



ARFIN INDIA LIMITED




Power is Growth!

ANNUAL REPORT 2015-16

A full-page background image showing a long, straight asphalt road stretching from the foreground into the distance towards a bright sunset. The sun is a large, glowing orb on the horizon, casting a warm, golden light across the sky and the road. The sky is filled with wispy, white clouds. The road has a dashed white line down the center and solid white lines on the sides. The landscape on either side of the road is flat and grassy, with some distant hills visible on the horizon.

Power is Growth!



Power is most influential when it is invisible, like a sign of strength or an act of development. An organization's ability to learn and translate that learning into action, is the ultimate Power of Growth and it is never by mere chance, it is the result of forces working together.

Arfin India Limited is entering into the Power Sector business during 2016-17 through Cable & Conductors Plant which defines the Power is Growth for the Company.

Arfin India Limited is bringing together a range of products. The Company has diversified and is in process of diversifying further the existing businesses through addition of new product lines viz. Alloy Products, Cored Wire Products and its entry into the Power Sector through Cable & Conductors Plant.

Arfin has two drivers to its powerful growth; one is consumption which arises out of demographic advantages and other is infrastructure.

We become powerful when we accept our own weaknesses and continuously improve it. Sustainable growth is the pathway to the future which offers a framework to generate powerful organization.



For Arfin, the most fun is the powerful way to growth. Without continual growth and progress, words such as improvement, achievement and success have no meaning.





The image shows a vast industrial facility with a high ceiling and complex steel framework. In the foreground, a large, horizontal metal spool is mounted on a stand. To its left, a white control cabin with multiple windows is visible. The background is filled with various industrial equipment, including red railings, blue barrels, and large rolls of material. The lighting is bright, coming from overhead fixtures.

**We offer
products and
quality
destinations for
industry,
irrespective of
their location, size
and expectations as
they are a source of
continuous
inspiration.**





ARON INDIA LTD
Prest Co. Ltd
857
9/1/11
Perforated



CORPORATE OFFICE





Chairman's Message



Business Overview



New Projects



Management Discussion and Analysis Report

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CORPORATE INFORMATION



BOARD OF DIRECTORS

MAHENDRA R. SHAH
Chairman

JATIN M. SHAH
Managing Director

PUSHPA M. SHAH
Executive Director

SHANTILAL MEHTA
Independent Director

DILIP KUMAR DAGA
Independent Director

RAMESHKUMAR B. SHAH
Independent Director

CHIEF FINANCIAL OFFICER
Vijay Lathi

COMPANY SECRETARY
Purvesh Pandit

STATUTORY AUDITORS
Raman M. Jain & Co., Ahmedabad

SECRETARIAL AUDITORS
Kamlesh M. Shah & Co., Ahmedabad

COST AUDITORS
C. B. Modh & Co., Ahmedabad

BANKERS

Axis Bank Limited
IDBI Bank Limited

REGISTRAR & SHARE TRANSFER AGENT

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

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, Ravi Industrial Estate, Billeshwarpura,
Behind Hotel Prestige, Chhatral - 382729,
Taluka - Kalol, District - Gandhinagar,
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.





Chairman's Message

“Arfin is consistently and strongly investing in products and technologies that would make sure powerful as well as rapid growth of the Company. The Company is continuously stimulating markets with addition of new product lines that will seize the increased market demand.”

Dear Stakeholders,

We are pleased to share with you the Annual Report of your Company for the financial year 2015-16. During the year, your Company has delivered strong performance, achieved Gross Sales of ₹ 31,977 Lacs, Profit After Tax of ₹ 660.98 Lacs with EBIDTA margins of 5.48%. The Earnings per Equity Share has increased to ₹ 21.90. Your Company has sold 20,000 metric tons of goods during the year. It has been an eventful year seen in the context of addition of new product lines and capacity expansion. The core business portfolio has performed very well with all the key segments posting steady growth led by Aluminium Deox and Aluminium Wire Rod businesses. During the year, the Company has commenced commercial production and sales from Alloys and Cored Wire business. The Cored Wire Plant was started during March 2015 and got matured during the year. Set up of Cable & Conductors Plant has been completed during the year and trial production from this plant has also been done. The Company is in process of getting ISI Mark and other regulatory approvals to start commercial production from the Cable & Conductors Plant.

The role of new product lines is bringing together a range of products which has diversified and is in process of diversifying further the existing businesses through addition of new products viz. Alloy Products, Cored Wire Products and the Company's entry into the Power Sector through Cable & Conductors Plant.



"Your Company's increased & balanced portfolio of products and operational excellence have been the key drivers of this worthy performance."

Your Company's focus on building and strengthening a wide portfolio of products has started delivering results.

We are happy to share that your Company is one of the fast growing organizations in the Aluminium Sector.

The existing plant of Cored Wire is running at full capacity and is fully booked for 2016-17. Your Company has ordered one more machine of Cored Wire to meet the increased customer demand. This second plant is expected to be commissioned for commercial production during the 3rd quarter of 2016-17. Your Company has started commercial production from Alloy Plant during the year. Alloy business picked up well during last quarter of 2015-16 and currently the plant is running at full capacity. The Company is planning to expand its present capacity of Alloy Plant to fulfill increased customer demand.

During 2015-16, all key macro metrics which influence the growth of the economy have been improved. The fiscal deficit and inflation has been stabilized. More relevant, these improvements are sustainable in nature as the policy framework, like

aligning domestic oil prices to global movements for instance, have been implemented. Further, large investments by government in roads, railways, defense and other sectors will play a catalyst role in reviving the economy.

Interest rates too are trending downwards apart from a possibility of good monsoon. These factors will create a more enabling environment for large and small businesses going forward.

Overall prospects of the Company appears to be bright given its performance, efficient treasury management and robust credit appraisal system. Branch presence across the country helps the Company to enhance the growth rate achieved by it since last few years.

Our desire goes beyond becoming a larger robust Aluminium Products manufacturing Company. Based on detailed deliberations, we have decided to focus on these six product lines viz; Aluminium Wire Rod, Aluminium Deox, Cored Wire, Alloy Products, Automobile Products and Cable & Conductors which we believe have robust sales potential in Indian as well international markets.

“Power sector entry will be a cornerstone of robust growth and development to the Company and we will be able to sustain this growth on account of better margins due to forward integration of the product lines.”

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 assure you that each one of us is committed to build a Company that is high on corporate governance, is of great value for society and is a Company that you will be proud of.

With Regards,

Yours sincerely,



Mahendra R. Shah
Chairman

Highlights 2015-16

**CORED WIRE BUSINESS GOT MATURED
DURING 2015-16**

**CABLE & CONDUCTORS PLANT
COMMISSIONED SUCCESSFULLY DURING
2015-16**

**DIVERSIFICATION OF BUSINESSES THROUGH
ADDITION OF NEW PRODUCT LINES**

37%

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

2015-16

Improved operational efficiencies, substantial reduction in cost of power & fuel and reduction in cost of borrowings have resulted into consistent growth in Gross Margins, EBIDTA & Profit After Tax.

Gross Margins improved from 12.72% in 2014-15 to 13.06% in 2015-16.

EBIDTA Margins improved from 5.06% in 2014-15 to 5.48% in 2015-16.

Profit After Tax has increased to ₹ 660.98 Lacs during 2015-16 in compare to ₹ 467.13 Lacs during 2014-15.

31.87%

RETURN ON NET WORTH

25.10%

RETURN ON CAPITAL EMPLOYED

24.26%

VOLUME GROWTH

NET SALES (₹ in Lacs)

2014	19,037
2015	24,995
2016	27,288

SALES QUANTITY (MT)

2014	11,965
2015	16,071
2016	20,008

EBIDTA (₹ in Lacs)

2014	629
2015	1,265
2016	1,497

PAT (₹ in Lacs)

2014	265
2015	467
2016	661

EPS (₹)

2014	9.24
2015	15.87
2016	21.90

ARFIN at a GLANCE

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

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

Arfin India Limited is bringing together a range of products which has diversified and is in process of diversifying further the existing businesses through addition of new product lines viz. Alloy Products, Cored Wire Products and its entry into the Power Sector through Cable & Conductors Plant.

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



Business Overview

“Our quality customer base, domain expertise and deep understanding of the customer requirements, production capacity investments and prominent leadership combined with our business verticals put us in a pole position to make a significant impact in the Aluminium Industry.”

The strategy and operations of the Company are driven by the Board with experience and vision to steer the Company in Indian as well as global markets. The Company has seeded several initiatives and projects that will bear fruits in the upcoming years. Arfin is currently one of the fastest growing Companies in Aluminium Sector in India. The Company has diversified and is in the process of diversifying the business through addition of more products lines viz. Cored Wire Products, Alloy Products and its entry into the Power Sector through Cable & Conductors Plant. Also, ongoing focus on continuous improvement is helping us to achieve even greater efficiencies. The Company covers supply of these product lines mainly to the Steel Sector, Automobile Sector and Power Sector Companies in India as well as abroad. The Company has sold 20,000 metric ton of goods registering year on year volume growth of 24% during the year although the market sentiment was quite slow during second and third quarter of the year. The last quarter of the year was bumper quarter posting highest quarterly sales and profit for the Company. The Company has crossed sales of ₹ 300 Crores first time and is looking forward to cross more milestones

during the upcoming period.

During the last fiscal year, overall capacity utilization of Aluminium Producers in India has fallen due to volatile London Metal Exchange (LME) prices, currency fluctuations, China slow down etc. The Indian Aluminium Industry capacity has increased during first half of 2015-16 but its utilization was down. Average LME prices of aluminium during 2015-16 were around USD 1,500 on account of volatility in global markets during last fiscal year. However, the Indian economy will remain the world's fastest growing economy on account of policy and reform measures the government has taken in last two years. Indian economy has a huge infrastructure demand looking at current infrastructure which will push growth of the Company. 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. Government initiatives like Make in India, Smart City Projects, Start up India and its focus on ease of doing business will fuel the growth prospectus of the Industry. Overall, all the developments



“Arfin continues to invest in people, processes and technology as the Company acknowledges that these are vital elements for mitigating various risks posed by the environment.”

are in the positive direction & in the segments which happened to be the areas of focus for your Company.

During the year, Arfin has been able to manage well due to balanced portfolio of export sales and import of raw materials. Around 40% of raw materials are sourced from international markets which are covered under natural hedge against export sale proceeds during the year.


The Company's operations are in the mode of diversification through addition of more products lines. The Company aims to be a leader in its business segment through these six product lines viz. Aluminium Wire Rod, Aluminium Deox, Cored Wire, Alloy Products, Automobile Parts and Cable & Conductors. Out of these six products lines Aluminium Wire Rod, Aluminium Deox and Cored Wire businesses are matured businesses. The Company started Aluminium Alloy business during last quarter of the year and is expecting big volumes during 2016-17. The Company has added 16 premium customers in the Alloy segment during the year which helped diversification of businesses.

The Company forays its venture into Aluminium based Master Alloys business through addition of new plant at the existing premises. Initial plant set up has been completed and the Company plans to start commercial production by 3rd quarter of 2016-17. Master Alloy is a base metal such as Aluminium, Copper or Nickel combined with a relatively high percentage of one or two other elements. It is a semi finished product and is manufactured for its usage as a raw material by the Metal Industry.

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 section of social and economic backgrounds. The themes set for the year were simplicity, happiness, satisfaction and growth that lead building a performance driven culture. 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.







“Today, we are moving forward at a pace like never before and each step of this journey has been paved by our steady foundation, our values and our sound business model.”

The Company is in process of organizing its production and warehousing activities through addition of more space. During the year, the Company has acquired two more land plots near the existing plant for production of finished goods and warehousing. Shed and construction work has almost completed on both the plots. These plots will be used for commissioning of new plants of Cored Wire & Alloy products and warehousing of raw material & finished goods. The Company is in process of separating warehouses for raw materials and finished goods to better control the inventory inwards

and outwards which will smoothen the logistics process. During the year, the Company has set up highly equipped laboratory for testing of cable & conductor products. The Company has separate laboratory set up for other products too. Each and every batch of production is tested for quality check before supplying to the customers. The Company has in-house quality check team which is fully dedicated for inspection and testing of materials. The Company has created total production capacity of 53,600 metric tons per annum covering 6 main verticals.

“Our business is firmly anchored across multi product lines that are well positioned and our relationship with customers has always been paramount.”

The initiative taken by the Company of shifting from gas based fuel consumption to furnace oil consumption has resulted in substantial saving in cost of power and fuel which has ultimately increased the bottom line and strengthened the balance sheet of the Company. The Company has also benefitted on account of scale of increased volume and continuously improved operational efficiencies. 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. During the second and third quarter of the year, although market was slow but Arfin has been able to achieve 24% volume growth during the year.

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 2 years post formation of new government in central. The Company also envisages robust growth on the horizon too, as the sectors it caters to are not only large but also growing and is still quite under-penetrated from the perspective of infrastructure. To ready itself for this take off in growth, the Company has put in place robust internal risk management systems & processes and supportive technology.



Aluminium Wire Rod

“The Company believes its efforts to continuously strengthen its production capacity, timely delivery and quality of products have helped building a stable and healthy portfolio.”

Aluminium Wire Rod business is one of the matured businesses in Arfin India Limited which mainly caters to the Steel Sector. Arfin covers almost all major steel players in India. Aluminium Wire Rod is used to deoxidize the steel and to complete the steel manufacturing process. Our highly skilled technicians are equipped with state of the art, microscopes and testers to make sure that the product meets customer requirements. This is a high volume & low operating cost business which has a quality customer base across the steel industry in India. This business has performed well during the year and has contributed significantly in achieving business targets. During the year, this business has added gross sales of ₹ 12,297 Lacs which is 38.46% of the total sales. This plant has

in built capacity of 15,000 metric tons and the Company has sold approx 7,320 metric ton goods which is equal to 48.80% capacity of the plant. The Company has set up its in-house separate laboratory for testing and inspection of each and every batch of finished goods produced and sold to our esteemed customers.

This product is the main raw material for Cable & Conductors Plant and will be used as forward integration of the existing product line. Once Cable & Conductors Plant gets operational, the Company has plan to add one more Aluminium Wire Rod plant to meet the production requirements of Cable & Conductors Plant.

“Evolution has been the key theory of success over the past 5 years and we have transformed from a single Aluminium Deox business image into a Company with diversified portfolio of businesses.”

The Company has already occupied the additional space required for set up of Aluminium Wire Rod Plant which will be set up as soon as the Cable & Conductors Plant gets operational. This business vertical adds value to the business through scale of operations and current market demand.

Arfin always believes in quality, commitment and timely delivery of goods. These are the key drivers to

our success story since its inception. This vertical has significant potential to grow further and this is the basic material used in infrastructural growth of the country. The reforms and initiatives taken by government of India for infrastructure growth of the country will further boost the growth of this segment. We believe that proper utilization of existing capacity and resources can result in increased customer base in India as well as abroad.



Aluminium Deox (Cubes, Shots & Notchbars)

“And what we are doing in Arfin is we are moving from a basic manufacturing Company to one that is diversified, including into the Power Sector and Automobiles.”

Aluminium Deox business is also one of the matured businesses in Arfin India Limited which mainly caters to Steel Sector in India as well as abroad. Arfin covers almost all major steel players in India and Saudi Basic Industries Corporation (SABIC) in Saudi Arabia. Aluminium Deox products are also used to deoxidize the steel and to complete the steel manufacturing process. This is also a high volume & low operating cost business which has a quality customer base across the steel industry in India as well as abroad. This business has performed well during the year and

has contributed significantly in achieving business targets. During the year, this business has added gross sales of ₹ 15,287 Lacs which is 47.80% of the total sales. This plant has in-built capacity of 20,000 metric tons per annum and the Company has sold approx 10,572 metric tons goods which is equal to 52.86% capacity of the plant. The Company has set up its separate in-house laboratory for testing and inspection of each and every batch of finished goods produced and sold to our esteemed customers.





Aluminium Auto Products

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

The Indian Auto Industry is one of the largest Auto Industries of the world. The growing interest of companies in exploring rural markets further aided the growth of the sector. India is also a prominent auto exporter and has strong export growth expectations for the near future. The Government of India encourages Foreign Direct Investment (FDI) in the automobile sector and allows 100% FDI under automatic route.

We are at the initial stage of production of automobile parts and this business is growing gradually. Gujarat is growing as an Automobile hub and we are into this

business for last 2 years. The Company will be benefitted due to its early mover advantage in this business segment. Arfin started its production of Gravity Die Casting parts for the Automobile segment to begin with. It is having a good production capacity with highly experienced workforce. Though we have not reached our optimum capacity but we are positive about it as Gujarat is becoming a global Auto hub. Even around Ahmedabad, the Ford, Tata Nano, Suzuki, Hero group and many more companies have set-up their facilities and looking for the local vendors.





Cored Wire Mill

“Cored Wire is mainly supplied to the Steel Sector and used for desulphurization and inclusion-modification in the Steel Industries.

Newly started business of Cored Wire got matured during the year and the current plant is running at its full capacity since 3rd quarter of the year and is fully booked for 2016-17. The Company has already ordered one more plant to meet the increased market demand. The Company has already created space required for the installation and commissioning of the second Cored Wire plant. The second plant is expected to start commercial production from second quarter of the 2016-17. During the year, the Company has sold 356 metric tons of goods and has been able to add gross sales of ₹ 1,582 Lacs for the year. Cored Wire is mainly supplied to the Steel Sector and used for desulphurization and inclusion-modification in the Steel Industries. The existing plant has total capacity of 600 metric tons per annum and the Company is adding another machine having capacity of 600 metric tons per annum.

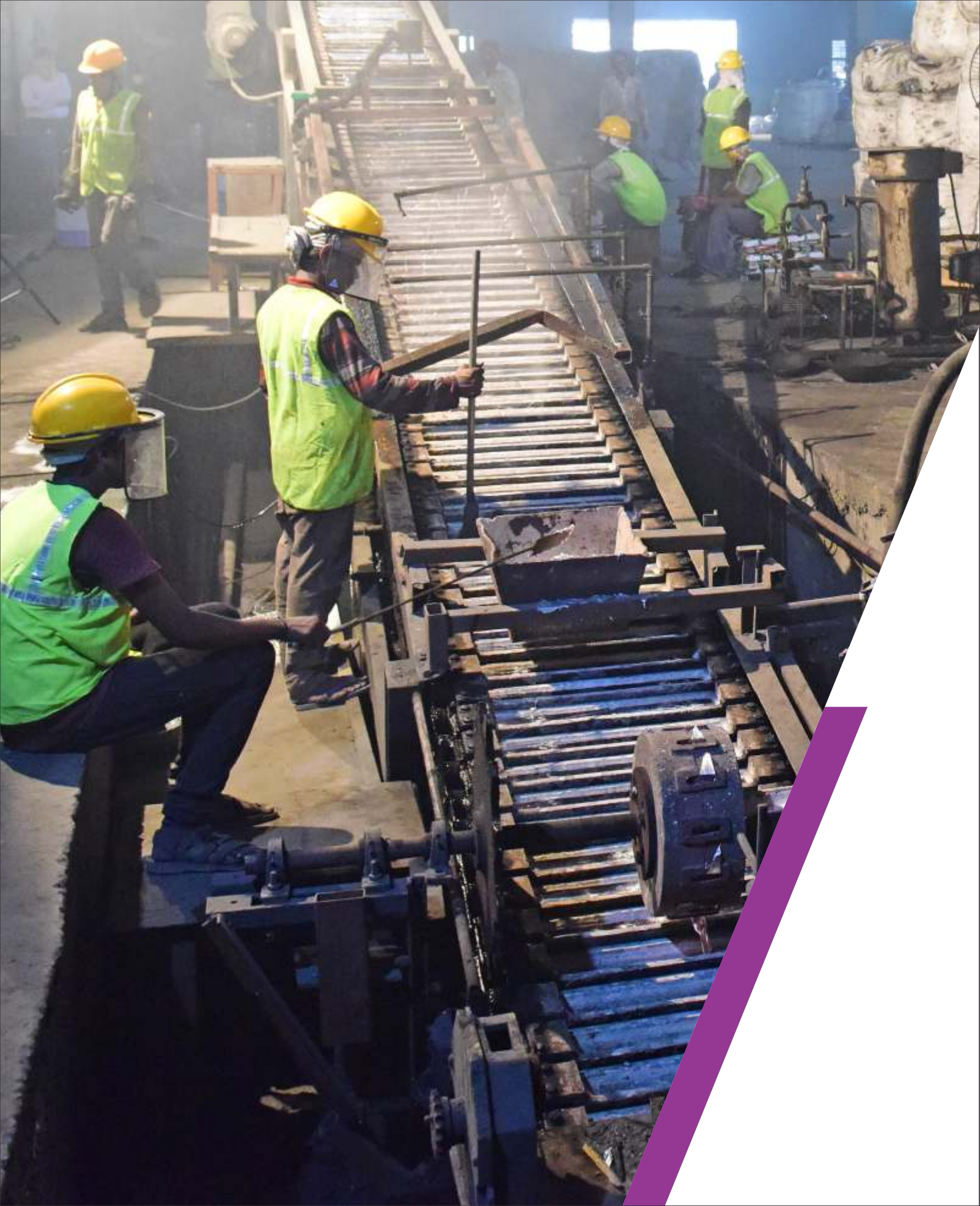
The products of Cored Wire Mill are:

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

The encapsulated Calcium Silicide in steel sheath (called Cored Wire) is injected into the steel melt with the help of wire injection system with the purpose of high recovery of Ca in steel than the virgin Ca / CaSi lumps addition into the ladle.

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







Aluminium Alloy Ingots

“We cater to the Aluminum Die Casting & Other Industries also by not only supplying them the Aluminum Alloy of exact compositions as per international standards, but also by ensuring the perfect molecular structure and strengths of Alloys through proper degassing and filtration at molten stage.”

Arfin started commercial production and sales of Aluminium Alloy products during the month of November 2015. The existing plant has been running at its full capacity since March 2016. The Company plans to buy one more plant to meet the increased market demand. The Company has already created space required for the installation and commissioning of the second Alloy Plant. During the year, the Company has sold 738 metric ton of goods and has been able to add gross sales of ₹ 1,099 Lacs for the year. The existing plant has total capacity of 6,000 metric tons per annum.

We currently produce (but not restricted to) the alloys which are HS1S, AC4C, AC2A, ADC12, ALSI132, LM13, LM24, LM25, LM6, LM2, AC4B, AC4B-IM, AC2C, AS12U, HD 4, A383, A356 customized as per customer requirements. Our Foundry Alloys are produced to meet individual customer specifications in the main alloy groups meeting specification in accordance with BS & JIS Standards. We are equipped with the state of the art technology that includes furnace like skelner & rotary furnace, continuous casting machine, optical emission spectrometer and advanced lab having facilities of testing aluminum alloys in all the major parameters. We are having an automatic conveyor line for efficient

and timely production of the goods.

Aluminum alloys is used in several end use industries viz. automotive, construction, transportation, packaging, electrical, machinery and others such as sporting goods etc. Accounting for a 40% share of the total aluminum alloys consumption in 2016, the transportation sector emerged as the leading application segment. This industry is also projected to become the fastest growing segment by 2020 owing to rising demand for Aluminum Alloys from sectors such as automotive, aerospace and marine. There has been increased demand for fuel efficiency of vehicles and durable automobile components made from hard yet light-weight Aluminum Alloys. This is expected to spur the consumption rate of aluminum alloys in the automotive sector. The aerospace sector, on the other hand, has been presenting strong opportunities for Aluminum Alloys with the growing demand for the manufacturing of high-strength and light-weight components.

