

**ANNUAL REPORT
2016-17**



ARFIN INDIA LIMITED



KEEP GROWING...











Vibrant

SAFETY FIRST
सुरता पहले

POWER

Growth is a reflection of Performance, Evolution, Movement and Development. It defines progress representing the spirit of times. And it also defines exclusivity indicating the pleasures, beliefs and context that we are growing.








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









A garden requires persistence, labour and attention. Plant do not grow merely to satisfy ambitions or to fulfill good intentions. They flourish because someone expended efforts on them. An organization's continuous growth also depends on consistency, reliability and stability.

Arfin's financial performance has improved significantly over the last 5 years. Revenue of the Company has been consistently growing at a healthy pace. EBITDA has also witnessed healthy growth in tandem with the top-line. Profit After Tax and Earnings Per Share have also grown. Improvement in Operational Profitability has resulted in higher Return on Capital Employed, which has increased from 5.24% in FY12 to 30.46% in FY17.

“Arfin is consistently and strongly investing in products and technologies that would make sure powerful as well as rapid growth of the company.”

You can only grow if you are willing to feel stropy and uncomfortable when you try something new. Arfin is consistently adding new products to its existing portfolio. During FY17, the Company has added Master Alloys & Ferro Alloys products to its existing portfolio of products.

In line with “Keep Growing” theme, we are into the business of understanding our customer needs and adapting our products to their requirements and making them accessible globally.

Our mission is to keep discovering the Indian infrastructure requirements that captures the growth of the country and to “Keep Growing” our Company Arfin India Limited.



KEEP GROWING...

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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

BHERULAL LALCHAND CHOPRA

Independent Director

CHIEF FINANCIAL OFFICER

Vijay Lathi

COMPANY SECRETARY

Purvash Pandit

STATUTORY AUDITORS

Raman M. Jain & Co.,

Ahmedabad

SECRETARIAL AUDITORS

Kamlesh M. Shah & Co.,

Ahmedabad

COST AUDITORS

Ashish Bhavsar & Associates,

Ahmedabad

BANKERS

Axis Bank Limited

IDBI Bank Limited

State Bank of India

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited

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WORKS

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Taluka - Kalol, District - Gandhinagar,

Chhatral - 382729, Gujarat, India.

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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.”



Mahendra R. Shah
Chairman

Chairman's Message

“At Arfin, we help bring simplicity to our customers. They recognize us as a true standard bearer of Aluminium Products having great standard, best in quality because we respect their requirements, as well as the environment.”

Dear Stakeholders,

We are pleased to share with you the Annual Report of your Company for the financial year 2016-17. During the year, your Company has delivered strong performance, achieved Gross Sales of ₹ 40,626 Lacs, Profit After Tax of ₹ 1,301.77 Lacs with EBIDTA margins of 8.12% of Net Sales. The Basic Earnings Per Equity Share has been increased to ₹ 40.08. Your Company has sold 24,100 metric tons of goods during the year. We planned better, delivered better and worked harder to achieve the desired results. During the year, the Company's bottom line has almost doubled in compare to previous year.

The stark performance by the Company during financial year was the result of an extensive hard work and focused approach to the business. We continuously strengthened our manufacturing processes, optimized costs, reduced waste and minimized environmental hazards. We have created robust portfolio of products to supply across the Steel Sector, Automobile Sector and Power Sector. We have created a product basket targeting multiple sectors protecting ourselves from an excessive dependence on any one segment. We widened our product portfolio to be protected from a fundamental risk of being supplying in limited products and sectors.

We strengthened our supply chain to meet the timely delivery of goods to maintain optimum level of inventories.



Chairman's Message

“It is often said that great Companies aim for quality and commitment to their customers. Our extensive portfolio of Aluminium Products places the Company in the league of leading Aluminium Products manufacturing Companies that have strong emotional connection with their customers.”

The result of all these initiatives was that we have reported significant profitable growth during the year under report.

During the year, the Company has raised equity funds of ₹ 1,807.50 Lacs through preferential issue of convertible warrants to promoters and public shareholders which has resulted in strengthening of the Balance Sheet. The Company has also initiated amalgamation of Group Company, Mahendra Aluminium Company Limited with Arfin India Limited. It will strengthen the Arfin on account of consolidation of business activity, greater efficiency in the overall business and integration of business operations as well as synergy benefits through combined operations of both the entities. Since the products of both the Companies are similar in nature, the contemplated amalgamation will lead to economies of scale which in turn will promote cost efficiency by means of reduction in administrative overheads, reduction in multiplicity of legal and regulatory compliances, and help run the business more effectively and economically resulting in better utilization of resources.

The core business portfolio has performed very well with all the key segments posting steady growth led by Alloy, Cored Wire, Aluminium Deox and Aluminium Wire Rod businesses. Alloy and Cored Wire businesses have outperformed through robust increase in sales and volume in compare to previous year. Sales from Cored Wire business is almost double and Alloy business sales has increased to more than 5 times in compare to previous year.

Highlights 2016-17

SUCCESSFUL PLANT SET UP AND LAUNCH OF MASTER ALLOYS AND FERRO ALLOYS PRODUCTS

SECOND PLANT OF CORED WIRE GOT OPERATIONAL

HIGHEST EVER SALES AND VOLUME FROM BUSINESS

HIGHEST EVER EBIDTA AND PROFIT AFTER TAX

141%

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

2016-17

Increased volume and improved operational efficiencies during 2016-17 have resulted consistent growth for the Company.

Gross Margins improved from 13.06% in 2015-16 to 16.99% of Net Sales during 2016-17.

EBIDTA Margins improved from 5.76% in 2015-16 to 8.12% of Net Sales during 2016-17.

Profit After Tax has increased to ₹1,301.77 Lacs during 2016-17 in compare to ₹ 660.98 Lacs during 2015-16.

33.52%

RETURN ON NET WORTH

30.46%

RETURN ON CAPITAL EMPLOYED

20.45%

VOLUME GROWTH

NET SALES (₹ in Lacs)

2015	24,995
2016	27,288
2017	34,380

SALES QUANTITY (MT)

2015	16,071
2016	20,008
2017	24,101

EBIDTA (₹ in Lacs)

2015	1,265
2016	1,571
2017	2,791

PAT (₹ in Lacs)

2015	467
2016	661
2017	1,302

EPS (₹)

2015	15.87
2016	21.90
2017	40.08

Chairman's Message

“Your Company has been awarded under “India SME 100 Awards” amongst 41,832 nominations for the category.”

During the year, the Company has commenced commercial production and sales from Master Alloys and Ferro Alloys plants. Second plant of Cored Wire got operational during the year.

The year was marked by two major domestic policy developments, the passage of Goods and Services Tax (GST) and the action to demonetize the two highest denomination notes. The GST will create a common Indian Market, Improve Tax Compliances & Governance and boost the investment & growth. Demonetization has had short term costs but holds the potential for long term benefits. Follow up actions to minimize the costs and maximize the benefits include fast demand driven re-monetization, further tax reforms and reducing tax rates. These actions would allow growth to return to trend in 2017-18.

Despite the challenges, we have achieved good results. This has been largely due to ideal cost Management, focus on efficiency improvement, productivity and customer centricity. We have done well both in terms of revenue and earnings. The topline and EBIDTA achieved has been the highest ever.

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

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

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

With Regards,

Yours Sincerely,

Mahendra R Shah

Mahendra R. Shah

(Chairman)



**Award to Arfin India Limited under “India SME 100 Awards”
for 2015-16 performance at New Delhi on May 6, 2017.**



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 East, West, South 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 covers supply to Steel Sector, Automobile Sector and Power Sectors through its existing portfolio of products.

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 customers are constantly in need to navigate their way carefully through an ocean of choices. When it comes to their requirements, they invariably look to place their trust in ethical Companies that are clear examples of quality and good standing.”

The year was marked by two major domestic policy developments, the passage of the Constitutional Amendment, paving the way for implementing the transformational Goods and Services Tax (GST), and the action to demonetize the two highest denomination notes. The GST will create a common Indian market, improve tax compliances & governance, and boost investment & growth. It is also a bold new experiment in the governance of India's cooperative federalism. Demonetization has had short-term costs but holds the potential for long-term benefits. Follow-up actions to minimize the costs and maximize the benefits include fast, demand-driven, re-monetization, further tax reforms, reducing tax rates and acting to allay anxieties about over-zealous tax administration. These actions would allow growth to return to trend in 2017-18, possibly making it the fastest-growing major economy in the world, following a temporary dip in 2016-17.

The Indian Economy has sustained a macro-economic environment of relatively lower inflation, fiscal discipline and moderate current account deficit coupled with broadly stable rupee-dollar exchange rate. Such a sustenance is despite continuing global sluggishness. As per the advance estimates released by the Central Statistics Office, the growth rate of GDP at constant market prices for the year 2016-17 is placed at 7.1%, as against 7.6% in 2015-16. For 2017-18, it is expected that the growth would return to normal as the new currency notes in required quantities came back into circulation and follow-up actions to demonetization are taken.

Business Overview

“In a world full of options, our Products stand tall in the hearts and minds of our customers. They have faith in our products to be the caretakers of their interests and needs globally. This has, in turn, transformed us into a leading Aluminium Company globally, that sells top quality Aluminium products.”

Against this challenging environment, Arfin has delivered an exceptional performance. The Company has delivered highest ever volume, sales, EBIDTA & Net Profit. The operating efficiencies are improving following ramp up of existing furnace of Aluminium Wire Rod plant. This has improved the output and cost efficiencies to the manufacturing of Aluminium Wire Rod product. The Company's focus on value added products is also yielding desired results and is set to contribute significantly to the profitability.

Aluminium Alloy and Cored Wire businesses have outperformed during the year. Sales from Cored Wire business has almost been doubled and Sales from Alloy business has increased by more than 500% in compare to previous year. Aluminium Wire Rod and Aluminium Deox businesses have also performed well and have been able to maintain the level of sales and volume.

During the year, second plant of Cored Wire got operational and started commercial production and sales during last quarter. Also the Company has entered into new line of business through addition of new product lines of Master Alloys and Ferro Alloys. The Company has started commercial production and sales from Master Alloys and Ferro Alloys vertical during last quarter of the year. 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.

Commercial production from Conductor & Cables plant is expected to start from second half of 2017-18. The Company has received all regulatory approvals and is eligible for supply to State Electricity Board Companies.



Business Overview

“Seizing new growth opportunities by adding value-added products and creating the right environment for balanced growth that will further differentiate us and drive future growth.”

The Company has seeded several initiatives and projects that will bear fruits in the upcoming years. The Company has diversified its businesses through addition of more product lines and covering supply to Steel Sector, Automobile Sector and Power Sector. Also, ongoing focus on continuous improvement is helping us to achieve even greater efficiencies.

The Company has sold 24,100 metric ton of goods registering year on year volume growth of 20.45% during the year although the market sentiment was quite slow during third and fourth quarter of the year on account of demonetization of high value notes. The last quarter of the year was bumper quarter posting highest quarterly sales and profit for the Company.

We are pleased to share that Arfin has been awarded under **“India SME 100 Awards”** amongst 41,832 nominations on the basis of 2015-16 performance. The award was given by Shri Kalraj Mishra, Honorable Minister of MSME, Government of India at New Delhi on May 6, 2017.

The Company aims to be a leader in its business segment through its product lines viz. Aluminium Wire Rod, Aluminium Deox, Cored Wire, Alloy Products, Automobile Parts, Cable & Conductors, Master Alloys and Ferro Alloys. Out of these, Aluminium Wire Rod, Aluminium Deox, Cored Wire and Alloy businesses are matured businesses. The Company started Master Alloys and Ferro Alloys business during last quarter of the year and is expecting big volumes during 2017-18.

During the last fiscal year, overall capacity utilization of Aluminium Producers in India has increased due to increased demand and infrastructure growth on account of government policies. Average LME prices of aluminium were increased to USD 1,950 per metric ton during last fiscal year which were higher by 11% in compare to previous year's average LME prices. 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 three years.



Business Overview

“The Government's push on the infrastructure front will give an added incentive to the Aluminium Industry. Your Company has healthy plans to positively ride this next phase of growth in India.”

Indian economy has a huge infrastructure demand looking at current infrastructure which will push growth of the Company. Demand for Aluminium is estimated to grow at 6%-8% per annum in view of the low per capita consumption in India. Demand for the metal is expected to pick up as the scenario improves for user industries like power, infrastructure and transportation. The Indian aluminium demand is expected to remain robust following the steps taken by the government to boost the industrial production and infrastructure. The demand is also expected to get a boost following the focus on smart cities and improving prospects of business and construction industry. The other segments that are expected to see enhanced aluminium demand are automobile and food packaging industry. Rapid urbanization, as the country continues to develop towards a more consumer-focused economy, should augment consumer-driven demand and will help in sustaining strong growth in aluminium demand into the next decade.

The success of the Aluminium Industry is attributed to the sharp focus on the product lines leading to better cost control, better customer service and consequently faster growth at higher profitability.

Overall, all the developments are in the positive direction and in the segments 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 products, improved operational efficiencies and increase in margins.



Business Overview

“At Arfin, our strong and energetic team helps reinforce the foundation of our business. We always try to attract, develop and maintain the best talent. We stand strong on our commitment to provide growth opportunities to every employee, hence creating a coordination between business requirements and employees.”

Employee training programs are integral to our HR department. Recognizing people as our biggest asset, we provide advanced quality training to employees. The Company constantly launches

and takes initiatives that contribute to happier and more productive talent. It is on the belief that a happier employee has a greater drive to perform and adapt to meet changing needs. The Company always believe that its biggest asset has been the people employed in its business who come from a large cross section of social and economic backgrounds.

