



RAMAN M. JAIN & CO.
Chartered Accountants

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AUDITORS' REPORT

TO THE MEMBERS OF ARFIN INDIA LIMITED

We have audited the attached Balance Sheet of **M/S ARFIN INDIA LIMITED**, as at **31st March 2013** and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash flow statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.


As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) order 2004, (together the 'order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of accounts required by law have been kept by the company so far as appears from our examination of those books
- (iii) The Balance Sheet, Profit and Loss Accounts and cash flow statement dealt with by this report are in agreement with the books of accounts
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956:

- (v) On the basis of written representations received from the directors, as on 31st March, 2013, and taken on record by the Board Of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub- section (1) of section 274 of the Companies Act, 1956:
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in along with schedule- 1 to 30 forming part of accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013; and
- (b) in the case of the Profit and Loss Account, of the **PROFIT** for the year ended on that date
- (c) In the case of cash flow statement, of the cash flows for the year ended on that date.

FOR RAMAN M. JAIN CO.
Chartered Accountants
FRN: 113290W


Raman M. Jain
Partner
M. NO. 45790

Place: Ahmedabad
Date : 23-05-2013

ANNEXURE TO THE REPORT

REFER TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE ON THE ACCOUNT OF
ARFIN INDIA LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2013

(1) In respect of Fixed Assets:

- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of physical verification of its fixed assets, which in our opinion, is Reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, fixed assets have been physically verified by the management during the year and according to the information and explanations given to us no material discrepancies have been noticed on such verification.
- (c) During the year no substantial parts of fixed assets have been disposed off by the company. Therefore, the provisions of clause 1(c) of paragraph 3 of the aforesaid order, in our opinion, are not applicable to the company.

(2) In respect of inventory of stores, operating suppliers, etc.:

- (a) Physical verification of inventory has been conducted during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained Proper records of its inventories and no material discrepancies were noticed on physical verification.

(3) In respect of loans, secured or unsecured, granted or taken by the company to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 according to the information and explanation given to us:

- (a) The Company has not granted any loans to companies listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause III(b) to (d) of paragraph 3 of the aforesaid order, in our opinion, are not applicable to the company.
- (b) The company has taken loans or Advances of from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The outstanding year-end balance of loan taken is Rs.6.98 Crore.
- (c) As per information and explanation given to us, the rate of interest and other terms and conditions of the loans taken or received by the company, if any, are not prima facie prejudicial to the interest of the company.
- (d) As per information and explanation and records produced before us, there is no overdue amount payable, hence this clause is not applicable.

(4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weakness in the internal control system.


- (5) In respect to contracts or arrangements entered in the register under section 301 of Company Act. :
- (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under section 301 of Companies Act, 1956, have been duly entered by the company.
 - (b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements that are required to be entered in the register maintained under section 301 of Companies Act, 1956 aggregating during the year Rs.500000/- (Five lacs only) in respect of each party during the year, the rates are considered to be reasonable having regard to the prevailing market price at the relevant time.
- (6) In our opinion and according to information and explanations given to us, the company has not accepted any deposits from the public and hence the provisions of Section 58A and 58AA or any other relevant provisions of the companies Act, 1956 and the Companies (Acceptance of Deposits) rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company.
- (7) In our opinion, the company has an adequate internal audit system commensurate with its size and nature of its nature of business.
- (8) The maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act for any business activity carried out by the company. Therefore provisions of this clause of the order are not applicable to the company.
- (9) 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 protection fund, employees' state insurance, income-tax, sales - tax, wealth - tax, custom duty, excise - duty, cess and other statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 31st March 2013 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of income - tax, wealth - tax, excise duty, and cess which have not been deposited on account of any dispute.
- (10) The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year under report and the immediately preceding financial year.
- (11) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks or financial institutions. The Company has not issued any Debentures.
- (12) In our opinion and according to the information and explanations given to us, The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore the provisions of Clause XIII of paragraph 3 of the aforesaid Order, are not applicable to the company.
- (14) In our opinion and according to information and explanation given to us, The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of Clause XIV of paragraph 3 of the aforesaid Order, are not applicable to the company.
- (15) In our opinion and according to information and explanation given to us, The Company has given a guarantee to a financial institution or banks for loans taken by others from bank or financial institutions. according to information and explanation given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the company.

ARFIN INDIA LIMITED

BALANCE SHEET AS AT 31st MARCH 2013

- (16) The company has raised new term loans during the year. In our opinion and according to information and explanation given to us, the term loans were applied for the purpose for which the loans were obtained.
- (17) According to the cash flow statement and other records examined by us and the information and explanation given to us, on an overall basis, funds raised on short-term basis have, prima facie, not been used during the year for long term investment and vice versa. Though the surplus funds which were not required for immediate utilization have been invested in liquid investments payable on demand.
- (18) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956, during the year. Therefore the provisions of Clause XVIII of paragraph 3 of the aforesaid Order, are not applicable to the company.
- (19) No debentures have been issued by the Company and Therefore the provisions of Clause XIX of paragraph 3 of the aforesaid Order, are not applicable to the company.
- (20) During the year, the Company has not raised money by public issue and Therefore the provisions of Clause XX of paragraph 3 of the aforesaid Order, are not applicable to the company.
- (21) According to the information and explanations given to us and on the basis of examination of records, no material fraud on or by the Company was noticed or reported during the year.

