to Custom Tariff / Rate classification at Custom Department on interpretation of the respective law and rules thereunder. Company has filed appeals before Commissioner of Custom Appeals, Ahmedabad, against the custom demand and according to lawyer's opinion, the Company has sufficient merit to succeed in due course of litigation. The Company has paid duty under protest for ₹ 41.30 lakhs. The Company has not provided provision for the above since as the company's management does not consider that there is any probable loss.

36. SEGMENT REPORTING

In the opinion of the management, the Company is mainly engaged in a single segment of manufacturing & trading of non-ferrous metals and all other activities revolve around the main activity, therefore there are no separate reportable segments as per Ind AS 108 "Segment Reporting".

37. POST RETIREMENT EMPLOYEE BENEFITS

The disclosures required under Indian Accounting Standard 19 on "Employee Benefits" are given below:

a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized for the year are as under:

₹ In Lakhs

Particulars	For the Year Ended As At March 31, 2018	For the Year Ended As At March 31, 2017
Employers' Contribution to Provident Fund	6.63	10.27

b) Defined Benefit Plans

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect to the aforesaid defined benefit plan based on the following assumptions.

Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or gap between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits / obligations works out to zero years. For the current valuation a discount rate of 7.50% p.a. (Previous Year 7.50% p.a.) compound has been used.

Notes Forming Part of the Financial Statements

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

The assumptions used are summarized in the following table:

2.1(a) Table Showing Changes in Present Value of Obligations

₹ In Lakhs

Period	From April 01, 2017 to March 31, 2018	From April 01, 2016 to March 31, 2017
Present value of the obligation at the beginning of the period	5.91	3.90
Interest Cost	0.46	0.29
Current Service Cost	7.90	2.56
Past Service Cost	0.00	0.00
Benefits Paid (if any)	0.00	0.00
Actuarial (Gain) / Loss	1.10	(0.84)
Present Value of the Obligation at the end of the Period	15.37	5.91

2.1(b) Bifurcation of Total Actuarial (Gain) / Loss on Liabilities

₹ In Lakhs

Period	From April 01, 2017 to March 31, 2018	From April 01, 2016 to March 31, 2017
Actuarial Gain / Losses from changes in Demographics assumptions (Mortality)	Not Applicable	0.00
Actuarial (Gain) / Losses from changes in Financial Assumptions	(0.25)	0.00
Experience Adjustment (Gain) / Loss for Plan Liabilities	1.35	0.00
Total amount recognized in Other Comprehensive Income	1.10	0.00

2.2 Key Results (The amount to be recognized in the Balance Sheet)

₹ In Lakhs

Period	As At March 31, 2018	As At March 31, 2017
Present Value of the Obligation at the End of the Period	15.37	5.91
Fair Value of Plan Assets at End of Period	0.00	0.00
Net Liability / (Asset) Recognized in Balance Sheet and Related Analysis	15.37	5.91

Notes Forming Part of the Financial Statements

2.3(a) Expense Recognized in the Statement of Profit and Loss

₹ In Lakhs

Period	From April 01, 2017 to March 31, 2018	From April 01, 2016 to March 31, 2017
Interest Cost	0.46	0.29
Current Service Cost	7.90	2.56
Past Service Cost	0.00	0.00
Expected Return on Plan Asset	0.00	0.00
Expenses to be recognized in P&L	8.36	2.85

2.3(b) Other Comprehensive (Income) / Expenses (Re-Measurement)

₹ In Lakhs

Period	From April 01, 2017 to March 31, 2018	From April 01, 2016 to March 31, 2017
Actuarial (Gain) / Loss – Obligation	1.10	(0.84)
Actuarial (Gain) / Loss - Plan Assets	0.00	0.00
Total Actuarial (Gain) / Loss	1.10	(0.84)

2.4 Experience Adjustment

₹ In Lakhs

Period	From April 01, 2017 to March 31, 2018	From April 01, 2016 to March 31, 2017
Experience Adjustment (Gain) / Loss for Plan Liabilities	1.35	0.00
Experience Adjustment Gain / (Loss) for Plan Assets	0.00	0.00

3.1 Summary of Membership Data at the Date of Valuation and Statistics based thereon

₹ In Lakhs

Period	As At March 31, 2018	As At March 31, 2017
Number of Employees	203.00	85.00
Total Monthly Salary	27.48	13.33
Average Past Service (Years)	1.00	1.20
Average Future Service (Years)	24.80	25.70
Average Age (Years)	33.20	32.30
Weighted Average Duration (based on Discounted Cash Flows) (in Years)	19.00	23.00
Average Monthly Salary	0.14	0.16