We believe an engaged work force connects better, performs better and adds better values to a business. Therefore, we organize several employee engagement activities throughout the year to remain close to employees and ensure better business performance. The themes set for the year were simplicity, happiness, satisfaction and keep growing that lead to 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.



Business Overview

“At Arfin, We see an incredible opportunity to drive growth of all our stakeholders. By making every aspect of our business sustainable, we reaffirm our commitment to a better world. In everything we do, we ensure that we keep growing.”

The Company is fastest growing in its business segment and is under process of organizing its production and warehousing activities through systematic allocation of space for each of the business vertical. During the year, the Company has installed second plant of Cored Wire in new separate shed and is also planning to shift existing plant of Cored Wire to this shed. Once both the Cored Wire Plants get shifted under one shed it would be easier to manage with common manpower and common infrastructure for both the plants. It will further improve operational efficiencies and reduce the common costs. The Company has allocated separate space for warehousing of finished goods and raw materials. Separate space with separate boundaries has been allocated for warehousing of finished goods and raw materials which gives more visibility of stock position at any point of time to take business decisions. During the year, the Company has started manufacturing of Master Alloys & Ferro Alloys products. For this, the Company has allocated a separate shed for Master Alloys & Ferro Alloys production facilities. Separate allocation of space differentiates the inventories of the respective business verticals and easy to manage. The Company has separate laboratory set ups for different business verticals. There is separate laboratories for quality testing of Aluminium Deox Products, Aluminium Wire Rod, Cored Wire, Aluminium Alloys, Master Alloys & Ferro Alloys and Conductor & Cable products before sale to the customers. Each and every batch of production is tested for quality check

before supplying to the customers. The Company has in-house quality testing team which is fully equipped and dedicated for inspection and testing of materials. The Company has created total production capacity of 55,400 metric tons per annum.



Business Overview

“The Company has strong information and communication network which supports and captures the exchange of information enabling the employees to efficiently carry out their responsibilities.”

The Company has well established internal control procedures across all business vertical commensurate with the size and nature of operations. The policies, procedures and systems are well laid out and regularly monitored by the top Management ensuring all deviations are always within control. The Company also ensures that financial and operating reporting systems are reliable and that

all material risks are evaluated. The Company has strong information and communication network which supports and captures the exchange of information enabling employees to efficiently carry out their responsibilities. The Company also has a review mechanism whereby the Management regularly reviews actual performance in comparison to the plans.

There is a separate in-house team which constantly analyses, understands and works upon to reduce the cost of production without any impact on quality of products manufactured.

Arfin envisages strong growth in near term as economic growth has picked up and the government is promoting infrastructure investments and consumption through various initiatives taken during last 3 years post formation of new government in central. The Company also envisages robust growth on the horizon too, as the sectors it cater to are not only large but also growing and it is still quite under-penetrated from the perspective of infrastructure. To ready itself for this take off in growth, the Company has put in place robust Internal Risk Management systems & processes and supportive technology.





ALUMINIUM WIRE ROD

“The operating efficiencies has improved on account of ramp up of existing furnace of Aluminium Wire Rod plant. This has improved the output and cost efficiencies to the manufacturing of Aluminium Wire Rod product.”

Aluminium Wire Rod business is one of the leading and matured business verticals of Arfin India Limited which is being supplied 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. 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 significant role in achieving business targets. During the year, this business has added gross sales of ₹ 13,214 Lacs which is 32.50% of the total sales through sales of 7,710 metric ton goods. 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. The operating efficiencies has improved on account of replacement of existing furnace of Aluminium Wire Rod plant with new furnace which has resulted in improved output and reduction in manufacturing cost.





ALUMINIUM DEOX

“At Arfin, we are focusing on improved operational efficiencies, stringent & better internal controls which result into making Arfin India Limited a strong Company.”

Aluminium Deox business is also one of the matured businesses in Arfin India Limited which mainly caters to Steel Sector in India. Arfin covers almost all major steel players in India. Aluminium Deox products are used to deoxidize the steel and to complete the steel manufacturing process. Aluminium Deox products include Aluminium Cubes, Aluminium Shots, Aluminium Notch Bars & Aluminium Ingots. 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 added gross sales of ₹ 15,117 Lacs which is 37.20% of the total gross sales. During the year, the Company has sold 9,806 metric tons goods. The Company has set up its separate in-house laboratory for testing and inspection of each & every batch of finished goods produced and sold to our esteemed customers.





CORED WIRE MILL

“Cored Wire business has outperformed during the year and sales from this business is almost double in compare to previous year.”

During the year, Cored Wire business has outperformed and sales from this vertical is almost doubled in compare to previous year. Second plant of Cored Wire commissioned during the year and the Company has started commercial production from this plant. During the year, the Company has sold 690 metric tons of goods and has been able to add gross sales of ₹ 3,135 Lacs for the year. Cored Wire is mainly supplied to the Steel Sector and used for desulphurization and inclusion-modification in the Steel Industries.





ALUMINIUM ALLOY INGOTS

“Aluminum Alloys is used in several end use industries viz. automotive, construction, transportation, packaging, electrical, machinery and others such as sporting goods etc.”

During the year Alloy business got matured and Company has been able to register sales and quantity growth by more than 500% in compare to previous years' sales and quantity. Company has sold 4,464 metric tons of Aluminium Alloy Ingots for Gross Sales of ₹ 6,998 Lacs for the year 2016-17. 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.

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 Alloy products are produced to meet individual customer specifications in the main alloy groups meeting specification in accordance with BS & JIS Standards.





Jatin M. Shah
Managing Director

Management Discussion And Analysis Report

Industry Structure and Developments

India is one of the huge producers of aluminium in the world and Aluminium is the largest non-ferrous industry in the world economy and also one of the significant industries in the Indian economy. The Indian industry is likely to see double digit growth over next few years due to consistently growing demand from construction and automobile sectors. The per capita consumption of aluminium metal in India is considerably lower than that in developed countries. Thus, there is vast scope for the industry to develop.

The Company is operating in multiple products of aluminium and this multiplicity of operations minimizes the operating eventualities. The development is visible from the improved performance of the Company. The performance, as usual, has significantly improved during the financial year 2016-17. The Company has reported year on year increase in Profit after Tax at substantial level which is mainly on account of increased volume, increase in gross margins and improved operational efficiencies. The growth shows a remarkable performance as the Company remained unaffected by deflationary scenario in global economy and factors like demonetization.

The yield and profitability ratios of the Company also registered consistent and visible growth in the F.Y. 2016-17. In last report for F.Y. 2015-16, the Company has referred the Power Segment as segment with most potential and also indicated that this segment would be highly beneficial to the Company in future.



Management Discussion And Analysis Report

Opportunities and Threats

To carry success story forward, the organization needs to evaluate the opportunities & threats and synchronize its plans with them.

Opportunities

Aluminium being lightweight, durable and anti-corrosive is the metal of choice for leading designers, architects, engineers and all of whom who are looking for a material which combines functionality and cost effectiveness with forward looking form and design potential.

To be specific, the major future opportunities for the Company are following:

- Untapped rural market and rapid urbanization
- “Make in India” concept of Government of India gathering momentum
- Projected increase in investment & focus by government on infrastructure
- Increasing production in auto segment leading to increase in steel and aluminium consumption

Threats

When you grab the opportunities based on your strength, you are bound to be accompanied by the risks and threats attached with them. The Company is exposed to the following type of risks:

- Volatility in business cycle
- Change in Government Policy
- Global economy growth or recession
- Increasing competition
- Technological change / obsolescence
- Substitute products

Product / Plant wise Performance

The Company is engaged in the 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:

Aluminium Wire Rod

This plant has installed capacity of 15,000 metric tons per annum. The sales from this plant during the financial year under report was ₹ 13,214 Lacs with quantity of 7,710 metric tons.

The Company expects Aluminium Wire Rod product sales volume to increase in the range of 5 to 10% during financial year 2017-18.

Aluminium Deox

This plant has installed capacity of 20,000 metric tons per annum. The sales from this plant during the financial year under report was ₹ 15,117 Lacs with quantity of 9,806 metric tons.

The Company expects Aluminium Deox product sales volume to increase in the range of 5 to 10% during the financial year 2017-18.

Cored Wire

The Company is having Cored Wire Plant with total installed capacity of 1,200 metric tons per annum. During the year, the Company has installed second plant of Cored Wire with the capacity of 600 metric tons per annum.

The sales from this plant during the financial year under report was ₹ 3,135 Lacs with quantity of 690 metric tons.

The Company expect to increase sales from Cored Wire Products in the range of 5 to 10% for the financial year 2017-18.

Management Discussion And Analysis Report

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 4,464 metric tons amounting to ₹ 6,998 Lacs which is higher by more than 500% in compare to previous year. This business has got matured during the year.

Outlook

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

Business Highlights

The Company has shown significant growth during the financial year ended on March 31, 2017. Increased Volume, Change in Product Mix, Increased Customer Demand, Increased Margins and Improved Operational Efficiencies during the financial year 2016-17 have resulted consistent growth for the Company. Better Market Sentiments and New Product Lines have resulted increase in volume and sales during the year. Aluminium Alloy & Cored Wire Businesses have contributed significantly along with Aluminium Wire Rod and Aluminium Deox verticals during the year. The salient points for the business overview of the Company during the financial year 2016-17 are as follows:

- Total Income from Operations of ₹ 34,380 Lacs with year on year growth of 25.99%
- EBIDTA of ₹ 2,791 Lacs
- EBIDTA Margins of 8.12% of Net Sales (higher

by 236 bps as compared to previous year)

- Year on year increase in Profit After Tax of 96.94%
- Increase in basic EPS from ₹ 21.90 to ₹ 40.08 per share
- Set up of Master Alloys & Ferro Alloys Plant
- Operationalization of the second Cored Wire Plant

Risks and Concerns

The Company identifies all type of risks at an early stage which helps it to control them better. The risks are normally perceived from price fluctuation, government policies, market competition and retention of manpower.

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

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

- Strategic Risk
- Operational Risk
- Financial Risk
- Hazardous Risk

Other risks include Employment Risk, Industry Risk, Raw Material Risk, Regulatory Risks, Economic Uncertainty and Price Volatility resulting from demand uncertainty. 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.

Management Discussion And Analysis Report

Always Keeping the Risk Behind

Constructive Governance and Risk Management form the backbone of a Company's sustained performance and it revolve around diligent execution of systematized policies and processes and development of strong internal control mechanism.

The Management team has set standards and policies for each of the identified risks and responsibility of Management has also been defined to ensure that appropriate risk mitigating measures are implemented, if any. The risks are reviewed periodically and appropriate risk mitigating measures are implemented for the new risks identified.

Arfin recognizes that the 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

The Company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and the applicable statutes, Code of Conduct and corporate policies are duly complied with. The Company has an Internal Audit Mechanism which ensures audit in various functional areas as per the best standards. Audit planning and executions are

oriented towards a review of internal controls and risks in the functional areas of the Company. The Internal Audit Mechanism ensures reporting of the observations, if any, to the Audit Committee to review the audit issues and to follow up implementation of corrective actions.

Apart from this, the Company ensures all internal financial control parameters get evaluated by the Auditors of the Company. The Audit Committee also reviews the opinion of statutory auditors on the adequacy of the internal control systems in the Company. The adequacy and effectiveness of internal financial controls is also reported in the Auditors' Report.

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 believes that human resources comprise the most important asset of the organization. During the year under report, the Company has concentrated on enhancing individual and organizational capabilities for being future-ready, driving greater employee engagement and strengthening employee relations further. The Company has been investing in progressive employee relations practices to ensure that it invests in capability building at the grassroots level. The Company recognizes people as the primary source of its competitiveness and continues to focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations. Number of employees as on March 31, 2017 are 90.



Management Discussion And Analysis Report

Board of Directors thanks all of the employees for their valuable contribution towards the growth of the Company. Arfin India Limited encourages its team members to go beyond the scope of their work, undertake voluntary projects that enable to learn and contribute innovative ideas in meeting goals of the Company.

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 statues, 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 ₹ 30,688.92 Lacs to ₹ 38,674.19 Lacs during the year 2016-17 registering year on year growth of 26.02%. This growth was on account of increased volume, addition of products and stellar performance by the business.

Profit Before Tax (PBT)

Profit before Tax has increased to ₹ 2,052.58 Lacs during the Financial Year 2016-17 in compare to ₹ 1,000.66 Lacs during the previous financial year registering year on year growth of 105.12%. With improved margins, volume growth, change in 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 increased from ₹ 481.89 Lacs to ₹ 619.68 Lacs in 2016-17. The increase in finance cost is on account of increase in working capital borrowing for business.

The interest & financial charges cover during the year under report has improved to 4.50 times as compared to 3.26 times in the preceding year.

Net Profit

Net profit for the financial year under report stood at ₹ 1,301.77 Lacs as compared to ₹ 660.98 Lacs in

the previous financial year registering a strong year on year growth of 96.94%.

Dividend

Management of the Company has decided to share progress and growth of the Company with the shareholders by paying them dividend at higher rate (increased by 33%) in compare to previous financial year. The Board has recommended a Final Dividend of ₹ 2.00 (20%) per equity share having face value of ₹ 10/- each on 40,51,157 equity shares for 2016-17.

Capital Employed

The Capital Employed in the business increased by ₹ 4,769.51 Lacs during 2016-17. This is reflected in the liabilities side of the Balance Sheet through an increase in Shareholders' Fund by ₹ 3,011.75 Lacs and increase in Borrowings by ₹ 1,757.76 Lacs. Return on Capital Employed for the year was 30.46%.