Global Aluminium Alloys market is largely fueled by the rapid growth of the transportation & construction industry, developing at a modest 4.80% CAGR from 2014 to 2020.





Cable & Conductors

“This product line will be a forward integration of existing product line of Aluminium Wire Rod. We will be producing Aluminium Conductors from Aluminium Wire Rod.”

The Cable & Conductors Plant set up has been completed and the trial production has also been completed from the plant. The Company is in process of getting ISI mark to start commercial production of cable & conductor products. Arfin has state of the art, manufacturing machineries completely equipped, up-to-date laboratory which ensure rigid check at every stage of production and a self-oriented workshop to suit the entire check-up and maintenance of machines, inflow and outflow of material. This product line will be a forward integration of existing product line of Aluminium Wire Rod. We will produce Aluminium Conductors from Aluminium Wire Rod. This forward integration of product line will add higher margins to the business.

Initially, we will cater private companies for sell of cable & conductor products and later on will start selling to the state electricity companies.

The salient features about product range of this venture are as under:

AERIAL BUNCHED CABLES

Aerial Bunched Cables (ABC) is a very novel concept for over head power distribution. When compared to the conventional bare conductor over head distribution system, ABC provides higher safety and reliability, low power losses and ultimate system economy by reducing installation, maintenance and operative cost. This system is ideal for rural distribution and attractive for installation in difficult

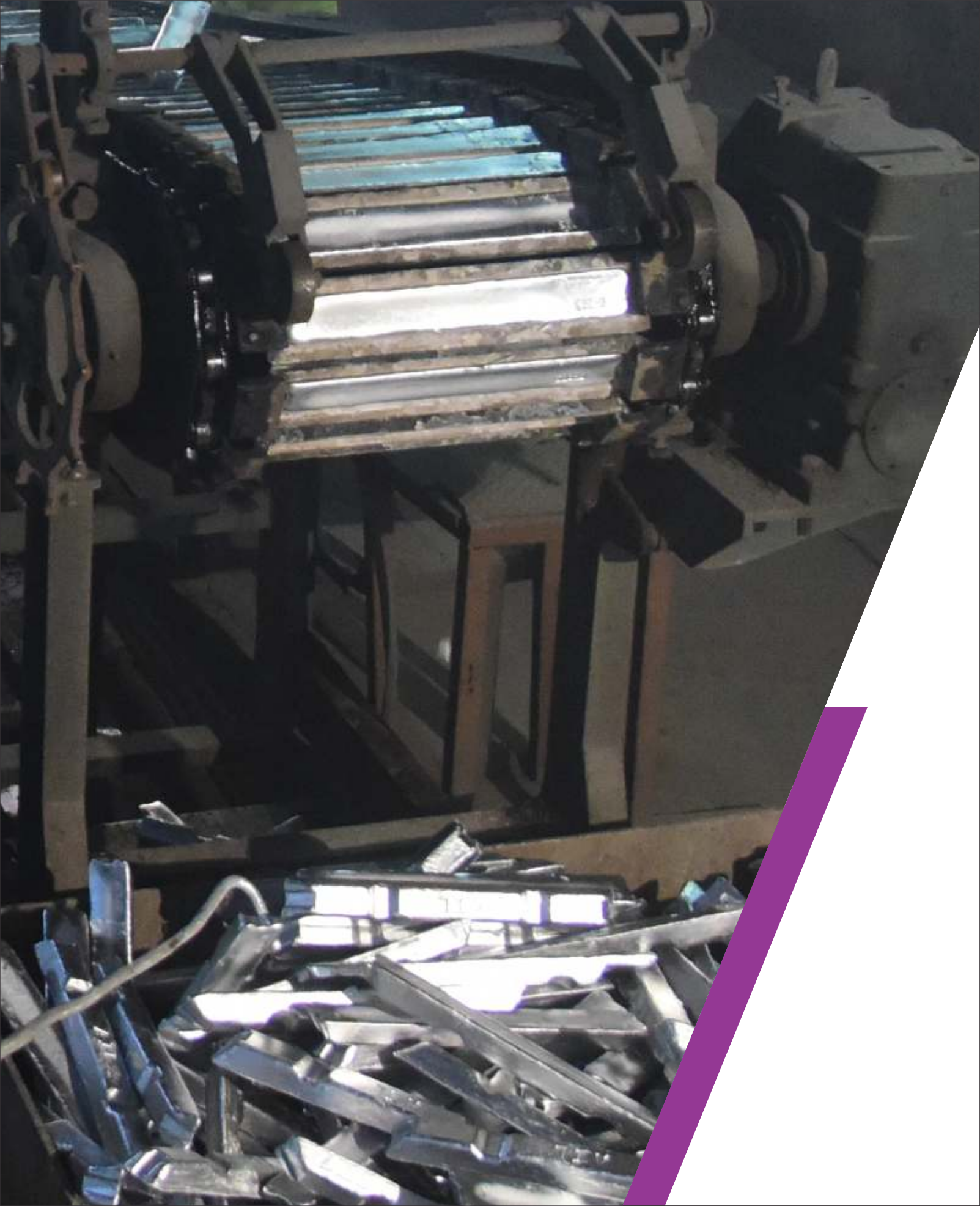
terrains such as hilly areas, forest areas, coastal areas etc. Aerial Bunched Cables is also considered to be the best choice for power distribution in congested urban areas with narrow lanes and by lanes. In developing urban complex, Aerial Bunched Cables is a better choice because of flexibility for rerouting as demanded by changes in urban development plan.

AAAC CONDUCTORS

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

ACSR CONDUCTORS

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



New Projects

Master Alloys

“Master Alloy is a base metal such as Aluminium, Copper or Nickel combined with a relatively high percentage of one or two other elements. It is a semi finished product and is manufactured for its usage as a raw material by the Metal Industry.”

The Company forays its venture into Aluminium based Master Alloys business through addition of new plant at the existing premises. Initial plant set up is complete and the Company plans to start commercial production by 3rd quarter of 2016-17. Master Alloys are produced in various shapes viz. Ingots, Waffle Plate, Rod in Coils etc. Master Alloys are used worldwide. Invariably, these products are used in plants where metal is melted, alloyed with various elements and then cast into shapes. This can be aluminium, iron, steel or even precious metal such as gold. There are various reasons for adding master alloys to melt. One of the main applications is composition adjustment i.e. changing the composition of the liquid metal to achieve the desired chemical specification. Another important application

is structure control, influencing the microstructure of a metal during the casting and solidification process in order to change its properties. Such properties include mechanical strength, ductility, electrical conductivity, cast ability or surface appearance. A Master Alloy is sometimes also referred to as Hardener, Grain Refiner or Modifier depending on its application.

Reasons for using Master Alloys instead of a pure metal can be economical or technical or both. Sometimes elements show high losses or poor yield when added in pure form. A Master Alloy often provides the solution, as it dissolves much quicker at lower temperatures, saving valuable energy and production time.





Jatin M. Shah
Managing Director

Management Discussion and Analysis Report

Industry Structure and Developments

In the previous decade, the Indian Aluminium Industry experienced substantial success among the other industries despite of the fact that globally aluminium industry continued to go through a difficult phase. The aluminium market in India is still growing at a CAGR of 9% to 10% over the last five years and it is going to remain so in the near future. This favourable situation is expected mainly due to the government's focus on uniform infrastructure development in the rural areas, cultural changes resulting in more & more nuclear families with higher disposable income. In order to take advantage of favourable situations, the Indian aluminium industry is developing fast and the advancement in its technologies is boosting the growth even faster. It has a bright future and it can become one of the largest players in the global aluminium market as in India, the consumptions are fairly low as compared to developed countries.

For Indian economy, the financial year 2015-16 witnessed divergent trend among other major economies. According to the International Monetary Fund, the global economy is expected to grow at a faster rate during the financial year 2016-17. This is due to the fact that slowdown in production in China and Russia is expected to be more than offset by recovery of the developed economies and growth in south-east Asia. The currency movements and interest rates continue to be risks for growth. Developed economies are expected to grow moderately. After posting stronger and broader growth at the end of 2015, the USA is carrying the momentum into 2016 with increased consumer spending and trade activity, falling unemployment rate and improved investor sentiment. GDP growth during 2015-16 has inched up to about 7.6% against 7.2% during 2014-15 due to improving economic sentiments but demand at the grass root level remained stagnant and is only expected to pick up from 2016-17. There is hope for improving economic scenario worldwide which may lead to revival of demand with better opportunities.

Further, during 2015-16 the Indian steel industry's production was impacted by the inadequacy of iron ore with inconsistency in quality and supply. Demand from the sectors like infrastructure, real estate, automobiles, uses of specialized steel in automobiles and power sectors has put Indian steel industry on the world map. The country is having an honour of being amongst top 5 largest steel producing countries in the world.



Management Discussion and Analysis Report

Opportunities And Threats

Opportunities

After a spell of slowness in the industry as well as the economy as a whole over the past couple of years, the economy is undergoing a course correction and appears poised to embark on a new growth trajectory. Economic growth will inevitably increase incomes in both urban and rural India. With more liberalized outlook of the government, most of the existing units are being modernized to enhance their production capacities to meet the new challenges. The demand for aluminium wire rods in the country is likely to show a higher growth with increased governmental investment in the power transmission sector. Research & Development efforts to bring in new usages and applications, exploration and collaboration with other industries where aluminium could substitute other materials, development of alloys to suit the requirements of various industries, changing the design pattern with a view to improving the functionalities of different products etc. may be attempted. Opportunities to be explored in the Indian market are as follows:

- Unexplored rural market and rapid urbanization
- Likely flow of foreign investment under “Make in India” concept
- Increased investment by government on infrastructure
- Increasing production in auto segment leading to increase in steel and aluminium consumption
- Increasing production in auto segment fuelling increase of aluminium consumption

Threats

Global prices of aluminium have remained under pressure on account of number of factors including the high global inventory of the metal, concerns about the performance of the Chinese economy, the appreciation in the USD etc. Prices of aluminium are generally expected to remain low in the near-term due

to the subdued global demand for the metal as well as the uncertain macro-economic environment prevailing globally. Although demand growth has been lower than expected in China – the world’s largest producer and consumer of the metal, apprehensions of oversupply remain constant, due to ramping up of smelting projects by many primary Chinese producers. Overall, the growth rate of primary metal supply in India is higher than the demand growth for the primary metal which may lead to a widening of the surplus.

Power is one of the major inputs for aluminium production, constituting roughly around 40% of the production cost. Substantial increase in cost of coal in the recent past has put additional cost pressure on aluminium producers in India. On the other hand, the availability of low-cost aluminium from smelters in West Asia is expected to impact Indian smelters as in India, the production capacity has increased considerably in the past decade due to cheap gas from oil refineries making the region ideal to set up aluminium plants. Other threat perceptions for the Indian aluminium industry include competition from large scale scrap imports, large scale availability of substitute materials particularly plastics and increasing input costs. Below mentioned are bullet points giving brief idea of the threats:

- Global economic slowdown
- Heavy imports due to dumping of material by competitors
- Technological change / obsolescence
- Higher duties and taxes
- 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 has been given as follows:

Management Discussion and Analysis Report

Aluminium Wire Rod

The Company has installed capacity of 15,000 metric tons per annum in the business of Aluminium Wire Rod. The sales quantity figure during the financial year under report stood at 7,319 metric tons which amounts to ₹ 12,297.07 Lacs.

The Company expects Aluminium Wire Rod product sales volume to increase by around 10% during 2016-17.

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 10,572 metric tons amounting to ₹ 15,286.83 Lacs. It reflects increase in sales volume at the rate of 60.08% in terms of quantity and 40.54% in terms of sales amount for Aluminium Deox Products over the last financial year.

The Company expects Aluminium Deox product sales volume to increase by around 10% during 2016-17.

Cored Wire

The Company is having Cored Wire Plant with capacity of 600 metric tons per annum. The sales quantity during the financial year under report was 356 metric tons which amounts to ₹ 1,582.83 Lacs.

The Company has ordered one more plant to increase the production capacity. New plant is expected to be commissioned during the second quarter of 2016-17.

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 738 metric tons.

Newly established Alloy plant was set up successfully and thereafter commercial production started during

the year. The Company expects to sale 500 metric tons per month during 2016-17 at full capacity utilization of the existing plant. Also the Company plans to procure one more plant of Alloy to meet the increased market demand.

Outlook

Investors keeping an eye on aluminium prices are no doubt well aware that the metal has been in a consistent state of weakness in 2015-16. The country's stock market fluctuations this year brought down a large basket of commodities, including base metals like copper and iron as well as critical metals like manganese and tungsten, of course, industrial metals like aluminium and vanadium were also affected.

Over capacity in China will cap prices on the upside over the next ten years. China will remain in surplus and exports will rise.

Business Highlights

Your Company has delivered robust operational performance during 2015-16 through registering a strong top line and bottom line growth. The new plants which took up their positions are Alloy plant and Cored Wire plant. These new set ups have given a drastic boost to the future growth of the Company.

Consequent upon that, the Company has achieved 41.50% growth in its net profit over the last financial year ended on March 31, 2015. A wider customer base has been exposed due to additional plants and the same has resulted into increased sales and improved profitability. The expansion of the product base has also helped in achieving economies of scale. The salient points for the business overview of the Company during the financial year 2015-16 are as follows:

- Sales Volume of **20,008 metric tons**
- Highest ever Turnover of **₹ 31,977.66 Lacs**
- Strong operating performance delivering highest ever EBIDTA of **₹ 1,496.61 Lacs**
- Profit after tax of **₹ 660.98 Lacs**



Management Discussion and Analysis Report

Further, Cored Wire Mill and Alloy Plant achieved significant progress on all their strategic expansions. Export of the Company has increased 2.42% in compare to the previous financial year.

Though having few adverse factors in the economy like volatility in forex market, increased competition etc., the Company has recorded a notable growth during the financial year under report and improved the overall productivity and efficiency. Commissioning of new plants and products shall let the Company to be at the highest peak in the upcoming years.

Risks and Concerns

Your Company faces risk with similar to those faced by the companies operating in the non-ferrous metal sector. The volatility of the primary metal LME linked price on account of fluctuation in USD and LME continues to be a key issue. The success or failure is linked on how effectively Companies are able to manage their purchase to tide over these critical periods.

Arfin's focus is on the risks that threaten the achievement of business objectives of the group over the short to medium term. An overview of these risks is provided hereafter.

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.

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. Further, the Company is well equipped with proper risk management mechanism for all the risks which may

pose challenges and the Board is confident about its ability to deal with them.

Keeping the Risk Two Steps Behind

The Board of the Company believes in the motto: To improve performance, one has to understand how to manage risk better. The Company has been integrating concepts of strategic planning, operations management and internal control to mitigate and monitor various risks involving IT security, market, financial reporting, exchange, contractual compliance, policy compliance and so on. The Company has laid down a well-defined risk management mechanism covering the risk mapping & trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risks.

Arfin recognizes that above 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.

Internal Control Systems and its Adequacy

Your Company's internal control procedures are adequate to ensure compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations.

Your Company has taken steps to make its internal financial control in line with the benchmark prevailing in the industry. The Company maintains a system of

Management Discussion and Analysis Report

internal controls designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of operations
- Accuracy and completeness of the accounting records
- Adequacy for safeguard of assets
- Timely preparation of reliable financial information
- Prevention and detection of frauds and errors, if any

Key controls have been tested during the financial year and corrective and preventive actions have been taken for weaknesses, if any.

The internal controls and governance process are duly reviewed for their adequacy and effectiveness through periodic audits by the internal audit function. Risk based internal audit plan is approved by the Audit Committee which also reviews adequacy and effectiveness of your Company's internal financial controls. The Audit Committee is periodically briefed on the corrective and preventive actions taken to deal with the discrepancies.

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

The Company has a team of qualified, and experienced professionals. The Company believes that the quality of its employees is the key to its success in the long run. The Company continues to have cordial relations with its employees at all the levels & units. 52 employees were employed as on March 31, 2016 on payroll.

The Company's human resource policies and strategies seek to ensure a high level of motivation among employees so that they play a significant role in

achieving the Company's goals. The Company has initiated various in-house training programs for skill advancement. It accords highest priority to ensure safety and protection of health of its employees which are essential to, and form an integral part of every HR development endeavour. There were no cases of sexual harassment of woman at work place. Also, there are no instances of child labour / forced labour / involuntary labour and discriminatory employment during the year.

The Company has proven a track record of hiring and retaining highly qualified professionals. The Company has made continuous focus on introducing new ideas and innovative services for client convenience and cost reduction.

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 revenue from operations has increased from ₹ 28,028.69 Lacs to ₹ 30,688.92 Lacs during the year 2015-16 registering year on year growth of 9.49%. This growth was on account of increase in product lines, volume growth and stellar performance by the business.

Profit Before Tax (PBT)

Profit before Tax has increased to ₹ 1,000.66 Lacs during the year 2015-16 in compare to ₹ 705.31 Lacs during the previous financial year registering year on year growth of 41.87%. With improved product mix and better operating efficiencies in business, the Company managed to deliver a robust performance. Operating gains on the back of enhanced efficiencies, aided by various strategic initiatives for value maximization and waste to wealth initiatives enabled the business to register best ever operating performance.

Interest

Financial Cost outflow has decreased from ₹ 484.74 Lacs to ₹ 407.76 Lacs in 2015-16. The decrease in finance cost is on account of use of low cost funding of buyers credit for import and PCFC against export of goods.

The interest & financial charges cover during the year under report has improved to 3.67 times as compared to 2.61 times in the preceding year.

Net Profit

Net profit for the financial year under report stood at ₹ 660.98 Lacs as compared to ₹ 467.13 Lacs in previous financial year registering a strong year on year growth of 41.50%.

Dividend

Management of the Company has decided to share

progress and growth of the Company with Shareholders by paying them dividend at higher rate. The Board has recommended a Final Dividend of ₹ 1.50 (15%) per equity share having face value of ₹ 10/- each on 30,18,300 equity shares for 2015-16. That is increase of dividend at the rate of 50% compared to the previous financial year.

Capital Employed

The Capital Employed in the business increased by ₹ 1,633.97 Lacs during 2015-16. This is reflected in the liabilities side of the Balance Sheet through an increase in Shareholders' Fund by ₹ 606.49 Lacs and increase in Borrowings by ₹ 1,027.48 Lacs. Return on Capital Employed for the year was 25.10%.

Surplus Management

The Company generated a Cash Profit of ₹ 749.16 Lacs for the year 2015-16 as compared to ₹ 542.57 Lacs 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

During the year, the Company's equity share capital stood at 30,18,300 Shares of ₹ 10/- each amounting to total paid up equity share capital of ₹ 3,01,83,000/-. There was no increase or decrease in total equity shares outstanding.

Debt-Equity

Debt Equity Ratio of the Company has marginally improved to 1.85 as at March 31, 2016 in compare to 1.91 as at March 31, 2015.

Earnings Per Share (EPS)

The Company's Basic and Diluted Earnings Per Share for the year 2015-16 has increased to ₹ 21.90 in

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

compare to ₹ 15.87 per equity share during the previous financial year 2014-15.

Cash Earnings Per Share

The Company's Cash Earnings Per Share during 2015-16 has also increased to ₹ 24.82 in compare to ₹ 18.44 during preceding financial year.



Notice

NOTICE is hereby given that the **24th Annual General Meeting** of the members of the Company, **M/s. Arfin India Limited** will be held on Saturday, September 10, 2016 at 12:00 noon at Regency Ballroom, Hyatt Regency, 17A, Ashram Road, Usmanpura, Ahmedabad - 380014, Gujarat, India, to transact the following businesses:

Ordinary Business

1. Adoption of Financial Statements

To consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2016 together with the reports of the Board of Directors and Auditors thereon.

2. Declaration of Dividend

To declare a Final Dividend on equity share of the Company for the financial year ended on March 31, 2016.

3. Appointment of Director Retiring by Rotation

To appoint a Director in place of Mr. Mahendra R. Shah (DIN: 00182746), who retires by rotation and, being eligible, offers himself for re-appointment.

4. Ratification of Re-appointment of Statutory Auditors

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

“RESOLVED THAT pursuant to the provisions of Section 139(1) and other provisions, if any, applicable to the Company, for the time being in force, of the Companies Act, 2013 read with first Proviso to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, re-appointment of M/s. Raman M. Jain & Co. (Firm Registration No.: 113290W), Chartered Accountants, Ahmedabad, made at the 22nd Annual General Meeting of the members of the Company, be and is hereby ratified

to hold the office, till the conclusion of next Annual General Meeting, on payment of such remuneration as may be decided mutually by Mr. Mahendra R. Shah, Whole Time Director and Audit Committee in consultation with the said firm of Auditors.”

Special Business

5. Appointment of Mr. Shantilal Mehta (DIN: 06459451) 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 / change in designation of Mr. Shantilal Mehta (in respect of whom, the Company has, pursuant to the provisions of Section 160 of the Companies Act, 2013, received a notice in writing along with deposit of requisite amount from a member proposing his candidature for the office of Independent Director) made / done by the Board of Directors at its meeting held on November 5, 2015, 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. Shantilal Mehta shall not be liable to retire by rotation.”

6. Appointment of Mrs. Pushpa M. Shah (DIN: 00182754) as an Executive Director

To consider and if thought fit, to pass, the following

Notice

resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 152, 160, 161(1) and other provisions, if any, applicable to the Company, for the time being in force, of the Companies Act, 2013 read with the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company, Mrs. Pushpa M. Shah, who was appointed as an Additional Executive Director by

the Board of Directors at its meeting held on November 5, 2015, who holds office up to the date of this Annual General Meeting and in respect of whom, the Company has, pursuant to the provisions of Section 160 of the Companies Act, 2013, received a notice in writing along with deposit of requisite amount from a member proposing her candidature for the office of Director, be and is hereby appointed as an Executive Director of the Company, liable to retire by rotation.”

7. Approval for Remuneration to 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 the remuneration payable / being paid to Mrs. Pushpa M. Shah, an Executive Director of the Company effective from the date of her appointment, as shown below:

Particulars	Amount in ₹ Per Annum
Basic Salary	11,73,400
Medical Reimbursement	25,000
Ad-hoc Allowance	1,40,792
Leave Travel Allowance	20,000
Provident Fund – Employer’s Contribution	1,40,808
Performance Bonus	5,00,000
Total	20,00,000

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

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

Notice

8. Borrowings in Excess of Aggregate of Paid-up Share Capital & Free Reserves

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

“RESOLVED THAT pursuant to provisions of Section 180(1)(c) & other provisions, if any, applicable to the Company, for the time being in force, of the Companies Act, 2013 and Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include Committee(s) of the Board constituted to exercise its powers, including the powers conferred by this resolution) to borrow any sum or sums of money from time to time, on such terms and conditions and with or without security as the Board may deem fit from Banks, Financial Institutions, Directors, Shareholders or any other lenders notwithstanding that the money or moneys to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purposes, provided that the total amount so borrowed and remaining outstanding at any particular time shall not exceed ₹ 300 Crores”.