Notes Forming Part of the Financial Statements

3.2 The Assumptions Employed for the Calculations are tabulated

Period	From April 01, 2017 to March 31, 2018	From April 01, 2016 to March 31, 2017
Discount Rate	7.75% per annum	7.50% per annum
Salary Growth Rate	6.00% per annum	6.00% per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Rate of Return (%)	0.00	0.00
Withdrawal Rate (Per Annum)	3.00% p.a.(18 to 30 Years)	3.00% p.a.(18 to 30 Years)
Withdrawal Rate (Per Annum)	2.00% p.a. (30 to 44 Years)	2.00% p.a. (30 to 44 Years)
Withdrawal Rate (Per Annum)	1.00% p.a. (44 to 58 Years)	1.00% p.a. (44 to 58 Years)

3.3 Benefits Valued

Period	From April 01, 2017 to March 31, 2018	From April 01, 2016 to March 31, 2017
Normal Retirement Age	58 Years	58 Years
Salary	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period	5 Years of service	5 Years of service
Benefits on Normal Retirement	15/26 * Salary * Past Service (Years)	15/26 * Salary * Past Service (Years)
Benefit on Early Exit due to Death and Disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit (₹ in Lakhs)	20.00	10.00

3.4 Current Liability (*Expected Payout in Next Year as per Schedule III of the Companies Act, 2013)

₹ In Lakhs

Period	As At March 31, 2018	As At March 31, 2017
Current Liability (Short Term)*	0.10	0.04
Non-Current Liability (Long Term)	15.27	5.87
Total Liability	15.37	5.91

* Current Liability: It is probable outlay in next 12 months as required by the Companies Act, 2013.

3.5 Effect of plan on Entity's Future Cash Flows

3.5 (a) Funding Arrangements and Funding Policy

Not Applicable

3.5 (b) Expected Contribution During the Next Annual Reporting Period

₹ In Lakhs

The Company's best Estimate of Contribution During the Next Year	11.88	5.75
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3.5 (C) Maturity Profile of Defined Benefit Obligation

₹ In Lakhs

Weighted Average Duration (based on Discounted Cash Flows) (in Years)	19	23
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Notes Forming Part of the Financial Statements

3.5(d) Estimate of Expected Benefit Payments (In Absolute Terms i.e. Undiscounted) ₹ In Lakhs

April 01 2018 to March 31, 2019	0.13
April 01 2019 to March 31, 2020	0.23
April 01 2020 to March 31, 2021	2.66
April 01 2021 to March 31, 2022	0.49
April 01 2022 to March 31, 2023	0.54
April 01, 2023 Onwards	16.60

3.6 Projection for Next Period ₹ In Lakhs

Best Estimate for Contribution During Next Period	11.88
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3.7 Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As At March 31, 2018
Defined Benefit Obligation (Base)	15,36,974 @ Salary Increase Rate: 6%, and Discount Rate: 7.75%
Liability with x% increase in Discount Rate	13,53,441; x=1.00% [Change (12%)]
Liability with x% decrease in Discount Rate	17,62,760; x=1.00% [Change 15%]
Liability with x% increase in Salary Growth Rate	17,64,519; x=1.00% [Change 15%]
Liability with x% decrease in Salary Growth Rate	13,49,105; x=1.00% [Change (12%)]
Liability with x% increase in Withdrawal Rate	15,42,040; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	15,23,984; x=1.00% [Change (1%)]

38. The Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") vide its order dated February 22, 2018 has approved the Scheme of Amalgamation of Mahendra Aluminium Company Limited ("MALCO") with Arfin India Limited ("the Company") and their respective shareholders and creditors. Appointed date for the scheme is April 01, 2017. Accordingly books of both the above Companies have been merged for preparing financial statements for the financial year 2017-18 (i.e. April 01, 2017 to March 31, 2018) after nullifying the inter Company transactions (i.e. Sale, Purchase, Expenses and Income).

39. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), the Company has formed its Corporate Social Responsibility (CSR) Committee. As per the relevant provisions of the Act read with Rule 2(1)(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to spend at least 2% of the average net profits (determined under section 198 of the Companies Act 2013, and section 349 of the Companies Act 1956), made during the immediately three preceding financial years. The Company has incurred the following expenditure on CSR activities during the Financial Year 2017-18:

Notes Forming Part of the Financial Statements

₹ In Lakhs

Particulars	Amount
Prescribed CSR Expenditure (2% of Average Net Profit)	25.39
CSR Expenditure incurred during the Financial Year 2017-18	36.40
Short / (Excess) Spent during the year	(11.01)

40. DERIVATIVE INSTRUMENTS

(a) The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at March 31, 2018, March 31, 2017 and April 01, 2016 are as under:

Particulars	As At March 31, 2018		As At March 31, 2017		As At March 31, 2016	
	In Lakhs	₹ in Lakhs	In Lakhs	₹ in Lakhs	In Lakhs	₹ in Lakhs
RECEIVABLES						
Loans and advances given (in USD)	2.07	134.66	0.59	38.31	1.25	85.34
Trade Receivables (in USD)	8.05	523.77	0.00	0.00	5.52	366.64
PAYABLES						
Trade payables (in USD)	0.00	0.00	0.66	42.97	1.25	83.29
(in EURO)	0.03	2.58	0.00	0.00	0.00	0.00
Buyer Credit (in USD)	7.84	510.05	12.22	792.18	22.21	1,475.81
Interest on Buyers Credit (in USD)	0.04	2.81	0.03	1.76	0.06	3.80
Total	18.04	1,173.86	13.50	875.21	30.30	2,014.87