Surplus Management

The Company generated a Cash Profit of ₹ 1,420.71 Lacs for the year 2016-17 as compared to ₹ 749.17 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, partly from infusion of equity funds via preferential allotment of warrants and partly by the additional funds borrowed.



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

Equity Share Capital

As at March 31, 2017, the Company's Equity Share Capital stood at 40,51,157 Shares of ₹ 10/- each amounting to total paid up Equity Share capital of ₹ 4,05,11,570/-. The capital was increased by ₹ 1,03,28,570/- by way of issue of 10,32,857 convertible warrants and consequent conversion of warrants in to equity shares. More details on the same has been provided in the Directors' Report under heading Share Capital.

Debt-Equity

Debt Equity Ratio of the Company has improved to 1.14 as at March 31, 2017 in compare to 1.85 as at March 31, 2016.

Earnings Per Share (EPS)

The Company's Basic Earnings Per Share for the year 2016-17 has been significantly increased to ₹ 40.08 in compare to ₹ 21.90 per equity share during the previous year 2015-16. The Diluted Earnings per share amounts to ₹ 38.87 for the financial year 2016-17.

Cash Earnings Per Share

The Company's Cash Earnings Per Share during 2016-17 has also increased to ₹ 43.75 in compare to ₹ 24.82 during preceding financial year.

Notice

NOTICE is hereby given that the **25th Annual General Meeting** of the members of the Company, **Arfin India Limited** will be held on Sunday, September 10, 2017 at 12:00 noon at Alishan, Courtyard by Marriott, Ramdev Nagar Cross Road, Satellite Road, Ahmedabad - 380015, Gujarat, India to transact the following businesses:

Ordinary Businesses

1. Adoption of Financial Statements

To consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2017 together with the reports of the Board of Directors and Auditors thereon.

2. Declaration of Dividend

To declare a Final Dividend on equity shares of the Company for the financial year ended on March 31, 2017.

3. Appointment of Director Retiring by Rotation

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

4. 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit

Committee and the Board of Directors, M/s. Mukesh Rajendra & Co., Chartered Accountants, Ahmedabad (Firm Registration No.: 143123W) be and are hereby appointed as Statutory Auditors of the Company in place of M/s. Raman M. Jain & Co., Chartered Accountants, Ahmedabad (Firm Registration No.: 113290W) whose tenure expires at the conclusion of the ensuing Annual General Meeting, at such remuneration plus reimbursement of out of pocket, travelling expenses etc., as may be mutually agreed between Mr. Mahendra R. Shah, Chairman & Whole Time Director of the Company and the said firm of Auditors.

RESOLVED FURTHER THAT M/s. Mukesh Rajendra & Co., Chartered Accountants, if appointed as the Statutory Auditors of the Company, shall hold office for a period of five years, from the conclusion of this Twenty Fifth Annual General Meeting till the conclusion of Thirtieth Annual General Meeting of the Company (subject to ratification of the appointment by Members at every Annual General Meeting held after this Annual General Meeting).

RESOLVED FURTHER THAT the Board of Directors of the Company (including Committee(s) thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to the above subject matter.”

Special Businesses

5. Appointment of Mr. Bherulal Lalchand Chopra (DIN: 01149396) as an Independent Director

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

Notice

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 and other provisions, if any, applicable to the Company, for the time being in force, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the provisions of Schedule IV of the Companies Act, 2013, Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company,

appointment of Mr. Bherulal Lalchand Chopra (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 by the Board of Directors at its meeting held on December 27, 2016, 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. Bherulal Lalchand Chopra shall not be liable to retire by rotation.”

6. Revision in Remuneration of Mr. Mahendra R. Shah (DIN: 00182746), Chairman & Whole Time Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Schedule V thereto, approval of members of the Company be and is hereby accorded to revise the remuneration of Mr. Mahendra R. Shah, Chairman & Whole Time Director and provide the revised remuneration as shown below with effect from April 1, 2017:

Sr. No.	Particulars	Amount (₹ Per Annum)
1	Basic	12,00,000
2	Medical Reimbursement	25,000
3	Special Allowance	61,31,000
4	Provident Fund	1,44,000
	Total	75,00,000

RESOLVED FURTHER THAT irrespective of the profit being inadequate, the approval is granted for payment of remuneration over the above limits but upto maximum limit of remuneration permissible under Section II of Part II of Schedule V of the Companies Act, 2013.

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

referred to as “Board” which term shall include Committee(s) / official(s) of the Company authorized for the purpose) be and is hereby authorized to take all such steps and actions and give such directions as may be in absolute discretion deemed necessary and to settle any question that may arise in this regard and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

Notice

7. Revision in Remuneration of Mr. Jatin M. Shah (DIN: 00182683), Managing Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Schedule V thereto, approval of members of the Company be and is hereby accorded to revise the remuneration of Mr. Jatin M. Shah, Managing Director of the company and provide the revised remuneration as shown below with effect from April 1, 2017:

Sr. No.	Particulars	Amount (₹ Per Annum)
1	Basic	12,00,000
2	Medical Reimbursement	25,000
3	Special Allowance	61,31,000
4	Provident Fund	1,44,000
	Total	75,00,000

RESOLVED FURTHER THAT irrespective of the profit being inadequate, the approval is granted for payment of remuneration over the above limits but up to maximum limit of remuneration permissible under Section II of Part II of Schedule V of the Companies Act, 2013.

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

referred to as “Board” which term shall include Committee(s) / official(s) of the Company authorized for the purpose) be and is hereby authorized to take all such steps and actions and give such directions as may be in absolute discretion deemed necessary and to settle any question that may arise in this regard and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

8. Revision in Remuneration of Mrs. Pushpa M. Shah (DIN: 00182754), Executive Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Schedule V thereto, approval of members of the Company be and is hereby accorded to revise the remuneration of Mrs. Pushpa M. Shah, Executive Director of the company and provide the revised remuneration as shown below with effect from April 1, 2017:

Sr. No.	Particulars	Amount (₹ Per Annum)
1	Basic	6,00,000
2	Medical Reimbursement	25,000
3	Special Allowance	23,03,000
4	Provident Fund	72,000
	Total	30,00,000

Notice

RESOLVED FURTHER THAT irrespective of the profit being inadequate, the approval is granted for payment of remuneration over the above limits but upto maximum limit of remuneration permissible under Section II of Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include Committee(s) / official(s) of the Company authorized for the purpose) be and is hereby authorized to take all such steps and actions and give such directions as may be in absolute discretion deemed necessary and to settle any question that may arise in this regard and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

Registered Office

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

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 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 including any amendment, modification or variation thereof, the Company hereby ratifies the remuneration of ₹ 40,000 (Rupees Forty Thousand Only) plus service tax and out of pocket expenses payable to M/s. Ashish Bhavsar & Associates, Cost Accountants (Firm Registration No.: 000387) who have been appointed by Board of Directors as Cost Auditors of the Company, to conduct audit of cost records of the Company as prescribed under the Companies (Cost Records and Audit) Rules 2014, for the financial year ending on March 31, 2018.”

For & on behalf of Board of Directors

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

Place: Ahmedabad
Date: August 8, 2017

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 / HER. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing proxies in order to be effective must be deposited at the Company's registered office, duly completed and signed not less than 48 hours before the commencement of the AGM.

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

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

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

- 2.** As per the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, information

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

- 3.** The Register of Members and Share Transfer Register of the Company will remain closed on Tuesday, September 5, 2017.
- 4.** The Board has recommended a dividend of ₹ 2.00 (i.e. 20%) per equity share of ₹ 10/- each, which, if approved by the members at this Annual General Meeting, will be paid on or after Saturday, September 16, 2017 in respect of shares held in physical form, to those members whose names shall appear in the Company's Register of Members as on Monday, September 4, 2017 and in respect of shares held in the electronic form, to those 'Deemed Members' whose names appear in the Statement of Beneficial Owners furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) at the close of business hours on Monday, September 4, 2017.
- 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 (DPs) and the members holding securities in physical form are requested to send a request to the Registrar and Share

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Transfer Agent i.e. Link Intime India Private Limited at 506-508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad – 380009, Gujarat, India or to the Company Secretary of the Company.

6. Non-Resident Indian Shareholders are requested to inform the Registrar, 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 Link Intime India Private Limited at 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, 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 DPs 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 inform their email addresses to their respective DPs and members holding shares in physical form are requested to intimate their email address to the Company's Registrar and Share Transfer Agent whose e-mail id is 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, Notices and other documents through electronic mode to their e-mail addresses.

Electronic copy of the Annual Report including Notice of ensuing Annual General Meeting of the Company inter-alia indicating process and manner of e-voting along with attendance slip and proxy form are being sent to all the members whose e-mail addresses are registered with the DPs / Company. Physical copies of the same have been sent to those members whose email addresses are not registered with the DPs / Company, indicating the process and manner of e-voting. The members will be entitled to receive physical copy of the Annual Report for the financial year ended on March 31, 2017, free of cost, upon sending a request to the Company Secretary of the Company.

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

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

11. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 & the Register of Contracts or Arrangements, in which Directors are Interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10:00 am to 1:00 pm prior to the date of the Annual General Meeting and at the ensuing Annual General Meeting.
12. Pursuant to the provisions of Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, members are entitled to make a nomination in respect of shares held by them in physical form. Members desirous of making a nomination are requested to send their requests in Form No. SH-13 in duplicate (which will be made available on request), to the Registrar and Share Transfer Agent of the Company.
13. The Annual Report 2016-17 as circulated to the members of the Company is also available

on the website of the Company at <http://arfin.co.in/financials.html>.

14. Voting through electronic means :

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to exercise members' right to vote at the ensuing Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by the Central Depository Services (India) Limited (CDSL).

The facility for voting, either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the ensuing Annual General Meeting. The members attending the meeting, who have not already cast their vote through remote e-voting (e-voting from a place other than AGM) shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The instructions for members voting electronically are as under:

- i. The voting period begins on Thursday, September 7, 2017 at 9:00 AM (IST) and ends on Saturday, September 9, 2017 at 5:00 PM (IST). During this period members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date), Monday, September 4,

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- 2017, 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,
 - v. Next enter the Image Verification as displayed and Click on Login.
 - vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
 - vii. If you are a first time user then follow the steps given below for login :

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

- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be used by the demat holders for voting for resolutions of any other Company also on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- x. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN (Electronic Voting Sequence Number) of Arfin India Limited.
- xii. On the voting page, you will see “RESOLUTION

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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 print out of the voting done by you by clicking on “CLICK HERE TO PRINT” option on the voting page.
- xvii. If you have forgotten the password, then enter the User ID and the image verification code and click on “FORGOT PASSWORD” and enter the details as prompted by the system.
- xviii. Shareholders can also use Mobile app - “m-voting” for e-voting. m-voting app is available on Apple, Android and Windows based Mobile Phones. Shareholders may log in to m-voting app using their e-voting credentials to vote for the Company resolution(s).
- xix. Note for Non-Individual Members and Custodians:
 - Non-Individual members (i.e. other than Individuals, HUF and NRI etc.) and custodians are required to log on to

www.evotingindia.com and register themselves as Corporate.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. Further, contact details of the official responsible to address the grievances connected with voting by electronic means is as under:

Notes

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.

CIN: L65990GJ1992PLC017460

Tel. No.: +91 79 26583791, 92,

Fax: +91 79 26583792,

Email: investors@arfin.co.in,

Website: www.arfin.co.in

15. The voting rights of the members shall be in proportion to the paid up equity share capital of the Company held by them, as on the cut-off date i.e. Monday, September 4, 2017.

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 dispatch of the Notice of the AGM and prior to the cut-off date i.e. Monday, September 4, 2017, shall be entitled to exercise his / her vote either electronically i.e. remote e-voting or through the poll paper at the AGM by following the procedure mentioned in this part.
16. The Company has appointed Mr. Kamlesh M. Shah, Proprietor of M/s. Kamlesh M. Shah & Co., Practicing Company Secretary, Ahmedabad (ICSI Membership Number: ACS 8356, Certificate of Practice Number: 2072), who in the opinion of the Board is a duly qualified person as a Scrutinizer and he will scrutinize the voting processes in a fair and transparent manner.
17. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, count votes cast at the meeting, thereafter unblock votes cast through remote e-voting in presence of at least two witnesses not in employment of the Company and present a Consolidated Scrutinizers' Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
18. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.arfin.co.in and on the website of CDSL and shall be communicated to the Stock Exchange within the time prescribed by the law.
19. The resolution shall be deemed to be passed on the date of the Annual General Meeting, subject to the same being with requisite majority.
20. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

Explanatory Statement

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to Item No. 5 to 9

Item No. 5 Appointment of Mr. Bherulal Lalchand Chopra (DIN: 01149396) as an Independent Director

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company has at its meeting held on December 27, 2016, appointed Mr. Bherulal Lalchand Chopra (DIN: 01149396) as an Additional Independent Director of the Company to hold office for a period of five consecutive years, subject to consent by the Members of the Company at the ensuing Annual General Meeting (AGM), who shall not be liable to retire by rotation.

As an Additional Director, Mr. Bherulal Lalchand Chopra holds the office of Independent Director from the date of his appointment till the date of ensuing Annual General Meeting. The Company has received a notice pursuant to the provisions of Section 160 of the Companies Act, 2013 ("the Act") together with the requisite amount of deposit from a Member signifying his / her intention to propose the

appointment of Mr. Bherulal Lalchand Chopra as an Independent Director of the Company.

The Company has also received a declaration from Mr. Bherulal Lalchand Chopra confirming that he meets the criteria of independence as prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that he is also not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company.