Registered Office

B-302, 3rd Floor, Pelican House,
GCCl Building, Ashram Road,
Ahmedabad – 380009,
Gujarat, India.
CIN: L65990GJ1992PLC017460
Tel. No.: +91 079 26583791, 92,
Fax: +91 79 26583792,
Email: investors@arfin.co.in,
Website: www.arfin.co.in

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

9. 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 of the Companies Act, 2013, Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and other provisions, if any, applicable to the Company, for the time being in force, the annual remuneration of ₹ 40,000/- plus service tax and out of pocket expenses be paid / payable to Mr. Chiragkumar Bipinkumar Modh, Proprietor of M/s. C. B. Modh & Co. (Firm Registration No.: 101474), Cost Accountants, Ahmedabad, who has been appointed as the Cost Auditors by the Board of Directors, to conduct audit of the cost records maintained by the Company for the financial year ending on March 31, 2017 be and is hereby ratified and confirmed.”

For & on behalf of Board of Directors

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

Place: Ahmedabad
Date: July 22, 2016

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 INSTEAD OF HIM. 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 Report would be made available at the Annual General Meeting and 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) 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 Monday, September 5, 2016.
4. The Board has recommended a dividend of ₹ 1.50 (15%) per equity share of ₹ 10/- each, which, if approved by the members at this Annual General Meeting, will be paid on or after Friday, September 16, 2016 in respect of shares held in physical form, to those members whose names shall appear in the Company's Register of Members as on Saturday, September 3, 2016 and in respect of shares held in the electronic form, to those 'Deemed Members' whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) at the close of business hours on Saturday, September 3, 2016.

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

5. In terms of the 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 (DP) and the members



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holding securities in physical form are requested to send a request to the Registrar and Share Transfer Agents i.e. M/s. Link Intime India Private Limited, Unit No. 303, Shoppers Plaza - V, Opp. Municipal Market, Off C. G. Road, Navrangpura, Ahmedabad – 380009, Gujarat, India or to the Company Secretary of the Company.

6. Non-Resident Indian Shareholders are requested to inform the Registrars, M/s. Link Intime India Private Limited immediately about:
 - a) change in the Residential status on return to India for permanent settlement, if any.
 - 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 M/s Link Intime at Unit No. 303, Shoppers Plaza - V, Opp. Municipal Market, Off C. G. Road, Navrangpura, Ahmedabad – 380009, Gujarat, India. Members whose shareholding is in the electronic mode are requested to update the change of address and updation of bank account details to their respective DPs.

7. Corporate members intending to send their authorized representative(s) to attend the meeting pursuant to 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 Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company / Registrar.

9. In terms of Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs, under Green initiative in the Corporate Governance, all the members holding shares in electronic form are requested to intimate their email addresses to their respective Depository Participants and members holding shares in physical form are requested to intimate their e-mail address to the Company's Registrar and Share Transfer Agent whose e-mail id is ahmedabad@linkintime.co.in mentioning the Company's name i.e. Arfin India Limited, so as to enable the Company to send the Annual Report, Accounts, 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 Depository Participants / Company. Physical copies of the same have been sent to those members whose email addresses are not registered with the Depository Participants / Company indicating the process and manner of e-voting. The members will be entitled to receive physical copy of the Annual Report for the financial year ended on March 31, 2016, free of cost, upon sending a request to the Company Secretary of the Company.

10. Members seeking any information about the

Notes

accounts and / or operations of the Company are requested to write to the Company Secretary at least 10 days before the date of Annual General Meeting to enable the Management to keep 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 and at the ensuing Annual General Meeting.
12. The equity shares of the Company are at present listed with the Bombay Stock Exchange, the Ahmedabad Stock Exchange and the Calcutta Stock Exchange. The listing fee for the financial year under report has been paid timely.
13. 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.

14. The Annual Report 2015-16 as circulated to the members of the Company is also available on the website of the Company at www.arfin.co.in.

15. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Amendment Rules, 2015 and 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 for voting electronically are as under:

In case of members receiving e-mail:

- i. The voting period begins on Wednesday, September 7, 2016 at 9:00 AM (IST) and ends on Friday, September 9, 2016 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), Saturday, September

Notes

3, 2016, 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.
- 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

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 members holding shares in demat as well as physical form).</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).</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

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. 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.

- x. 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-

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voting on the resolutions contained in this Notice.

- xi. Click on the EVSN (Electronic Voting Sequence Number) of Arfin India Limited.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same, the option “YES / NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “CLICK HERE TO PRINT” option on the voting page.
- xvii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii. 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, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of 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.

- xix. 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



Notes

voting by electronic means is as under:

Mr. Purvesh Pandit

Company Secretary
Arfin India Limited
B-302, 3rd 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

16. 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. Saturday, September 3, 2016. **Further, a person who is not a member as on the cut-off date should treat this Notice for information purpose only. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the cut-off date i.e. Saturday, September 3, 2016, shall be entitled to exercise his / her vote either electronically i.e. remote e-voting or through the poll paper at the AGM by following the procedure mentioned in this part.**
17. The Company has appointed Mr. Kamlesh M. Shah, Proprietor of M/s. Kamlesh M. Shah & Co., Practicing Company Secretary, Ahmedabad (ICSI Membership Number: ACS 8356, Certificate of Practice Number: 2072), who in the opinion of the Board is a duly qualified person as a Scrutinizer and he will scrutinize the

voting processes in a fair and transparent manner.

18. 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 make a Consolidated Scrutinizers' Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
19. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.arfin.co.in and on the website of CDSL and shall be communicated to the Stock Exchanges within the time prescribed by the law.
20. The resolution shall be deemed to be passed on the date of the Annual General Meeting, subject to the same being with requisite majority.
21. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

Explanatory Statement

Additional Information for the Director proposed to be appointed / reappointed at the Annual General Meeting pursuant to the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In respect of Item No. 3

Name of Director	Mr. Mahendra R. Shah
Director Identification Number	00182746
Original Date of Appointment	September 9, 1998
Date of Appointment at Current Designation	October 1, 2014
Brief resume of the Director including nature of expertise in specific functional areas	<p>Mr. Mahendra R. Shah, aged 53 years, is currently the Chairman & Whole Time Director of Arfin India Limited, Flagship Company of Arfin Group. Mr. Shah is a Science graduate from the Gujarat University.</p> <p>Mr. Shah started his business journey in the Aluminium Industry in 1995 and has over 22 years of rich industrial experience. He has also experience in 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.</p> <p>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 Growth.</p> <p>He is having rich experience in the field of Corporate and Strategic Planning, Corporate Finance & Restructuring, Risk Management System and Process Implementation, Raising Capital through innovative financial products and is a very good leader with strong relationship with stakeholders and employees.</p>
No. of Shares held in Company as on March 31, 2016	5,13,400
Directorships and Committee memberships held in other Listed Companies	Nil
Inter-se relationships between Directors	Mr. Shah is related to Mrs. Pushpa M. Shah and Mr. Jatin M. Shah by way of being their spouse and father respectively.

Explanatory Statement

Pursuant to Provisions of Section 102 of the Companies Act, 2013 and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The following Explanatory Statement sets out all the material facts relating to the Special Businesses under Item No. 5 to 9 of the accompanying Notice dated July 22, 2016.

In Respect of Item No. 5

Mr. Shantilal Mehta (DIN: 06459451) is holding post

As per the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, information of the Director proposed for appointment / re-appointment is given below:

Name of Director	Mr. Shantilal Mehta
Director Identification Number	06459451
Original Date of Appointment	January 22, 2013
Date of Appointment at Current Designation	November 5, 2015
Brief resume of the Director including nature of expertise in specific functional areas	<p>Mr. Shantilal Mehta is a Qualified Mechanical Engineer and the Mentor, Founder and Guide to the Aluminium Wire Rod and Cable & Conductors Plant of the Arfin India Limited. He is also the Advisor and Consultant to many Aluminium Wire Rod & Conductor Plants.</p> <p>He is a member of the Technical Committee of Bureau of Indian Standards 1985 (Chandigarh Chapter), Blood Bank PGI Chandigarh.</p> <p>Nature of expertise includes strong domain knowledge of Indian aluminium recycling and conductor industry, rich experience in the field of aluminium wire rod production, conductor plant setup, strategic planning, risks management and systems & process implementation.</p>
No. of Shares held in Company as on March 31, 2016	Nil
Directorships and Committee memberships held in other Listed Companies	Nil
Inter-se relationships between Directors	Independent to the Company and its Directors.

of Director since January 2013 as a Non-Executive Director of the Company. He has been appointed (change in designation) as an Independent Director of the Company by the Board at its meeting held on November 5, 2015 for a period of five consecutive years. He fulfills all the conditions of independence as stipulated under provisions of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanatory Statement

The above qualification and expertise of Mr. Shantilal Mehta may be considered as justification for choosing him as an Independent Director.

Except Mr. Shantilal Mehta in general, none of the Directors, Key Managerial Personnel and Relatives of the Directors / Key Managerial Personnel of the Company is interested in the proposed resolution.

It is in the Company's interest that it should continue to avail his services as a member of the Board. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Shantilal Mehta, as an Independent Director, for the approval by shareholders of the Company.

In Respect of Item No. 6

Mrs. Pushpa M. Shah (DIN: 00182754) has been

appointed on November 5, 2015 as an Additional Executive Director of the Company by the Board of Directors, pursuant to the provisions of the Articles of Association of the Company and Section 161 of the Companies Act, 2013. According to the provisions of the said Section, she will hold office only up to the date of ensuing Annual General Meeting. As required under the provisions of Section 160 of the above Act, a notice in writing has been received from a member of the Company proposing her candidature for the post of Executive Director along with deposit of requisite amount. The Company has also received consent from her for being continued on the said post. Further, under the provisions of Section 152 of the Companies Act, 2013, Mrs. Pushpa M. Shah shall be included in the total number of Directors for the purpose of determining Directors to retire by rotation at the Annual General Meetings.

As per the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, information of the Director proposed for appointment / re-appointment is given below:

Name of Director	Mrs. Pushpa M. Shah
Director Identification Number	00182754
Date of Appointment	November 5, 2015
Brief resume of the Director including nature of expertise in specific functional areas	<p>Mrs. Pushpa M. Shah aged about 50 years, born on June 21, 1966 falls under the category of promoters of the Company and is a commerce graduate from the Maharashtra University. She was appointed as an Additional Executive Director and is now being proposed for approval of members for the post of Executive Director of the Company.</p> <p>Her expertise in the functional areas includes sound knowledge of business and her experience of around 16 years in the aluminium industry adds value and expertise to her profile.</p>
No. of Shares held in Company as on March 31, 2016	4,36,700
Directorships and Committee memberships held in other companies	NIL
Inter-se relationships between Directors	Mrs. Pushpa M. Shah is related to Mr. Mahendra R. Shah and Mr. Jatin M. Shah by way of being their spouse and mother respectively.

Explanatory Statement

Except Mrs. Pushpa M. Shah (Additional Executive Director proposed for regularization), Mr. Mahendra R. Shah, Executive Chairman & Whole Time Director and Mr. Jatin M. Shah, Managing Director of the Company being her relatives and promoters of the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in

the resolution set out in this item of the Notice.

It is in the Company's interest that it should continue to avail her services as a member of the Board. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Pushpa M. Shah, as an Executive Director, for approval by shareholders of the Company.

In Respect of Item No. 7

Mrs. Pushpa M. Shah (DIN: 00182754) has been appointed as an Additional Executive Director at the meeting of Board of Directors of the Company held on November 5, 2015. Being an Executive Director, she is entitled for remuneration as per the standards prevailing in the industry.

The members are requested to take note that the following is the remuneration paid / being paid to Mrs. Pushpa M. Shah, for and from the financial year 2015-16 onwards which is also being put here for their approval:

Particulars	Amount In ₹ Per Annum
Basic Salary	11,73,400
Medical Reimbursement	25,000
Ad-hoc Allowance	1,40,792
Leave Travel Allowance	20,000
Provident Fund – Employer's Contribution	1,40,808
Performance Bonus	5,00,000
Total	20,00,000

Considering the fact that above mentioned remuneration along with the remuneration being paid to the other Executive Directors of the Company is inadequate, as per the provisions of Chapter XIII of the Companies Act, 2013, approval is also sought in terms of provisions of Section 197 of the Companies Act, 2013 read with provisions of Section II of Part II of Schedule V for the remuneration paid / payable to Mrs. Pushpa M. Shah as an Executive Director of the Company. Accordingly, the Board recommends passing of the resolution as set out in Item No. 7 by way of a special resolution.

Except Mrs. Pushpa M. Shah, Mr. Mahendra R. Shah, Executive Chairman & Whole Time Director and Mr.

Jatin M. Shah, Managing Director of the Company being her relatives and promoters of the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out in this item of the Notice.

Note: The members may take note of the following additional disclosure made in terms of Section II of Part II of Schedule V of the Companies Act, 2013 which forms part of the Explanatory Statement in respect of the above resolution.

Explanatory Statement

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

I. General Information

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

₹ In Lacs

Particulars	2015-16	2014-15	2013-14
Total Revenue	27,321.71	25,094.07	19,055.86
Profit before Tax	1,000.66	705.31	401.45
Profit after Tax	660.98	467.13	264.51

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

II. Information about the appointee(s)

1	Background Details	Mrs. Pushpa M. Shah falls under the category of Promoters of the Company. Mrs. Shah is Graduate in Commerce.
2	Past Remuneration	₹ 11,16,665/- paid during the financial year 2015-16 (for 5 months being her holding period)
3	Recognition or Awards	-
4	Job Profile and Suitability	Mrs. Pushpa M. Shah is being appointed as an Executive Director of the Company. She will devote her time in managing the affairs of the Company. Her 16 years' experience in the aluminium industry makes her most suitable person for the post.
5	Remuneration Proposed	₹ 20 Lacs per annum
6	Comparative Remuneration Profile with respect to Industry, size of the Company, Profile of Person and Position	Mrs. Pushpa M. Shah carries vast and enriched experience in the business line of the Company. Mrs. Shah has been instrumental in the growth of the Company and the remuneration paid to her is fully justifiable and comparable to that prevailing in the industry. Mrs. Shah shall be looking after and responsible for managing affairs of the Company.
7	Pecuniary Relationship, directly or indirectly with the Company or relationship with the Managerial Personnel, if any	Mrs. Pushpa M. Shah falls under the category of Promoters and is related to Mr. Mahendra R. Shah and Mr. Jatin M. Shah by way of being their Spouse and Mother respectively.

Explanatory Statement

III. Other information

i. Reasons for loss or inadequate profits:

The Company has earned a handsome amount of profit during the financial year under report and is expecting to earn even more during the current financial year, but if the collective remuneration to all the Directors exceeds 11% of the net profit earned (calculated as per provisions of Section 198 of the Companies Act, 2013) during the financial year, the profit shall be considered as inadequate profit as per Company's interpretation. Thus, in spite of having a handsome amount of profit, just for the sake of provisions of Chapter XIII of the Companies Act, 2013 the profit has been considered as inadequate profit.

ii. Steps taken or proposed to be taken for improvement:

Not Applicable.

iii. Expected increase in productivity and profits:

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

IV. Disclosure

The Corporate Governance Report which forms part of this Annual Report also contains details of the remuneration paid to Mrs. Pushpa M. Shah.

In Respect of Item No. 8

The Company is required to borrow funds from time to time in order to meet its short term as well as long term business objectives, from various external agencies like Banks, Financial Institutions, Directors, Shareholders, Body Corporate, Individuals or from any other kind of lenders. According to the provisions of Section 180(1)(c) of the Companies Act, 2013, the

total amount of such borrowings including outstanding, at anytime cannot exceed the aggregate of paid up share capital and free reserves of the Company, except with the consent of the members. Considering the growth of the Company, the Board feels that the current limit in this regard is not adequate and needs enhancement & accordingly the resolution having no. 8 has been proposed to increase the limits of borrowings from the existing limit to ₹ 300 Crores.

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

In Respect of Item No. 9

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

On recommendation of the Audit Committee, the Board of Directors has considered and approved appointment of Mr. Chiragkumar Bipinkumar Modh, Proprietor of M/s. C. B. Modh & Co., Cost Accountants, Ahmedabad, to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2017 at a remuneration as mentioned in the resolution no. 9 of the notice. The resolution set out in Item No. 9 of the notice is proposed to be passed as an ordinary resolution for approval and ratification of remuneration payable to the said Cost Auditor for the said financial year, in terms of provisions of Section 148 of the Companies Act, 2013.

Explanatory Statement

None of the Directors, Key Managerial Personnel of the Company or their relatives is in anyway, concerned

or interested, financially or otherwise, in the said resolution.

Registered Office

B-302, 3rd Floor, Pelican House,
GCCl Building, Ashram Road,
Ahmedabad – 380009,
Gujarat, India.
CIN: L65990GJ1992PLC017460
Tel. No.: +91 079 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: July 22, 2016

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 24th Annual Report on the Businesses and Operations of the Company together with Audited Accounts for the financial year ended on March 31, 2016.

1. Financial Summary

₹ In Lacs

Particulars	2015-16	2014-15
Revenue from Operations	30,688.92	28,028.69
Less: Central Excise Duty	3401.36	3,033.74
Net Revenue From Operations	27,287.56	24,994.94
Profit / (Loss) Before Tax	1,000.66	705.31
Provisions for Income Tax including Deferred Tax	339.68	238.18
Profit / (Loss) After Tax	660.98	467.13
Proposed Dividend	45.27	30.18
Transfer to General Reserves	75.00	40.00
Profit Carried to Balance Sheet	660.98	467.13
Accumulated Balance of Profit	1,489.85	958.36

2. State of Company's Affair

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

During the financial year under report, the Company achieved a gross turnover of ₹ 31,977.66 Lacs compared to ₹ 29,122.75 Lacs during the previous financial year. The Profit Before Depreciation, Interest and Tax (PBDIT) has increased from ₹ 1,265.49 Lacs to ₹ 1,496.61 Lacs. Net Profit After Tax increased from ₹ 467.13 Lacs to ₹ 660.98 Lacs. In view of infrastructural development of growing Indian economy, the Directors are hopeful of even more increase in demand for Company's products resulting into satisfactory top & bottom line growth of the Company in near future. Detailed analysis as to review of the Company's operational and financial performance is given in the Management Discussion & Analysis Report.

3. Dividend

Considering the profit, growth and bright future of the Company, the Directors have decided to share

the Company's profit with the Shareholders by way of giving them Final Dividend at a rate which is 50% more than that given in the financial year ended on March 31, 2015. Accordingly, the Directors are pleased to recommend a dividend of ₹ 1.50 (15%) per equity share on 30,18,300 equity shares of the Company of ₹ 10/- each for the financial year ended on March 31, 2016. The total amount of Final Dividend recommended is ₹ 45.27 Lacs and dividend distribution tax would be ₹ 9.22 Lacs.

4. Listing

With Regional Stock Exchanges

The equity shares of the Company are listed with the Ahmedabad Stock Exchange Limited and the Calcutta Stock Exchange Limited and the listing fees has been duly and timely paid to both the Stock Exchanges during the financial year under report.

With Bombay Stock Exchange

During the financial year under report, 30,18,300 equity shares of the Company having face value of ₹ 10/- each got listed with the Bombay Stock Exchange ("BSE") w.e.f. May 28, 2015 under the

Directors' Report

"Direct Listing Route." Initial as well as Annual Listing fees have been duly and timely paid by the Company to BSE.

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

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

6. Details of Subsidiary / Joint Venture / Associate Companies

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

Group Companies to the Arfin India Limited includes M/s. Mahendra Aluminium Company Limited & M/s. Krish Ferro Industries Private Limited.

7. Material Changes and Commitment, if any, affecting the Financial Position of the Company

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

status and operations of the Company in future.

8. Deposits

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 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

9. Statutory Auditors

M/s. Raman M. Jain & Co., Statutory Auditors of the Company were re-appointed at the 22nd Annual General Meeting of the Company for a period of three consecutive financial years (including transitional period). In accordance with the provisions of Section 139 of the Companies Act, 2013 & Rules framed there under, the Board recommends the members to ratify their appointment from the conclusion of this 24th Annual General Meeting up to the conclusion of 25th Annual General Meeting.

The Auditors' Report for the financial year ended on March 31, 2016 forms part of this Annual Report and the same does not contain any qualification, reservation or adverse remark.

10. Secretarial Auditors

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of your Company has appointed M/s. Kamlesh M. Shah & Co., Practicing Company Secretaries, Ahmedabad as a Secretarial Auditors to conduct an Audit of secretarial records and compliances, for the financial year ending on March 31, 2017.

The Secretarial Audit Report for the financial year ended on March 31, 2016 is annexed herewith as **Annexure-5** to this report and the same does not contain any qualification, reservation or adverse remarks.



Directors' Report

11. Cost Auditors

The Board of Directors of your Company has appointed M/s. C. B. Modh & Co., Cost Accountants, Ahmedabad, as Cost Auditors to conduct Audit of Cost Records for financial year ending on March 31, 2017.

12. Share Capital

During the financial year under report, the Company didn't make any issue of equity shares with differential voting rights, sweat equity shares or under employee stock options scheme.

Further, the Company didn't make any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.

13. Directors & Key Managerial Personnel

I. Cessation of Directors

During the financial year under report, Ms. Mona Chhaphia resigned from the post of Additional Independent Director of the Company w.e.f. September 10, 2015 and thus ceases to be Director of the Company. The Board places on record its sincere appreciation for the valuable services rendered by Ms. Mona Chhaphia during her tenure.

II. 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, Mr. Mahendra R. Shah (DIN: 00182746) will retire by rotation at this Annual General Meeting of the Company and being eligible, offers himself for reappointment. The Board recommends his appointment.

In this connection, it is clarified that as per the Articles of Association of the Company, the Managing Director and Whole Time Director are not liable to retire by rotation unless otherwise decided by the Board. Since there are only 3 Non Independent Directors out of whom one is Whole Time Director and another is Managing Director, to

comply with the provisions of Section 152(6) of the said Act, both the aforesaid Directors who are otherwise Non Rotational Directors, have consented to be liable to retire by rotation and the Board has decided that Mr. Mahendra R. Shah being longest in office would retire by rotation.

III. Appointment

a. Executive Directors

During the financial year under report, Mrs. Pushpa M. Shah (DIN: 00182754), has been appointed as an Additional Executive Director of the Company w.e.f. November 5, 2015. Her appointment is proposed for approval of the members.

b. Independent Directors

During the financial year under report, Mr. Shantilal Mehta (DIN: 06459451) has been designated as an Independent Director of the Company w.e.f. November 5, 2015. His appointment as an Independent Director is proposed for approval of the members.

Further, Mr. Dilip Kumar Daga and Mr. Rameshkumar Babulal Shah, who were originally appointed as Additional Independent Directors by the Board at its meeting held on August 25, 2014 were appointed as Independent Directors by the members at the previous Annual General Meeting held on September 27, 2015.

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

A separate meeting of Independent Directors of the Company was held on March 29, 2016 in accordance with the provisions of Clause VII of the Schedule IV of the Companies Act, 2013.

Directors' Report

c. Company Secretary and Compliance Officer

During the financial year under report, Ms. Riddhi N. Shah resigned and thus ceases to be Company Secretary of the Company w.e.f. July 20, 2015.