Notes Forming Part of the Financial Statements

41. AMALGAMATION OF MAHENDRA ALUMINIUM COMPANY LIMITED (MALCO) WITH ARFIN INDIA LIMITED (ARFIN)

Pursuant to the scheme of amalgamation under section 230 to 232 of the Companies Act, 2013, approved by Hon'ble National Company Law Tribunal, Ahmedabad Bench (NCLT) on February 22, 2018, between Arfin India Limited (the Transferee Company) and Mahendra Aluminium Company Limited (the Transferor Company, now termed as "MALCO"). Mahendra Aluminium Company Limited was merged with Arfin India Limited from the appointed date i.e. April 01, 2017.

Pursuant to the above, Transferor Company stands amalgamated with the Arfin India Limited following "Purchase Method" of accounting as per the Accounting Standard 14 "Accounting for Amalgamation", issued by the Institute of Chartered Accountants of India, on the basis of the scheme approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench.

The business of the MALCO has been transferred to the Company on a Going Concern basis. As per the Scheme all assets and liabilities of the MALCO are recorded in the books of the Company at book value

PURCHASE CONSIDERATION

Pursuant to the approved scheme, In consideration for the transfer and vesting of the entire undertaking of the Transferor Company with the Transferee Company, the Transferee Company has issued fully paid up equity shares to the shareholders of the Transferor Company as under:

"92 (Ninety Two) Equity Shares of Face Value of ₹ 10/- each as fully paid up of the Transferee Company for every 100 (Hundred) Equity Shares of the Face Value of ₹ 10/- each held in the Transferor Company."

In consideration of amalgamation, the Transferee Company has issued 10,90,200 Equity Shares of Face Value of ₹ 10/- each as fully paid up to the shareholders of the Transferor Company.

Upon the scheme becoming effective, the authorized share capital of the Company shall automatically stand enhanced by the authorized share capital of Transferor Company. The authorized share capital of Malco of ₹ 1,50,00,000/- divided into 15,00,000 Equity Shares of Face Value of ₹ 10/- each had been added with the Authorized Share Capital of Arfin.

The amalgamation would inter-alia achieve the following objectives as stated in the Scheme of Amalgamation:

- (a) The amalgamation will consolidate the business activity and will lead to greater efficiency in the overall business and achieve integration of the business operations as well as synergy benefits through combined operations of both the entities.
- (b) As the products of both the Companies are similar in nature, the contemplated amalgamation will lead to economies of scale which in turn will promote cost efficiency by means of reduction in administrative overheads, reduction in multiplicity of legal and regulatory compliances, and will help running the business more effectively and economically resulting better utilization of resources.
- (c) This amalgamation will create enhanced value for shareholders and allow a focused strategy in operations, which would be in the best interest of all its shareholders, creditors and all persons connected with the Companies.

Notes Forming Part of the Financial Statements

ASSETS ACQUIRED AND LIABILITIES ASSUMED & CALCULATION OF CAPITAL RESERVE

Particulars	₹ in Lakhs
ASSETS	
Cash and Cash Equivalents	97.86
Fixed Assets	307.78
Inventories	497.26
Trade Receivables	1,930.50
Loans and Advances	17.09
Other Current Assets	0.00
Total	2,850.50
LIABILITIES	
Provisions	47.91
Trade Payables	342.00
Other Current Liabilities	32.68
Borrowings	1,742.15
Total	2,164.74
Net Value of Identifiable Assets Acquired	685.76
Total Purchase Consideration (By 10,90,200 Equity Shares of Face Value of ₹ 10/- Each)	109.02
Capital Reserve	576.74

42. RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24

(A) RELATED PARTIES

(a) KEY MANAGEMENT PERSONNEL (KMP)

Mr. Mahendra R. Shah – Chairman
 Mr. Jatin M. Shah - Managing Director
 Mrs. Pushpa M. Shah - Director

(b) RELATIVES OF KEY MANAGEMENT PERSONNEL

Ms. Pooja M. Shah - Daughter of Chairman

(c) ENTITIES CONTROLLED BY DIRECTORS OR THEIR RELATIVES (with whom transactions entered into during the financial year)

Mahendra Aluminium Company Limited - Sister Concern *
 Krish Ferro Industries Private Limited - Sister Concern
 Mahendra Corporation - Sister Concern
 Metalic International - Sister Concern

* Mahendra Aluminium Company Limited has been amalgamated into Arfin India Limited. Appointed date of amalgamation is April 01, 2017. (Refer Note No. 41).