FOR, RAMAN M. JAIN & CO.
 CHARTERED ACCOUNTANTS
 FRN: 113290W


 RAMAN M. JAIN
 PARTNER
 M. NO. 045790

PLACE : AHMEDABAD
 DATE : 23-05-2013

ARFIN INDIA LIMITED

BALANCE SHEET AS AT 31st MARCH, 2013

Particulars	Note No.	Amount in Rs.	
		As at 31st March 2013	As at 31st March 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	18677250	18677250
(b) Reserves and Surplus	2	42183782	11299406
(c) Money Received against share Warrants		0	0
		60861032	29976656
(2) Share Application money Pending Allotment		0	0
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	81105190	47260603
(b) Deferred Tax Liabilities (Net)	4	4927134	2164652
(c) Other Long Term Liabilities	5	0	0
(c) Long Term Provisions	6	0	0
(4) Current Liabilities		86032324	49425255
(a) Short-Term Borrowings	7	173734650	10348427
(b) Trade Payables	8	210111352	58932112
(c) Other Current Liabilities	9	8197579	4284945
(d) Short-Term Provisions	10	6093975	186714
		398137556	73752198
Total Equity & Liabilities :		545030911	153154109
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	82179679	39455525
(ii) Intangible Assets		0	0
(iii) Capital Work in Progress		1344740	0
(b) Non Current Investments	12	0	17211150
(c) Long term loans and advances	13	182400	1792822
(d) Other Non Current Assets	14	0	0
(2) Current Assets		83706819	58459497
(a) Current investments	15	0	0
(b) Inventories	16	126987420	54359555
(c) Trade receivables	17	277454337	22703684
(d) Cash and bank balances	18	39942065	4240374
(e) Short-term loans and advances	19	16940270	13391000
(f) Other current assets	20	0	0
		461324091	94694612
Total Assets :		545030911	153154109

The accompanying notes are integral part of these financial statements

FOR RAMAN M. JAIN & CO.
CHARTERED ACCOUNTANTS
FRN: 113290W

(Signature)
RAMAN M. JAIN
PARTNER

FOR & ON BEHALF OF BOARD OF DIRECTORS

(Signature)
DIRECTOR

ARFIN INDIA LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2013

Amount in Rs.

Sr. No	Particulars	Note No	31st March 2013	31st March 2012
	<u>Revenue :</u>			
I	Revenue from operations	21	1861090683	175929226
	Less: Central Excise duty		171980828	14502202
	Revenue from operations (Net)		1689109855	161427024
II	Other Income	22	6600186	405585
III	Total Revenue (I +II)		1695710041	161832609
	<u>Expenses:</u>			
	Cost of materials consumed	23	1297973353	151054452
	Purchases of Stock-in-Trade		281555689	0
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(46281869)	(5395455)
	Employee Benefits Expense	25	7773510	1904915
	Finance Costs	26	11345339	1363762
	Depreciation and Amortization Expense	11	2329393	256138
	Other Expenses	27	96867767	10817591
	Total Expenses (IV)		1651563182	160001402
V	Profit before tax (III - IV)		44146859	1831207
	<u>Tax expense :</u>			
	(1) Current tax	28	10500000	346900
	(2) Deferred tax		2762482	311335
VI	Profit/(Loss) for the period (V - VI)		30884377	1172972
VIII	Earnings per Equity Share: (Face Value of Rs.10/- each)			
	(1) Basic and Diluted	29	10.23	0.39

The accompanying notes are integral part of these financial statements 1 to 33

FOR RAMAN M. JAIN & CO.
CHARTERED ACCOUNTANTS
FRN: 113290W


RAMAN M. JAIN
PARTNER
M.No. 045790

PLACE : AHMEDABAD
DATE : 23-05-2013

FOR & ON BEHALF OF BOARD OF DIRECTORS


DIRECTOR


DIRECTOR

PLACE : AHMEDABAD
DATE : 23-05-2013

Notes to the Financial Statements for the year ended 31st March 2013

1 Share Capital

Sr. No	Particulars	As at 31st March 2013	As at 31st March 2012
1	AUTHORIZED SHARE CAPITAL 35,00,000 (Previous year: 35,00,000) Equity Shares of Rs. 10/- each	35000000	35000000
	Total	35000000	35000000
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL At the beginning period Add : Issued during the period Add : Issued on account of merger / Conversion / Bonus / Split Less : Forfeited Share (amount originally paid up) At the end of reporting period Less: Calls Unpaid (Showing aggregate value of calls unpaid by directors and officers)	30183000 0 0 0 30183000 11505750	30183000 0 0 0 30183000 11505750
	Total	18677250	18677250