Further, Mr. Durgesh D. Soni, a member of the Institute of Company Secretaries of India (ICSI), who was appointed in her place as the Company Secretary and Compliance Officer of the Company at the meeting of Board of Directors held on July 20, 2015, resigned and thus ceases to be the Company Secretary of the Company w.e.f. closure of working hours of May 6, 2016.

Mr. Purvesh Pandit, a member of the Institute of Company Secretaries of India (ICSI) was appointed in his place as Company Secretary and Compliance Officer of the Company at the meeting of Board of Director held on May 21, 2016.

IV. Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has appointed Mrs. Pushpa M. Shah as Woman Director on the Board of the Company during the financial year under report. She is an Executive Director of the Company.

V. Evaluation of the Board's Performance

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

VI. Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees. The policy has been approved by the Nomination & Remuneration Committee and the Board. More details on the same has 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 following web link:

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

14. Number of Meetings of Board of Directors

The Board of Directors met 6 times during the financial year ended on March 31, 2016. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

15. Composition of Audit Committee

The Board has constituted an Audit Committee which comprises of Mr. Dilip Kumar Daga as the Chairman and Mr. Rameshkumar Babulal Shah & Mr. Mahendra R. Shah as members.



Directors' Report

Further, all the recommendations were accepted by the Board of Directors during the period under report. More details on the committee are given in the Corporate Governance Report.

16. 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 the Board. Omnibus approval has been obtained from Audit Committee, Board of Directors and members 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 web link:
<http://www.arfin.co.in/pdf/policies/related-party-transactions-policy.pdf>

17. 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 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 following web link:

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

18. Nomination and Remuneration Committee

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

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

More details on the Committee has been given in the Corporate Governance Report.

19. Stakeholder Relationship Committee

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

The above Committee has been reconstituted and Mr. Purvesh Pandit has taken place as a member of the Committee with effect from May 21, 2016, as approved by the Board at its meeting held on that day.

More details on the Committee has been given in the Corporate Governance Report.

Directors' Report

20. Internal Complaints Committee (ICC)

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

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

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

During the financial year ended on March 31, 2016, the Company did not receive any complaints pertaining to sexual harassment.

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

The Company did not grant / make any Loan / Investment and provide Guarantees in respect of loans availed by others, under the provisions of Section 186 of the Companies Act, 2013 and Rules framed there under during the financial year under report.

22. Managerial Remuneration

The Company follows a policy on remuneration of Directors, KMPs 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 has been given in the Corporate Governance Report.

23. 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.

24. 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.

25. 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 following web link:

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

26. Risk Management Policy

The Board of Directors has developed and implemented a Risk Management Policy for the Company. It has identified and assessed internal and external risks, with potential impact and likelihood that may impact the Company in achieving its strategic objectives or may threaten its existence. The Policy lays down the procedures for risk identification, description, evaluation,



Directors' Report

estimation, reporting and development of action plan. The policy includes identification of elements of risks which mainly covers Strategic Risk, Operational Risk, Financial Risk and Hazardous Risks. The same can be accessed from the website of the Company at following web link:

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

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

27. Corporate Social Responsibility

During the financial year ended on March 31, 2016, the Company has attracted criteria for Corporate Social Responsibility (CSR) by crossing net profit beyond ₹ 5 Crores, pursuant to the provisions of Section 135 of the Companies Act, 2013 including Rules framed there under and thus provision of amount for CSR activities has been made for the financial year ended on March 31, 2016.

Accordingly, the Company has constituted a Corporate Social Responsibility Committee with following Directors:

- Mr. Mahendra R. Shah
- Mr. Shantilal Mehta
- Mrs. Pushpa M. Shah

The Committee at its first meeting held on July 11, 2016 approved the Corporate Social Policy. The same can be accessed from the website of the Company at following web link:

<http://www.arfin.co.in/pdf/policies/corporate-social-responsibility-policy.pdf>

28. Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on March 31, 2016 and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. 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 Companies (Appointment and Qualification of Directors) Rules, 2014.

Directors' Report

30. 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.**

31. Extract of Annual Return

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

32. Form AOC-2

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

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

The details as per Rule 5(1) & (2) of the aforesaid Rule are enclosed herewith as **Annexure – 4.**

34. 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, is enclosed herewith as **Annexure - 5.**

35. 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.**

36. Disclaimer

Though, the applicability and adherence of provisions of regulations relating to Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 being not mandated under the provisions of Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the Companies falling under the criteria of having Paid up Equity Share Capital not exceeding ₹ 10 Crores and Net Worth not exceeding ₹ 25 Crores as on the last date of previous financial year, the Board of Directors of your Company has still made sufficient efforts to comply with the provisions related to Corporate Governance and to disclose the relevant information in the Directors' Report, Corporate Governance Report and in the entire Annual Report, to the extent possible as a matter of prudence and good governance.

37. 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: July 22, 2016

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 Lacs
Foreign Exchange Earned (Actual Inflow)	
Sale of Finished Goods	3,504.27
Others	-
Total	3,504.27
Foreign Exchange Used (Actual Outflow)	
Import of Raw Material	8,057.68
Import of Stores	0.61
Import of Capital Goods	-
Foreign Travelling Expenses	7.91
Others	25.07
Total	8,091.27

For and on Behalf of the Board of Directors

Place: Ahmedabad
Date: July 22, 2016

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

Annexure 2 to the Directors' Report

Form No. MGT-9

Extract of Annual Return

As on the Financial Year ended on March 31, 2016

[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 of the Company	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
Bombay Stock Exchange		539151
Ahmedabad Stock Exchange		05027
Calcutta Stock Exchange		10011140
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited Unit No. 303, Shoppers Plaza - V, Opp. Municipal Market, Behind Shoppers Plaza II Off C G Road, Ahmedabad 380009, Gujarat, India. Tel.: +91 79 26465179, Fax: +91 79 26465179, Email: ahmedabad@linkintime.co.in , Website: www.linkintime.co.in

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of Main Product / Services	NIC Code of the Product	% to Total Turnover of the Company
1.	Aluminium	242	92.14

(*NIC Codes – 2008)

III. Particulars of Holding, Subsidiary and Associate Companies

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

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the Beginning of the Financial Year – April 1, 2015			Shareholding at the End of the Financial Year – March 31, 2016			% Change in Share Holding 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	5,13,400	17.01	-	5,13,400	17.01	-	-
2	Jatin M. Shah	4,48,900	14.87	-	4,48,900	14.87	-	-
3	Pushpa M. Shah	4,36,700	14.47	-	4,36,700	14.47	-	-
4	Rani J. Shah	4,03,900	13.38	-	4,03,900	13.38	-	-
5	Jatin M. Shah (HUF)	1,77,700	5.89	-	1,77,700	5.89	-	-
6	Pooja M. Shah	1,32,500	4.39	-	1,32,500	4.39	-	-
7	Mahendra R. Shah (HUF)	62,500	2.07	-	62,500	2.07	-	-
8	Khushbu M. Shah	5,000	0.17	-	5,000	0.17	-	-
9	Jitendra S. Shah*	300	0.01	-	-	-	-	(0.01)
10	Shankarlal R. Shah*	100	0.003	-	-	-	-	(0.003)
11	Sukanraj Shah*	100	0.003	-	-	-	-	(0.003)
12	Vikram S. Shah*	100	0.003	-	-	-	-	(0.003)
	Total	21,81,200	72.27		21,80,600	72.25	-	(0.02)

* Reclassified as public shareholders during the financial year under report and thus details of shareholding have not been given as at March 31, 2016.

Annexure 2 to the Directors' Report

iii. Change in Promoters' Shareholding

Sr. No	Name of the Shareholder	Shareholding at Beginning Year – April 1, 2015		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
1	Mahendra R. Shah At Beginning of the Year At End of the Year	5,13,400	17.01	5,13,400 5,13,400	17.01 17.01
2	Jatin M. Shah At Beginning of the Year At End of the Year	4,48,900	14.87	4,48,900 4,48,900	14.87 14.87
3	Pushpa M. Shah At Beginning of the Year At End of the Year	4,36,700	14.47	4,36,700 4,36,700	14.47 14.47
4	Rani J. Shah At Beginning of the Year At End of the Year	4,03,900	13.38	4,03,900 4,03,900	13.38 13.38
5	Jatin M. Shah (HUF) At Beginning of the Year At End of the Year	1,77,700	5.89	1,77,700 1,77,700	5.89 5.89
6	Pooja M. Shah At Beginning of the Year At End of the Year	1,32,500	4.39	1,32,500 1,32,500	4.39 4.39
7	Mahendra R. Shah (HUF) At Beginning of the Year At End of the Year	62,500	2.07	62,500 62,500	2.07 2.07
8	Khushbu M. Shah At Beginning of the Year At End of the Year	5,000	0.17	5,000 5,000	0.17 0.17
9	Jitendra S. Shah* At Beginning of the Year At End of the Year	300	0.01	300 300	0.01 0.01
10	Shankarlal R. Shah* At Beginning of the Year At End of the Year	100	0.003	100 100	0.003 0.003
11	Sukanraj Shah* At Beginning of the Year At End of the Year	100	0.003	100 100	0.003 0.003
12	Vikram S. Shah* At Beginning of the Year At End of the Year	100	0.003	100 100	0.003 0.003

*Reclassified as public shareholders during the financial year under report and thus there is a decrease of 0.02% in shareholding of the Promoters.

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 Year – April 1, 2015		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
1	Shah Priti Gopal				
	At the Beginning of the Year	1,50,000	4.97	1,50,000	4.97
	Sold on December 4, 2015	(2,811)	(0.09)	1,47,189	4.88
	Sold on December 11, 2015	(305)	(0.01)	1,46,884	4.87
	Sold on December 18, 2015	(290)	(0.01)	1,46,594	4.86
	Sold on December 31, 2015	(1,050)	(0.03)	1,45,544	4.82
	Sold on January 8, 2016	(993)	(0.03)	1,44,551	4.79
	At the End of the Year			1,44,551	4.79
2	Rishabh Rameshkumar Shah				
	At the Beginning of the Year	54,300	1.80	54,300	1.80
	Sold on May 29, 2015	(20)	(0.00)	54,280	1.80
	Sold on June 5, 2015	(50)	(0.00)	54,230	1.80
	Sold on June 12, 2015	(210)	(0.01)	54,020	1.79
	Sold on June 19, 2015	(300)	(0.01)	53,720	1.78
	Sold on June 26, 2015	(300)	(0.01)	53,420	1.77
	Sold on July 3, 2015	(200)	(0.01)	53,220	1.76
	Sold on July 10, 2015	(800)	(0.03)	52,420	1.74
	Sold on July 17, 2015	(300)	(0.01)	52,120	1.73
	Sold on July 24, 2015	(1,900)	(0.06)	50,220	1.66
	Sold on July 31, 2015	(1,200)	(0.04)	49,020	1.62
	Sold on August 7, 2015	(900)	(0.03)	48,120	1.59
	Sold on August 14, 2015	(900)	(0.03)	47,220	1.56
	Sold on August 21, 2015	(900)	(0.03)	46,320	1.53
	Sold on August 28, 2015	(600)	(0.02)	45,720	1.51
	Sold on September 4, 2015	(1,200)	(0.04)	44,520	1.48
	Sold on October 30, 2015	(1,000)	(0.03)	43,520	1.44
	At the End of the Year			43,520	1.44
3	Ratandevi Sureshkumar Nahata				
	At the Beginning of the Year	40,000	1.33	40,000	1.33
	At the End of the Year			40,000	1.33
4	Manjudevi Madanlal Nahata				
	At the Beginning of the Year	40,000	1.33	40,000	1.33
	At the End of the Year			40,000	1.33
5	Sishiladevi Parasmal Nahata				
	At the Beginning of the Year	40,000	1.33	40,000	1.33
	At the End of the Year			40,000	1.33

Annexure 2 to the Directors' Report

Sr. No	Name of the Shareholder	Shareholding at Beginning Year – April 1, 2015		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
6	Pratik Lalitkumar Shah				
	At the Beginning of the Year	44,800	1.48	44,800	1.48
	Sold on May 29, 2015	(20)	(0.00)	44,780	1.48
	Sold on June 12, 2015	(20)	(0.00)	44,760	1.48
	Sold on June 19, 2015	(200)	(0.01)	44,560	1.48
	Sold on July 3, 2015	(600)	(0.02)	43,960	1.46
	Sold on July 10, 2015	(200)	(0.01)	43,760	1.45
	Sold on July 17, 2015	(100)	(0.00)	43,660	1.45
	Sold on July 24, 2015	(600)	(0.02)	43,060	1.43
	Sold on July 31, 2015	(700)	(0.02)	42,360	1.40
	Sold on August 7, 2015	(1,000)	(0.03)	41,360	1.37
	Sold on August 14, 2015	(600)	(0.02)	40,760	1.35
	Sold on August 21, 2015	(800)	(0.03)	39,960	1.32
	Sold on August 28, 2015	(400)	(0.01)	39,560	1.31
	Sold on September 4, 2015	(1,300)	(0.04)	38,260	1.27
	Sold on October 30, 2015	(450)	(0.01)	37,810	1.25
	At the End of the Year			37,810	1.25
7	Jagdish Babulal Shah (HUF)				
	At the Beginning of the Year	39,500	1.31	39,500	1.31
	Sold on June 26, 2015	(200)	(0.01)	39,300	1.30
	Sold on June 30, 2015	(200)	(0.01)	39,100	1.30
	Sold on July 17, 2015	(100)	(0.00)	39,000	1.29
	Sold on July 24, 2015	(200)	(0.01)	38,800	1.29
	Sold on July 31, 2015	(100)	(0.00)	38,700	1.28
	Sold on August 7, 2015	(900)	(0.03)	37,800	1.25
	Sold on August 14, 2015	(600)	(0.02)	37,200	1.23
	Sold on August 21, 2015	(800)	(0.03)	36,400	1.21
	Sold on August 28, 2015	(500)	(0.02)	35,900	1.19
	Sold on September 4, 2015	(1,200)	(0.04)	34,700	1.15
	At the End of the Year			34,700	1.15
8	Kantaben Shah				
	At the Beginning of the Year	46,000	1.52	46,000	1.52
	Sold on September 4, 2015	(10,500)	(0.35)	35,500	1.18
	Sold on January 15, 2016	(1,500)	(0.05)	34,000	1.13
	At the End of the Year			34,000	1.13
9	Sanjay Parikh				
	At the Beginning of the Year	37,700	1.25	37,700	1.25
	Sold on August 14, 2015	(200)	(0.01)	37,500	1.24

Annexure 2 to the Directors' Report

Sr. No	Name of the Shareholder	Shareholding at Beginning Year – April 1, 2015		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
	Sold on August 21, 2015	(500)	(0.02)	37,000	1.23
	Sold on August 28, 2015	(500)	(0.02)	36,500	1.21
	Sold on September 4, 2015	(500)	(0.02)	36,000	1.19
	Sold on October 9, 2015	(200)	(0.01)	35,800	1.19
	Sold on October 23, 2015	(259)	(0.01)	35,541	1.18
	Sold on October 30, 2015	(292)	(0.01)	35,249	1.17
	Sold on November 6, 2015	(750)	(0.02)	34,499	1.14
	Sold on November 13, 2015	(88)	(0.003)	34,411	1.14
	Sold on November 27, 2015	(554)	(0.02)	33,857	1.12
	Sold on January 8, 2016	(500)	(0.02)	33,357	1.11
	At the End of the Year			33,357	1.11
10	Kishor Mohanlal Shah				
	At the Beginning of the Year	24,200	0.80	24,200	0.80
	At the End of the Year			24,200	0.80
11	Dilip Shah*				
	At the Beginning of the Year	46,000	1.52	46,000	1.52
	Sold on July 31, 2015	(600)	(0.02)	45,400	1.50
	Sold on September 4, 2015	(7,000)	(0.23)	38,400	1.27
	Sold on January 15, 2016	(37,600)	(1.25)	800	0.03
	At the End of the Year			800	0.03
12	Hasumati Shah*				
	At the Beginning of the Year	46,000	1.52	46,000	1.52
	Sold on January 15, 2016	(46,000)	(1.52)	-	-
	At the End of the Year			-	-

*Ceased to be in the list of top 10 shareholders as on March 31, 2016. The same are reflected above since the shareholders were in the list of top 10 shareholders as on March 31, 2015.

Annexure 2 to the Directors' Report

v. Shareholding of Directors and Key Managerial Personnel

Sr. No	Name of the Directors/ Key Managerial Personnel	Shareholding at Beginning Year – April 1, 2015		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
1	Mahendra R. Shah At Beginning of the Year At End of the Year	5,13,400	17.01	5,13,400 5,13,400	17.01 17.01
2	Jatin M. Shah At Beginning of the Year At End of the Year	4,48,900	14.87	4,48,900 4,48,900	14.87 14.87
3	Pushpa M. Shah ¹ At Beginning of the Year At End of the Year	4,36,700	14.47	4,36,700 4,36,700	14.47 14.47
4	Dilip Kumar Daga At Beginning of the Year At End of the Year	2,500	0.08	2,500 2,500	0.08 0.08
5	Rameshkumar Babulal Shah At Beginning of the Year At End of the Year	-	-	- -	- -
6	Shantilal Mehta At Beginning of the Year At End of the Year	-	-	- -	- -
7	Mona Chhapi ² At Beginning of the Year At End of the Year	-	-	- -	- -
8	Vijay Lathi ³ At Beginning of the Year At End of the Year	-	-	- -	- -
9	Durgesh D. Soni ⁴ At Beginning of the Year At End of the Year	-	-	- -	- -
10	Riddhi N. Shah ⁵ At Beginning of the Year At End of the Year	-	-	- -	- -

¹ Appointed w.e.f. November 5, 2015

² Resigned w.e.f. September 10, 2015

³ Appointed w.e.f. May 22, 2015

⁴ Appointed w.e.f. July 20, 2015 & Resigned w.e.f. May 6, 2016

⁵ Resigned w.e.f. July 20, 2015

Annexure 2 to the Directors' Report

V. Indebtedness

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

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year - April 1, 2015				
1) Principle Amount	3,127.61	247.10	-	3,374.71
2) Interest due but not paid	-	-	-	-
3) Interest Accrued but not due	-	-	-	-
Total (1+2+3)	3,127.61	247.10	-	3,374.71
Change in Indebtedness during the financial year				
Addition	1,403.43	713.04	-	2,116.47
Reduction	(1,076.12)	(12.88)	-	(1,089)
Net Change	327.31	700.17	-	1,027.48
Indebtedness at the end of the Financial Year - March 31, 2016				
1) Principle Amount	3,454.92	947.27	-	4,402.19
2) Interest Due but not paid	-	-	-	-
3) Interest Accrued but not due	-	-	-	-
Total (1+2+3)	3,454.92	947.27	-	4,402.19

VI. Remuneration of Directors and Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration	Whole Time Director	Managing Director	Total Amount (₹)
		Mr. Mahendra R. Shah (₹)	Mr. Jatin M. Shah (₹)	
1	Basic Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	31,73,424	31,73,424	63,46,848
	(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	-	-	-

Annexure 2 to the Directors' Report

Sr. No.	Particulars of Remuneration	Whole Time Director	Managing Director	Total Amount (₹)
		Mr. Mahendra R. Shah (₹)	Mr. Jatin M. Shah (₹)	
5	Others			
	Ad Hoc Allowance	3,80,772	3,80,772	7,61,544
	Medical Reimbursement	25,000	25,000	50,000
	Contribution of Employer to the Provident Fund	3,80,804	3,80,804	7,61,608
	Performance Bonus	15,00,000	15,00,000	30,00,000
	Total	54,60,000	54,60,000	1,09,20,000

Ceiling as per the Act: ₹ 84 Lacs per Managerial Person as per Section II of Part II of Schedule V of the Companies Act, 2013.

*(Excluding Gratuity Provision)

B. Salary of Other Directors

I. Other Executive Directors

Amount in ₹

Sr. No.	Particulars of Remuneration	Mrs. Pushpa M. Shah (appointed w. e. f. November 5, 2015)
1	Gross Salary	
	(a) Salary as per Provisions Contained in Section 17(1) of the Income Tax Act, 1961	4,88,915
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	-
	(c) Profits in lieu of Salary u/s 17(3) Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	
	- As % of Profit	-
	- Other, Specify	-
5	Others	-
	Ad Hoc Allowance	58,665
	Medical Reimbursement	10,415
	Contribution of Employer to the Provident Fund	68,670
	Performance Bonus	5,00,000
	Total	11,16,665

Ceiling as per the Act: Approval of members is proposed at this AGM 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 Directors				Total Amount
	Mr. Rameshkumar Babulal Shah	Mr. Dilip Kumar Daga	Mr. Shantilal Mehta	Ms. Mona Chhapia ¹	
Fee for Attending Board Meeting	40,000	40,000	40,000	20,000	1,40,000
Fee for Attending Committee Meetings	20,000	20,000	-	-	40,000
Commission	-	-	-	-	-
Others	-	-	-	-	-
Total	60,000	60,000	40,000	20,000	1,80,000

Ceiling as per the Companies Act, 2013

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

¹Resigned w.e.f. September 10, 2015

Overall Ceiling as per the Companies Act, 2013

11% of the Net Profit of the Company subject to the provisions of Chapter XIII & Schedule thereto

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

Amount in ₹

Sr. No.	Particulars of Remuneration	Mr. Vijay Lathi (Chief Financial Officer) ¹	Mr. Durgesh D. Soni (Company Secretary) ²	Ms. Riddhi N. Shah (Company Secretary) ³
1	Gross Salary			
	(a) Salary as per Provisions Contained in Section 17(1) of the Income Tax Act, 1961	245,287	1,25,702	8,902
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	6,45,492	-	-
	(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	21,516	-	-

Annexure 2 to the Directors' Report

Amount in ₹

Sr. No.	Particulars of Remuneration	Mr. Vijay Lathi (Chief Financial Officer) ¹	Mr. Durgesh D. Soni (Company Secretary) ²	Ms. Riddhi N. Shah (Company Secretary) ³
	House Rent Allowance	1,22,643	-	4,451
	Special Allowance	8,58,504	-	13,960
	Contribution to the Provident Fund	-	-	1,068
	ESIC – Company's Contribution	-	-	1,299
	Bonus	-	2,449	1,062
	Total	18,93,442	1,28,151	30,742

¹ appointed w.e.f. May 22, 2015

² appointed w.e.f. July 20, 2015 and resigned w.e.f. May 6, 2016

³ resigned w.e.f. July 20, 2015

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 on March 31, 2016.