In the opinion of the Board, Mr. Bherulal Lalchand Chopra fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent to the Management and the Company.

Explanatory Statement

Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings, information of the Director proposed for appointment / re-appointment is given below:

Name of Director	Mr. Bherulal Lalchand Chopra
Director Identification Number	01149396
Date of Appointment at Current Designation	December 27, 2016
Brief Resume of the Director including nature of expertise in specific functional areas	<p>Mr. Bherulal Lalchand Chopra is a commerce graduate from Gujarat University in the year of 1980.</p> <p>Mr. Bherulal Lalchand Chopra is having vast experience in the fields like Chemical, Finance & Pharmaceuticals. He is having extensive experience of doing business in India. His nature of expertise also includes strategic planning, insightful direction, budgeting and effective process implementation.</p>
No. of Shares held in the Company as on March 31, 2017	NIL
Directorships and Committee Memberships in other Companies	<p>Directorships in:</p> <p>AICO Foods Limited AICO Laboratories India Limited AICO Agencies Private Limited AURA Clean & Renewable Energy Private Limited Kumar Gourmet Private Limited</p> <p>Committee Memberships: Nil</p>
Inter-se Relationships between Director	Independent to the Company & its Directors

The above qualification and expertise of Mr. Bherulal Lalchand Chopra shall be considered as justification for choosing him as an Independent Director.

Except Mr. Bherulal Lalchand Chopra being the proposed appointee, 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 avail his services as a member of the Board. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Bherulal Lalchand Chopra, as an Independent Director, for the approval by shareholders of the Company.

Explanatory Statement

Item No. 6, 7 & 8 Revision in Remuneration of Mr. Mahendra R. Shah, Chairman & Whole Time Director, Mr. Jatin M. Shah, Managing Director and Mrs. Pushpa M. Shah, Executive Director

It is proposed to make revision in the remuneration of Mr. Mahendra R. Shah, Chairman & Whole Time Director & Mr. Jatin M. Shah, Managing Director and Mrs. Pushpa M. Shah, Executive Director of the Company with effect from April 1, 2017 for a period of 3 (Three) Financial Years, i.e. up to March 31, 2020.

As a matter of good governance and prudent practice, the additional information as required under Part II Section II of Schedule V to the Companies Act, 2013 is being furnished hereunder:

iv. Financial Performance based on given indicators:

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

Financial Parameters	2016-17	2015-16	2014-15
Total Revenue (₹ in Lacs)	34,471.64	27,383.74	25,094.07
Profit Before Tax (₹ in Lacs)	2,052.58	1,000.66	705.31
Profit After Tax (₹ in Lacs)	1,301.77	660.98	467.13
Rate of Equity Dividend (%)	20%	15%	10%

v. Foreign Investments or Collaborators, if any: Nil.

I. General Information:

i. Nature of Industry

The Company is engaged in the business of manufacturing, trading and supply of Aluminium Products.

ii. Date or Expected Date of Commencement of Commercial Production

The Company was incorporated on April 10, 1992 and the certificate for commencement of business was issued on April 10, 1992 and has already started commercial production since the financial year 2011-12.

iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

Explanatory Statement

II. Information about the Appointees:

i. Background details, Recognition / Awards

Mr. Mahendra R. Shah, aged about 54 years, holds a graduate degree in Science. Presently he is Chairman & Whole Time Director of Arfin India Limited. In his over 25 years of industry experience, he has handled diverse portfolios like Capital Markets, Textile and Sugar business prior to entering into the Metal business. He has also represented Metal Industry on various topics of public interest in different forums. He has Strong domain knowledge of Indian Metal Industry with good understanding of Manufacturing, Sales, Imports, Exports, International Markets and proven ability in Business, Setting up Systems and Procedures for Robust Growth. Mr. Mahendra R. Shah has received an honor of being appointed as Chairman of Gujarat Chapter of Non Ferrous Metals by the "ALL INDIA MSME ASSOCIATION".

Mr. Jatin M. Shah, aged about 34 years, holds a graduate degree in commerce from Gujarat University and is holding position of Managing Director of the Company. He is having over 13 years of rich and abundant experience in the aluminium industry. His strong domain knowledge and deep understanding of business is a

reason for his command over the business which he has attained over a period of time. Mr. Jatin M. Shah has also received an honor of being appointed as Chairman of Gujarat Chapter of Auto Die Casting Components by the "ALL INDIA MSME ASSOCIATION"

Mrs. Pushpa M. Shah is a Commerce Graduate from the Maharashtra University. She has been appointed as Executive Director of the Company w.e.f. November 5, 2015. She is having expertise in the functional areas of the business and she is also having sound knowledge of practical aspects of business and her experience of around 17 years in the Industry adds significant value to her profile.

ii. Past Remuneration

Both Mr. Mahendra R. Shah & Mr. Jatin M. Shah drew remuneration of ₹ 54.60 Lacs each and Mrs. Pushpa M. Shah drew remuneration of ₹ 19.80 Lacs for the financial year 2016-17 from Arfin India Limited.

iii. Job Profile and Suitability

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

Explanatory Statement

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

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

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

iv. Remuneration Proposed

The remuneration proposed to be paid to Mr. Mahendra R. Shah, Mr. Jatin M. Shah and Mrs. Pushpa M. Shah shall be as stated as per resolutions under Item No. 6, 7 & 8 respectively.

v. Comparative Remuneration Profile with respect to Industry, Size of the Company, Profile of the Position and Person

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

vi. Pecuniary Relationship, Directly or Indirectly, with the Company, or Relationship with the Managerial Personnel, if any

Mr. Mahendra R. Shah is a Promoter Director and as at March 31, 2017 he held 6,82,400 Equity Shares of the Company in his individual capacity and 62,500 Equity Shares in the capacity of Karta of Mahendra R. Shah HUF. Mr. Mahendra R. Shah is father of Mr. Jatin M. Shah & spouse of Mrs. Pushpa M. Shah.

Mr. Jatin M. Shah is also a promoter Director of the Company and as at March 31, 2017 held 6,08,900 Equity Shares of the Company in his individual capacity and 1,80,500 Equity Shares in the capacity of Karta of Jatin M. Shah HUF. Mr. Jatin M. Shah is son of Mr. Mahendra R. Shah and Mrs. Pushpa M. Shah.

Mrs. Pushpa M. Shah is also a promoter Director of the Company and holds 5,97,700 Equity Shares of the Company as at March 31, 2017. Mrs. Pushpa M. Shah is spouse of Mr. Mahendra R. Shah & Mother of Mr. Jatin M. Shah.

III. Other Information:

i. Reasons for Loss / Inadequate Profits, if any

The Company has earned splendid profit during the financial year under

Explanatory Statement

report and is expecting to earn even more in the time coming. However, for the purpose of payment of remuneration to the Directors as per Industry Standard the profit is considered inadequate.

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

ii. Steps Taken / Proposed to be Taken for Improvement

Not Applicable

iii. Expected Increase in Productivity and Profits in Measurable Terms

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

iv. Other Disclosures

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

Item No. 9 Ratification of Cost Auditors' Remuneration

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Ashish Bhavsar & Associates, Cost Accountants, Ahmedabad, (Firm Registration No.: 000387) as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending on March 31, 2018.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be subsequently ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in this Item of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2018.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution. The Board of Directors recommends the resolution for Members' approval.

For & on behalf of Board of Directors

Registered Office

B-302, 3rd Floor, Pelican House,
Gujarat Chamber of Commerce Building,
Ashram Road, Ahmedabad – 380009,
Gujarat, India.

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Fax: +91 79 26583792,

Email: investors@arfin.co.in,

Website: www.arfin.co.in

Mahendra R. Shah

(Chairman)

(DIN: 00182746)

Place: Ahmedabad

Date: August 8, 2017

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 25th Annual Report on the Businesses and Operations of the Company together with Audited Accounts for the financial year ended on March 31, 2017.

1. Financial Summary

₹ in Lacs

Particulars	2016-17	2015-16
Revenue From Operations	38,677.84	30,688.92
Less: Central Excise Duty	4,298.30	3,401.36
Net Revenue From Operations	34,379.54	27,287.56
Profit / (Loss) Before Tax	2,052.58	1,000.66
Provisions for Income Tax including Deferred Tax	750.81	339.68
Profit / (Loss) After Tax	1,301.77	660.98
Proposed Dividend	81.02	45.27
Transfer to General Reserves	100.00	75.00
Profit Carried to Balance Sheet	1,301.77	660.98
Accumulated Balance of Profit	2,594.10	1,489.85

2. Financial Highlights and State of Company's Affair

Company's revenue from the operation was ₹ 38,677.84 lacs for the Financial Year ended on March 31, 2017 which was higher by 26.03% in compare to previous year. Profit before Depreciation & Amortization, Interest and Tax (PBDIT) has been increased by 77.70% in compare to previous years' PBDIT. The Company has reported EBIDTA Margins of 8.12% of Net Sales which is higher by 236 bps as compared to previous financial year ended on March 31, 2016. Further, the Company has reported year on year increase in Profit after Tax of 96.94%. Significant increase in PBDIT & Net Profit is mainly on account of increased volume, increase in gross margins and improved operational

efficiencies. 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 coming years. 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 future prospects of the Company, the Directors have recommended a final dividend of ₹ 2.00 per Equity Share (₹ 1.50 Per Equity Share in the previous financial year) on 40,51,157 equity shares of ₹ 10/- each for the financial year ended on March 31, 2017.

Directors' Report

The dividend distribution would result in a cash outgo of ₹ 97.52 Lacs (including tax on dividend distribution of ₹ 16.49 Lacs) compared to ₹ 54.49 Lacs (including tax on dividend distribution of ₹ 9.22 Lacs) paid for the Financial Year ended on March 31, 2016.

4. Listing on Stock Exchanges

As on March 31, 2017, the Equity Shares of the Company were listed on BSE Limited and the Calcutta Stock Exchange Limited. The Company has paid the annual listing fees for the financial year ending on March 31, 2018 within time.

During the financial year under report, the equity shares of the Company have been delisted from the Ahmedabad Stock Exchange Limited w.e.f. November 10, 2016. Further, the application made by the Company during the financial year under report with the Calcutta Stock Exchange for delisting of its equity shares, is pending with the Calcutta Stock Exchange Limited for its approval. Delisting from these regional stock exchanges have been considered by the Board as after listing of equity shares of the Company on the BSE Limited, listing on these regional stock exchanges was not providing any tangible advantage to the Company or its Investors.

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

The Company has in place adequate internal control systems commensurate with the size of its operations. The internal control systems comprising of policies and procedures are designed to ensure sound Management of your Company's operations, safe keeping of its assets, optimal utilization of resources,

reliability of its financial information and compliances. Clearly defined roles and responsibilities have been institutionalized within the organization. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations.

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 Mahendra Aluminium Company Limited & Krish Ferro Industries Private Limited.

In this matter it is pertinent to note that the proposal of Arrangement in nature of Amalgamation of Mahendra Aluminium Company Limited with Arfin India Limited and their respective shareholders and creditors under Section 230-232 of the Companies Act, 2013 was approved by the Board of Directors of both the Companies at their respective meetings held on May 20, 2017. The scheme of amalgamation has been submitted with BSE Limited on June 6, 2017.

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.

Directors' Report

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 nor it had any amount of deposits carried forward from the previous financial year.

9. Statutory Auditors

The members of the Company, at their 22nd Annual General Meeting approved appointment of M/s. Raman M. Jain & Co. (Firm Registration No.: 113290W) as the Statutory Auditors of the Company, to hold office for a period of three consecutive financial years.

Accordingly, M/s. Raman M. Jain & Co. will complete their tenure as Statutory Auditors of the Company as stipulated under Section 139 of the Companies Act, 2013 at the conclusion of ensuing Annual General Meeting. The Board of Directors appreciates the services provided by M/s. Raman M. Jain & Co., Chartered Accountants, during their tenure as Statutory Auditors of the Company.

The Auditors' Report for the financial year ended on March 31, 2017 forms part of this Annual Report and the same does not contain any qualification, reservation or adverse remark.

Further, based on the recommendation of the Audit Committee, the Board has proposed appointment of M/s. Mukesh Rajendra & Co., (Firm Registration No.: 143123W), Chartered Accountants, Ahmedabad as Statutory Auditors of the Company for a period of 5 consecutive financial years commencing from the conclusion of the ensuing Annual General

Meeting till the conclusion of 30th Annual General Meeting of the Company.

M/s. Mukesh Rajendra & Co., have consented the appointment and confirmed that their appointment if made would be within the limits mentioned under Section 141 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014. The members are requested to grant their approval for the same.

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 Secretary, Ahmedabad as Secretarial Auditors to conduct an Audit of secretarial records and compliances, for the financial year ending on March 31, 2018.

The Secretarial Audit Report for the financial year ended on March 31, 2017 is annexed herewith as **Annexure-5** and the same does not contain any qualification, reservation or adverse remarks.

11. Cost Auditors

The Board of Directors of your Company has appointed M/s. Ashish Bhavsar & Associates, Cost Accountants, Ahmedabad, as Cost Auditors to conduct Audit of cost records for financial year ending on March 31, 2018.

12. Share Capital

During the financial year under report, pursuant to the approval of members of the Company and as per the applicable provisions of the Companies Act, 2013 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the

Directors' Report

Company has issued and allotted 10,32,857 warrants (convertible into equivalent number of Equity Shares of ₹ 10/- each, within 18 months from the date of allotment, in one or more tranches) at the issue price of ₹ 175/- per warrant (including ₹ 165/- as security premium) to promoters & persons other than promoters.

The purpose of the funds availed by this preferential issue is to make expansion of long term capital and general corporate purpose as explained in the postal ballot notice sent to the members for their approval.