1.1 The reconciliation of the number of shares outstanding as at March 31, 2013 and March 31, 2012 is set out below :

	As at 31st March 2013		As at 31st March 2012	
Equity Shares	No of shares	Amount	No of shares	Amount
Shares outstanding at the beginning of the year	3018300	30183000	3018300	30183000
Add: Shares issued during the year	0	0	0	0
Less: Buy Back/ Forfeited Shares	0	0	0	0
Shares outstanding at the end of the year	3018300	30183000	3018300	30183000

1.2 The details of shareholder holding more than 5% shares is set out below :

	As at 31st March 2013		As at 31st March 2012		
	Name of the shareholder	No of Shares	% of holding	No of Shares	% of holding
1					
2					
3					

1.3 The company has only one class of ordinary equity shares and the holders of these ordinary shares are entitled to receive dividends as and when declared by the company. All shares rank equally with regard to the company's residual assets.

Notes to the Financial Statements for the year ended 31st March 2013

2 Reserves & Surplus

Sr. No	Particulars	As at 31st March 2013	As at 31st March 2012
1	CAPITAL RESERVE As per last balance sheet Add : Created during the year Less : Transfer to General Reserve etc.	0 0 0	0 0 0
2	SECURITIES PREMIUM RESERVE As per last balance sheet Add : Amount received on conversion of FCCB/from proceeds of Right Issue/on account of merger etc. Less : Right Share Issue Expenses Written off Less: Call in Arrears Less : Bonus shares issued by capitalisation of share premium	15012000 0 0 3216000 0	15012000 0 0 3216000 0
3	GENERAL RESERVE As per last balance sheet Add : Transferred during the year from Profit & Loss Account Add : Any others Less : Utilised for _____	0 0 0 0	0 0 0 0
4	SURPLUS IN STATEMENT OF PROFIT AND LOSS Balance as per last Financial year Add : Profit for the year Add : Addition during the year (including transfer from reserve) Less : Appropriations Proposed Dividend on Equity Shares Tax on Dividend Transferred to General Reserve	(496594) 30884377 0 0 0	(1669566) 1172972 0 0 0
	Total	42183782	11299406

Notes to the Financial Statements for the year ended 31st March 2013

3 Long Term Borrowings

Sr. No	Particulars	As at 31st March 2013	As at 31st March 2012
1	<p>Term loans</p> <p>(a) Secured</p> <p>(i) From Banks</p> <p>- HDFC Bank (Car Loan)</p> <p>i) Tenor of Loan is 36 months & repayable in equal monthly installments</p> <p>ii) Nature of Security : Loan is secured by pledge of Cars.</p> <p>iii) Loan is gauranteed by direcors of company.</p> <p>- AXIS Bank (Hydra Machine & TOYOTO Forklift Loan)</p> <p>i) Tenor of Loan is 36 months & repayable in equal monthly installments</p> <p>ii) Nature of Security : Secured by pledge of Hydra Machine & Forklift.</p> <p>iii) Loan is gauranteed by direcors of company.</p> <p>- AXIS Bank Ltd. - (Term Loan)</p> <p>i) Tenor of Loan is 48 months & repayable in equal monthly installments and at present ROI is (bank's Base rate + 3.75%) i.e. 13.75 p.a.</p> <p>ii) Nature of Security : (1) Secured by Hypothecation of fixed asset including plant & machinery purchased out of bank finance. (2) mortgaged of Factory Land & Building at "118/1, Ravi Industrial Estate" situated at Bileshwarapura Village, Chhatral, Gandhinagar.</p> <p>iii) Loan is gauranteed by following direcors: (1) Jatin M Shah (2) Mahendra Shah (3) Pushpaben Shah</p> <p>(ii) From other parties</p>	<p>4581614</p> <p>1243806</p> <p>5453104</p> <p>0</p> <p>11278525</p> <p>0</p> <p>0</p> <p>0</p>	<p>754047</p> <p>0</p> <p>10791556</p> <p>0</p> <p>11545603</p> <p>0</p> <p>0</p> <p>0</p>
	<p>(b) Unsecured</p> <p>(i) From Bank</p> <p>(ii) From Other parties</p>		

Notes to the Financial Statements for the year ended 31st March 2013

2	Loans and Advances from related parties					
	(a) Secured	0				0
	(b) Unsecured					
	- Arfin Capital Ltd	20029105				10000000
	- Deepchand R Shah	0				375000
	- Jatin M Shah	5000000				0
	- Jatin M Shah- HUF	2500000				0
	- Mahendra Corporation	22851560				24990000
	- Mahendra R Shah	7126000				0
	- Pooja M Shah	1000000				0
	- Pushpaben M Shah	6320000				175000
	- Rani Jatin Shah	5000000				0
	- Ramesh R Shah	0				175000
				69826665		
	Total					35715000
3	Deferred Payment Liabilities					
	(a) Secured	0				0
	(b) Unsecured	0				0
				0		0
4	Other loans and advances					
	(a) Secured	0				0
	(b) Unsecured	0				0
				0		0
	Total					47260603

Notes:

(i) As per Management's explanation, the above loans is for long term and repayable over a period of three to five years from the date of balance sheet.