For and on Behalf of the Board of Directors

Place: Ahmedabad
Date: July 22, 2016

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:

Name(s) of the Related Party and Nature of Relationship (a)	Nature of Contracts / Arrangements / Transactions (b)	Duration of the Contracts / Arrangements / Transactions (c)	Salient Terms of the Contracts or Arrangements or Transactions including the Value (in ₹), if any (d)	Date(s) of Approval by the Board, (e)	Amount Paid as Advances, if any (f)
Mahendra Aluminium Company Limited (Group Company)	Sales	Not Applicable	14,24,65,482	The transactions were considered, reviewed and approved by the Board in the immediately next Board Meeting subsequent to the transactions.	The Company has paid / received advances for the said transactions as & when deemed appropriate by both the parties mutually.
	Purchase		31,75,60,590		
	Rent Received		1,20,000		
	Rent Payment		3,00,000		
	Purchase of Fixed Assets				

For and on Behalf of the Board of Directors

Place: Ahmedabad
Date: July 22, 2016

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)

i. 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, 2016

Name	Designation	Ratio to Median Employee
Mr. Mahendra R. Shah	Executive Chairman & Whole Time Director	29.35 : 1
Mr. Jatin M. Shah	Managing Director	29.35 : 1
Mrs. Pushpa M. Shah ¹	Executive Director	6.00 : 1
Mr. Rameshkumar Babulal Shah	Non-Executive Independent Director	Being Non-Executive Directors, only sitting fees was paid and thus ratio of remuneration to the remuneration of median employee is not being given.
Mr. Dilip Kumar Daga	Non-Executive Independent Director	
Mr. Shantilal Mehta	Non-Executive Independent Director	
Ms. Mona Chhapi ²	Non-Executive Independent Director	

¹ Appointed w.e.f. November 5, 2015

² Resigned w.e.f. September 10, 2015

ii. The Percentage increase in Remuneration of Each Director, Chief Financial Officer and Company Secretary during the Financial Year ended on March 31, 2016

Name	Designation	% increase in Remuneration in the Financial Year 2015-16
Mr. Mahendra R. Shah	Executive Chairman & Whole Time Director	182.17
Mr. Jatin M. Shah	Managing Director	182.17
Mrs. Pushpa M. Shah ¹	Executive Director	Appointed during the year
Mr. Rameshkumar Babulal Shah	Non-Executive Independent Director	NA
Mr. Dilip Kumar Daga	Non-Executive Independent Director	NA
Mr. Shantilal Mehta	Non-Executive Independent Director	NA
Ms. Mona Chhapi ²	Non-Executive Independent Director	NA
Mr. Vijay Lathi ³	Chief Financial Officer	Appointed during the year
Mr. Durgesh D. Soni ⁴	Company Secretary & Compliance Officer	Appointed during the year
Ms. Riddhi N. Shah ⁵	Company Secretary & Compliance Officer	NA

¹ Appointed w.e.f. November 5, 2015

² Resigned w.e.f. September 10, 2015

³ Appointed w.e.f. May 22, 2015

⁴ Appointed w.e.f. July 20, 2015 & resigned w.e.f. May 6, 2016

⁵ Resigned w.e.f. July 20, 2015

Annexure 4 to the Directors' Report

- iii. The Percentage increase in the Median Remuneration of Employees in the Financial Year ended on March 31, 2016: Nil
- iv. The Number of Permanent Employees on the Rolls of Company as at March 31, 2016: 52 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:
There was no increase in Average percentage of Salary of the Employees other than Managerial Personnel.
- vi. It is affirmed that the Remuneration is as per the Remuneration Policy of the Company.

Rule 5(2)

Detail of top 10 employees in terms of remuneration drawn is given below:

Sr. No.	Name of the Employee	Remuneration Per Annum (₹)
1	Mr. Rajeshkumar Rajbhar	8,40,000
2	Mr. Jagdish Joshi	7,48,800
3	Mr. Anant Sureshbhai Patel	5,16,000
4	Mr. Bharatbhai Mistry	4,08,000
5	Mr. Atul Sharma	3,60,000
6	Mr. Aakash Soni	3,30,000
7	Mr. Aslamkhan Nobatkhan Pathan	3,00,000
8	Mr. Ramesh M. Rajput	3,00,000
9	Mr. Vinay Sivabhai Prajapati	2,52,000
10a	Mr. Rahul Pratap Bhaskar	2,41,500
10b	Mr. Pankaj Patel	2,41,500

For and on Behalf of the Board of Directors

Place: Ahmedabad
Date: July 22, 2016

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

Annexure 5 to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

[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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by it, 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 commencing from April 1, 2015 to March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board – processes and compliances – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I / We have examined the books, papers, minute books, forms and returns filed and record maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there under;
- II. The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, if any; and
- 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;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Training) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Annexure 5 to the Directors' Report

- (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; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

As stated in the **Annexure – A**, all the Laws, Rules, Regulations are applicable specifically to the Company.

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

- I. Secretarial Standard 1 & 2 issued by the Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with Stock Exchanges and Listing Regulations.

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-Executives 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 provision of the Act.

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 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 dissenting members' views 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 the size and operations of the Company 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 made any:

- (I) Public / Right / Preferential issue of shares / debentures / sweat equity, etc.;
- (II) Redemption / buy-back of securities;
- (III) Merger / amalgamation / reconstruction etc.; and
- (IV) Foreign technical collaborations.

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

Place: Ahmedabad
Date: July 22, 2016

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

Annexure 5 to the Directors' Report

Annexure-A

Securities Laws

1. All Price Sensitive Information was informed to the Stock Exchanges from time to time.
2. All investor complaints directly received by the RTA & Company have been recorded on the same date of receipts and have been 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 which relate to compliances of PF / ESIC / Gratuity Act are applicable to the Company.

Environmental Laws

As the Company is engaged in the manufacturing activities, the Environmental Laws are applicable to it and it has properly complied with the 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

Place: Ahmedabad
Date: July 22, 2016

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



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, 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges for the period commencing from April 1, 2015 to November 30, 2015 and as per relevant provisions of the SEBI (Listing of Securities and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulation for the period commencing from December 1, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause / Listing 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 and based on the representations made by the Directors and the Management, we certify that though, the applicability of adherence of provisions of regulations relating to Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 being not mandated under the provisions of Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the Companies falling under the criteria of having Paid up Equity Share Capital not exceeding ₹ 10 Crores and Net Worth not exceeding ₹ 25 Crores as on the last date of previous financial year, the Board of Directors of the Company has still made sufficient efforts to comply with provisions of the said Regulations and to disclose the relevant information in the entire Annual Report, to the extent possible as a matter of prudence and good governance.

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

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

Place: Ahmedabad
Date: July 22, 2016

Raman M. Jain
(Partner)
Membership No.: 045790

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.

Note

Though, the applicability of adherence of provisions of regulations relating to the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 being not mandated under the provisions of Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the Companies falling under the criteria of having Paid up Equity Share Capital not exceeding ₹ 10 Crores and Net Worth not exceeding ₹ 25 Crores as on the last date of previous financial year, the Board of Directors of your Company has still made sufficient efforts to comply with provisions of the said regulations and to disclose the relevant information in the Corporate Governance Report and in the entire Annual Report, to the extent possible as a matter of prudence and good governance.

2. Board of Directors

a. Composition of the Board

The Board of Directors at Arfin is headed by Mr. Mahendra R. Shah, Executive Chairman & Whole Time Director of the Company. The Independent Directors on the Board are experienced, competent and highly reputed persons from their respective fields. The Independent Directors take active part at the Board and Committee Meetings, which adds vision, strategic direction and value in the decision making process of the Board of Directors. As at March 31, 2016 the composition of the Board of Directors is given below:

- Promoter, Executive Chairman, Whole Time Director (Mr. Mahendra R. Shah)
- Promoter, Executive, Managing Director (Mr. Jatin M. Shah)
- Promoter, Executive Director (Mrs. Pushpa M. Shah)
- Three Non-Executive, Independent Directors (Mr. Shantilal Mehta, Mr. Dilip Kumar Daga and Mr. Rameshkumar Babulal Shah)

Corporate Governance Report

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

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

During the financial year ended on March 31, 2016, six Board meetings were held on the following dates:

1. May 22, 2015
2. June 25, 2015
3. July 20, 2015
4. September 22, 2015
5. November 5, 2015
6. February 10, 2016

Attendance of each Director at Board Meetings and at last Annual General Meeting (AGM) held on September 27, 2015 is as under:

Sr. No.	Name of Director	Sr. No. of Meeting stated above						Attendance at last AGM
		1	2	3	4	5	6	
1	Mr. Mahendra R. Shah	✓	✓	✓	✓	✓	✓	✓
2	Mr. Jatin M. Shah	✓	✓	✓	✓	✓	✓	✓
3	Mrs. Pushpa M. Shah ¹	NA	NA	NA	NA	NA	✓	✓ ³
4	Mr. Shantilal Mehta	✓	X	✓	X	✓	✓	✓
5	Mr. Dilip Kumar Daga	✓	X	✓	X	✓	✓	✓
6	Mr. Rameshkumar Babulal Shah	✓	X	✓	X	✓	✓	✓
7	Ms. Mona Chhapi ²	✓	X	✓	NA	NA	NA	NA

¹ Appointed w.e.f. November 5, 2015

² Resigned w.e.f. September 10, 2015

³ Attended as Promoter, not as Director

Corporate Governance Report

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, 2016 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 Mrs. Pushpa M. Shah & Mr. Jatin M. Shah	2	-	-
2	Mr. Jatin M. Shah	Related to Mr. Mahendra R. Shah & Mrs. Pushpa M. Shah	2	-	-
3	Mrs. Pushpa M. Shah ¹	Related to Mr. Mahendra R. Shah & Mr. Jatin M. Shah	-	-	-
4	Mr. Shantilal Mehta	-	-	-	-
5	Mr. Dilip Kumar Daga	-	1	-	1
6	Mr. Rameshkumar Babulal Shah	-	3	-	-
7	Ms. Mona Chhapiya ²	-	-	-	-

¹Appointed w.e.f. November 5, 2015

²Resigned w.e.f. September 10, 2015

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, 2016	No. of Convertible Instruments held as on March 31, 2016
1	Mr. Shantilal Mehta	Nil	Not Issued by the Company
2	Mr. Dilip Kumar Daga	2,500	
3	Mr. Rameshkumar Babulal Shah	Nil	

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

Not applicable in terms of provisions of Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



Corporate Governance Report

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 auditor regarding internal control weakness and any other significant findings and follow up thereon.

Apart from having access to all the required information from 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 payable for other services and to recommend changes in the Auditors, if thought proper.

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, half yearly 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 its related parties including consequent modifications thereof, grant omnibus approvals subject to fulfillment of certain conditions, analysis of inter-corporate loans and investments, 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 matter 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, 2016, the following Directors were members of the Audit Committee:

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

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

Corporate Governance Report

Mr. Purvesh Pandit, Company Secretary & Compliance Officer acts as Secretary of the Committee.

c. Meetings & Attendance

During the financial year ended on March 31, 2016, four meetings were held on: (i) May 22, 2015, (ii) July 20, 2015, (iii) November 5, 2015 and (iv) February 10, 2016. All three members of the Audit Committee had attended all the Audit Committee Meetings.

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 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 terms of appointment of the Independent Director, on the basis of the report of performance evaluation; and
6. deciding quantum of Commission / Sitting Fee or other amounts of Non-Executive Directors of the Company.

b. Composition of the Committee

As at March 31, 2016, the following Directors were

members of the Nomination and Remuneration Committee:

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

Mr. Purvesh Pandit, Company Secretary & Compliance Officer of the Company acts as Secretary of the Committee.

c. Meetings & Attendance

During the financial year ended on March 31, 2016, one committee meeting was held on April 13, 2015. All three committee members attended the meeting. Further, other resolutions have been passed by way of circular resolution as and when required.

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 judgment.

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-a-vis your Company.

Corporate Governance Report

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

As decided by the Board at its meeting held on May 22, 2015 the Non-Executive Directors of the Company have been paid sitting fees of

₹ 10,000/- for attending each of the Board meetings and ₹ 5,000/- for attending each of the Committee meetings held thereafter, during the financial year under report.

c. Disclosure of Remuneration

The amount of remuneration paid to the Directors of the Company during the financial year ended on March 31, 2016 is as follows:

Amount in ₹

Particulars of Remuneration	Mr. Mahendra R. Shah	Mr. Jatin M. Shah	Mrs. Pushpa M. Shah ¹
	Whole Time Director	Managing Director	Executive Director
Basic Salary	31,73,424	31,73,424	4,88,915
Ad Hoc Allowance	3,80,772	3,80,772	58,665
Medical Reimbursement	24,996	24,996	10,415
Contribution of Employer to the Provident Fund	3,80,808	3,80,808	68,670
Performance Bonus	15,00,000	15,00,000	5,00,000
Total	54,60,000	54,60,000	11,16,665

¹ Appointed w.e.f. November 5, 2015

Amount in ₹

Non-Executive Directors	Mr. Rameshkumar Babulal Shah	Mr. Dilip Kumar Daga	Mr. Shantilal Mehta	Ms. Mona Chhapia ¹	Total
Sitting fees Paid	60,000	60,000	40,000	20,000	1,80,000

¹ Resigned w.e.f. September 10, 2015

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

a. Composition

As at July 22, 2016, the followings were members of the Stakeholder Relationship Committee / Shareholders' / Investors' Grievance Committee:

- (i) **Mr. Shantilal Mehta:** Chairman, Independent, Non-Executive Director
- (ii) **Mr. Mahendra R. Shah:** Non Independent, Executive Director
- (iii) **Mr. Purvesh Pandit:** Company Secretary & Compliance Officer*

*Consequent upon change in Company Secretary, reconstitution of the Stakeholder Relationship Committee took place at the Board Meeting dated May 21, 2016 where Mr. Purvesh Pandit, Company Secretary has been appointed as Member in place of erstwhile Company Secretary Mr. Durgesh D. Soni.

Corporate Governance Report

b. Status of Complaints

As at March 31, 2016, the Company had two pending Investors' Complaints for which action taken reports / replies had already been sent by the Company. Further, out of the aforesaid two complaints, one complaint was resolved on April 4, 2016.

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
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
2013-14 22 nd AGM	B-302, 3 rd Floor, Pelican House, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad – 380009, Gujarat, India.	Tuesday, July 22, 2014	3:30 pm	-
2012-13 21 st AGM	B-302, 3 rd Floor, Pelican House, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad – 380009, Gujarat, India.	Monday, September 30, 2013	5:30 pm	-

b. Details of Special Resolutions passed last year through Postal Ballot

Last year, none of the resolutions had been passed through postal ballot.

c. Person who conducted Postal Ballot Exercise: Not Applicable

d. Special Resolution proposed to be conducted through Postal Ballot

None of the resolutions has been proposed by passing through postal ballot at the ensuing Annual General Meeting.

e. Procedure for postal ballot: Not Applicable

8. Means of Communication

The Annual, Half Yearly and Quarterly results are submitted to the Stock Exchange(s) in accordance with the provisions of the Listing Agreement / 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 etc. are also uploaded on websites of the Stock Exchange(s) where the equity shares of the Company are listed.

Corporate Governance Report

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 being uploaded on the website of the Company.

9. General Shareholders Information

a. Annual General Meeting

Date	: Saturday, September 10, 2016
Time	: 12:00 Noon
Venue	: Regency Ballroom, Hyatt Regency 17A, Ashram Road, Usmanpura, Ahmedabad - 380014, Gujarat, India.
Book Closure Date	: Monday, September 5, 2016

b. Financial Year / Calendar

(a)	First Quarter Results	Within 45 days from the closure of Quarter ended on June 30, 2016
(b)	Second Quarter Results	Within 45 days from the closure of Quarter ending on September 30, 2016
(c)	Third Quarter Results	Within 45 days from the closure of Quarter ending on December 31, 2016
(d)	Results for the Financial Year ending on March 31, 2017	Within 60 days from the closure of Quarter / Financial Year ending on March 31, 2017

c. Dividend Payment Date

The Final Dividend, if declared for the financial year 2015-16, in the ensuing Annual General Meeting shall be paid on or after Friday, September 16, 2016.

d. Listing on Stock Exchanges

Sr. No.	Name of Stock Exchange	Address	Script Code
1	Bombay Stock Exchange*	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India.	539151
2	Ahmedabad Stock Exchange	A-2, Kamdhenu Complex, Opposite Sahajanand College, 120 Feet Ring Rd, Panjara Pol, Ambawadi, Ahmedabad – 380015, Gujarat, India.	05027
3	Calcutta Stock Exchange	7, Lyons Range, Dalhousie, Murgighata, B B D Bagh, Kolkata – 700001, West Bengal, India.	10011140

ISIN: INE784R01015

*During the financial year under report, after payment of initial as well as annual listing fees, 30,18,300 Equity Shares of the Company got listed on the Bombay Stock Exchange w.e.f. May 28, 2015 under the Direct Listing Route.

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

Corporate Governance Report

e. Stock (Scrip) Code

Please refer point 9 (d) above.

f. Market Price Data

Month(s)	B S E		
	High (₹)	Low (₹)	Volume (No. of Shares)
2015			
April*	-	-	-
May	26.23	24.99	140
June	63.50	27.50	1,910
July	99.45	64.75	10,289
August	150.10	101.40	15,293
September	162.30	122.90	13,208
October	153.30	128.00	9,161
November	179.00	137.90	7,251
December	149.00	130.00	13,659
2016			
January	139.70	122.10	12,180
February	126.90	108.30	3,296
March	115.00	102.10	15,655

*Equity Shares of the Company are listed on BSE from May 2015 onwards
(Source: Bombay Stock Exchange Portal)

g. Performance in Comparison to Broad - Based Indices

Month(s)	Months Closing Price of BSE Sensex Index (Amount in ₹)	% Increase / (Decrease) in compare to previous month	Month Closing Prices of Company's Equity Shares on BSE (Amount in ₹)	% increase / (Decrease) in compare to previous month
2015				
April*	27,011.31	(3.38)	-	-
May	27,828.44	3.03	26.23	-
June	27,780.83	(0.17)	63.50	142.09
July	28,114.56	1.20	99.45	56.61
August	26,283.09	(6.51)	150.10	50.93
September	26,154.83	(0.49)	138.30	(7.86)
October	26,656.83	1.92	144.00	4.12
November	26,145.67	(1.92)	154.00	6.94
December	26,117.54	(0.11)	135.00	(12.34)
2016				
January	24,870.69	(4.77)	122.80	(9.04)
February	23,002.00	(7.51)	108.30	(11.81)
March	25,341.86	10.17	102.10	(5.72)

(Source: Bombay Stock Exchange Portal)

Corporate Governance Report

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 Exchanges.

i. Registrar & Share Transfer Agent

M/s. Link Intime India Private Limited
Unit No. 303, Shoppers Plaza - V,
Opp. Municipal Market, Off C. G. Road,
Navrangpura, Ahmedabad – 380009,
Gujarat, India.
Tel.: +91 79 26465179,
Fax: +91 79 26465179,
Email: ahmedabad@linkintime.co.in,
Website: www.linkintime.co.in

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, 2016

No. of Equity Share Held	No. of Shareholders	% of Shareholders	No. of Equity Shares Held	% of Shareholding
Upto 500	586	82.54	70,647	2.34
501 To 1,000	44	6.20	36,320	1.20
1,001 To 2,000	25	3.52	35,972	1.19
2,001 To 3,000	13	1.83	32,517	1.08
3,001 To 4,000	2	0.28	7,100	0.24
4,001 To 5,000	6	0.85	28,800	0.95
5,001 To 10,000	13	1.83	98,400	3.26
10,001 And Above	21	2.96	27,08,544	89.74
Total	710	100.00	30,18,300	100.00

Corporate Governance Report

Category of Shareholders as at March 31, 2016

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Share Holding
A. Promoter & Promoter Group	8	1.13	21,80,600	72.25
B. Public Shareholding				-
(a) Bodies Corporate	8	1.13	3,750	0.12
(b) Resident Individuals	641	90.28	7,51,012	24.88
(c) HUF	18	2.54	17,486	0.58
(d) NRI (Individuals)	31	4.37	62,700	2.08
(e) Clearing Members	4	0.56	2,752	0.09
Total	710	100.00	30,18,300	100.00

I. Break up of Shares in physical & demat form as at March 31, 2016

Particulars	No. of Shares	% of Shares
Physical Segment	1,94,800	6.45
Demat Segment		
• CDSL	25,64,039	84.95
• NSDL	2,59,461	8.60
Total	30,18,300	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. The Company has not issued any GDRs / ADRs / Warrants or any Convertible Instruments.

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 risks for the Company. Your Company has a strong 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 the Company's interests are protected despite volatility in commodity prices.

Your Company has managed the foreign exchange risk with appropriate activities in accordance with the 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.

o. Plant Location

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

Corporate Governance Report

p. Address of Correspondence

Company	Registrar & Share Transfer Agent
Mr. Purvesh Pandit 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.: +91 79 26583791, 92, Fax: +91 79 26583792, Email: investors@arfin.co.in , Website: www.arfin.co.in	M/s. Link Intime India Private Limited Unit No. 303, Shoppers Plaza - V, Opp. Municipal Market, Off C. G. Road, Navrangpura, Ahmedabad – 380009, Gujarat, India. Tel.: +91 79 26465179, Fax: +91 79 26465179, Email: ahmedabad@linkintime.co.in , Website: www.linkintime.co.in

10. Others Disclosures

- a. The Company doesn't have any material significant related party transactions that may have potential conflict with the interests of the Company at large.
- b. No penalties or strictures have been imposed on the Company by the Stock Exchange(s) or the SEBI or any other statutory authority on any matter related to the capital markets during the last three financial years.
- c. Pursuant to the provisions of Section 177(9) of the Companies Act, 2013, Rules framed there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has duly established a Vigil Mechanism / Whistle Blower Policy for Directors and Employees at the Board Meeting held on May 22, 2015. Mr. 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 Audit Committee to report genuine concerns in this regard.
- d. Though, the applicability of adherence of provisions of regulations relating to Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 being not mandated under the provisions of Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the Companies falling under the criteria of having Paid up Equity Share Capital not exceeding ₹ 10 Crores and Net Worth not exceeding ₹ 25 Crores as on the last date of previous financial year, the Board of Directors of your Company has still made sufficient efforts to comply with the provisions related to Corporate Governance and to disclose the relevant information in the Directors' Report, Corporate Governance Report and in the entire Annual Report, to the extent possible as a matter of prudence and good governance.

Further, the Company has 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 follows:
<http://arfin.co.in/pdf/policies/related-party-transactions-policy.pdf>

Corporate Governance Report

g. For information on Commodity Price Risks and Commodity Hedging Activities, please refer Point 9 (n) above.

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

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 10(d) 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

Sr. No.	Particulars	Regulation	Compliance Status	Compliance Observed For
1	Board of Directors	17	Yes	<ul style="list-style-type: none"> → Board Composition → Meeting of Board of Directors → Review of compliance reports → Plans for orderly succession for appointments → Code of Conduct → Fees / compensation → Minimum information to be placed before the Board → Compliance Certificate → Risk Assessment & Management → Performance Evaluation of Independent Directors
2	Audit Committee	18	Yes	<ul style="list-style-type: none"> → Composition → Meeting of Audit Committee → Powers of Audit Committee → Roles of Audit Committee and review of information by the Committee
3	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> → Composition → Roles of the Committee
4	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> → Composition → Roles of the Committee
5	Risk Management Committee	21	Not Applicable	<ul style="list-style-type: none"> → Not Applicable

Corporate Governance Report

Sr. No.	Particulars	Regulation	Compliance Status	Compliance Observed For
6	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> → Formulation of Vigil Mechanism for Directors and employees → Direct access to the Chairperson of Audit Committee
7	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> → Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions → Omnibus approval of Audit Committee
8	Corporate Governance requirements with respect to subsidiary of listed entity	24	Not Applicable	The Company doesn't have any subsidiary.
9	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> → Maximum Directorship and Tenure → Meeting of Independent Directors
10	Obligations with respect to Directors and Senior Management	26	Yes	<ul style="list-style-type: none"> → Memberships / Chairmanships in the Committees → Affirmation with compliance to Code of Business Conduct and Ethics from Directors and Management Personnel → Disclosure of shareholding by Non-Executive Directors → Disclosures by Senior Management about potential conflicts of interest
11	Other Corporate Governance requirements	27	Yes	<ul style="list-style-type: none"> → Compliance with discretionary requirements → Filing of quarterly compliance report on Corporate Governance
12	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> → Terms and conditions of appointment of Independent Directors → Composition of various Committees of Board of Directors → Code of Business Conduct and Ethics for Directors and Managerial Personnel → Details of establishment of Vigil Mechanism / Whistle Blower Policy → Criteria of making payment to the Non-Executive Directors → Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions

Corporate Governance Report

14. Declaration by the Managing Director affirming compliance of Code of Conduct

The Board of Directors has adopted a Code of Conduct & Policy for the Directors and Senior Management Personnel of the Company. This Code is a comprehensive code applicable to all the Executives as well as Non-Executive Directors and members of the Senior Management. A copy of the Code has been uploaded 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, affirmations that they have complied with the code of Ethics and Business Conduct framed for Directors and Senior Management Personnel in respect to the financial year ended on March 31, 2016."