The conversion of the warrants so issued & allotment of equity shares took place in 3 tranches as per the following:

Sr. No.	Date of Conversion	No. of Securities
1	January 5, 2017	5,47,857 Equity Shares of ₹ 10/- each
2	January 11, 2017	4,35,000 Equity Shares of ₹ 10/- each
3	February 24, 2017	50,000 Equity Shares of ₹ 10/- each

Accordingly, consequent upon the conversion, the paid-up equity share capital of the Company stands at ₹ 4,05,11,570/- (Rupees Four Crores Five Lacs Eleven Thousand Five Hundred and Seventy Only) divided into 40,51,157 (Forty Lacs Fifty One Thousand One Hundred and Fifty Seven Only) equity shares of ₹ 10/- each.

13. Directors & Key Managerial Personnel

I. Cessation of Directors

During the financial year under report, Mr. Rameshkumar B. Shah has resigned

from the post of Independent Director of the Company w.e.f. October 6, 2016 and thus ceased to be Independent Director of the Company. Further, Mr. Dilip Kumar Daga has resigned from the post of Independent Director of the Company w.e.f. June 23, 2017 and thus ceased to be Independent Director of the Company.

The Board places on record its sincere appreciation for the valuable services rendered by the outgoing Directors Mr. Rameshkumar B. Shah and Mr. Dilip Kumar Daga during their 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. Jatin M. Shah (DIN: 00182683) will retire by rotation at this Annual General Meeting of the Company and being eligible, he 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. Jatin M. Shah being longest in office would retire by rotation.

Directors' Report

III. Appointment

a. Independent Director

During the financial year under report, Mr. Bherulal Lalchand Chopra (DIN: 01149396) has been appointed as an Additional Independent Director of the Company w.e.f. December 27, 2016. The confirmation / regularization for his appointment as an Independent Director has been proposed for the approval of the members.

All 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).

b. Company Secretary and Compliance Officer

During the financial year under report, Mr. Durgesh D. Soni resigned from the post of Company Secretary & Compliance Officer and thus ceased to be Company Secretary & Compliance Officer of the Company w.e.f. May 6, 2016. The Board places on record its sincere appreciation for the services provided by Mr. Durgesh D. Soni during his tenure.

Further, Mr. Purvesh Pandit, a member of the Institute of Company Secretaries of India, has been appointed as Company Secretary and Compliance Officer of the Company at the meeting of Board of Director held on May 21, 2016.

c. Chief Financial Officer

During the financial year under report, Mr. Vijay Lathi resigned from the post of Chief Financial Officer (CFO) of the

Company w.e.f. December 13, 2016. He continued serving the organization in non KMP capacity until he was again appointed as CFO w.e.f. February 11, 2017.

IV. Evaluation of the Board's Performance

During the financial year under report, exercise of evaluation was carried out through a structured process covering various aspects of the Board's functioning such as composition of the Board & Committee(s), experience & competencies, performance of specific duties & obligations, governance issues etc.

Separate exercise was carried out to evaluate the performance of each individual Director including the Board's Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgments, safeguarding of minority shareholders' interest etc.

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

Directors' Report

V. Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees. The policy has been approved by the Nomination & Remuneration Committee and the Board. More details on the same 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 the 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 13 times during the financial year ended on March 31, 2017. 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 composition of the Audit Committee of the Board of Directors of the Company as on March 31, 2017 is as per following:

Sr. No.	Name of the Member	Nature of Membership
1	Mr. Dilip Kumar Daga ¹	Chairman
2	Mr. Bherulal Lalchand Chopra ²	Member
3	Mr. Mahendra R. Shah	Member

¹Resigned w.e.f. June 23, 2017

²Appointed w.e.f. December 27, 2016

Further, all the recommendations were accepted by the Board of Directors during the period under report. More details on the Audit Committee have been provided in the Corporate Governance Report.

16. Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company as on March 31, 2017 is as per following:

Sr. No.	Name of the Member	Nature of Membership
1	Mr. Bherulal Lalchand Chopra ¹	Chairman
2	Mr. Dilip Kumar Daga ²	Member
3	Mr. Shantilal Mehta	Member

¹Appointed w.e.f. December 27, 2016

²Resigned w.e.f. June 23, 2017

The policy, required to be formulated by the Nomination and Remuneration Committee, under Section 178(3) of the Companies Act, 2013 is uploaded on the Company's website at the following web link:

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

More detail on the Committee have been provided in the Corporate Governance Report.

17. Stakeholder Relationship Committee

The Board has constituted a Stakeholder Relationship Committee which comprises of:

Sr. No.	Name of the Member	Nature of Membership
1	Mr. Shantilal Mehta	Chairman
2	Mr. Mahendra R. Shah	Member
3	Mr. Purvesh Pandit ¹	Member

¹Appointed w.e.f. May 21, 2016

More details on the Committee have been provided in the Corporate Governance Report.

Directors' Report

18. Internal Complaints Committee

The Board of Directors of the Company has constituted a committee named "Internal Complaints Committee" at its Registered / Corporate Office. The said committee has been formed to comply with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed 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, 2017, the Company did not receive any complaint pertaining to sexual harassment.

19. Related Party Transactions

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

There were no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

All the related party transactions are presented to the Audit Committee and to the Board. Omnibus approval has been obtained from Audit Committee, Board of Directors and members of the Company for the transactions with the related parties.

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

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

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

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

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

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

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

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, KMP and Senior

Directors' Report

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 extract of Annual Return and 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 the following web link:

<http://www.arfin.co.in/pdf/disclosures/terms-and-conditions-of-appointment-of-independentdirectors.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, estimation, reporting and development of action plan. The policy includes identification of elements of risks which mainly covers Strategic Risk, Operational Risk, Financial Risk and Hazardous Risks. The same can be accessed from the website of the Company at the following web link:

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

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

27. Corporate Social Responsibility

Pursuant to the provisions of Section 135 of the Companies Act, 2013 including Rules framed thereunder, the Company has, for the financial year ended on March 31, 2016, attracted criteria for Corporate Social Responsibility (CSR) by crossing net profit amount of ₹ 5 Crores. Accordingly, the Board of Directors of the Company at their meeting held on May 21, 2016 constituted a Corporate Social Responsibility Committee.

Directors' Report

The Corporate Social Responsibility Committee comprises of:

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

In compliance with the requirements of Section 135 of the Companies Act, 2013, the Company has laid down a CSR policy. The same can be accessed from website of the Company at the following web link:

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

The contributions in this regard have been made to Swaminarayan Vivith Seva Niketan Trust, Shrimati Ratandevi Bansidhar Agarwal Trust and Lions Club of Karnavati Foundation.

The report of CSR Activities for the Financial Year 2016-17 as per Section 135 of the Companies Act, 2013 has been given separately as **Annexure – 7**.

28. Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, with respect to the Director's Responsibility Statement, it is hereby stated:

- that in the preparation of the annual Financial Statements for the year ended on March 31, 2017, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and

estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2017 and of the profit of the Company for the year ended on that date;

- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual Financial Statements for the year ended on March 31, 2017 have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- that the system to ensure the compliances with the provisions of all applicable laws was in place and were adequate and operating effectively.

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

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

The particulars as to conservation of energy, technology absorption and foreign exchange

Directors' Report

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

33. Particulars of Employees and Remuneration

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

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. Acknowledgments

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

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

For and on Behalf of the Board of Directors

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

Place: Ahmedabad
Date: August 8, 2017

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	471.11
Others	-
Total	471.11
Foreign Exchange Used (Actual Outflow)	
Import of Raw Material	12,719.17
Import of Stores	0.66
Import of Capital Goods	5.13
Foreign Travelling Expenses	14.92
Business Promotion Expenses	4.56
Interest	14.86
Total	12,759.30

For and on Behalf of the Board of Directors

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

Place: Ahmedabad
Date: August 8, 2017

Annexure 2 to the Directors' Report

Form No. MGT-9
Extract of Annual Return

As on the Financial Year ended on March 31, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration & Other Details

1	Corporate Identification Number	L65990GJ1992PLC017460	
2	Registration Date	April 10, 1992	
3	Name of the Company	Arfin India Limited	
4	Category / Sub-Category	Public Company, Limited by Shares	
5	Address of the Registered Office & Contact Details	B-302, 3 rd Floor, Pelican House, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad- 380009, Gujarat, India. Tel. No.: +91 79 26583791, 92, Fax: +91 79 26583792, Email: investors@arfin.co.in , Website: www.arfin.co.in	
6	Whether Listed Company	Yes	
Details of Stock Exchanges where Shares are listed:			
Stock Exchange(s)		Script Code	
BSE Limited		539151	
The Calcutta Stock Exchange Ltd.		10011140	
7	Name, Address & Contact Details of Registrar & Share Transfer Agent, if any.	Link Intime India Private Limited Website: www.linkintime.co.in	
		Ahmedabad Branch	Head Office (Mumbai)
		506-508 Amarnath Business Centre - I (ABC - I), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad - 380009, Gujarat, India. Tel No.: +91 79 26465179/86/87 Email: ahmedabad@linkintime.co.in	C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India. Tel No.: +91 22 49186270 Email: rnt.helpdesk@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	87.11

(*NIC Codes – 2008)

III. Particulars of Holding, Subsidiary and Associate Companies

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

Annexure 2 to the Directors' Report

Category of Shareholders	No. of Shares Held at the Beginning of the Financial Year - April 1, 2016			No. of Shares Held at the End of the Financial Year - March 31, 2017			% Change During the Financial Year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
g. Foreign Institutional Investors	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Investors	-	-	-	-	-	-	-	-
i. Others	-	-	-	-	-	-	-	-
Sub Total - (B1)	-	-	-	-	-	-	-	-
2. NON - INSTITUTIONS								
a. Bodies Corporate	1,250	2,500	3,750	0.12	1,38,268	2,500	1,40,768	3.47
b. Individuals								
(i) Individual shareholders holding nominal share capital upto ₹ 1 Lac	1,46,668	1,05,400	2,52,068	8.35	2,04,585	75,900	2,80,485	6.92
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lac	4,74,744	24,200	4,98,944	16.53	6,02,964	11,900	6,14,864	15.18
c. Others								
(i) HUF	17,486	-	17,486	0.58	24,431	-	24,431	0.60
(ii) NRI (Non Repatriable)	-	62,700	62,700	2.08	10,005	27,900	37,905	0.94
(iii) NRI (Repatriable)	-	-	-	-	592	-	592	0.01
(iv) Clearing Members	2,752	-	2,752	0.09	7,855	-	7,855	0.19
Sub Total - (B2)	6,42,900	1,94,800	8,37,700	27.75	9,88,700	1,18,200	11,06,900	27.32
Net Total (B1+B2)	6,42,900	1,94,800	8,37,700	27.75	9,88,700	1,18,200	11,06,900	27.32
C. SHARES HELD BY CUSTODIANS FOR GDRs & ADRs								
Promoter and Promoter Group	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-
Net Total (C)	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	28,23,500	1,94,800	30,18,300	100.00	39,32,957	1,18,200	40,51,157	100.00
								3.35
								(1.43)
								(1.35)
								0.02
								(1.14)
								0.01
								0.10
								3.35
								(0.43)

Annexure 2 to the Directors' Report

ii. Share Holding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the Beginning of the Financial Year - April 1, 2016			Shareholding at the End of the Financial Year - March 31, 2017			% 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	-	6,82,400	16.84	-	(0.17)
2	Jatin M. Shah	4,48,900	14.87	-	6,08,900	15.03	-	0.16
3	Pushpa M. Shah	4,36,700	14.47	-	5,97,700	14.75	-	0.28
4	Rani J. Shah	4,03,900	13.38	-	5,03,900	12.44	-	(0.94)
5	Jatin M. Shah (HUF)	1,77,700	5.89	-	1,80,500	4.46	-	(1.43)
6	Pooja M. Shah	1,32,500	4.39	-	1,35,500	3.34	-	(1.05)
7	Mahendra R. Shah (HUF)	62,500	2.07	-	62,500	1.54	-	(0.53)
8	Khushbu M. Shah	5,000	0.17	-	47,857	1.18	-	1.01
9	Krish Jatin Shah	-	-	-	1,00,000	2.47	-	2.47
10	Khwaish Jatin Shah	-	-	-	25,000	0.62	-	0.62
	Total	21,80,600	72.25	-	29,44,257	72.68	-	0.43

Note: Percentage of Shareholding at the beginning of the year is based on total paid up equity share capital as on April 1, 2016 (30,18,300 equity shares) and percentage of shareholding at the end of the year is based on total paid up equity share capital on March 31, 2017 (40,51,157 equity shares).