Notes to the Financial Statements for the year ended 31st March 2013

4 Deferred Tax Liability (Net)

Particulars	As at 31st March 2013	As at 31st March 2012
1 DEFERRED TAX LIABILITIES :		
- Related to Fixed Assets	4927134	2164652
- Related to Others	0	0
TOTAL (A)	4927134	2164652
Less:		
2 DEFERRED TAX ASSETS :		
- Related to Fixed Assets	0	0
- Related to Others	0	0
TOTAL (B)	0	0
Total (A - B)	4927134	2164652

5 Other Long Term Liabilities

Sr. No	Particulars	As at 31st March 2013	As at 31st March 2012
	(a) Trade Payables	0	0
	(b) Others	0	0
	Total	0	0

6 Long Term Provisions

Sr. No	Particulars	As at 31st March 2013	As at 31st March 2012
	Provision for Employee Benefits		
	(a) Provision for Leave Encashment	0	0
	(b) Others	0	0
	Total	0	0

Notes to the Financial Statements for the year ended 31st March 2013

7 Short Term Borrowings

Sr. No	Particulars	As at	
		31st March 2013	31st March 2012
(1) Loan repayable on demand	(a) Secured		
	(i) From banks	129509171 30250480 13974999	10348427 0 0
	- Axis Bank Ltd. - CC Account - Axis Bank Ltd. - Adhoc Limit Account - Axis Bank Ltd. - Buyer's credit Account i) Nature of Security : (1) Secured by Hypothication of Entire Current Assets including book debts and stock at present and in future. ii) Collateral Security : (1) Mortgage of Factory Land & Building at "118/1, Ravi Industrial Estate" situated at Bileshwarpura Village, Chhatral, Gandhinagar. iii) Loan is gauranteed by following direcors. (1) Jatin M Shah (2) Mahendra Shah (3) Pushpaben Shah	0	0
(b) Unsecured			
(i) From banks	0	0	
(ii) From other parties	0	0	
(2) Loans and advances from related parties			
(a) Secured	0	0	
(b) Unsecured	0	0	
(3) Deposits			
(a) Secured	0	0	
(b) Unsecured	0	0	
Total		173734650	10348427

Notes to the Financial Statements for the year ended 31st March 2013

8 Trade Payables

Sr. No	Particulars	As at 31st March 2013	As at 31st March 2012
1	Due to Micro, Small and Medium Enterprises	0	0
2	Due to Others	21011352	58932112
	Total	21011352	58932112

9 Other Current Liabilities

Sr. No	Particulars	As at 31st March 2013	As at 31st March 2012
1	Current maturities of Long term Debt- Bank Term Loan	7487492	3940746
2	Unpaid Dividends	0	0
3	Creditors for Capital Goods	398121	344199
4	Other payables	311966	0
	Total	8197579	4284945

10 Short Term Provisions

Sr. No	Particulars	As at 31st March 2013	As at 31st March 2012
1	<u>Provision for employee benefits :</u>		
	- Provision for Bonus	0	0
	- Provision for Gratuity / Leave Encashment	0	0
		0	0
2	<u>Others :</u>		
	- Provision for Income tax (Net of Advance tax)	5156840	0
	- Proposed Dividend	0	0
	- Provision for Corporate Tax on Dividend	0	0
	- Service Tax Payable	20911	4250
	- Provident Fund & ESI Payable	14142	6129
	- VAT Payable	470555	0
	- Professional Tax Payable	49570	0
	- TDS Payable	254457	48835
	- Listing Fees Payable	127500	127500
		6093975	186714
	Total	6093975	186714

to the Financial Statements for the year ended 31st March 2013
Fixed Assets

FIXED ASSETS :

Assets	Freehold Land	Factory Land	Factory Buildings	Plant and Machineries	Computer	Furniture and Fixtures	Vehicles	Office Bldg.- Madhupura	Office Equipment	Office Bldg.- B-301 & B-302 Pelican	TOTAL
As at April 2011	251460	7802445	3343905	72701	0	471938	0	947560	248785	10100000	23238794
/ Adjustments	0	0	10478207	6959488	34179	0	1180192	0	0	0	18652066
As at 31st March 2012	251460	7802445	13822112	7032189	34179	471938	1180192	947560	248785	10100000	41890860
/ Adjustments	0	0	4861143	34653929	578625	490131	10127315	0	579452	106965	51397550
As at 31st March 2013	251460	7802445	18683255	41686118	612804	962069	10042834	0	828237	5156965	86026187
As at April 2011	0	0	0	54180	0	351918	0	188336	161278	1423485	2179197
for the year	0	0	118485	100015	2107	14241	8294	7363	5633	0	256138
/ Adjustments	0	0	0	0	0	0	0	0	0	0	0
As at 31st March 2012	0	0	118485	154195	2107	366159	8294	195699	166911	1423485	2435335
for the year	0	0	566127	1001251	53589	46324	543058	10778	23930	84336	2329393
/ Adjustments	0	0	0	0	0	0	0	206477	0	711743	918220
As at 31st March 2013	0	0	684612	1155446	55696	412483	551352	0	190841	796078	3846508
As at 31st March 2012	251460	7802445	13703627	6877994	32072	105779	1171898	751861	81874	8676515	39455525
As at 31st March 2013	251460	7802445	17998643	40530672	557108	549586	9491482	0	637396	4360887	82179679