Yours' Sincerely
For **Arfin India Limited**

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

Place: Ahmedabad
Date: July 22, 2016

15. Compliance Certificate on 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) There remains no shares in the demat suspense account or unclaimed suspense account as on March 31, 2016.



Corporate Governance Report

17. Reconciliation of Share Capital Audit

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

For and on Behalf of the Board of Directors

Place: Ahmedabad
Date: July 22, 2016

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

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, 2016 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, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the financial year;
 - (ii) significant changes, if any, in accounting policies made during the financial year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

Jatin M. Shah

Managing Director
(DIN: 00182683)

Place: Ahmedabad
Date: July 22, 2016

Vijay Lathi

Chief Financial Officer

5 Year Financial Summary

5 YEAR FINANCIAL SUMMARY - BALANCE SHEET

₹ in Lacs

PARTICULARS	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16
EQUITY AND LIABILITIES					
SHAREHOLDERS FUNDS					
Share Capital	186.77	186.77	290.21	301.83	301.83
Reserves and Surplus	112.99	421.84	988.53	1,468.88	2,075.37
	299.77	608.61	1,278.74	1,770.71	2,377.20
NON-CURRENT LIABILITIES					
Long Term Borrowings	472.61	811.05	969.78	247.10	1,094.90
Deferred Tax Liabilities (Net)	21.65	49.27	76.22	97.40	117.08
	494.25	860.32	1,046.00	344.50	1,211.98
CURRENT LIABILITIES					
Short Term Borrowings	103.48	1,737.35	2,349.75	3,111.18	3,218.11
Trade Payables	589.32	2,101.11	2,676.64	3,566.69	4,635.89
Other Current Liabilities	42.85	81.98	78.41	29.02	103.81
Short Term Provisions	1.87	60.94	49.97	156.03	366.07
	737.52	3,981.38	5,154.77	6,862.91	8,323.88
TOTAL	1,531.54	5,450.31	7,479.50	8,978.12	11,913.06
ASSETS					
NON-CURRENT ASSETS					
Fixed Assets					
Tangible Assets (Net Block)	394.56	821.80	925.61	1,212.36	1,410.72
Capital Work-In-Progress	0.00	13.45	0.00	208.42	429.82
Non Current Investments	172.11	0.00	0.00	0.00	0.00
Long Term Loans and Advances	17.93	20.22	23.17	19.51	19.25
	584.59	855.46	948.78	1,440.29	1,859.79
CURRENT ASSETS					
Inventories	543.60	1,269.87	2,705.65	4,408.18	6,189.48
Trade Receivables	227.04	2,774.54	3,512.62	2,318.14	3,289.81
Cash and Cash Equivalents	42.40	399.42	233.42	385.59	396.35
Short Term Loans and Advances	133.91	151.01	79.03	425.92	177.63
	946.95	4,594.85	6,530.72	7,537.83	10,053.27
TOTAL	1,531.54	5,450.31	7,479.50	8,978.12	11,913.06

5 Year Financial Summary

5 YEAR FINANCIAL SUMMARY - STATEMENT OF PROFIT AND LOSS

₹ in Lacs

PARTICULARS	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16
Domestic Sales	1,692.42	18,333.59	21,143.55	24,607.07	27,184.65
Export Sales	0.00	272.90	175.88	3,421.61	3,504.27
Revenue From Operations	1,692.42	18,606.49	21,319.43	28,028.69	30,688.92
Less: Excise Duty	145.02	1,719.81	2,282.00	3,033.74	3,401.36
Revenue From Operations (Net)	1,547.40	16,886.68	19,037.43	24,994.94	27,287.56
Other Operating Income	66.87	4.42	0.00	0.00	0.00
Income From Operations	1,614.27	16,891.10	19,037.43	24,994.94	27,287.56
Cost of Goods Sold	1,456.59	15,421.69	16,960.68	21,814.45	23,722.74
Gross Margin	157.68	1,469.41	2,076.76	3,180.49	3,564.82
Other Income	4.06	66.00	18.43	99.13	34.15
Total Income	161.74	1,535.41	2,095.19	3,279.62	3,598.97
EXPENSES					
Manufacturing Expenses	102.27	692.51	1,078.07	1,359.23	1,289.09
Selling & Distribution Expense	0.04	113.95	223.80	408.94	420.62
Employee Benefit Expense	19.05	77.74	105.84	162.72	270.75
Administrative Expenses	6.26	73.01	58.69	83.24	121.90
Total Operating Expenses	127.61	957.20	1,466.40	2,014.13	2,102.36
PBDIT	34.12	578.22	628.79	1,265.49	1,496.61
Finance Cost	13.25	113.45	185.16	484.74	407.76
PBDT	20.87	464.76	443.62	780.76	1,088.85
Depreciation	2.56	23.29	42.17	75.44	88.19
PBT	18.31	441.47	401.45	705.31	1,000.66
Current Tax	3.47	105.00	110.00	217.00	320.00
Deferred Tax	3.11	27.62	26.95	21.18	19.68
PAT	11.73	308.84	264.51	467.13	660.98

5 Year Financial Summary

RATIOS

FINANCIAL PERFORMANCE	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16
Cost of Goods Sold / Net Sales	90.23%	91.30%	89.09%	87.28%	86.94%
Manpower Costs / Net Sales	1.18%	0.46%	0.56%	0.65%	0.99%
Manufacturing Expenses / Net Sales	6.34%	4.10%	5.66%	5.44%	4.72%
Finance Cost / Net Sales	0.82%	0.67%	0.97%	1.94%	1.49%
PBDIT / Interest (Debt Service Coverage Ratio)	2.58	5.10	3.40	2.61	3.67

PROFITABILITY	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16
PBDIT / Net Sales	2.11%	3.42%	3.30%	5.06%	5.48%
PBDT / Net Sales	1.29%	2.75%	2.33%	3.12%	3.99%
Net Profit / Net Sales	0.73%	1.83%	1.39%	1.87%	2.42%
RONW (PAT / Average Net Worth)	3.99%	68.00%	28.03%	30.64%	31.87%
ROCE (PBDIT / Average Capital Employed)	5.24%	27.88%	15.90%	25.77%	25.10%

BALANCE SHEET	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16
Debt-Equity Ratio	2.05	4.31	2.66	1.91	1.85
Debtors Turnover (Days)	49	54	58	29	38
Inventory Turnover (Days)	123	27	52	64	83
Current Ratio	1.28	1.15	1.27	1.10	1.21
Quick Ratio	0.55	0.84	0.74	0.46	0.46
Asset Turnover (Total Income / Total Assets)	1.07	3.14	2.57	2.83	2.32

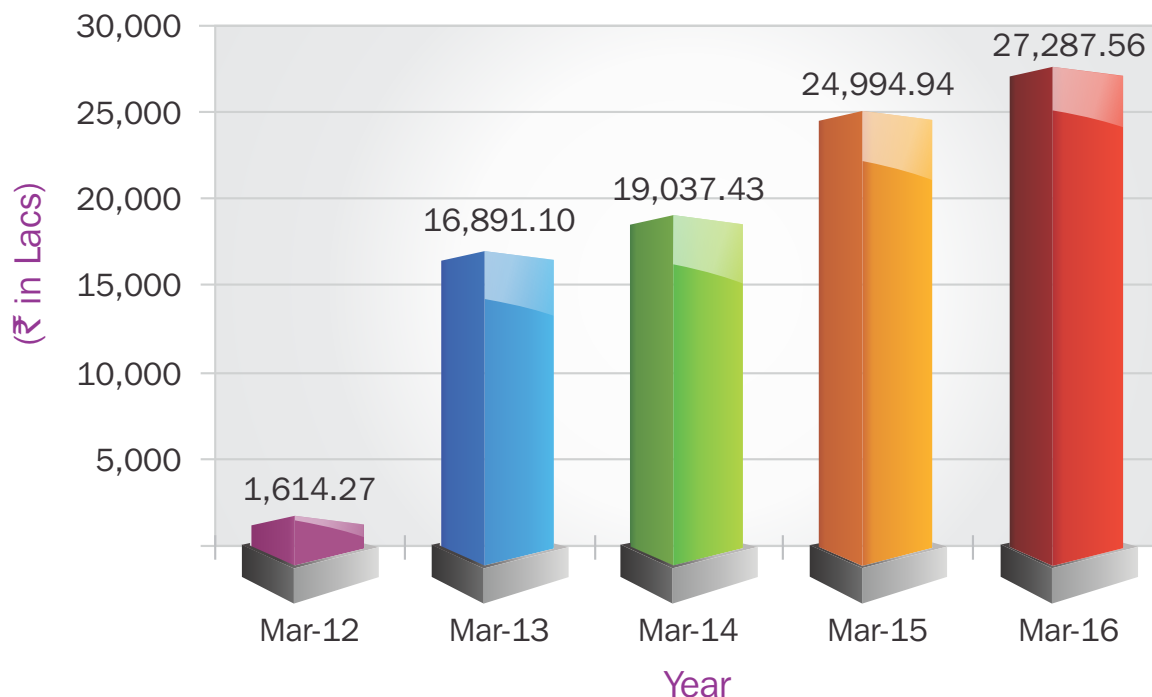
PER SHARE DATA	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16
Basic Earnings Per Share (₹)	0.39	10.23	9.24	15.87	21.90
Basic Cash Earnings Per Share (₹)	0.47	11.00	10.71	18.44	24.82
Book Value Per Share (₹)	9.93	20.16	44.66	58.67	78.76

₹ in Lacs

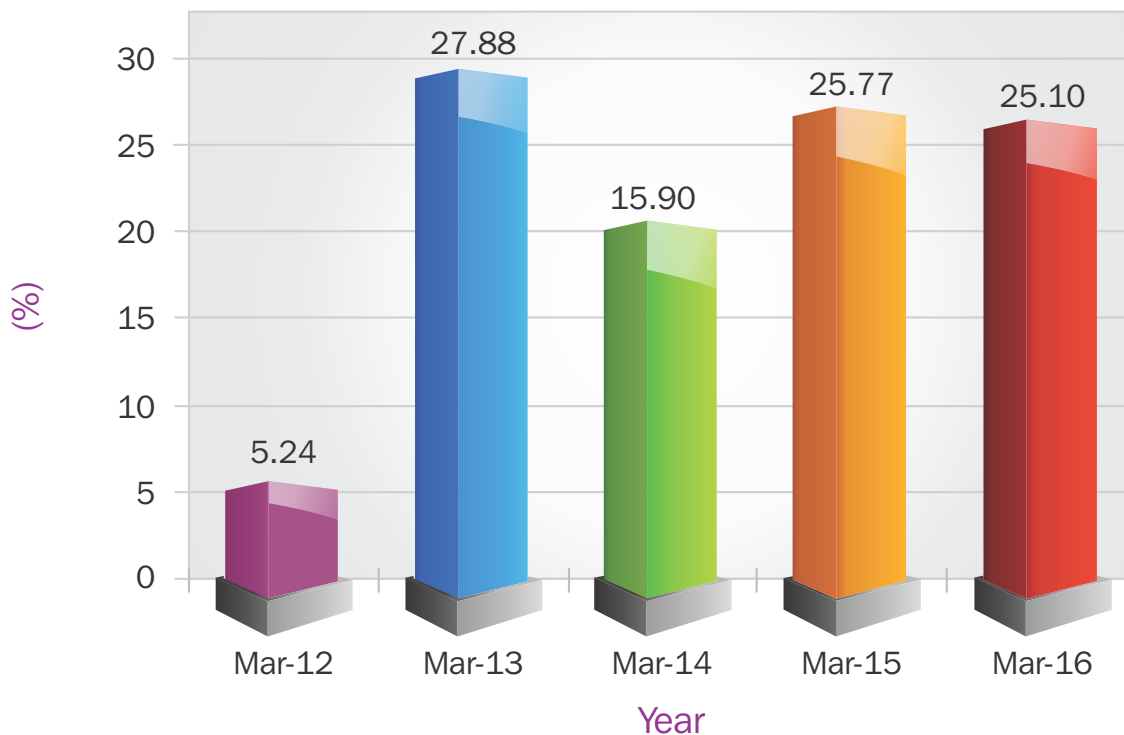
KEY FINANCIAL PARAMETERS	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16
Net Sales	1,614.27	16,891.10	19,037.43	24,994.94	27,287.56
Profit Before Depreciation, Interest and Tax	34.12	578.22	628.79	1,265.49	1,496.61
Profit Before Tax	18.31	441.47	401.45	705.31	1,000.66
Profit After Tax	11.73	308.84	264.51	467.13	660.98
Cash Profit	14.29	332.14	306.68	542.57	749.16

5 Year Financial Summary

GROWTH IN NET SALES (₹ in Lacs)

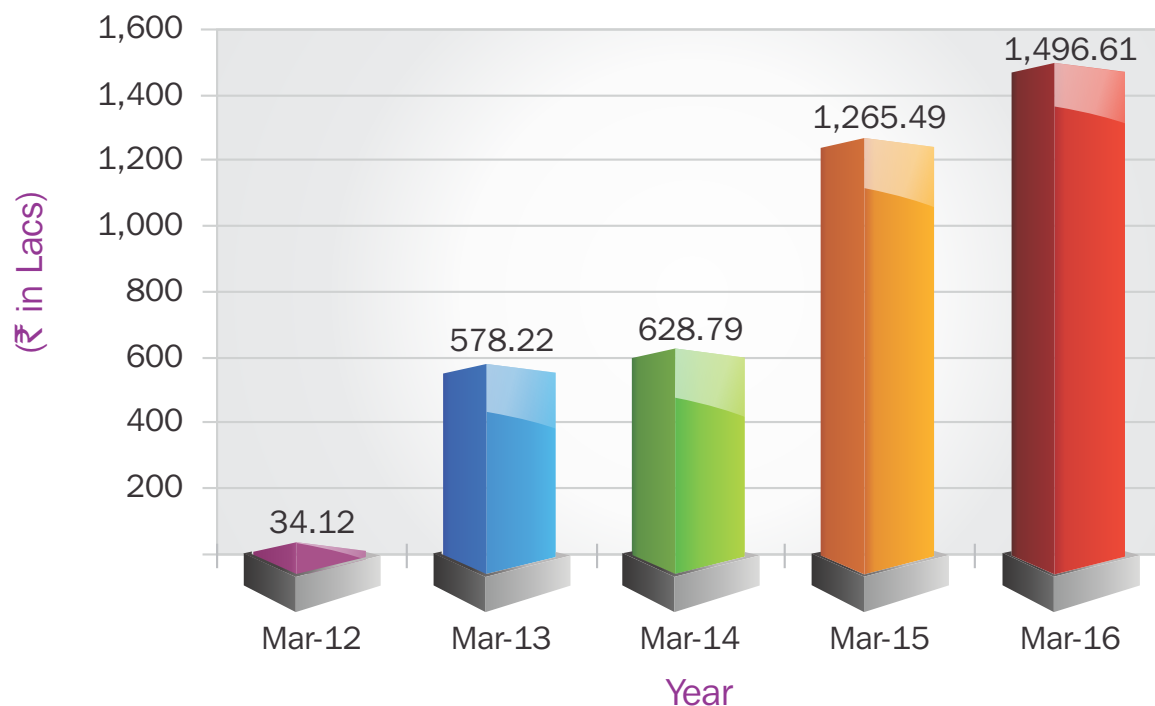


ROCE (%)

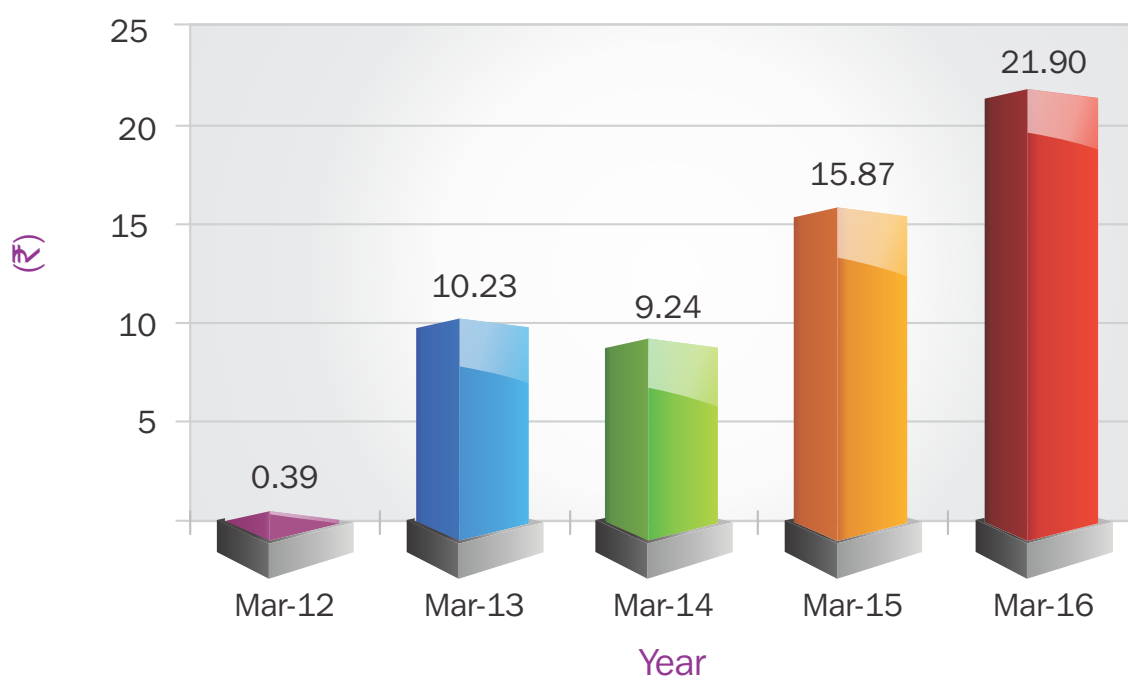


5 Year Financial Summary

GROWTH IN PBDIT (₹ in Lacs)

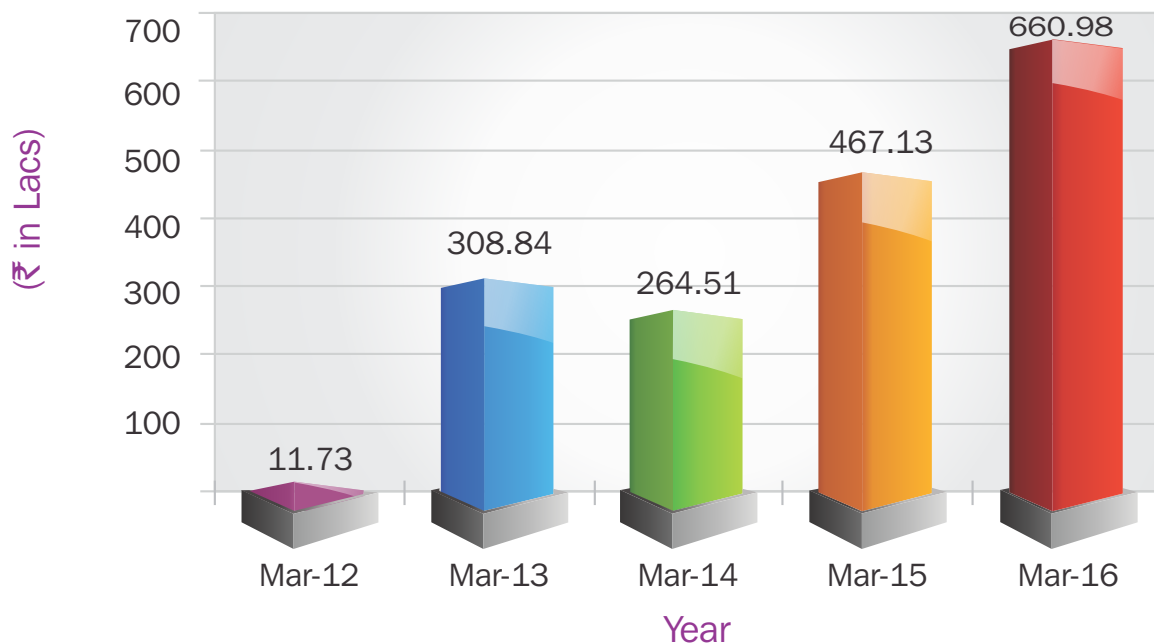


EARNINGS PER SHARE (₹)

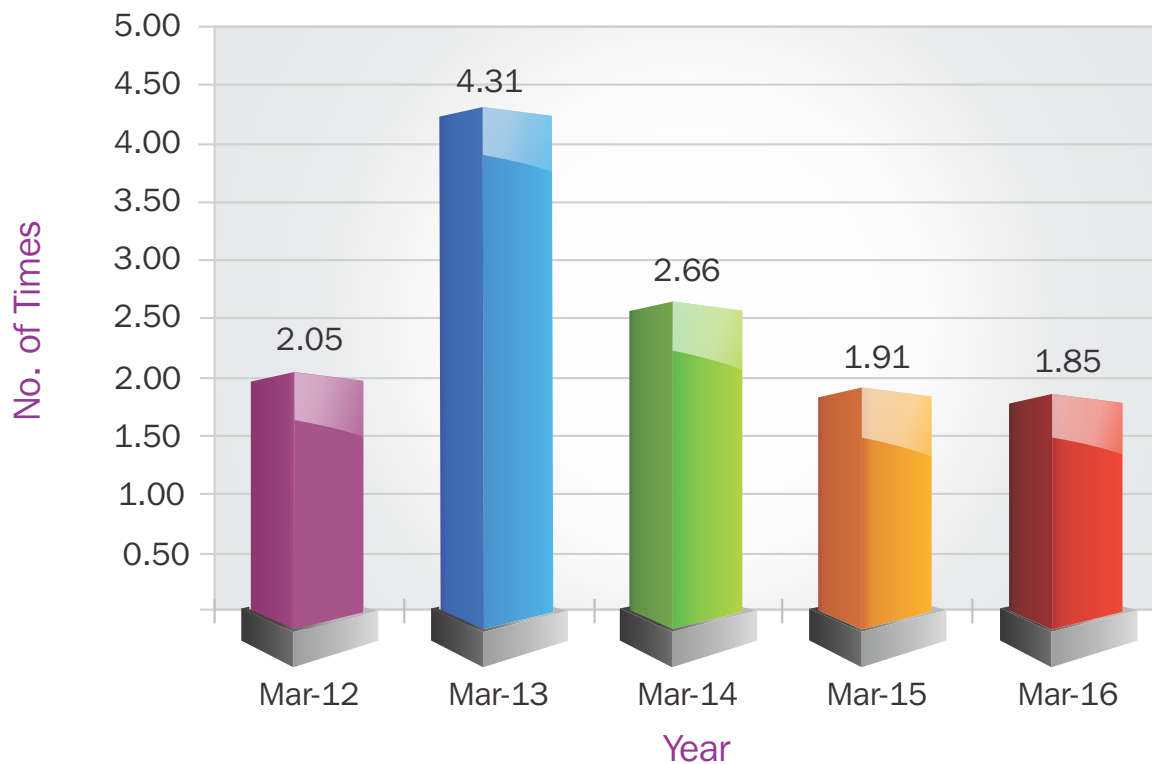


5 Year Financial Summary

GROWTH IN PROFIT AFTER TAX (₹ in Lacs)



DEBT-EQUITY RATIO (X)





AUDITORS' REPORT

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

Reports on Financial Statements

1. We have audited the accompanying Financial Statements of Arfin India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounting) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable & prudent and design, implementation & maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Financial Statements based on our audit.
4. 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.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the Financial Statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers Internal Financial Controls relevant to the Company's preparation of the Financial Statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate Internal Financial Control Systems over financial reporting and the

AUDITORS' REPORT

operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Financial Statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
 - b) In the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.
- given to us, we give in the Annexure – B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. As required by Section 143(3) of the Act, we further report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of accounts as required by the law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
 - d) in our opinion, the aforesaid Financial Statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of written representations received from the Directors as on March 31, 2016, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016, 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 - A**;
 - g) In our opinion and to the best of our information and according to the explanations given to us, we

Report on Other Legal and Regulatory Requirements

9. 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, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation



AUDITORS' REPORT

report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014;

- (i) The Company does not have any pending litigations which would impact its financial position;
- (ii) In our opinion and as per the information and explanations provided to us, the Company has not entered into any long term contracts

including derivative contracts, requiring provisions, under the applicable law or Accounting Standards, for material foreseeable losses, and

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

For Raman M. Jain & Co.,

Chartered Accountants

Firm Registration No.: 113290W

Place: Ahmedabad
Date: May 21, 2016

Raman M. Jain

(Partner)

Membership No.: 045790

AUDITORS' REPORT

Annexure A to the Independent Auditors' Report

Referred to in Paragraph 10(f) of the Independent Auditor's Report of even date to the members of **Arfin India Limited** on the Financial Statements for the year ended on **March 31, 2016**.