Notes Forming Part of the Financial Statements

₹ In Lakhs

(B) TRANSACTIONS WITH RELATED PARTIES	KMP & their Relatives		Entities Controlled by Directors or their Relatives		Total	
	As At March 31, 2018	As At March 31, 2017	As At March 31, 2018	As At March 31, 2017	As At March 31, 2018	As At March 31, 2017
EXPENSES						
Purchase & Job work Charges	0.00	0.00	49.72	6,016.95	49.72	6,016.95
Remuneration	196.40	119.97	0.00	0.00	196.40	119.97
Rent Expenses	0.00	0.00	0.00	3.00	0.00	3.00
INCOME						
Sales & Job Work Income	0.00	0.00	410.52	3,288.46	410.52	3,288.46
Rent Income	0.00	0.00	1.20	2.40	1.20	2.40

₹ In Lakhs

BALANCES OUTSTANDING	Payable			Receivable		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Key Management Personnel and their Relatives	91.71	43.52	382.26	0.00	0.00	0.00
Entities Controlled by Directors or their Relatives	19.04	588.92	280.92	321.13	0.00	332.25

Note:

- (i) The above related party transactions have been reviewed periodically by the Board of Directors of the Company *vis-à-vis* the applicable provisions of the Companies Act, 2013, and justification of the rates being charged / terms thereof have also been approved.
- (ii) The details of guarantees and collaterals extended by the related parties in respect of borrowings of the Company have been given at the respective notes.

Notes Forming Part of the Financial Statements

(C) DISCLOSURE IN RESPECT OF RELATED PARTY WISE TRANSACTIONS

₹ In Lakhs

Particulars	2017-18	2016-17
EXPENSES		
Purchase & Job Work Charges		
Mahendra Aluminium Company Limited	0.00	5,395.15
Mahendra Corporation	40.79	621.80
Metalic International	8.93	0.00
Total	49.72	6,016.95
Remuneration*		
Mr. Mahendra R. Shah	73.56	50.79
Mr. Jatin M. Shah	73.56	50.79
Mrs. Pushpa M. Shah	29.28	18.39
Ms. Pooja M. Shah	20.00	0.00
Total	196.40	119.97
Rent Expenses		
Mahendra Aluminium Company Limited	0.00	3.00
Total	0.00	3.00

* The remuneration to the key managerial personnel does not include the provisions made for gratuity, as it is determined on actuarial basis for the Company as a whole.

₹ In Lakhs

Particulars	2017-18	2016-17
INCOME		
Sales & Job Work Income		
Mahendra Aluminium Company Limited	0.00	2,787.01
Krish Ferro Industries Private Limited	72.39	205.15
Mahendra Corporation	338.13	296.30
Total	410.52	3,288.46
Rent Income		
Mahendra Aluminium Company Limited	0.00	1.20
Krish Ferro Industries Private Limited	1.20	1.20
Total	1.20	2.40

Notes Forming Part of the Financial Statements

₹ In Lakhs

PARTY WISE OUTSTANDING BALANCES	Payable			Receivable		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
KMPs & THEIR RELATIVES						
Mr. Mahendra R. Shah	30.65	14.29	135.72	0.00	0.00	0.00
Mr. Jatin M. Shah	48.17	25.85	136.64	0.00	0.00	0.00
Mrs. Pushpa M. Shah	12.89	3.38	109.90	0.00	0.00	0.00
Ms. Pooja M. Shah	0.00	0.00	0.00	0.00	0.00	0.00
Total	91.71	43.52	382.26	0.00	0.00	0.00
ENTITIES CONTROLLED BY DIRECTORS OR THEIR RELATIVES						
Mahendra Aluminium Company Limited	0.00	193.63	0.00	0.00	0.00	0.00
Krish Ferro Industries Private Limited	19.04	23.28	280.92	0.00	0.00	0.00
Mahendra Corporation	0.00	372.01	0.00	321.13	0.00	332.25
Metalic International	0.00	0.00	0.00	0.00	0.00	0.00
Total	19.04	588.92	280.92	321.13	0.00	332.25

43. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

Notes Forming Part of the Financial Statements

₹ In Lakhs

I. FIGURES AS AT APRIL 01, 2016

Particulars	Carrying Amount	Fair value		
	As at April 01, 2016	Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Investments (Non-Current)	0.00	0.00	0.00	0.00
Bank Deposits (Non-Current)	0.00	0.00	0.00	0.00
Other Non-Current Financial Assets	9.29	0.00	9.29	0.00
Trade Receivables	3,289.81	0.00	3,289.81	0.00
Cash and Cash Equivalents	9.81	0.00	9.81	0.00
Bank Balances Other than Cash and Cash Equivalents	386.55	0.00	386.55	0.00
Security Deposits (Current)	0.00	0.00	0.00	0.00
Other Current Financial Assets	127.18	0.00	127.18	0.00
Total	3,822.64	0.00	3,822.64	0.00
Financial Liabilities at Amortised Cost				
Borrowings (Non-Current)	1,094.91	0.00	1,094.91	0.00
Borrowings (Current)	3,307.29	0.00	3,307.29	0.00
Trade Payables	4,674.74	0.00	4,674.74	0.00
Security Deposits (Current)	0.00	0.00	0.00	0.00
Other Financial Liabilities (Current)	329.36	0.00	329.36	0.00
Total	9,406.29	0.00	9,406.29	0.00