Notes to the Financial Statements for the year ended 31st March 2013

12 Non Current Investments

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
(1)	Trade Investments		
	(a) Investment in property		0
	(b) Investment in Equity Instruments		0
	(c) Other non-current investments (specify nature)		0
(2)	Other Investments		
	(a) Investment in property		0
	(b) Investment in Equity Instruments		
	In Eq. Shares of Associate Company - (Unquoted, Fully Paid up)		
		No. Of Shares	
		Curr. Yr.	Prev. Yr.
	Sakar Ferro Alloys P. Ltd.	0	357000
	Arfin Enterprise Limited	0	475000
	Arfin Capital Limited	0	95115
	(d) Investment in Government and trust securities		
	(g) Investment in Partnership Firms		
	(h) Other non-current investments (specify nature)		
	(Prev. Year)		
	AGGREGATE	QUOTED	UNQUOTED
	17211150	0	17211150
	Total		17211150

13 Long Term Loans and Advances

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
	Unsecured, Considered Good unless otherwise stated :		
1	Capital Advances		
	Advance against Fixed Assets	182400	1342822
2	Other Loans & Advances		
	Pelican Complex Maintenance Deposit	0	450000
	Total	182400	1792822

Notes to the Financial Statements for the year ended 31st March 2013
14 Other Non Current Assets

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Long Term Trade Receivables Unsecured, Considered Good :	0	0
2	Others Bank FD for more than 12 months (Transferred from Cash & Bank Balances)	0	0
	Total	0	0

15 Current Investments

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Investment in Mutual Fund	0	0
2	Investment in Equity Shares	0	0
3	Investment in Others	0	0
	AGGREGATE QUOTED UNQUOTED		
	Total	0	0

16 Inventories

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	(At lower of cost or Net Realisable Value)		
2	Raw Material	75114278	48768282
3	Raw Materials in Transit	0	0
4	Work in Process	0	0
5	Stores & Spares	0	0
6	Finished Goods	51677324	5395455
	Stock-in-Trade	195818	195818
	Total	126987420	54359555

Notes to the Financial Statements for the year ended 31st March 2013

17 Trade Receivables

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
(1)	Outstanding for not more than six months		
	(a) Secured, considered good	277454337	22703684
	(b) Unsecured, considered good	0	0
	(c) Others considered doubtful	0	0
	Less : (d) Allowance for bad and doubtful Debts	0	0
		277454337	22703684
(2)	Outstanding for more than six months		
	(a) Secured, considered good	0	0
	(b) Unsecured, considered good	0	0
	(c) Others considered doubtful	0	0
	Less : (d) Allowance for bad and doubtful Debts	0	0
		0	0
	Total	277454337	22703684

18 Cash & Bank balances

Sr. No	Particulars	As at 31st March 2013	As at 31st March 2012
1	Cash & Cash Equivalent		
	(a) Balances with Schedule Banks	21476386	22066
	(b) Cash on Hand	258090	1295422
	(c) Others	0	0
	- In Fixed Deposits for less than 3 months	0	0
	Sub Total (A)	21734476	1317488
2	Other Bank Balances		
	(a) Fixed Deposits with Banks		
	- Bank FD for less than 12 months	18207589	2922886
	- Bank FD for more than 12 months	0	0
	(b) Earmarked balances with banks (Unpaid Dividend)	0	0
	Less : Bank FD for more than 12 months transferred to Non Current Assets	0	0
	Sub Total (B)	18207589	2922886
	Total	0	0
		39942065	4240374

Notes to the Financial Statements for the year ended 31st March 2013

19 Short Terms Loans and Advances

Sr. No	Particulars	As at 31st March 2013	As at 31st March 2012
1	Unsecured, Considered Good : Loans & Advances to related parties :		
	Arfin Enterprise Limited	0	177253
2	Others :		177253
	Advance Recoverable in cash or in kind or for value to be received.		
	Sundry Deposits and Advances	5212747	6143384
	Advance Tax & TDS/ TCS Receivable (Net of Provision)	1839413	1819413
	Loans and Advances to Staff	0	97723
	Balance with Statutory / Government authority	5000	0
	Centvat Credit & Deferred Centvat Receivable	3674961	3023577
	SED- 4% Claim Receivable	2920132	0
	Excise Duty Refundable	3001999	0
	Vat Receivable	0	1923992
	Pre Paid Insurance Exps.	188295	
	TDS Receivables- Old	97723	205657
	Total	16940270	13213747
		16940270	13391000