Annexure 2 to the Directors' Report

iii. Change in Promoters' Shareholding

Sr. No.	Name of the Shareholder	Shareholding at Beginning of the Financial Year – April 1, 2016		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total No. of Shares of the Company	No. of Shares	% of Total No. of Shares of the Company
1	Mahendra R. Shah				
	At Beginning of the Year	5,13,400	12.67	5,13,400	12.67
	Purchased on April 21, 2016	7,000	0.17	5,20,400	12.85
	Purchased on June 20, 2016	2,000	0.05	5,22,400	12.90
	Purchased on July 5, 2016	5,000	0.12	5,27,400	13.02
	Allotted on January 5, 2017	80,000	1.97	6,07,400	14.99
	Allotted on January 11, 2017	75,000	1.85	6,82,400	16.84
	At End of the Year			6,82,400	16.84
2	Jatin M. Shah				
	At Beginning of the Year	4,48,900	11.08	4,48,900	11.08
	Purchased on April 21, 2016	2,000	0.05	4,50,900	11.13
	Purchased on June 20, 2016	2,000	0.05	4,52,900	11.18
	Purchased on July 5, 2016	1,000	0.02	4,53,900	11.20
	Allotted on January 5, 2017	1,00,000	2.47	5,53,900	13.67
	Allotted on January 11, 2017	55,000	1.36	6,08,900	15.03
	At End of the Year			6,08,900	15.03
3	Pushpa M. Shah				
	At Beginning of the Year	4,36,700	10.78	4,36,700	10.78
	Purchased on April 21, 2016	2,000	0.05	4,38,700	10.83
	Purchased on June 20, 2016	2,000	0.05	4,40,700	10.88
	Purchased on July 5, 2016	2,000	0.05	4,42,700	10.93
	Allotted on January 5, 2017	80,000	1.97	5,22,700	12.90
	Allotted on January 11, 2017	75,000	1.85	5,97,700	14.75
	At End of the Year			5,97,700	14.75
4	Rani J. Shah				
	At Beginning of the Year	4,03,900	9.97	4,03,900	9.97
	Allotted on January 5, 2017	70,000	1.73	4,73,900	11.70
	Allotted on January 11, 2017	30,000	0.74	5,03,900	12.44
	At End of the Year			5,03,900	12.44

Annexure 2 to the Directors' Report

Sr. No.	Name of the Shareholder	Shareholding at Beginning of the Financial Year – April 1, 2016		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total No. of Shares of the Company	No. of Shares	% of Total No. of Shares of the Company
5	Jatin M. Shah (HUF)				
	At Beginning of the Year	1,77,700	4.39	1,77,700	4.39
	Purchased on June 20, 2016	1,800	0.04	1,79,500	4.43
	Purchased on July 5, 2016	1,000	0.02	1,80,500	4.46
	At End of the Year			1,80,500	4.46
6	Pooja M. Shah				
	At Beginning of the Year	1,32,500	3.27	1,32,500	3.27
	Purchased on June 20, 2016	2,000	0.05	1,34,500	3.32
	Purchased on July 5, 2016	1,000	0.02	1,35,500	3.34
	At End of the Year			1,35,500	3.34
7	Mahendra R. Shah (HUF)				
	At Beginning of the Year	62,500	1.54	62,500	1.54
	At End of the Year			62,500	1.54
8	Khushbu M. Shah				
	At Beginning of the Year	5,000	0.12	5,000	0.12
	Allotted on January 5, 2017	42,857	1.06	47,857	1.18
	At End of the Year			47,857	1.18
9	Krish Jatin Shah				
	At Beginning of the Year	-	-	-	-
	Allotted on January 11, 2017	1,00,000	2.47	1,00,000	2.47
	At End of the Year			1,00,000	2.47
10	Khwaish Jatin Shah				
	At Beginning of the Year	-	-	-	-
	Allotted on January 5, 2017	25,000	0.62	25,000	0.62
	At End of the Year			25,000	0.62

Note: Percentage of Shareholding is based on the paid up equity share capital at the end of financial year i.e. March 31, 2017 (40,51,157 equity shares).

Annexure 2 to the Directors' Report

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

Sr. No.	Name of the Shareholder	Shareholding at Beginning of the Financial Year – April 1, 2016		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total No. of Shares of the Company	No. of Shares	% of Total No. of Shares of the Company
1	Edelweiss Broking Ltd. (Clearing Member)				
	At Beginning of the Year	-	-	-	-
	Increase on June 3, 2016	500	0.01	500	0.01
	Decrease on June 10, 2016	(382)	(0.01)	118	0.00
	Increase on June 17, 2016	25	0.00	143	0.00
	Decrease on June 24, 2016	(25)	(0.00)	118	0.00
	Decrease on June 30, 2016	(100)	(0.00)	18	0.00
	Increase on July 15, 2016	483	0.01	501	0.01
	Decrease on July 22, 2016	(500)	(0.01)	1	0.00
	Increase on August 5, 2016	200	0.00	201	0.00
	Decrease on August 12, 2016	(200)	(0.00)	1	0.00
	Increase on October 7, 2016	1	0.00	2	0.00
	Decrease on October 14, 2016	(1)	(0.00)	1	0.00
	Increase on November 18, 2016	800	0.02	801	0.02
	Increase on November 25, 2016	782	0.02	1,583	0.04
	Increase on December 2, 2016	409	0.01	1,992	0.05
	Decrease on December 9, 2016	(1,991)	(0.05)	1	0.00
	Increase on January 6, 2017	1,19,550	2.95	1,19,551	2.95
	Increase on March 17, 2017	10	0.00	1,19,561	2.95
	Decrease on March 24, 2017	(2,499)	(0.06)	1,17,062	2.89
Decrease on March 31, 2017	(484)	(0.01)	1,16,578	2.88	
At End of the Year			1,16,578	2.88	
2	Shantilal Tulsiram Khator				
	At Beginning of the Year	-	-	-	-
	Allotted on January 5, 2017	50,000	1.23	50,000	1.23
At End of the Year			50,000	1.23	

Annexure 2 to the Directors' Report

Sr. No.	Name of the Shareholder	Shareholding at Beginning of the Financial Year – April 1, 2016		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total No. of Shares of the Company	No. of Shares	% of Total No. of Shares of the Company
3	Parasmal Ghewarchand Nahata				
	At Beginning of the Year	-	-	-	-
	Purchased on March 17, 2017	50,000	1.23	50,000	1.23
	At End of the Year			50,000	1.23
4	Gopal Shantilal Shah				
	At Beginning of the Year	-	-	-	-
	Allotted on January 5, 2017	50,000	1.23	50,000	1.23
	At End of the Year			50,000	1.23
5	Khatod Vartika Vijendra				
	At Beginning of the Year	-	-	-	-
	Allotted on January 5, 2017	50,000	1.23	50,000	1.23
	At End of the Year			50,000	1.23
6	Babita R. Shah				
	At Beginning of the Year	16,800	0.41	16,800	0.41
	Allotted on January 11, 2017	25,000	0.62	41,800	1.03
	At End of the Year			41,800	1.03
7	Sumitra Lalitkumar Shah				
	At Beginning of the Year	16,600	0.41	16,600	0.41
	Allotted on January 11, 2017	25,000	0.62	41,600	1.03
	At End of the Year			41,600	1.03
8	Rishabh Rameshkumar Shah				
	At Beginning of the Year	43,520	1.07	43,520	1.07
	Sold on May 27, 2016	(501)	(0.01)	43,019	1.06
	Sold on October 14, 2016	(2,000)	(0.05)	41,019	1.01
	Sold on December 30, 2016	(109)	(0.00)	40,910	1.01
	At End of the Year			40,910	1.01

Annexure 2 to the Directors' Report

Sr. No.	Name of the Shareholder	Shareholding at Beginning of the Financial Year – April 1, 2016		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total No. of Shares of the Company	No. of Shares	% of Total No. of Shares of the Company
9	Pratik Lalitkumar Shah				
	At Beginning of the Year	37,810	0.93	37,810	0.93
	Sold on May 27, 2016	(501)	(0.01)	37,309	0.92
	Sold on October 14, 2016	(2,000)	(0.05)	35,309	0.87
	At End of the Year			35,309	0.87
10	Jagdish Babulal Shah (HUF)				
	At Beginning of the Year	34,700	0.86	34,700	0.86
	Sold on May 27, 2016	(1,000)	(0.02)	33,700	0.83
	Sold on October 14, 2016	(3,000)	(0.07)	30,700	0.76
	Sold on December 30, 2016	(1,000)	(0.02)	29,700	0.73
	At End of the Year			29,700	0.73
11	Sanjay Parikh				
	At Beginning of the Year	33,357	0.82	33,357	0.82
	Sold on May 27, 2016	(5,357)	(0.13)	28,000	0.69
	Sold on June 3, 2016	(1,000)	(0.02)	27,000	0.67
	Sold on July 1, 2016	(1,000)	(0.02)	26,000	0.64
	Sold on July 8, 2016	(1,000)	(0.02)	25,000	0.62
	Sold on July 15, 2016	(1,000)	(0.02)	24,000	0.59
	Sold on July 22, 2016	(3,000)	(0.07)	21,000	0.52
	Sold on August 5, 2016	(1,500)	(0.04)	19,500	0.48
	Sold on August 12, 2016	(600)	(0.01)	18,900	0.47
	Sold on August 19, 2016	(400)	(0.01)	18,500	0.46
	Sold on December 16, 2016	(160)	(0.00)	18,340	0.45
	Sold on January 13, 2017	(4)	(0.00)	18,336	0.45
	Sold on February 10, 2017	(50)	(0.00)	18,286	0.45
	Sold on February 17, 2017	(950)	(0.02)	17,336	0.43
Sold on February 24, 2017	(291)	(0.01)	17,045	0.42	
Purchased on March 24, 2017	10,300	0.25	27,345	0.67	
	At End of the Year			27,345	0.67

Annexure 2 to the Directors' Report

Sr. No.	Name of the Shareholder	Shareholding at Beginning of the Financial Year – April 1, 2016		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total No. of Shares of the Company	No. of Shares	% of Total No. of Shares of the Company
12	Shah Priti Gopal				
	At Beginning of the Year	1,44,551	3.57	1,44,551	3.57
	Sold on October 7, 2016	(20,000)	(0.49)	1,24,551	3.07
	Sold on December 30, 2016	(5,000)	(0.12)	1,19,551	2.95
	Decrease on January 7, 2017	(1,19,551)	(2.95)	-	-
	At End of the Year	-	-	-	-
13	Sishiladevi Parasmal Nahata				
	At Beginning of the Year	40,000	0.99	40,000	0.99
	Sold on March 17, 2017	(40,000)	(0.99)	-	-
	At End of the Year	-	-	-	-
14	Ratandevi Sureshkumar Nahata				
	At Beginning of the Year	40,000	0.99	40,000	0.99
	Sold on March 17, 2017	(40,000)	(0.99)	-	-
	At End of the Year	-	-	-	-
15	Manjudevi Madanlal Nahata				
	At Beginning of the Year	40,000	0.99	40,000	0.99
	Sold on March 17, 2017	(40,000)	(0.99)	-	-
	At End of the Year	-	-	-	-
16	Kantaben Shah				
	At Beginning of the Year	34,000	0.84	34,000	0.84
	Sold on November 11, 2016	(34,000)	(0.84)	-	-
	At End of the Year	-	-	-	-
17	Kishor Mohanlal Shah				
	At Beginning of the Year	24,200	0.60	24,200	0.60
	Sold on June 10, 2016	(24,200)	(0.60)	-	-
	At End of the Year	-	-	-	-

Note: Percentage of Shareholding is based on the paid up equity share capital at the end of financial year i.e. March 31, 2017 (40,51,157 equity shares).

Annexure 2 to the Directors' Report

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Director / KMP	Shareholding at Beginning of the Financial Year – April 1, 2016		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total No. of Shares of the Company	No. of Shares	% of Total No. of Shares of the Company
1	Mahendra R. Shah				
	At Beginning of the Year	5,13,400	12.67	5,13,400	12.67
	Purchased on April 21, 2016	7,000	0.17	5,20,400	12.85
	Purchased on June 20, 2016	2,000	0.05	5,22,400	12.90
	Purchased on July 5, 2016	5,000	0.12	5,27,400	13.02
	Allotted on January 5, 2017	80,000	1.97	6,07,400	14.99
	Allotted on January 11, 2017	75,000	1.85	6,82,400	16.84
	At End of the Year			6,82,400	16.84
2	Jatin M. Shah				
	At Beginning of the Year	4,48,900	11.08	4,48,900	11.08
	Purchased on April 21, 2016	2,000	0.05	4,50,900	11.13
	Purchased on June 20, 2016	2,000	0.05	4,52,900	11.18
	Purchased on July 5, 2016	1,000	0.02	4,53,900	11.20
	Allotted on January 5, 2017	1,00,000	2.47	5,53,900	13.67
	Allotted on January 11, 2017	55,000	1.36	6,08,900	15.03
	At End of the Year			6,08,900	15.03
3	Pushpa M. Shah				
	At Beginning of the Year	4,36,700	10.78	4,36,700	10.78
	Purchased on April 21, 2016	2,000	0.05	4,38,700	10.83
	Purchased on June 20, 2016	2,000	0.05	4,40,700	10.88
	Purchased on July 5, 2016	2,000	0.05	4,42,700	10.93
	Allotted on January 5, 2017	80,000	1.97	5,22,700	12.90
	Allotted on January 11, 2017	75,000	1.85	5,97,700	14.75
	At End of the Year			5,97,700	14.75
4	Dilip Kumar Daga ¹				
	At Beginning of the Year	2,500	0.06	2,500	0.06
	At End of the Year			2,500	0.06

Annexure 2 to the Directors' Report

Sr. No.	Name of the Director / KMP	Shareholding at Beginning of the Financial Year – April 1, 2016		Cumulative Shareholding During the Financial Year	
		No. of Shares	% of Total No. of Shares of the Company	No. of Shares	% of Total No. of Shares of the Company
5	Bherulal Lalchand Chopra ²				
	At Beginning of the Year	-	-	-	-
	At End of the Year			-	-
6	Rameshkumar Babulal Shah ³				
	At Beginning of the Year	-	-	-	-
	Allotted on January 11, 2017	25,000	0.62	25,000	0.62
	At End of the Year			25,000	0.62
7	Shantilal Mehta				
	At Beginning of the Year	-	-	-	-
	At End of the Year			-	-
8	Vijay Lathi ⁴				
	At Beginning of the Year	-	-	-	-
	At End of the Year			-	-
9	Purvash Pandit ⁵				
	At Beginning of the Year	-	-	-	-
	At End of the Year			-	-
10	Durgesh D. Soni ⁶				
	At Beginning of the Year	-	-	-	-
	At End of the Year			-	-

¹ Resigned w.e.f. June 23, 2017

² Appointed w.e.f. December 27, 2016

³ Resigned w.e.f. October 6, 2016

⁴ Resigned w.e.f. December 13, 2016 and appointed w.e.f. February 11, 2017

⁵ Appointed w.e.f. May 21, 2016

⁶ Resigned w.e.f. May 6, 2016

Note: Percentage of Shareholding is based on the paid up equity share capital at the end of financial year i.e. March 31, 2017 (40,51,157 equity shares).