II. FIGURES AS AT MARCH 31, 2017

Particulars	Carrying Amount	Fair value		
	As at March 31, 2017	Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Bank Deposits (Non-Current)	0.00	0.00	0.00	0.00
Other Non-Current Financial Assets	45.35	0.00	45.35	0.00
Trade Receivables	5,828.90	0.00	5,828.90	0.00
Cash and Cash Equivalents	27.70	0.00	27.70	0.00
Bank Balances Other than Cash and Cash Equivalents	301.85	0.00	301.85	0.00
Security Deposits (Current)	0.00	0.00	0.00	0.00
Other Current Financial Assets	31.78	0.00	31.78	0.00
Total	6,235.57	0.00	6,235.57	0.00
Financial assets at fair value through Other Comprehensive Income				
Investments (Non-Current)	414.83	414.83	0.00	0.00
Total	414.83	414.83	0.00	0.00
Financial Liabilities at Amortised Cost				
Borrowings (Non-Current)	462.14	0.00	462.14	0.00
Borrowings (Current)	5,697.81	0.00	5,697.81	0.00
Trade Payables	3,519.00	0.00	3,519.00	0.00
Security Deposits (Current)	0.00	0.00	0.00	0.00
Other Financial Liabilities (Current)	684.48	0.00	684.48	0.00
Total	10,363.43	0.00	10,363.43	0.00

Notes Forming Part of the Financial Statements

₹ In Lakhs

III. FIGURES AS AT MARCH 31, 2018

Particulars	Carrying Amount	Fair value		
	As at March 31, 2018	Level 1	Level 2	Level 3
Financial Assets at Amortized Cost				
Bank Deposits (Non-Current)	0.00	0.00	0.00	0.00
Other Non-Current Financial Assets	61.36	0.00	61.36	0.00
Trade Receivables	7,594.23	0.00	7,594.23	0.00
Cash and Cash Equivalents	25.93	0.00	25.93	0.00
Bank Balances Other than Cash and Cash Equivalents	336.24	0.00	336.24	0.00
Security Deposits (Current)	0.00	0.00	0.00	0.00
Other Current Financial Assets	439.56	0.00	439.56	0.00
Total	8,457.32	0.00	8,457.32	0.00
Financial Assets at Fair Value through Other Comprehensive Income				
Investments (Non-Current)	442.10	442.10	0.00	0.00
Total	442.10	442.10	0.00	0.00
Financial Liabilities at Amortized Cost				
Borrowings (Non-Current)	1,096.85	0.00	1,096.85	0.00
Borrowings (Current)	8,431.03	0.00	8,431.03	0.00
Trade Payables	2,167.93	0.00	2,167.93	0.00
Security Deposits (Current)	0.00	0.00	0.00	0.00
Other Financial Liabilities (Current)	1,252.21	0.00	1,252.21	0.00
Total	12,948.02	0.00	12,948.02	0.00

During the reporting period ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

The carrying amounts of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Notes Forming Part of the Financial Statements

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities are exposed to variety of financial risks. The key financial risks include market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors reviews and approves policies for managing risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

MARKET RISK

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by the Senior Management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Refer Note 17 & 21 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Exposure to Interest Rate Risk

Particulars	₹ In Lakhs		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Borrowings Bearing Fixed Rate of Interest	1,190.94	514.83	801.81
Borrowings Bearing Variable Rate of Interest (In Rupees)	7,732.39	4,807.67	1,738.50
Borrowings Bearing Variable Rate of Interest (In USD)	512.85	793.93	1,479.61

Interest Rate Sensitivity

Particulars	₹ In Lakhs	
	2017-18	2016-17
A change of 50 bps in interest rates would have following impact on Profit Before Tax		
50 bps Increase-Decrease in Profits	(29.48)	(12.33)
50 bps Decrease-Increase in Profits	29.48	12.33

Notes Forming Part of the Financial Statements

Market Risk - Foreign Currency

The Company operates locally, however, the nature of its operations requires it to transact in several currencies and consequently the Company is exposed to foreign exchange risk in various foreign currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies.