20 Other Current assets

Sr. No	Particulars	As at 31st March 2013	As at 31st March 2012
1	Interest Accrued on Investments	0	0
2	Advance Premium on Forward Contracts	0	0
	Total	0	0

Schedules Forming Part of the Statement of Profit & Loss for the year ended 31st March 2013

21 Revenue from Operations

Sr. No	Particulars	As at	
		31st March 2013	31st March 2012
1	Revenue from Operations		
	Sale of Products		
	Domestic Sales	1664380367	169242144
	Export Sales (*)	24287886	0
	(*) Earning in Foreign Exchange	1688668253	169242144
2	Other Operating Revenue		
	Job Work Charges	441602	6687082
	Total	1689109855	175929226

22 Other Income

Sr. No	Particulars	As at	
		31st March 2013	31st March 2012
1	Interest Income		134443
2	Dividend Income	311445	1613
3	Profit on Sale of Shares	0	0
4	Other Non Operating Income	0	0
	- Gain on Exchange Rate Fluctuation	801013	0
	- Profit on Sale of Assets	5020659	0
	- Rent Income	0	240000
	- Duty Drawback Income	423142	0
	- Miscellaneous Receipts	43927	0
	- Discount / Sundry balances written back	0	29529
	Total	6288741	269529
		6600186	405585

Schedule Forming Part of the Statement of Profit & Loss for the year ended 31st March 2013

23 Cost of Materials Consumed

Sr. No	Particulars	As at 31st March 2013		As at 31st March 2012	
1	Opening Stock	48768282		0	
	Add : Purchases	1324319349		199822734	
	= Sub Total:	1373087631		199822734	
	Less: Closing Stock	75114278		48768282	
	Total	1297973353		151054452	

24 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

Sr. No	Particulars	As at 31st March 2013		As at 31st March 2012	
1	Finished Goods:				
	Opening Stock	5395455		0	
	Less : Closing Stock	51677324		5395455	
			(46281869)		(5395455)
1	Stock-in-Trade:				
	Opening Stock	195818		195818	
	Less : Closing Stock	195818		195818	
			0		0
	Total		(46281869)		(5395455)

25 Employee Benefits Expense

Sr. No	Particulars	As at 31st March 2013		As at 31st March 2012	
1	Salaries, Wages and Bonus	5995233		1904915	
2	Directors Remuneration Exps.	1440000		0	
3	Contribution to Provident Fund / ESIC / Gratuity	250988		0	
4	Staff Welfare Expenses	87289		0	
			7773510		1904915
	Total		7773510		1904915

Schedule Forming Part of the Statement of Profit & Loss for the year ended 31st March 2013
26 Financo Costs

Sr. No	Particulars	As at 31st March 2013	As at 31st March 2012
1	Interest Expense - For Short Term Borrowings To Bank To Others	6737594 1305673 2280431	167842 1938 345907
2	- For Others (Term Loan)		
	Other Borrowing Costs Bank charges & Commission Delay Payment Charges ROD & Processing Charges Bank Loan Processing & Documentation Charges	10324698 641087 (3568160) 2883340 1064374	515687 38753 0 809322
	Total	11345339	1363762

27 Other Expenses

Sr. No	Particulars	As at 31st March 2013	As at 31st March 2012
1	Manufacturing Expenses Consumption of Stores Opening Stock Add : Purchases = Sub Total Less : Closing Stock	0 3038832 3038832 0	0 1506008 1506008 0
	Electricity Exps. Gas & Fuel Exps. Freight Inward, Octroi, Coolies and Cartages Repairs and Maintenance - To Buildings - To Plant and Machineries - To Other Assets CHA Agency Charges Cleaning & Forwarding Expense Custom Duty Expense Job Work Charges Crane & Forklift Exps. Demmorage & Detension Charges Bhatthi Consumable Items & Maint. Exps. Water Expense Packing Expense VAT & CST Expense	1917551 29655360 1238868 594800 866559 117700 1308903 8538687 1733955 6615512 687430 8601366 6618497 377468 582726 386242	327893 4470688 128324 0 0 0 39100 204398 2878680 0 193075 78450 15907 53860 189300 123159
	Total	75133944	1506008

Schedules Forming Part of the Statement of Profit & Loss for the year ended 31st March 2013