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

1. We have audited the Internal Financial Controls over financial reporting of **Arfin India Limited** ("the Company") as on March 31, 2016 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

2. 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 Act.

Auditor's Responsibility

3. 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. 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 the material respects.
4. Our audit involves performing procedure 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 on 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.
5. 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.



AUDITORS' REPORT

Meaning of Internal Financial Control Systems over Financial Reporting

6. 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) provide reasonable assurance that the transactions are recorded as necessary to permit 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) provide 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

7. 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

8. 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, 2016, 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 Raman M. Jain & Co.,
Chartered Accountants
Firm Registration No.: 113290W

Place: Ahmedabad
Date: May 21, 2016

Raman M. Jain
(Partner)
Membership No.: 045790

AUDITORS' REPORT

Annexure B to the Independent Auditor's Report

Referred to in Paragraph 9 of the Independent Auditor's Report of even date to the members of **Arfin India Limited** on the Financial Statements for the year ended on **March 31, 2016**.

- (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.
 - (c) The title deeds of immovable properties other than self constructed immovable properties, as disclosed in fixed assets 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 has 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) In respect of loans, secured or unsecured, granted by the Company to Companies, Firms, LLP or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013, according to the information and explanation given to us:

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.
- (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 the 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, 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, wealth tax, sales tax, customs duty and excise duty etc. were

AUDITORS' REPORT

outstanding as at March 31, 2016 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, 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 the 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, as required under Accounting Standard (AS) 18, Related Party Disclosures, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

(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.

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 Raman M. Jain & Co.,

Chartered Accountants

Firm Registration No.: 113290W

Raman M. Jain

(Partner)

Membership No.: 045790

Place: Ahmedabad
Date: May 21, 2016

Financial Statements and Notes



Balance Sheet As At March 31, 2016

₹ In Lacs

	Note	As At March 31, 2016	As At March 31, 2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	301.83	301.83
Reserves and Surplus	3	2,075.37	1,468.88
Money Received Against Share Warrants		0.00	0.00
		2,377.20	1,770.71
SHARE APPLICATION MONEY PENDING ALLOTMENT		0.00	0.00
NON CURRENT LIABILITIES			
Long Term Borrowings	4	1,094.90	247.10
Deferred Tax Liabilities (Net)	5	117.08	97.40
Other Long Term Liabilities	6	0.00	0.00
Long Term Provisions	7	0.00	0.00
		1,211.98	344.50
CURRENT LIABILITIES			
Short Term Borrowings	8	3,218.11	3,111.18
Trade Payables	9	4,635.89	3,566.69
Other Current Liabilities	10	103.81	29.02
Short Term Provisions	11	366.07	156.03
		8,323.88	6,862.91
TOTAL		11,913.06	8,978.12
ASSETS			
NON CURRENT ASSETS			
Fixed Assets	12		
Tangible Assets		1,410.72	1,212.36
Intangible Assets		0.00	0.00
Capital Work-In-Progress		429.82	208.42
Non Current Investments	13	0.00	0.00
Long Term Loans and Advances	14	19.25	19.51
Other Non Current Assets	15	0.00	0.00
		1,859.79	1,440.29
CURRENT ASSETS			
Current Investments	16	0.00	0.00
Inventories	17	6,189.48	4,408.18
Trade Receivables	18	3,289.81	2,318.14
Cash and Cash Equivalents	19	396.35	385.59
Short Term Loans and Advances	20	177.63	425.92
Other Current Assets	21	0.00	0.00
		10,053.27	7,537.83
TOTAL		11,913.06	8,978.12

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

As per our Report of even date attached

For Raman M. Jain & Co.,

Chartered Accountants

Firm Registration No.: 113290W

Raman M. Jain

(Partner)

Membership No.: 045790

Place: Ahmedabad

Date: May 21, 2016

For & on Behalf of Board of Directors

Mahendra R. Shah

Chairman

Jatin M. Shah

Managing Director

Purvash Pandit

Company Secretary

Vijay Lathi

Chief Financial Officer

Statement of Profit And Loss For The Year Ended March 31, 2016

₹ In Lacs

	Note	As At March 31, 2016	As At March 31, 2015
REVENUE			
Revenue From Operations	22	30,688.92	28,028.69
Less: Central Excise Duty		3,401.36	3,033.74
Revenue From Operations (Net)		27,287.56	24,994.94
Other Income	23	34.15	99.13
Total Revenue		27,321.71	25,094.07
EXPENSES			
Cost of Materials Consumed	24	23,317.48	21,761.22
Purchases of Stock-In-Trade		18.97	442.28
Changes In Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	25	386.29	(389.05)
Employee Benefits Expense	26	270.75	162.72
Finance Costs	27	407.76	484.74
Depreciation and Amortization Expense	12	88.19	75.44
Other Expenses	28	1,831.61	1,851.41
Total Expenses		26,321.05	24,388.76
Profit Before Tax		1,000.66	705.31
Tax Expense			
Current Tax	29	320.00	217.00
Deferred Tax		19.68	21.18
Profit / (Loss) for the Period		660.98	467.13
Earnings Per Equity Share (Face Value of ₹ 10/- Each)			
Basic and Diluted	30	21.9	15.87

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

As per our Report of even date attached

For Raman M. Jain & Co.,

Chartered Accountants

Firm Registration No.: 113290W

Raman M. Jain

(Partner)

Membership No.: 045790

Place: Ahmedabad

Date: May 21, 2016

For & on Behalf of Board of Directors

Mahendra R. Shah

Chairman

Jatin M. Shah

Managing Director

Purvesh Pandit

Company Secretary

Vijay Lathi

Chief Financial Officer



Notes Forming Part of the Financial Statements

Note-1 Significant Accounting Policies

a) Basis of Preparation of Financial Statements

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

b) Use of Estimates

The preparation of the Financial Statements in conformity with the Generally Accepted Accounting Policies requires the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, Revenues and Expenses and disclosure of Contingent Liabilities. Such estimates and assumptions are based on the 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 results are known / materialized.

c) Revenue Recognition

Revenue / Income and Cost / Expenditure are generally accounted on accrual basis as they are earned / incurred, except those with significant uncertainties.

Dividend Income from investment is recognized as and when received.

Other Incomes are accounted for on accrual basis except when the recovery is uncertain, it is accounted for on receipt basis.

Claims made against the Company, if any, are evaluated as to type thereof, period for which they are outstanding and appropriate provisions made. Claims are stated net of recoveries, if any, from insurance Companies and others.

Administrative and other expenses are stated net of recoveries, wherever applicable.

d) Fixed Assets

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

e) Depreciation

Depreciation on fixed assets is calculated on a straight line basis using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013.

f) Investments

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

Notes Forming Part of the Financial Statements

g) Inventories

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

h) Miscellaneous Expenditure

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

i) Retirement Benefits

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

ii) Defined Contribution Plan

Monthly contribution to the provident fund which is under defined contribution scheme is charged to the Statement of Profit and Loss and deposited with the provident fund authorities on monthly basis.

Defined Benefit Plans

Post employment and other long term employee benefits (Gratuities) are recognized as an expense in the Statement of Profit and Loss as un-funded plan for the period in which employee has rendered services. The expenses are recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gain or loss in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

j) Taxes on Income

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

ii) In accordance with the 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 future.

k) Expenses

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

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

l) Transaction in Foreign Currency

Foreign currency transactions are recorded at the exchange rate prevailing on the date of such transactions. Foreign currency monetary assets and liabilities are reported using the closing 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 Statement of Profit and Loss.



Notes Forming Part of the Financial Statements

m) Government Grants and Subsidies

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

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

n) Borrowing Cost

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

o) Earnings Per Share

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

p) Impairments of Assets

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

q) Provisions and Contingent Liabilities

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

r) Cash Flow Statement

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

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

Notes Forming Part of the Financial Statements

2 SHARE CAPITAL

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
1 AUTHORIZED SHARE CAPITAL			
	1,10,00,000 Equity Shares of ₹ 10/- Each (Previous Year 35,00,000)	1,100.00	350.00
		1,100.00	350.00
2 ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL			
	At the Beginning of the Year	301.83	290.21
	Add: Issued During the Year	0.00	15.50
	Add: Issued on Account of Merger / Conversion / Bonus / Split	0.00	0.00
	Less: Deduction on Forfeiture of Shares	0.00	3.88
	Issued Share Capital at the End of the Period	301.83	301.83
	Less: Calls Unpaid (Showing Aggregate Value of Calls Unpaid by the Directors and Members)	0.00	0.00
	At the End of Reporting Period	301.83	301.83
	Add: Equity Shares Forfeited	0.00	0.00
	Total	301.83	301.83

2.1 The Reconciliation of the Number of Shares Outstanding as at March 31, 2016 and March 31, 2015 is Set Out Below

Particulars	As At March 31, 2016		As At March 31, 2015	
	No. of Shares	(₹ In Lacs)	No. of Shares	(₹ In Lacs)
Equity Shares				
Shares Outstanding at the Beginning of the Year	30,18,300	301.83	28,63,300	286.33
Add: Shares Issued During the Year	0	0.00	155,000	15.50
Less: Buy Back / Forfeited Shares	0	0.00	0	0.00
Shares Outstanding at the End of the Year	30,18,300	301.83	30,18,300	301.83

Notes Forming Part of the Financial Statements

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

Sr. No.	Name of the Shareholders	As At March 31, 2016		As At March 31, 2015	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Mahendra R. Shah	5,13,400	17.01	5,13,400	17.01
2	Jatin M. Shah	4,48,900	14.87	4,48,900	14.87
3	Pushpa M. Shah	4,36,700	14.47	4,36,700	14.47
4	Rani J. Shah	4,03,900	13.38	4,03,900	13.38
5	Jatin M. Shah-HUF	1,77,700	5.89	1,77,700	5.89

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

3 RESERVES AND SURPLUS

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
I CAPITAL RESERVE			
	Opening Balance	26.38	22.50
	Add: Created During the Year	0.00	3.88
	Less: Transferred to General Reserve	0.00	0.00
		26.38	26.38
II SECURITIES PREMIUM RESERVE			
	Opening Balance	444.15	397.65
	Add: Amount Received on Conversion of FCCB / From Proceeds of Right Issue / on Account of Merger / Re-Issue of Forfeited Shares etc.	0.00	46.50
	Add / (Less): Call in Arrears Received	0.00	0.00
	Less: Right Share Issue Expenses Written Off	0.00	0.00
	Less: Deduction on Forfeiture of Shares	0.00	0.00
	Less: Call in Arrears	0.00	0.00
	Less: Bonus Shares Issued by the Capitalization of Share Premium	0.00	0.00
		444.15	444.15
III GENERAL RESERVE			
	Opening Balance	40.00	0.00
	Add: Transferred During the Year From Statement of Profit and Loss	75.00	40.00
	Add: Any Others	0.00	0.00
	Less: Utilization During the Year	0.00	0.00
		115.00	40.00

Notes Forming Part of the Financial Statements

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
IV SURPLUS IN STATEMENT OF PROFIT AND LOSS			
	Opening Balance	958.36	568.39
	Add: Profit for the Year	660.98	467.13
	Add: Addition During the Year (Including Transferred from Reserve)	0.00	0.00
	Less: Appropriations		
	Proposed Dividend on Equity Shares	45.27	30.18
	Tax on Dividend	9.22	6.03
	Residual Value of Fixed Assets Transferred	0.00	0.94
	Transferred to General Reserve	75.00	40.00
		1,489.85	958.36
Total		2,075.37	1,468.88

4 LONG TERM BORROWINGS

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
I TERM LOANS			
(a) Secured			
(i) From Banks			
HDFC Bank - (Car Loan)		51.19	0.00
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 Car.			
iii) Loan is Guaranteed by following Directors:			
(1) Mr. Mahendra R. Shah (2) Mr. Jatin M. Shah			
(ii) From Other Parties			
Tata Capital Financial Services Limited - (Term Loan)		96.44	0.00
i) Tenure of Loan is 36 Months and Repayable in Equal 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 Bank Finance.			
iii) Loan is Guaranteed by following Directors:			
(1) Mr. Mahendra R. Shah (2) Mr. Jatin M. Shah			
		147.63	0.00
(b) Unsecured			
(i) From Bank		0.00	0.00
(ii) From Other Parties		0.00	0.00
		0.00	0.00

Notes Forming Part of the Financial Statements

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
II	LOANS AND ADVANCES FROM RELATED PARTIES		
	(a) Secured	0.00	0.00
		0.00	0.00
	(b) Unsecured		
	Mr. Mahendra R. Shah	135.72	148.60
	Mrs. Pushpa M. Shah	109.90	0.00
	Mr. Jatin M. Shah	136.64	98.50
		382.27	247.10
III	DEFERRED PAYMENT LIABILITIES		
	(a) Secured	0.00	0.00
	(b) Unsecured	0.00	0.00
		0.00	0.00
IV	OTHER LOANS AND ADVANCES		
	(a) Secured	0.00	0.00
	(b) Unsecured (Inter Corporate Deposits)	565.00	0.00
		565.00	0.00
	Total	1,094.90	247.10

Notes: (i) 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.

5 DEFERRED TAX LIABILITY (NET)

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
I	DEFERRED TAX LIABILITIES		
	Related to Fixed Assets	117.08	97.40
	Related to Others	0.00	0.00
		117.08	97.40
II	LESS: DEFERRED TAX ASSETS		
	Related to Fixed Assets	0.00	0.00
	Related to Others	0.00	0.00
		0.00	0.00
	Total	117.08	97.40

Notes Forming Part of the Financial Statements

6 OTHER LONG TERM LIABILITIES

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
I	Trade Payables	0.00	0.00
II	Others	0.00	0.00
	Total	0.00	0.00

7 LONG TERM PROVISIONS

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
	PROVISIONS FOR EMPLOYEE BENEFITS		
I	Provision for Leave Encashment	0.00	0.00
II	Others	0.00	0.00
	Total	0.00	0.00

8 SHORT TERM BORROWINGS

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
I	LOANS REPAYABLE ON DEMAND		
	(a) Secured		
	(i) From banks		
	Axis Bank Limited - Cash Credit Limits	680.47	366.44
	Axis Bank Limited - Buyer's Credit Limits	806.08	845.27
	Axis Bank Limited - PCFC Limits	0.00	300.44
	IDBI Bank Limited - Cash Credit Limits	1,058.03	189.00
	IDBI Bank Limited - Buyer's Credit Limits	673.52	810.63
	IDBI Bank Limited - PCFC Limits	0.00	599.40
	All the above 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.		
	2) Collateral Security: (i) Mortgage of Factory Land and Building at "118/1, Ravi Industrial Estate" situated at Bileshwarpura Village, Chhatral – 382729, Gandhinagar, Gujarat, India.		
	(ii) Mortgage of Office Building situated at "B-302, Pelican House, Near GCCI Compound, Ashram Road, Ahmedabad – 380009, Gujarat, India.		
	3) Rate of Interest on Cash Credit Loans is in Range Between 10.75% to 11.25%.		
	4) All the above Short Term Cash Credit Loans are Renewable Every year		

Notes Forming Part of the Financial Statements

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
5)	Loans are Guaranteed by the following Directors:		
	(a) Mr. Mahendra R. Shah (b) Mr. Jatin M. Shah		
	(c) Mrs. Pushpa M. Shah		
	(ii) From Other Parties	0.00	0.00
		3,218.11	3,111.18
	(b) Unsecured		
	(i) From Banks	0.00	0.00
	(ii) From Other Parties	0.00	0.00
		0.00	0.00
		3,218.11	3,111.18
II	LOANS AND ADVANCES FROM RELATED PARTIES		
	(a) Secured	0.00	0.00
	(b) Unsecured	0.00	0.00
		0.00	0.00
III	DEPOSITS		
	(a) Secured	0.00	0.00
	(b) Unsecured	0.00	0.00
		0.00	0.00
	Total	3,218.11	3,111.18

9. TRADE PAYABLES

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
1	Due to Micro, Small and Medium Enterprises	0.00	0.00
2	Due to Others	4,635.89	3,566.69
	Total	4,635.89	3,566.69

10. OTHER CURRENT LIABILITIES

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
1	Current Maturities of Long Term Debt	89.18	16.43
2	Unpaid Dividends	1.13	0.00
3	Creditors for Capital Goods	13.50	12.59
4	Other Payables	0.00	0.00
	Total	103.81	29.02

10.1 Unpaid Dividend is not due for credit to the Investor Education and Protection Fund.

Notes Forming Part of the Financial Statements

11 SHORT TERM PROVISIONS

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
I	PROVISIONS FOR EMPLOYEE BENEFITS		
	Provision for Bonus	0.00	0.00
	Provision for Gratuity	3.90	0.00
		3.90	0.00
II	OTHERS		
	Provision for Income Tax (Net off Advance Tax and TDS)	209.43	84.02
	Proposed Dividend	45.27	30.18
	Provision For Dividend Distribution Tax	9.22	6.03
	Service Tax Payable	0.06	1.69
	Audit Fees Payable	0.00	1.23
	VAT Payable	66.99	11.14
	CSR Expenses Payable	10.11	0.00
	CST Payable	1.51	0.00
	Professional Tax Payable	0.00	0.03
	ESIC Payable	0.09	0.00
	Provident Fund Payable	1.72	0.00
	TDS Payable	17.79	20.47
	Unpaid Expenses	0.00	1.24
		362.17	156.03
Total		366.07	156.03

Notes Forming Part of the Financial Statements

12 FIXED ASSETS

₹ In Lacs

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As At April 1, 2015	Addition During the Year	Sales and / or Adjust-ment During the Year	As At March 31, 2016	Up to March 31, 2015	For the Year	Adjust-ment for the Year	Up to March 31, 2016	As At March 31, 2016	As At March 31, 2015
(I) TANGIBLE ASSETS										
Factory Land	78.02	59.60	0.00	137.62	0.00	0.00	0.00	0.00	137.62	78.02
Factory Building	375.86	64.80	0.00	440.66	23.34	13.63	0.00	36.98	403.69	352.52
Plant and Machineries	703.55	66.85	0.00	770.40	74.31	50.89	0.00	125.19	645.20	629.24
Computer	9.69	0.71	0.00	10.41	6.44	1.36	0.00	7.80	2.60	3.26
Furniture and Fixtures	28.13	0.21	0.00	28.35	6.98	2.33	0.00	9.31	19.04	21.16
Vehicles	93.38	90.37	0.00	183.75	25.33	14.18	0.00	39.51	144.24	68.05
Office Equipments	21.82	4.01	0.00	25.83	6.36	4.94	0.00	11.30	14.53	15.46
Office Building Pelican House	55.37	0.00	0.00	55.37	10.71	0.86	0.00	11.57	43.80	44.66
Total (I)	1,365.83	286.55	0.00	1,652.38	153.47	88.19	0.00	241.65	1,410.72	1,212.36
(II) INTANGIBLE ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(III) CAPITAL WORK IN PROGRESS	208.42	221.40	0.00	429.82	0.00	0.00	0.00	0.00	429.82	208.42
Total (I) + (II) + (III)	1,574.25	507.95	0.00	2,082.20	153.47	88.19	0.00	241.65	1,840.55	1,420.79

Notes Forming Part of the Financial Statements

13 NON CURRENT INVESTMENTS

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
I TRADE INVESTMENT			
(a) Investment In Property		0.00	0.00
(b) Investment In Equity Instruments		0.00	0.00
(c) Other Non Current Investments (Specify Nature)		0.00	0.00
II OTHER INVESTMENTS			
(a) Investment In Property		0.00	0.00
(b) Investment In Equity Instruments In Equity Shares of Associate Company - (Unquoted, Fully Paid up)		0.00	0.00
(c) Investment In Government and Trust Securities		0.00	0.00
(d) Investment In Partnership Firms		0.00	0.00
(e) Other Non Current Investments (Specify Nature)		0.00	0.00
(Previous Year)			
AGGREGATE	QUOTED	UNQUOTED	
NIL	NIL	NIL	
Total		0.00	0.00

14 LONG TERM LOANS AND ADVANCES

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED			
I CAPITAL ADVANCES			
Advance Against Fixed Assets		0.00	0.00
		0.00	0.00
II OTHER LOANS AND ADVANCES			
Sundry Deposits and Advances		19.25	19.51
		19.25	19.51
Total		19.25	19.51

Notes Forming Part of the Financial Statements

15 OTHER NON CURRENT ASSETS

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
I LONG TERM TRADE RECEIVABLES			
	Unsecured, Considered Good	0.00	0.00
II OTHERS			
	Bank Fixed Deposit for More Than 12 Months (Transferred From Cash & Bank Balances)	0.00	0.00
Total		0.00	0.00