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 as at April 1, 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
Change of Indebtedness during the year				
Addition	3,076.20	-	-	3,076.20
Reduction	(769.68)	(548.75)	-	(1,318.43)
Net Change	2,306.52	(548.75)	-	1,757.77
Indebtedness as at March 31, 2017				
1) Principle Amount	5,761.43	398.52	-	6,159.95
2) Interest Due but not paid	-	-	-	-
3) Interest Accrued but not due	-	-	-	-
Total (1+2+3)	5,761.43	398.52	-	6,159.95

VI. Remuneration of Directors and Key Managerial Personnel

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

Amount in ₹

Sr. No.	Particulars of Remuneration	Whole Time Director	Managing Director	Total Amount
		Mr. Mahendra R. Shah	Mr. Jatin M. Shah	
1	Gross Salary (a) Salary as per Provisions Contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	31,73,424	31,73,424	63,46,848
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of Profit - Other, Specify	-	-	-
5	Others - Ad Hoc Allowance - Medical Reimbursement - Contribution of Employer to the Provident Fund - Performance Bonus	3,80,772 24,996 3,80,808 15,00,000	3,80,772 24,996 3,80,808 15,00,000	7,61,544 49,992 7,61,616 30,00,000
	Total	54,60,000	54,60,000	1,09,20,000

Ceiling as per the Act: ₹ 55.00 Lacs per annum for Whole Time Director & Managing Director each, as approved by the members at their 23rd Annual General Meeting under Section II of Part II of Schedule V of the Companies Act, 2013

Annexure 2 to the Directors' Report

B. Salary of Other Directors

i. Other Executive Directors

Amount in ₹

Sr. No.	Particulars of Remuneration	Mrs. Pushpa M. Shah
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	11,73,400 - -
2	Stock Option	-
3	Sweat Equity	-
4	Commission - As % of Profit - Other, Specify	- -
5	Others - Ad Hoc Allowance - Medical Reimbursement - Contribution of Employer to the Provident Fund - Performance Bonus	1,40,792 25,000 1,40,808 5,00,000
	Total	19,80,000

Ceiling as per the Act: ₹ 20.00 Lacs per annum as approved by the members at their 24th Annual General Meeting under Section II of Part II of Schedule V of the Companies Act, 2013

ii. Non-Executive Independent Directors

Amount in ₹

Particulars of Salary	Name of the Directors				Total Amount
	Mr. Ramesh kumar Babulal Shah ¹	Mr. Dilip Kumar Daga ²	Mr. Shantilal Mehta	Mr. Bherulal Lalchand Chopra ³	
Fee for Attending Board Meetings	40,000	90,000	90,000	20,000	2,40,000
Fee for Attending Committee Meetings	15,000	35,000	15,000	10,000	75,000
Commission	-	-	-	-	-
Others	-	-	-	-	-
Total	55,000	1,25,000	1,05,000	30,000	3,15,000

Ceiling as per the Companies Act, 2013

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

Overall Ceiling as per the Companies Act, 2013

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

¹ Resigned w.e.f. October 5, 2016

² Resigned w.e.f. June 23, 2017

³ Appointed w.e.f. December 27, 2016

Annexure 2 to the Directors' Report

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

Amount in ₹

Sr. No.	Particulars of Remuneration	Mr. Vijay Lathi (Chief Financial Officer) ¹	Mr. Purvesh Pandit (Company Secretary) ²	Mr. Durgesh D. Soni (Company Secretary) ³
1	Gross Salary			
	(a) Salary as per Provisions Contained in Section 17(1) of the Income Tax Act	2,62,178	2,04,099	15,708
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	6,28,888	-	-
	(c) Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- As % of Profit	-	-	-
	- Others, Specify	-	-	-
5	Others			
	- Medical Reimbursement	20,960	-	-
	- House Rent Allowance	1,31,089	-	-
	- Special Allowance	10,67,991	-	-
	- Contribution to the Provident Fund	-	-	-
	- ESIC - Company's Contribution	-	-	-
	- Bonus	-	3,021	292
	Total	21,11,106	2,07,120	16,000

¹ Resigned w.e.f. December 13, 2016 and appointed w.e.f. February 11, 2017

² Appointed w.e.f. May 21, 2016

³ Resigned w.e.f. May 6, 2016

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

There were no penalties, punishment or compounding of offences during the financial year ended March 31, 2017.

For and on Behalf of the Board of Directors

Place: Ahmedabad
Date: August 8, 2017

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 Lacs), 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		2,787.01	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		5,395.15		
	Rent Received		1.20		
	Rent Payment	Not Applicable	3.00		

For and on Behalf of the Board of Directors

Place: Ahmedabad
Date: August 8, 2017

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

Annexure 4 to the Directors' Report

Disclosure as per Section 197(12) of the Companies Act, 2013 & Rule 5(1) & (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Rule 5(1)

- The Ratio of the Remuneration of Each Director to the Median Remuneration of the Employees of the Company for the Financial Year ended on March 31, 2017 and
- The Percentage Increase in Remuneration of Each Director, Chief Financial Officer and Company Secretary during the Financial Year ended on March 31, 2017

Name	Designation	Ratio to Median Employee	% Increase in Remuneration in the Financial Year 2016-17
Mr. Mahendra R. Shah	Chairman & Whole Time Director	16.97 : 1	Nil
Mr. Jatin M. Shah	Managing Director	16.97 : 1	Nil
Mrs. Pushpa M. Shah	Executive Director	6.15 : 1	Nil
Mr. Rameshkumar Babulal Shah ¹	Non-Executive Independent Director	Being Non-Executive Directors, only sitting fees was paid and ratio of remuneration to the remuneration of median employee is not being given.	
Mr. Dilip Kumar Daga ²	Non-Executive Independent Director		
Mr. Shantilal Mehta	Non-Executive Independent Director		
Mr. Bherulal Lalchand Chopra ³	Non-Executive Independent Director		
Mr. Vijay Lathi ⁴	Chief Financial Officer	NA	70.45
Mr. Purvesh Pandit ⁵	Company Secretary & Compliance Officer	NA	NA
Mr. Durgesh D. Soni ⁶	Company Secretary & Compliance Officer	NA	NA

¹ Resigned w.e.f. October 5, 2016

² Resigned w.e.f. June 23, 2017

³ Appointed w.e.f. December 27, 2016

⁴ Resigned w.e.f. December 13, 2016 & appointed w.e.f. February 11, 2017

⁵ Appointed w.e.f. May 21, 2016

⁶ Resigned w.e.f. May 6, 2016

- The Percentage increase in the Median Remuneration of Employees in the Financial Year ended on March 31, 2017: 33.87%
- The Number of Permanent Employees on the Rolls of Company as at March 31, 2017: 90 Employees
- Average Percentile Increase already made in the Salaries of Employees other than the Managerial Personnel in the last Financial Year and its Comparison with the Percentile Increase in the Managerial Remuneration:
Average increase in remuneration of employees excluding KMP: 33.87%
Average increase in remuneration of KMP: 12.09%
- It is affirmed that the Remuneration is as per the Remuneration Policy of the Company.

Annexure 4 to the Directors' Report

Rule 5(2)

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

Sr. No.	Name	Designation	Remuneration Per Annum (₹)	Qualification / Experience of the Employee	Date of Commencement of the Employment	Age (Years)	Last Employment Held	% of Equity Shares held in the Company as on March 31, 2017	Whether the Employee is Relative of any Director / Manager?
1	Rejeshkumar Rajbhar Jagdish Joshi	Cored Wire Head	8,60,000	BA Experience – 10 Years BA, Diploma Mechanical Experience – 15 Years	February 9, 2015	32	TUF Metalurgical Pvt. Ltd.	-	No
2	Siddharth Bansod	Alloy Head	7,32,000	Engineering, Experience – 19 Years	June 1, 2015	38	Mech Trade India Ltd.	-	No
3	Anant Sureshbhai Patel	Marketing Head	5,39,000	ICWA Experience – 6 Years	September 1, 2016	43	Shivam Hitec Steel Pvt. Ltd.	-	No
4	Mistry Bharatbhai	Chief Accounting Officer	5,28,000	ITI Experience – 30 Years	January 16, 2012	33	Sakar Industries Ltd.	-	No
5	Aakash Soni	GDC Head	4,08,000	MBA Finance Experience – 8 Years	October 5, 2013	61	Sejasm Industry India Pvt. Ltd.	-	No
6	Aslamkhan Nobatkhan Pathan	Sr. Executive Finance & Accounts Assistant Accounts Manager	3,42,000	M.Com & CA Inter Experience – 5 Years	August 11, 2014	30	Mayur Wovens Pvt. Ltd.	-	No
7	Ramkesh Choubbe	Ferro Alloy Head	3,08,000	B.Sc. Experience – 18 Years	January 10, 2012	30	N.A.	-	No
8	Pradeep Kumar Kantilal Joshi	Assistant Manager Operations	2,80,000	B.Sc. Experience – 18 Years	September 1, 2016	42	Shivam Hitec Steel Pvt. Ltd.	-	No
9	Shrikant Patel	Assistant Manager	2,36,516	B.Sc. – 27 Years	July 20, 2016	54	Pera Cable Pvt. Ltd.	-	No
10		Assistant Manager	2,30,000	B.E Mechanical Experience – 20 Years	December 19, 2016	54	Sampat Aluminium Pvt. Ltd.	-	No

Note : All the above employees are on permanent basis.

For and on Behalf of the Board of Directors

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

Place: Ahmedabad
Date: August 8, 2017

Annexure 5 to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

[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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practices by **Arfin India Limited** (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2017 (hereinafter referred as 'Audit Period'), has generally complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and record maintained by the Company for the Audit Period according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- II. The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, if any;
- 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 Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (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 Agent) 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.

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

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India; and
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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, if any, are captured and recorded as part of the minutes.

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.

We further report that

During the Audit Period, the Company has not incurred any specific event / action that can have a major bearing on the Company's compliance responsibilities in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., except as follows:

- (i) The Company has made allotment of 10,32,857 warrants convertible into the equal number of Equity Shares of the Company. The conversion of the same took place during the Audit Period. Consequently, the Paid Up Equity Share Capital of the Company was increased from ₹ 3,01,83,000/- to ₹ 4,05,11,570/-.
- (ii) The Board has approved the proposal for the scheme of Amalgamation of Mahendra Aluminium Company Limited with Arfin India Limited.

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

Kamlesh M. Shah

(Proprietor)

(ACS: 8356, COP: 2072)

Place: Ahmedabad

Date: August 8, 2017

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 the Income Tax Act, 1961 and filing the returns at proper time with the Income Tax Department and all other concerned departments.

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

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

Place: Ahmedabad
Date: August 8, 2017

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, 2017, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Place: Ahmedabad
Date: August 8, 2017

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

Annexure 7 to the Directors' Report

Annual Report on CSR Activities

Sr. No.	Particular	Details						
1	A brief outline of the Company's Corporate Social Responsibility (CSR) Policy, including overview of projects or programs proposed to be taken and a reference to the web link to the CSR Policy and projects or programs	<p>To actively contribute to the social and economic development of the society in which the Company operates.</p> <p>The Company shall undertake corporate social responsibility activities enumerated in Schedule VII of the Companies Act, 2013 from time to time.</p> <p>In doing so it plans to build a better and sustainable way of life for the weaker sections and to contribute to the social and economical development of the society in which the Company operates.</p> <p>Our projects focus on – education, healthcare, sustainable livelihood, infrastructure development and social reforms.</p> <p>The Company's CSR Policy can be accessed on: http://www.arfin.co.in/pdf/policies/corporate-social-responsibility-policy.pdf</p>						
2	Composition of CSR Committee	<table border="1"> <tr> <td>Mr. Mahendra R. Shah</td> <td>Chairman</td> </tr> <tr> <td>Mrs. Pushpa M. Shah</td> <td>Member</td> </tr> <tr> <td>Mr. Shantilal Mehta</td> <td>Member</td> </tr> </table>	Mr. Mahendra R. Shah	Chairman	Mrs. Pushpa M. Shah	Member	Mr. Shantilal Mehta	Member
Mr. Mahendra R. Shah	Chairman							
Mrs. Pushpa M. Shah	Member							
Mr. Shantilal Mehta	Member							
3	Average net profit of the Company for the Last three Financial Years	₹ 7,09,80,602/-						
4	Prescribed CSR Expenditure (2% of the amount as mentioned in point 3 above)	₹ 14,19,612/-						
5	Details of CSR expenditure during the Year							
	Total amount to be spent for the financial year	₹ 24,30,495/- Out of which ₹ 10,10,883/- has been spent with respect to the financial year 2015-16.						
	Amount unspent, if any	Nil						

Annexure 7 to the Directors' Report

Sr. No.	Particular	Details					
Manner in which amount spent during the Financial Year 2016-17 is detailed below:							
Sr. No.	CSR Project or Activity Identified	Sector in which project is covered	Area where the project undertaken	Amount Outlay (Budget) Project or Program Wise (₹)	Amount spent Directly on Projects (₹)	Cumulative Expenditure Upto Reporting Period (₹)	Implementing Agency through which amount spent
1	Moral, Spiritual and Cultural Education	Education Promotion	Ahmedabad, Gujarat	10,10,883/-	10,10,883/-	24,30,496/-	Shrimati Ratandevi Bansidhar Agarwal Trust
2	Kidney Dialysis, Blood Bank, Eye Hospital	Healthcare	Ahmedabad, Gujarat	10,00,000/-	10,00,000/-		Lions Club of Karnavati Foundation
3	Technical Education	Education Promotion	Ahmedabad, Gujarat	4,19,613/-	4,19,613/-		Swaminarayan Vivith Seva Niketan Trust
Total				24,30,496/-	24,30,496/-		
Details of Implementing Agency:							
<ol style="list-style-type: none"> Shrimati Ratandevi Bansidhar Agarwal Trust: Trust Reg. No. 10808; Location: Ahmedabad, Address: C-1/39/14, Phase - III, GIDC, Naroda, Ahmedabad – 382330, Gujarat, India. Lions Club of Karnavati Foundation: Trust Reg. No. F/5033/Ahmedabad; Location: Ahmedabad, Address: At-Village Ognaj, Post - New High Court, Taluka - Daskroi, District - Ahmedabad – 380060, Gujarat, India. Swaminarayan Vivith Seva Niketan Trust: Trust Reg. No. E - 2954; Location: Ahmedabad; Address: Shree Swaminarayan Vividh Sewaniketan, Jetalpur Taluka - Daskroi, District. Ahmedabad - 382426, Gujarat, India. 							
6	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount on CSR			Not Applicable			
7	Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company			The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.			