27	Selling and Distribution Expenses Freight Outward, Coolies and Cartages Commission Expenses Traveling Expenses # For Directors - For Staff and Guests Sales Promotion / Gift Expenses Advertisement Expenses	10120707 74170 258258 868263 0 67172	700 0 0 0 3000 0		
3	Administrative Expenses Insurance Premium Expenses Rent Expenses Rates and Taxes Payments to Auditors - As Auditor Statutory Audit fees Tax Audit Fees - For Other Services (Income Tax) Electricity Exp Testing, Inspection & Survey Charges Donation Exps. Prior Period Exps. Penalty Exps.- Excise Loss on sale of Fixed Assets- Car Interest on TDS, VAT & S.T. Claims & Discount Exps. Legal & Professional Exp. Oxygen Expense Petrol & Conveyance Expense Printing & Stationery Exp. Postage & Courier Exps. Licence, Membership & Annual Subscription Fees Repairing & Maintenance exp. Service Tax Exps. ROC & Filing Fees Office Exps. Security Expense Miscellaneous Exps. Software Purchase Account Telephone Exp.	427472 36000 63374 56180 5618 0 120570 181030 31000 107840 4000 254373 12599 3450811 388136 9960 234918 172224 32176 385524 481867 182092 25550 28395 411400 39647 13575 144310	65771 0 61056 22472 5618 5618 6000 7175 0 0 0 0 0 731 0 87127 4750 12682 15695 0 12500 20775 0 22200 13463 214561 0 15750 6105	11394650	3700
	Total	96867767	600049	10817591	

Schedule Forming Part of the Statement of Profit & Loss for the year ended 31st March 2013

27.1 C. I. F. Value of Imports :

	2011-12		2011-12	
	M.T.	Amount Rs.	M.T.	Amount Rs.
1 Raw Materials -	0	0	224470	39244641
2 Stores	0	0	0	0
3 Capital Goods	0	0	0	0

27.2 Expenditure in Foreign Currency :

	2011-12	2011-12
1 Travelling Expenses	0	0
2 Professional Fees	0	0
3 Subscription & Membership	0	0
4 Others	0	0
Total	0	0

27.3 Value of Imported and Indigenous Raw Materials, Stores & Spares consumed and percentage thereof :

	2011-12		2011-12	
	M.T.	Amount Rs.	M.T.	Amount Rs.
a) Raw Materials				
1 Imported -	0	0	224470	39244641
Percentage				0
3 Indigenous -	0	0	1715151	160578093
Percentage				0
Total	0	0	1939621	199822734

	2011-12		2011-12	
	M.T.	Amount Rs.	M.T.	Amount Rs.
b) Stores & Spares				
1 Imported	0	0	0	0
Percentage				0
2 Indigenous	0	3038832	0	1506008
Percentage				0
Total	0	3038832	-	1506008

Schedule Forming Part of the Statement of Profit & Loss for the year ended 31st March 2013

28 Current Tax

Sr. No	Particulars	As at 31st March 2013	As at 31st March 2012
1	Current Tax	105000000	346900
	Total	105000000	346900

29 Earning Per Share

Sr. No	Particulars	As at 31st March 2013	As at 31st March 2012
1	Profit attributable to the Equity Shareholders		
2	Basic / Weighted average number of Equity Shares outstanding during the period	A 30884377	1172972
3	Nominal value of Equity Shares (Rs.)	B 3018300	3018300
4	Basic/Diluted Earnings per Share (Rs.)	A / B 10 10.23	10 0.39

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- a) The Financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956 as adopted by the Companies Act, 1956, and the applicable Accounting standards under the Companies (Accounting Standards) Rules, 2006. All Income and Expenditure having material bearing on the financial statements are recognized on accrual basis.
- b) The Company accounts for freight income as soon as bills is raised and freight expenses when the hired vehicle start towards its destination. Having regard to the size of the Company and nature of its business in the Managements opinion, the foregoing is a reasonable basis of applying the accrual basis of accounting.

2) Use of Estimates:

The presentation of the financial statements in conformity with the Generally Accepted Accounting policies requires, the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, revenues and Expenses and disclosure of contingent liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of financial statements. Difference between the actual results and estimates are recognized in the period in which the result are known / materialized.

3) Revenue Recognition:

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

4) Fixed assets

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

5) Depreciation

Depreciation on Fixed Assets is provided on "Straight line method" at the rates prescribed under Schedule XIV of the Companies Act, 1956.

Depreciation on the fixed assets acquired during the year has been provided on Pro rata basis.

6) Investments

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

7) Inventories

Inventories at year-end are valued at the Lower of the Cost Price or net realizable Value.

8) Miscellaneous Expenditure

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

9) Retirement Benefits

a) Short term employee benefits are recognized as expenses at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

b) Defined Contribution Plan:

Monthly contribution to the provident fund which is defined contribution schemes are charged to profit & loss account and deposited with the provident fund authorities on monthly basis.

Defined benefit Plans:

Gratuities to employees are covered under the employees' group gratuity schemes and the premium is paid on the basis of their actuarial valuation using the projected unit credit method. Actuarial gain and losses arising on such valuation are recognized immediately in the profit & loss account. Any shortfalls in case of premature resignation or termination to the extent not reimbursed by LIC is being absorbed in the year of payment.

c) Termination benefits are charged to Profit & loss account in the year of accrual.