16 CURRENT INVESTMENTS

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
1	Investment In Mutual Fund	0.00	0.00
2	Investment In Equity Shares	0.00	0.00
3	Investment In Others	0.00	0.00
AGGREGATE	QUOTED		
	NIL		
	UNQUOTED		
	NIL		
Total		0.00	0.00

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

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
1	Raw Materials	5,502.16	3,328.74
2	Work-In-Progress	0.00	0.00
3	Stores and Spares	16.71	22.53
4	Finished Goods	670.61	1,056.90
5	Stock-In-Trade	0.00	0.00
Total		6,189.48	4,408.18

Notes Forming Part of the Financial Statements

18 TRADE RECEIVABLES

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
I	OUTSTANDING FOR NOT MORE THAN SIX MONTHS		
	(a) Secured, Considered Good	0.00	0.00
	(b) Unsecured, Considered Good	3,285.89	2,244.43
	(c) Others Considered Doubtful	0.00	0.00
	Less: (d) Allowance for Bad and Doubtful Debts	0.00	0.00
		3,285.89	2,244.43
II	OUTSTANDING FOR MORE THAN SIX MONTHS		
	(a) Secured, Considered Good	0.00	0.00
	(b) Unsecured, Considered Good	3.92	73.71
	(c) Others Considered Doubtful	0.00	0.00
	Less: (d) Allowance for Bad and Doubtful Debts	0.00	0.00
		3.92	73.71
	Total	3,289.81	2,318.14

19 CASH AND CASH EQUIVALENTS

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
I	CASH AND BANK BALANCES		
	(a) Balances With Scheduled Banks	0.51	2.79
	(b) Cash in Hand	9.29	5.42
	(c) Others		
	In Fixed Deposits for Less Than 3 Months	0.00	0.00
		9.81	8.22
II	OTHER BANK BALANCES		
	(a) Fixed Deposits With Banks		
	Fixed Deposit for Less than 12 Months	385.42	377.37
	Fixed Deposit for More than 12 Months	0.00	0.00
	(b) Earmarked Balances With Banks (Unpaid Dividend)	1.13	0.00
		386.55	377.37
	Less: Bank Fixed Deposit for More than 12 Months Transferred to Non Current Assets	0.00	0.00
		386.55	377.37
	Total	396.35	385.59

Notes Forming Part of the Financial Statements

20 SHORT TERM LOANS AND ADVANCES

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
	UNSECURED, CONSIDERED GOOD		
I	LOANS AND ADVANCES TO RELATED PARTIES	0.00	0.00
		0.00	0.00
II	OTHERS		
	Advance Recoverable in Cash or in Kind or for Value to be Received	47.99	35.13
	Loans and Advances to the Staff	0.21	0.97
	Deferred Cenvat Credit Receivable	4.75	7.48
	SED Claim Receivable	0.07	0.00
	Interest Receivable	2.69	4.48
	Service Tax Receivable	3.69	3.43
	Excise Duty Claim Receivable	94.67	209.61
	PLA / Cenvat (Excise Duty) Credit Receivable	8.97	7.70
	Preliminary Expense to the Extent Not Written off	9.29	0.00
	Vat Receivable	0.00	152.66
	Pre-Paid Expenses	5.30	4.46
		177.63	425.92
	Total	177.63	425.92

21 OTHER CURRENT ASSETS

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
1	Interest Accrued on Investments	0.00	0.00
2	Advance Premium on Forward Contracts	0.00	0.00
	Total	0.00	0.00

Notes Forming Part of the Financial Statements

22 REVENUE FROM OPERATIONS

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
I	REVENUE FROM OPERATIONS		
	Sale of Products		
	Domestic Sales	28,473.39	25,701.14
	Export Sales (*)	3,504.27	3,421.61
		31,977.66	29,122.75
	(*) Earning in Foreign Exchange		
II	OTHER OPERATING REVENUE		
	Job Work Charges	0.00	0.00
	Revenue From Operations (Gross)	31,977.66	29,122.75
	Less: VAT / CST	1,288.73	1,094.07
		30,688.92	28,028.69
	Less: Central Excise Duty	3,401.36	3,033.74
	Revenue From Operations (Net)	27,287.56	24,994.94
	Total	27,287.56	24,994.94

22.1 The above sales include Trading sales of ₹ 20.79 Lacs during the year (Previous Year ₹ 471.87 Lacs)

23 OTHER INCOME

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
1	Interest Income	31.75	26.23
2	Dividend Income	0.00	0.00
3	Profit on Sale of Shares	0.00	0.00
4	Other Non Operating Income		
	Gain on Exchange Rate Fluctuation	0.00	70.20
	Rent Income	2.40	2.40
	Discount / Sundry Balances Written Back	0.00	0.30
		2.40	72.90
	Total	34.15	99.13

Notes Forming Part of the Financial Statements

24 COST OF MATERIALS CONSUMED

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
I Raw Material			
	Opening Stock	3,328.74	2,030.26
	Add: Purchases	25,204.47	22,758.52
		28,533.21	24,788.78
	Less: Closing Stock	5,502.16	3,328.74
		23,031.06	21,460.04
II Packing Material and Consumable Stores			
	Opening Stock	22.53	7.54
	Add: Purchases	280.60	316.18
		303.13	323.71
	Less: Closing Stock	16.70	22.53
		286.43	301.18
Total		23,317.48	21,761.22

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

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
I Finished Goods			
	Opening Stock	1,056.90	665.90
	Less: Closing Stock	670.61	1,056.90
		386.29	(391.00)
II Stock-In-Trade			
	Opening Stock	0.00	1.96
	Less: Closing Stock	0.00	0.00
		0.00	1.96
Total		386.29	(389.05)

Notes Forming Part of the Financial Statements

26 EMPLOYEE BENEFITS EXPENSE

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
1	Salaries, Wages and Bonus	141.71	109.15
2	Directors' Salary Expense	112.16	42.85
3	Contribution to Provident Fund / ESIC / Gratuity	16.28	10.10
4	Staff Welfare Expenses	0.60	0.62
	Total	270.75	162.72

27 FINANCE COSTS

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
I INTEREST EXPENSE			
	For Short Term Borrowings		
	To Bank	374.58	440.11
	To Others	18.90	14.35
	For Others (Term Loan)	4.07	7.33
		397.56	461.79
II OTHER BORROWING COSTS			
	Bank Charges and Commission	66.18	18.25
	Interest from Customers on Delay in Payment	(74.13)	(40.43)
	Bank Loan Processing and Documentation Charges	18.15	45.13
		10.20	22.94
	Total	407.76	484.74

28 OTHER EXPENSES

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
I MANUFACTURING EXPENSES			
	Electricity Expenses	77.07	37.83
	Gas and Fuel Expenses	261.14	694.40
	Freight Inward-Octroi-Coolies and Cartages	59.55	45.06
	Repairs and Maintenance		
	To Buildings	1.79	0.16
	To Plant and Machineries	22.58	14.09
	To Other Assets	9.21	7.49
	CHA Agency Charges - Import	42.92	26.45
	Clearing and Forwarding Expenses	268.46	158.34
	Consultancy Expenses – Plant	9.00	9.00
	Job Work Charges	120.42	95.25

Notes Forming Part of the Financial Statements

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
	Crane and Forklift Expenses	3.97	5.19
	Security Expenses	20.88	16.17
	Demurrage and Detention Charges	274.01	146.72
	Bhatthi Consumable Items and Maintenance Expenses	92.07	66.10
	Water Expenses	15.79	10.56
	VAT Expenses and VAT Credit Not Available	10.25	26.43
		1,289.09	1,359.23
II	SELLING AND DISTRIBUTION EXPENSES		
	Freight Outward, Detention, Cartages and Others	368.41	334.31
	CHA Agency Charges - Export	2.21	1.73
	Clearing and Forwarding Expense - Export	21.36	34.23
	Commission and Other Expenses	0.14	1.47
	Traveling Expenses		
	For Directors	14.88	26.20
	For Staff and Guests	1.93	7.95
	Advertisement Expenses	11.69	3.05
		420.62	408.94
III	ADMINISTRATIVE EXPENSES		
	Insurance Premium Expenses	3.63	6.70
	Rent Expenses	8.92	3.73
	Rates and Taxes	1.11	1.17
	Payments to Auditors		
	As Auditor		
	Statutory Audit Fees	1.50	1.12
	Tax Audit Fees	0.11	0.11
	For Other Services (Income Tax)	0.11	0.11
	Donation Expenses	0.00	0.35
	Electricity Expenses	2.05	2.51
	Foreign Exchange Fluctuation Loss	12.10	0.00
	Premium paid on Hedging of Currency	4.00	0.00
	Income Tax Expense	1.81	0.82
	CSR Expenses	10.11	0.00
	Directors' Sitting Fees	1.80	0.00
	Interest on VAT, Service Tax and Custom Duty	6.42	4.03
	Legal and Professional Fees	17.97	20.90
	License, Membership and Annual Subscription Fees	8.24	0.79
	Listing Fees Expenses	2.92	9.95

Notes Forming Part of the Financial Statements

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
	Office Expenses	0.99	1.16
	Penalty Expenses	0.81	6.55
	Petrol and Conveyance Expenses	7.05	2.85
	Postage and Courier Expenses	0.98	0.96
	Printing and Stationery Expenses	6.08	4.21
	Recruitment Expenses	0.09	0.56
	ROC and Filling Fees	0.20	0.96
	Service Tax Expenses	8.86	7.67
	Telephone and Internet Expenses	5.04	3.89
	Other Expenses	9.00	2.14
		121.90	83.24
Total		1,831.61	1,851.41

28.1 C. I. F. VALUE OF IMPORTS

Sr. No.	Particulars	As At March 31, 2016		As At March 31, 2015	
		M.T.	(₹ In Lacs)	M.T.	(₹ In Lacs)
1	Raw Materials	8,805.01	8,057.68	7,700.77	7,109.32
2	Stores	0.00	0.61	0.00	0.00
3	Capital Goods	0.00	0.00	0.00	17.18

28.2 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
1	Travelling Expenses	7.91	1.22
2	Interest Expenses	25.07	13.02
Total		32.98	14.25

Notes Forming Part of the Financial Statements

28.3 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES & SPARES CONSUMED AND PERCENTAGE THEREOF

Sr. No.	Particulars	As At March 31, 2016		As At March 31, 2015	
		M.T.	(₹ In Lacs)	M.T.	(₹ In Lacs)
a) RAW MATERIALS					
1	Imported	6,122.76	5,762.84	6,941.21	6,228.37
	Percentage (%)	27.67	25.02	35.67	29.02
2	Indigenous	16,003.31	17,268.22	12,519.56	15,231.67
	Percentage (%)	72.33	74.98	64.33	70.98
	Total	22,126.08	23,031.06	19,460.77	21,460.04
b) STORES AND SPARES					
1	Imported	0.00	0.61	0.00	0.00
	Percentage (%)	0.00	0.21	0.00	0.00
2	Indigenous	0.00	285.82	0.00	301.18
	Percentage (%)	0.00	99.79	0.00	100.00
	Total	0.00	286.43	0.00	301.18

28.4 EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
1	Sale of Products (On FOB Basis)	3,504.27	3,421.61
	Total	3,504.27	3,421.61

29. CURRENT TAX

₹ In Lacs

Sr. No.	Particulars	As At March 31, 2016	As At March 31, 2015
1	Current Tax	320.00	217.00
	Total	320.00	217.00

30. EARNINGS PER SHARE

Sr No.	Particulars	As At March 31, 2016	As At March 31, 2015
1	Profit Attributable to the Equity Shareholders (A) (₹ in Lacs)	660.98	467.13
2	Basic / Weighted Average Number of Equity Shares Outstanding During the Period (B)	30,18,300	29,43,136
3	Nominal Value of Equity Shares (₹)	10.00	10.00
4	Basic / Diluted Earnings Per Share [C=A/B] (₹)	21.90	15.87

Notes Forming Part of the Financial Statements

NOTE – 31

1. The balances in respect of Sundry Debtors, Current Liabilities and Loans and Advances are subject to confirmations and reconciliations, if any.
2. In the opinion of the Board of Directors & Management, the Current Assets, Current Liabilities, Unsecured Loans and Loans & Advances are approximately of the value stated, if realized in the ordinary course of business. The provisions for depreciation and for all known liabilities are adequate and not in excess of amounts reasonably necessary.
3. In the opinion of the management, the Company is mainly engaged in a single segment of manufacturing & trading of non ferrous metals, therefore there are no separate reportable segments as per Accounting Standard 17 on "Segment Reporting".
4. The borrowing costs capitalized during the year ended on March 31, 2016 was ₹ 8.02 Lacs.

5. Related Party Transaction

As per the Accounting Standard 18 on "Related Party Disclosures", disclosure of transactions with related parties as defined therein are given below:

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

a) Key Managerial Personnel ("KMP"):

- Mahendra R. Shah - Chairman
- Jatin M. Shah - Managing Director
- Pushpa M. Shah - Director

b) Enterprises significantly influenced by the Directors and or their relatives

- Mahendra Aluminium Company Limited - Sister Concern
- Krish Ferro Industries Private Limited - Sister Concern
- Mahendra Corporation - Sister Concern

Transactions with Related Parties during the year

The following transactions were carried out with the Related Parties in the ordinary course of business.

c) Details of Related Party Transactions with "KMP":

₹ In Lacs

Particulars	Mahendra R. Shah	Jatin M. Shah	Pushpa M. Shah
Remuneration Paid	50.79 (17.82)	50.79 (17.82)	10.58 (6.31)
Receipt of Loans	345.30 (252.24)	251.85 (172.20)	110.00 (156.25)
Repayments of Loans	358.18 (103.64)	213.71 (73.70)	0.09 (156.25)

Note: Figures in brackets are for previous financial year 2014-15.

Notes Forming Part of the Financial Statements

d) Details of Related Party Transactions with Enterprises significantly influenced by the Key Managerial Personnel and / or their Relatives & Sister Concerns:

₹ In Lacs

Particulars	Mahendra Aluminium Co. Limited	Mahendra Corporation	Krish Ferro Industries Pvt. Ltd.
EXPENSES			
Purchase & Job work Charges	3,175.61 (3,275.04)	NIL (449.35)	239.53 (213.05)
Interest Expenses	NIL (NIL)	NIL (NIL)	NIL (13.05)
Rent Expenses	3.00 (1.75)	NIL (NIL)	NIL (NIL)
Purchase of Fixed Assets	NIL (16.56)	NIL (NIL)	NIL (NIL)
INCOME			
Rent Income	1.20 (1.20)	NIL (NIL)	1.20 (1.20)
Sales & Job Work Income	1,424.65 (486.20)	375.56 (165.17)	NIL (NIL)
BALANCES AS AT MARCH 31, 2016			
Trade Receivables	NIL (NIL)	332.25 (NIL)	NIL (NIL)
Trade Payables	NIL (852.33)	NIL (263.37)	280.92 (NIL)

Note: Figures in brackets are for previous financial year 2014-15.

5 Employee Benefits

a) Defined Benefit Plan

Defined Contribution Plan

The Company has recognized the following amount in the Statement of Profit and Loss which is included under contribution to funds.

₹ In Lacs

Particulars	2015-16	2014-15
Contribution to Provident Fund	10.58	5.71

Notes Forming Part of the Financial Statements

b) Defined Benefit Plan (Un-Funded Gratuity)

1.1 Table Showing Changes in Present Value of Obligations

Amount In ₹	
Particulars	2015-16
Present Value of the Obligation at the beginning of the period	1,68,578
Interest Cost	13,486
Current Service Cost	2,16,304
Benefits Paid (if any)	0
Actuarial (Gain) / Loss	(8,681)
Present Value of the Obligation at the end of the period	3,89,687

1.2 Key Results (The Amount to be Recognized in the Balance Sheet)

Amount In ₹	
Particulars	2015-16
Present Value of the Obligation at the end of the period	3,89,687
Fair Value of Plan Assets at the End of the Year	0
Net Liability / (Asset) Recognized in Balance Sheet & Related Analysis	3,89,687
Funded Status	(3,89,687)

1.3 Expense Recognized in the Statement of Profit and Loss

Amount In ₹	
Particulars	2015-16
Interest Cost	13,486
Current Service Cost	216,304
Expected Return on Plan Asset	0
Net Actuarial (Gain) / Loss Recognized in the period	(8,681)
Expenses to be Recognized in the Statement of Profit and Loss	221,109

2.1 The Assumptions Employed for the Calculations are Tabulated

Particulars	2015-16
Discount Rate	8% Per Annum
Salary Growth Rate	6% Per Annum
Mortality	IALM 2006-08 Ultimate

Notes Forming Part of the Financial Statements

6. The estimated rate of escalation in salary, if any, is considered in actuarial valuation which takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
7. The Company has not received information from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosure, if any, relating to amount unpaid as at the Balance Sheet date together with interest paid or payable as per the requirement under the said act, have not been made.
8. In the opinion of the Board, Current Assets and Loans & Advances have a value of the least equal to the amounts shown in the Balance Sheet, if realized in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of amount considered reasonably necessary.
9. For the year ended on March 31, 2016, the Board of Directors of the Company has recommended a Final Dividend of ₹ 1.50 (i.e. 15%) Per Equity Share (Previous Year ₹ 1/- Per Equity Share i.e. 10%) to the Equity Shareholders. Dividend, if approved, at the ensuing Annual General Meeting, will be paid / credited to those members whose names appear on the Company's Register of Members on Record Date.
10. Previous year's figures have been regrouped, reclassified & rearranged wherever considered necessary.

As Per Our Report of Even Date Attached

For Raman M. Jain & Co.,

Chartered Accountants

Firm Registration No.: 113290W

For Raman M. Jain

(Partner)

Membership No.: 045790

Place: Ahmedabad

Date: May 21, 2016

For & on Behalf of Board of Directors

Mahendra R. Shah

Chairman

Jatin M. Shah

Managing Director

Purvash Pandit

Company Secretary

Vijay Lathi

Chief Financial Officer

Cash Flow Statement For The Year Ended March 31, 2016

₹ In Lacs

Particulars	As At March 31, 2016	As At March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	1,000.66	705.31
Adjustments for:		
Depreciation	88.19	75.44
Interest, Dividend etc. Received	(34.15)	(28.63)
Profit on Sale of Assets	0.00	0.00
Loss on Sale of Assets	0.00	0.00
Miscellaneous Expenditure	0.00	0.00
	54.04	46.81
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,054.70	752.12
Adjustments:		
Trade and Other Receivables	(723.12)	851.26
Inventories	(1,781.30)	(1,702.52)
Trade Payable / Provision	877.74	742.89
	(1,626.67)	(108.38)
CASH GENERATED FROM OPERATIONS	(571.98)	643.74
Interest and Finance Charges Received	0.00	0.00
Excess Provision Written Back	0.00	0.00
Income Tax and FBT Paid	0.00	0.00
	0.00	0.00
NET CASH FROM OPERATING ACTIVITIES	(571.98)	643.74
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(286.55)	(363.14)
Sale of Investment	0.00	0.00
Sale of Fixed Assets	0.00	0.00
Capital Expenditure on WIP	(221.40)	(208.42)
Interest, Dividend etc. Received	34.15	28.63
NET CASH FLOW FROM INVESTING ACTIVITIES	(473.80)	(542.93)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Share Capital / Calls in Arrears Received	0.00	62.00
Net Increase in Borrowings	1,027.48	(10.64)
Share Issue Expenses	0.00	0.00
Dividend Paid	29.06	0.00
NET CASH FROM FINANCING ACTIVITIES	1,056.53	51.36
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	10.76	152.17
CASH AND CASH EQUIVALENTS - OPENING BALANCE	385.59	233.42
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	396.35	385.59

As per our Report of even date attached

For Raman M. Jain & Co.,

Chartered Accountants

Firm Registration No.: 113290W

For Raman M. Jain

(Partner)

Membership No.: 045790

Place: Ahmedabad

Date: May 21, 2016

For & on Behalf of Board of Directors

Mahendra R. Shah

Chairman

Jatin M. Shah

Managing Director

Purvash Pandit

Company Secretary

Vijay Lathi

Chief Financial Officer



Auditors' Certificate

We have examined the attached Cash Flow Statement of **Arfin India Limited** for the year ended on March 31, 2016. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreements with the Stock Exchanges and is based on agreement with the corresponding Statement of Profit & Loss and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For Raman M. Jain & Co.,

Chartered Accountants

Firm Registration No.: 113290W

Place: Ahmedabad

Date: May 21, 2016

Raman M. Jain

(Partner)

Membership No.: 045790

[illegible]

[illegible]



ARFIN INDIA LIMITED

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

24th Annual General Meeting – Saturday, September 10, 2016 at 12:00 noon
at Regency Ballroom, Hyatt Regency,
17A, Ashram Road, Usmanpura, Ahmedabad – 380014, 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 24th Annual General Meeting of the Company on Saturday, September 10,
2016 at 12:00 noon.

Signature of the Member / Proxy

(To be signed at the time of handing 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 xerox 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 the AGM

■ Regency Ballroom, Hyatt Regency,
17A, Ashram Road, Usmanpura,
Ahmedabad – 380014, Gujarat, India.





ARFIN INDIA LIMITED

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

24th Annual General Meeting – Saturday, September 10, 2016 at 12:00 noon

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 24th Annual General Meeting of
the Company, to be held on Saturday, September 10, 2016 at 12:00 noon at Regency Ballroom, Hyatt Regency,
17A, Ashram Road, Usmanpura, Ahmedabad - 380014, Gujarat, India, and at any adjournment thereof in respect of
such resolutions as are indicated overleaf:

Proxy Form

Sr. No.	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 Mr. Mahendra R. Shah, who retires by rotation and being eligible, offers himself for re-appointment		
4	Ratification of re-appointment of Statutory Auditors		

Special Businesses

5	Appointment of Mr. Shantilal Mehta as an Independent Director		
6	Appointment of Mrs. Pushpa M. Shah as an Executive Director		
7	Approval for remuneration to Mrs. Pushpa M. Shah		
8	Borrowings in excess of aggregate of Paid-up Share Capital & Free Reserves		
9	Ratification of Remuneration payable to Cost Auditors		

Signed this _____ day of _____, 2016.

Signature of the of Member _____

Affix Revenue
Stamp of not
less than
₹ 1/-

Signature of 1st Proxy Holder

Signature of 2nd Proxy Holder

Signature of 3rd Proxy Holder

Notes

- For the Resolutions, Explanatory Statements and Notes, please refer to the notice of the 24th Annual General Meeting.
- This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A Proxy need not be a member of the Company.
- It is optional to indicate your preference. If you leave the 'for' 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.
- Those Members who have multiple folios with different joint holders may use xerox copies of this Attendance Slip / Proxy Form.



ARFIN INDIA LIMITED

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.



ARFIN INDIA LIMITED

REGISTERED OFFICE:

B-302, 3rd Floor, Pelican House,
Gujarat Chamber of Commerce Building,
Ashram Road, Ahmedabad - 380009, Gujarat, India.
Phone: +91 79 26583791, 92

FACTORY:

118/1, Ravi Industrial Estate, Behind Hotel Prestige,
Billeshwarpura, Chhatral - 382729, Taluka: Kalol,
District: Gandhinagar, Gujarat, India.
Phone: +91 2764 232620, 21

CIN: L65990GJ1992PLC017460 | Email: info@arfin.co.in | Web: www.arfin.co.in