I. Foreign Currency Exposure

Particulars	As At March 31, 2018		As At March 31, 2017		As At March 31, 2016	
	In Lakhs	₹ in Lakhs	In Lakhs	₹ in Lakhs	In Lakhs	₹ in Lakhs
RECEIVABLES						
Loans and advances given (in USD)	2.07	134.66	0.59	38.31	1.25	85.34
Trade Receivables (in USD)	8.05	523.77	0.00	0.00	5.52	366.64
Total Receivables	10.12	658.43	0.59	38.31	6.77	451.97
PAYABLES						
Trade payables (in USD)	0.00	0.00	0.66	42.97	1.25	83.29
(in EURO)	0.03	2.58	0.00	0.00	0.00	0.00
Buyer Credit (in USD)	7.84	510.05	12.22	792.18	22.21	1,475.81
Interest on Buyers Credit (in USD)	0.04	2.81	0.03	1.76	0.06	3.80
Total Payables	7.92	515.43	12.91	836.90	23.52	1,562.90
Net Receivable / (Payable)	2.21	142.99	(12.31)	(798.60)	(16.75)	(1,110.92)

II. Foreign Currency Sensitivity

5% increase or decrease in foreign exchange rates will have the following impact on the profit before tax:

Currency	₹ In Lakhs			
	2017-18		2016-17	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	7.18	(7.18)	(39.93)	39.93
Total	7.18	(7.18)	(39.93)	39.93

Other Price Risk

The Company is also exposed to price risk arising from investments in bonds recognized at Fair Value through Other Comprehensive Income (FVTOCI). As at March 31, 2018, the carrying value of such instruments recognized at FVTOCI amounts to ₹ 442.10 lakhs (₹ 414.83 lakhs as at March 31, 2017 and ₹ NIL as at April 01, 2016). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds are given in Note 4(II).

CREDIT RISK

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable (Refer note no. 9.1). Individual risk limits are set accordingly.

Notes Forming Part of the Financial Statements

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk, the company compares the risk of a default occurring on the asset at the reporting date with the risk of default on the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty,
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation.
- (iv) Significant increase in credit risk on other financial instruments of the same counterparty, and
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

LIQUIDITY RISK

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

Maturity Profile of Financial Liabilities

The below table provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ In Lakhs

Particulars	As At March 31, 2018			As At March 31, 2017		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-Current Financial Liabilities – Borrowings	185.79	287.83	473.62	96.20	63.63	159.83
Non-Current Financial Liabilities - Others	30.13	809.02	839.15	17.56	398.52	416.07
Current Financial Liabilities - Borrowings	8,245.24	0.00	8,245.24	5,601.61	0.00	5,601.61
Current Financial Liabilities - Trade Payables	2,167.93	0.00	2,167.93	3,519.00	0.00	3,519.00
Total	10,629.09	1,096.85	11,725.94	9,234.37	462.14	9,696.51

Notes Forming Part of the Financial Statements

Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholders' value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Particulars	₹ In Lakhs	
	As At March 31, 2018	As At March 31, 2017
Total Debt	9,527.88	6,159.95
Less: Cash and Cash Equivalent	362.17	329.55
Net Debt	9,165.72	5,830.40
Equity	8,263.41	5,488.00
Capital and Net Debt	17,429.13	11,318.40
Gearing Ratio	0.53	0.52

45.1 FIRST TIME ADOPTION OF IND AS

The company has prepared its first Financial Statements in accordance with Ind AS for the financial year ended March 31, 2018. For periods up to and including the financial year ended 31 March 2017, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS opening Balance Sheet is April 01, 2016 (the date of transition to Ind AS).

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 01, 2016 (the Company's date of transition). According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at March 31, 2018, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 01, 2016 compared with those presented in the Indian GAAP Balance Sheet as of March 31, 2016, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following notes and reconciliations.

I. Exemptions and exceptions availed:

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

A) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant

Notes Forming Part of the Financial Statements

and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying values.

B) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts / arrangements.

C) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- (i) Investment in equity instruments carried at FVPL or FVOCI;
- (ii) Investment in debt instruments carried at FVOCI; and
- (iii) Impairment of financial assets based on expected credit loss model.

D) Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

E) De-recognition of financial Assets and Liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

F) The Company has elected to disclose the following amounts prospectively from the date of transition (Ind AS ordinarily requires the amounts for the current and previous four annual periods to be disclosed):

- (i) the present value of the defined obligation, the fair value of the plan assets and the surplus or deficit in the plan; and
- (ii) the experience adjustments arising on the plan liabilities and the plan assets.

Notes Forming Part of the Financial Statements

45.2. RECONCILIATION

The following reconciliations provides the effect of transition to Ind AS from previous IGAAP in accordance with IndAS 101.

- (i) Equity as at April 01, 2016 and March 31, 2017
- (ii) Net profit for Year ended March 31, 2017