10) Taxes on Income

a. Current tax is determined on the basis of amount of tax payable on taxable income for the year. Provision for Fringe Benefit Tax is made in accordance with the Income Tax Act, 1961.

b. In accordance with Accounting Standard; -22 "Accounting For Taxes on Income" issued by The Institute of Chartered Accountants of India, amount of the deferred tax for timing difference between the book and tax profits for the year is accounted for using the tax rate and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from temporary timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in futures.

11) Expenses

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

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

12) Transaction in Foreign Currency

Foreign currency transactions are recorded at the exchange rate prevailing on the date of such transaction.

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

13) Borrowing Cost

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

14) Earning per Share

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

15) Impairments of Assets

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

16) Provisions and Contingent Liabilities

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

17) Cash Flow Statement

The cash flow statement is prepared by the "Indirect Method" set out in Accounting standard 3 on Cash Flow Statements and present the cash flow by operating, investing and financing activities of the company.

Cash and cash equivalent presented in the cash flow statement consist of cash on hand, Bank balances and demand deposits with banks



NOTES – 30

NOTES FORMING PART OF ACCOUNTS FOR THE PERIOD ENDED 31st March, 2013.

1. The balances in respect of Sundry Debtors, Current Liabilities and Loans and Advances are subject to confirmations and reconciliation if any.
2. In the opinion of Board of directors & Management, the current assets, current liabilities, unsecured loans, loans and advances have been approximately of the value sated, if realized in the ordinary course of business. The Provisions for Depreciation and for all known liabilities are adequate and not in excess of amounts reasonably necessary.
3. As the company operates in a single segment, Accounting Standards 17 on Segment Reporting is not applicable.

4. Related Party Transaction :

As per Accounting standard 18 on "related party disclosures", disclosures of transactions with related parties as defined therein are given below.

List of related parties with whom transactions have taken place and Nature of relationship.

a) Key Management Personnel ("KMP"):-

Mr. Mahendrabhai R. Shah	-	Director
Mr. Jatin Mahendrabhai Shah ,	-	Director
Mrs. Pushpaben M Shah,	-	Director
Mr. Shantilal Mehta	-	Additional Director

b) Relatives of "KMP"

Mr. Ramesh R Shah	-	Brother of Mahendrabhai shah
Mrs. Rashmiben D Shah	-	Wife of Deepchand R Shah
Mr. Deepchand R Shah	-	Brother of Mahendrabhai shah

c) Enterprises significantly influenced by Directors and or Their relatives

Arfin Enterprise Ltd, Arfin Capital Ltd., Mahendra Corporation, Sakar Industries Ltd

Transactions with Related Parties during the year :

The following transactions were carried out with the Related parties in the ordinary course of Business.

a) Details of Related party transaction with "KMP" :

Name of Transactions	Volume of Transactions	
	Current Year	Previous Year
Directors Remuneration	1440000	-

b) Details of Related party transaction with relatives of "KMP":

Name of Transactions	Volume of Transactions	
	Current Year	Previous Year
1. Expenses		
Purchase	505213539	196102906
Interest Exps.	1226783	NIL
2. Income :		
Rent Income	NIL	240000
Sales & Job Work	27018359	147603717

5. **Employee Benefits:**

a) Defined Benefit Plan:

No Liability in respect of present future liability of gratuity has been ascertained and provided in the accounts (Pre. Yr. – Not ascertained and provided for). This is in contravention with the accounting standard 15 issued by the ICAI, in respect of accounting for retirement benefits


a) Defined Contribution Plan:

The Company has recognized the following amount in P & L account which is included under contribution to funds.

Particulars	Amounts (In Rs.)	
	2012-13	2011-12
Contribution to Provident Fund	250988	-

6. The companies have not received information's from the suppliers regarding their status under the Micro, small and Medium Enterprises Development Act, 2006. Hence, disclosure, if any relating to amount unpaid as at the balance sheet date together with interest paid or payable as per the requirement under the said act, have not been made.
7. Investment of the company have been considered by the management to be of long-term nature and hence they are valued at cost of acquisition. In respect of quoted investments where the market value is lower than the acquisition cost, no provision is made for diminution in the value of such investments, since in the opinion of the board it is a temporary phenomenon and no provision is necessary.
8. In the opinion of the Board, current assets, loans and advances have a value of the least equal to the amounts shown in the Balance sheet, if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary
9. Previous year's figures have been regrouped, reclassified & rearranged wherever considered necessary.
10. Expenditure incurred on employees who were in receipt of not less than Rs.24,00,000/- per year if employed throughout the year and Rs.200000/- per month if employed for a part of a month - Rs. NIL

FOR, RAMAN M. JAIN & CO.
CHARTERED ACCOUNTANTS
FRN: 113290W


RAMAN M. JAIN
PARTNER
M. NO. 045790
PLACE : AHMEDABAD
DATE : 23-05-2013

FOR AND ON BEHALF OF DIRECTORS OF
ARFIN INDIA LIMITED


DIRECTOR


DIRECTOR

PLACE : AHMEDABAD
DATE : 23-05-2013