Reconciliation of Equity Between Previous IGAAP and Ind AS is as under

₹ In Lakhs

	Opening Balance Sheet as at April 01, 2016			Balance Sheet as at March 31, 2017		
	IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS						
1. Non-Current Assets						
(a) Property, Plant and Equipment	1,410.72		1,410.72	2,122.90		2,122.90
(b) Capital Work-In-Progress	429.82		429.82	34.56		34.56
(c) Intangible Assets	0.00		0.00	0.00		0.00
(d) Financial Assets						
(i) Investments	0.00		0.00	412.00	2.83	414.83
(ii) Loans	20.75		20.75	16.72		16.72
(iii) Others	0.00		0.00	37.09		37.09
(e) Other Non-Current Assets	9.29		9.29	8.26		8.26
Total Non-Current Assets	1,870.59	0.00	1,870.59	2,631.53	2.83	2,634.36
2. Current Assets						
(a) Inventories	6,189.47		6,189.47	7,137.36		7,137.36
(b) Financial Assets						
(i) Trade Receivables	3,289.81		3,289.81	5,828.90		5,828.90
(ii) Cash and Cash Equivalents	9.81		9.81	27.70		27.70
(iii) Bank Balances Other Than (ii) Above	386.55		386.55	301.85		301.85
(iv) Loans	85.55		85.55	74.58		74.58
(v) Others Current Financial Assets	2.69		2.69	2.91		2.91
(d) Other Current Assets	124.49		124.49	28.86		28.86
Total Current Assets	10,088.37	0.00	10,088.37	13,402.16	0.00	13,402.16
Total Assets	11,958.95	0.00	11,958.95	16,033.69	2.83	16,036.52

Notes Forming Part of the Financial Statements

Reconciliation of Equity Between Previous IGAAP and Ind AS is as under

₹ In Lakhs

	Opening Balance Sheet as at April 01, 2016			Balance Sheet as at March 31, 2017		
	IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
EQUITY AND LIABILITIES						
Equity						
(a) Equity Share Capital	301.83		301.83	405.12		405.12
(b) Other Equity	2,129.86	(0.03)	2,129.83	5,081.32	1.56	5,082.88
Total Equity	2,431.69	(0.03)	2,431.66	5,486.44	1.56	5,488.00
Liabilities						
1. Non-Current Liabilities						
(a) Financial Liabilities						
(i) Borrowings	1,094.91		1,094.91	462.14		462.14
(ii) Other Financial Liabilities	0.00		0.00	0.00		0.00
(b) Provisions	3.90		3.90	5.91		5.91
(c) Deferred Tax Liabilities (Net)	117.08	0.03	117.11	177.91	1.27	179.18
Total Non-Current Liabilities	1,215.88	0.03	1,215.91	645.97	1.27	647.23
2. Current Liabilities						
(a) Financial Liabilities						
(i) Borrowings	3,218.11		3,218.11	5,601.61		5,601.61
(ii) Trade Payables	4,674.74		4,674.74	3,519.00		3,519.00
(i) Other Financial Liabilities	110.85		110.85	113.76		113.76
(b) Other Current Liabilities	98.26		98.26	171.48		171.48
(c) Provisions	209.43		209.43	495.44		495.44
Total Current Liabilities	8,311.39	0.00	8,311.39	9,901.29	0.00	9,901.29
Total Equity and Liabilities	11,958.96	0.00	11,958.96	16,033.69	2.83	16,036.52

Notes Forming Part of the Financial Statements

Reconciliation Statement of Profit and Loss Between Previous IGAAP and Ind AS is as under

₹ In Lakhs

	Year ended March 31, 2017		
	IGAAP	Effects of Transition to Ind-AS	Ind AS
Income			
Revenue from Operations	34,379.54	4,298.30	38,677.84
Other Income	92.10	(34.92)	57.18
Total Income	34,471.64	4,263.38	38,735.02
Expenses			
Cost of Materials Consumed	28,956.58	0.00	28,956.58
Purchase of Stock-In-Trade	39.51	0.00	39.51
Change in Inventories of Stock-In-Trade	(456.44)	0.00	(456.44)
Excise Duty on Sales	0.00	4,298.30	4,298.30
Employee Benefits Expense	387.55	0.84	388.39
Finance Costs	619.68	6.96	626.64
Depreciation and Amortization Expense	118.94	0.00	118.94
Other Expenses	2,753.24	(15.88)	2,737.36
Total Expense	32,419.06	4,290.22	36,709.28
Profit Before Tax for the year	2,052.58	(26.84)	2,025.74
Tax Expense	750.81	(26.00)	724.81
Profit After Tax for the year	1,301.77	(0.84)	1,300.93
Other Comprehensive Income (Net of Tax)	0.00	2.40	2.40
Total Comprehensive Income	1,301.77	1.56	1,303.33

Summary of Reconciliation of Equity between Previous Indian GAAP and Ind AS

₹ In Lakhs

Particulars	As At March 31, 2017	As At April 01, 2016
Equity under previous GAAP	5,388.95	2,377.20
Adjustment as per Ind AS		
Add: Proposed Dividend	81.02	45.27
Add: Tax on Proposed Dividend	16.49	9.22
Add: Fair valuation of Debt Instrument (Net of Tax)	1.85	0.00
Less: Actuarial Gain / (Loss) on Defined Benefit	0.93	0.09
Add: Re-measurement of Defined Benefits-Actuarial Gain / (Loss) (Net of Tax)	0.61	0.06
Equity under Ind AS	5,488.00	2,431.66

Notes Forming Part of the Financial Statements

NOTES TO FIRST TIME ADOPTION

Deferred Tax on Ind AS adjustments

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Actuarial Loss on Defined Benefit Plan

Both under IGAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI).

Others

Sale of goods

Under the IGAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses.

Other Comprehensive Income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' include re-measurements of defined benefit plans and fair value gains or (losses) on FVOCI equity and debt instruments and corresponding tax impact thereon. The concept of other comprehensive income did not exist under previous GAAP.

Proposed Dividend

Under the previous GAAP, Dividend proposed by the Board of Directors after the Balance Sheet date but before the approval of the Financial Statements were considered as subsequent events. Accordingly, provisions for Proposed Dividend including Distribution Tax was recognized as liability. Under Ind AS, such Dividends are recognized when the same is approved by the shareholders in the Annual General Meeting.

Statement of Cash Flows

The transition from IGAAP to Ind AS has not any material impact on the statement of cash flows.

Notes Forming Part of the Financial Statements

46. During the year, interest cost of ₹ 8.44 lakhs (Previous Year Nil) on term loan has been capitalized by way of addition to Capital Work in Progress of Property, Plant and Equipments.
47. Previous year's figures have been regrouped, reclassified and rearranged wherever considered necessary to confirm to current year presentation.

As per our Report of even date attached

For Mukesh Rajendra & Co.,
Chartered Accountants
Firm Registration No.: 143123W

Mukesh Garg
(Partner)
(Membership No.: 125292)

Place: Ahmedabad
Date: May 18, 2018

For & on Behalf of Board of Directors

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

Kruti Sheth
(Company Secretary)

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

Vijay Lathi
(Chief Financial Officer)



ARFIN INDIA LIMITED

ARFIN INDIA LIMITED

Registered Office: B-302, 3rd Floor, Pelican House, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad – 380009, Gujarat, India. **CIN:** L65990GJ1992PLC017460,
Tel. No.: +91 79 26583791, 92, **Fax:** +91 79 26583792,
Email: investors@arfin.co.in, **Website:** www.arfin.co.in

26th Annual General Meeting on Monday, September 24, 2018 at 10:30 am at Gujarat Chamber of Commerce Hall, Opp. H. K. College, Ashram Road, Ahmedabad- 380009, Gujarat, India.

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 26th Annual General Meeting of the Company on Monday, September 24, 2018 at 10:30 am.

Signature of the Member / Proxy
(To be signed at the time of handling over this slip)

Notes

1. Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.
2. Joint shareholders may use photo copies or obtain additional Attendance Slip at the venue of the meeting.
3. Bodies Corporate, whether a Company or not, who are members, may attend through their authorized representative appointed under Section 113 of the Companies Act, 2013. A copy of authorization should be deposited with the Company



Route Map to the Venue of 26th Annual General Meeting

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





ARFIN INDIA LIMITED

ARFIN INDIA LIMITED

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Tel. No.: +91 79 26583791, 92, **Fax:** +91 79 26583792,

Email: investors@arfin.co.in, **Website:** www.arfin.co.in

26th Annual General Meeting on Monday, September 24, 2018 at 10:30 am

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 ID :

Registered Folio No. / DP ID & Client 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 26th Annual General Meeting of the Company scheduled to be held on Monday, September 24, 2018 at 10:30 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 Number	Resolution	Vote – Refer Note 4	
		For	Against
Ordinary Businesses			
1	Adoption of Financial Statements of the Company and Reports of Directors and Auditors thereon		
2	Declaration of Final Dividend on Equity Shares		
3	Re-appointment of a Director in place of Mrs. Pushpa Mahendra Shah (DIN: 00182754), who retires by rotation and being eligible, offers herself for re-appointment		
4	Appointment of Statutory Auditors		
Special Businesses			
5	Appointment of Mr. Dineshchandra Managaldas Shah (DIN: 02479309) as an Independent Director		
6	Appointment of Mr. Mukesh Shankerlal Chowdhary (DIN: 00025877) as an Independent Director		
7	Revision in remuneration of Mr. Mahendra R. Shah (DIN: 00182746), Chairman & Whole Time Director of the Company		
8	Revision in remuneration of Mr. Jatin M. Shah (DIN: 00182683), Managing Director of the Company		
9	Revision in remuneration of Mrs. Pushpa M. Shah (DIN: 00182754), Executive Director of the Company		
10	To create charges / mortgages on, or sell or otherwise dispose of the moveable and immovable properties of the company, both present and future		
11	Ratification of Cost Auditors' Remuneration		

Signed on the this _____ day of _____, 2018.


Affix Revenue Stamp of not less than ₹ 1/-

Signature of the of Member

Signature of Proxy Holder(s)

Notes

1. For the resolutions, explanatory statements and notes, please refer to the notice of 26th Annual General Meeting.
2. This proxy form 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.
3. A proxy need not be a member of the Company.
4. It is optional to indicate your preference. If you leave 'for' or 'against' 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.
5. 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 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.



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FACTORY :

118/1, 2, 3, 4 & 117/P-3, 6, 7,
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