For **Arfin India Limited**

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

Date: August 8, 2017
Place: Ahmedabad

For **Arfin India Limited**

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

Date: August 8, 2017
Place: Ahmedabad

Corporate Governance Report

1. Company's Philosophy on Code of Corporate Governance

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

2. Board of Directors

a. Composition of the Board

The Board of Directors at Arfin is headed by Mr. Mahendra R. Shah, Chairman & Whole Time Director of the Company. The Independent Directors on the Board are experienced, competent and highly reputed persons from their respective fields. The Independent Directors take active part at the Board and Committee Meetings, which adds vision, strategic direction and value in the decision making process of the Board of Directors. As at March 31, 2017 the composition of the Board of Directors is given below:

Sr. No.	Name & DIN	Category & Designation
1	Mr. Mahendra R. Shah DIN: 00182746	Promoter Chairman & Whole Time Director
2	Mr. Jatin M. Shah DIN: 00182683	Promoter Managing Director
3	Mrs. Pushpa M. Shah DIN: 00182754	Promoter Executive Woman Director
4	Mr. Dilip Kumar Daga ¹ DIN: 02918995	Non Promoter Independent Director
5	Mr. Shantilal Mehta DIN: 06459451	Non Promoter Independent Director
6	Mr. Bherulal Lalchand Chopra ² DIN: 01149396	Non Promoter Additional Independent Director

¹Resigned w.e.f. June 23, 2017

²Appointed w.e.f. December 27, 2016

Corporate Governance Report

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

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

During the financial year ended on March 31, 2017, thirteen Board meetings were held on the following dates:

- | | | |
|-----------------------|----------------------|-----------------------|
| 1. May 21, 2016 | 6. November 14, 2016 | 11. January 31, 2017 |
| 2. July 22, 2016 | 7. December 5, 2016 | 12. February 11, 2017 |
| 3. August 8, 2016 | 8. December 27, 2016 | 13. February 24, 2017 |
| 4. September 20, 2016 | 9. January 5, 2017 | |
| 5. November 2, 2016 | 10. January 11, 2017 | |

Attendance of each Director at Board Meetings and at last Annual General Meeting (AGM) held on September 10, 2016 is as under:

Sr. No.	Name of Director	Serial Number of Meetings stated above													Attendance at last AGM	
		1	2	3	4	5	6	7	8	9	10	11	12	13		
1	Mr. Mahendra R. Shah	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Yes
2	Mr. Jatin M. Shah	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Yes
3	Mrs. Pushpa M. Shah	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Yes
4	Mr. Rameshkumar Babulal Shah ¹	✓	✓	✓	✓	x	NA	NA	NA	NA	NA	NA	NA	NA	NA	Yes
5	Mr. Dilip Kumar Daga ²	✓	✓	✓	✓	x	✓	✓	✓	x	x	✓	✓	x	Yes	
6	Mr. Shantilal Mehta	✓	✓	✓	✓	x	✓	✓	✓	x	x	✓	✓	x	Yes	
7	Mr. Bherulal Lalchand Chopra ³	NA	NA	NA	NA	NA	NA	NA	NA	x	x	✓	✓	x	NA	

¹Resigned w.e.f. October 5, 2016

²Resigned w.e.f. June 23, 2017

³Appointed w.e.f. December 27, 2016

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, 2017 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	Related to Mr.Mahendra R. Shah & Mr.Jatin M. Shah	1	-	-
4	Mr. Rameshkumar Babulal Shah ¹	-	3	-	-
5	Mr.Dilip Kumar Daga ²	-	1	-	1
6	Mr.Shantilal Mehta	-	-	-	-
7	Mr. Bherulal Lalchand Chopra ³	-	6	-	-

¹Resigned w.e.f. October 5, 2016

²Resigned w.e.f. June 23, 2017

³Appointed w.e.f. December 27, 2016

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, 2017	No. of Convertible Instruments held as on March 31, 2017
1	Mr. Rameshkumar Babulal Shah ¹	25,000	Nil
2	Mr.Dilip Kumar Daga ²	2,500	
3	Mr. Shantilal Mehta	Nil	
4	Mr. Bherulal Lalchand Chopra ³	Nil	

¹Resigned w.e.f. October 5, 2016

²Resigned w.e.f. June 23, 2017

³Appointed w.e.f. December 27, 2016

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

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

The Committee is authorized to oversee the functioning of the Whistle Blower Policy / Vigil Mechanism. The Committee is also empowered to review, inter alia, the remuneration payable to the Internal Auditors and Statutory Auditors, fees paid / payable for other services and to recommend changes in the Auditors, if thought proper.

Further, the committee is authorized to, inter alia, monitor, review and evaluate the Auditor's independence, performance and

effectiveness of the audit process, oversight of the Company's financial reporting process and the disclosure of its financial information, reviewing with the Management the quarterly and annual Financial Statements before submission to the Board for approval, examination of the Financial Statements and the Auditors' Report thereon, approval of transactions of the Company with related parties including consequent modifications thereof, analysis of inter-corporate loans and investments, grant omnibus approvals subject to fulfilment of certain conditions, valuation of undertakings or assets of the Company wherever it is necessary, evaluation of internal financial controls and risk Management systems.

Further, it is also empowered to review the Management Discussion and Analysis of financial condition and results of operations and statement of significant related party transactions. It shall also look 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 role 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.

Corporate Governance Report

b. Composition of Audit Committee

As at March 31, 2017, the following Directors were members of the Audit Committee:

Sr. No.	Name & DIN	Designation	Committee Position
1	Mr. Dilip Kumar Daga ¹ DIN: 02918995	Independent Director	Chairman
2	Mr. Mahendra R. Shah DIN: 00182746	Chairman & Whole Time Director	Member
3	Mr. Bherulal Lalchand Chopra ² DIN: 01149396	Additional Independent Director	Member

¹Resigned w.e.f. June 23, 2017

²Appointed w.e.f. December 27, 2016

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

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

c. Meetings & Attendance

During the financial year ended on March 31, 2017, the committee met four times on (i) May 21, 2016 (ii) August 8, 2016 (iii) November 14, 2016 and (iv) February 11, 2017. All members attended the meetings held during their tenure.

4. Nomination & Remuneration Committee

a. Brief Description of Terms of Reference includes:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to

the remuneration of the Directors, Key Managerial Personnel and other employees;

2. formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. devising a policy on Diversity of Board of Directors;
4. identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. to recommend to the Board, whether to extend or continue the term of appointment of the Independent Director, 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, 2017, the following Directors were members of the Nomination and Remuneration Committee:

Sr. No.	Name & DIN	Designation	Committee Position
1	Mr. Bherulal Lalchand Chopra ¹ DIN: 01149396	Additional Independent Director	Chairman
2	Mr. Dilip Kumar Daga ² DIN: 02918995	Independent Director	Member
3	Mr. Shantilal Mehta DIN: 06459451	Independent Director	Member

¹Appointed w.e.f. December 27, 2016

²Resigned w.e.f. June 23, 2017

Corporate Governance Report

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, 2017, three committee meetings were held on (i) May 9, 2016 (ii) December 27, 2016 and (iii) February 11, 2017. All the committee members attended the meetings held during their tenure.

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.

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

The Non-Executive Directors of the Company have been paid remuneration of ₹ 10,000/- for attending each of the Board meetings and ₹ 5,000/- for attending each of the Committee meetings during the financial year 2016-17.

c. Disclosure of Remuneration

The amount of remuneration paid to the Directors of the Company during the financial year ended on March 31, 2017 is as follows:

Particulars of Remuneration	Amount in ₹		
	Whole Time Director Mr. Mahendra R. Shah	Managing Director Mr. Jatin M. Shah	Executive Director Mrs. Pushpa M. Shah
Gross Salary	31,73,424	31,73,424	11,73,400
Ad Hoc Allowance	3,80,772	3,80,772	1,40,792
Medical Reimbursement	25,000	25,000	25,000
Contribution of Employer to the Provident Fund	3,80,804	3,80,804	1,40,808
Performance Bonus	15,00,000	15,00,000	5,00,000
Total	54,60,000	54,60,000	19,80,000

Non-Executive Directors	Amount in ₹				
	Mr. Rameshkumar Babulal Shah ¹	Mr. Dilip Kumar Daga ²	Mr. Shantilal Mehta	Mr. Bherulala Lalchand Chopra ³	Total
Sitting fees Paid	55,000	1,25,000	1,05,000	30,000	3,15,000

¹Resigned w.e.f. October 5, 2016

²Resigned w.e.f. June 23, 2017

³Appointed w.e.f. December 27, 2016

Corporate Governance Report

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

a. Composition

As on March 31, 2017, following were the members of the Stakeholders' Relationship Committee / Shareholders' / Investors' Grievance Committee:

Sr. No.	Name & DIN	Designation	Committee Position
1	Mr. Shantilal Mehta	Independent Director	Chairman
2	Mr. Mahendra R. Shah	Whole Time Director	Member
3	Mr. Purvesh Pandit ¹	Company Secretary	Member

¹Appointed w.e.f. May 21, 2016

b. Status of Complaints

As on March 31, 2017, the Company has 1 pending Investor Complaint for which action taken reports / replies have already been submitted by the Company at SEBI Scores Portal.

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
2015-16 24 th AGM	Regency Ballroom, Hyatt Regency, 17A, Ashram Road, Usmanpura, Ahmedabad – 380014, Gujarat, India.	Saturday, September 10, 2016	12:00 noon	5
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	0

b. Whether any Special Resolution(s) passed in the previous three Annual General Meetings: Yes, details as per Point (a) above

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

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

Sr. No.	Brief Particulars of Special Resolutions	Postal Ballot Notice Date	Voting Period	Date of Passing of Resolution
1	Alteration of Articles of Association	September 20, 2016	October 7, 2016 to November 5, 2016	November 5, 2016
2	Issue of Warrants Convertible into Equity Shares on Preferential Basis	September 20, 2016		
3	Ratification Resolution in matter of Issue of Warrants Convertible into Equity Shares	January 11, 2017	January 20, 2017 to February 18, 2017	February 18, 2017

Corporate Governance Report

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

1. Alteration of Articles of Association

Resolution required: (Ordinary / Special)	Special Resolution							
Whether promoter / promoter group are interested in the agenda / resolution?	No							
Promoter and Promoter Group	Mode of Voting	No. of Shares held	No. of Votes Polled	% of Votes polled on outstanding shares	No. of Votes in favour	No. of Votes against	% of Votes in favour on Votes polled	% of Votes against on Votes polled
		(1)	(2)	(3) = [(2)/(1)]*100	(4)	(5)	(6) = [(4)/(2)]*100	(7) = [(5)/(2)]*100
Promoter and Promoter Group	E-Voting	22,11,400	22,11,400	100	22,11,400	-	100	-
	Poll		Not Applicable					
	Postal Ballot		-	-	-	-	-	-
	Sub-Total		22,11,400	100	22,11,400	-	100	-
Public – Institutions	E-Voting	-	-	-	-	-	-	-
	Poll		Not Applicable					
	Postal Ballot		-	-	-	-	-	-
	Sub-Total		-	-	-	-	-	-
Public – Non Institutions	E-Voting	8,06,900	113	0.014	113	-	100	-
	Poll		Not Applicable					
	Postal Ballot		3,19,460	39.59	3,19,460	-	100	-
	Sub-Total		3,19,573	39.61	3,19,573	-	100	-
Grand Total		30,18,300	25,30,973	83.85	25,30,973	-	100	-

2. Issue of Warrants Convertible into Equity Shares on Preferential Basis

Resolution required: (Ordinary / Special)	Special Resolution							
Whether promoter / promoter group are interested in the agenda / resolution?	No							
Promoter and Promoter Group	Mode of Voting	No. of Shares held	No. of Votes Polled	% of Votes polled on outstanding shares	No. of Votes in favour	No. of Votes against	% of Votes in favour on Votes polled	% of Votes against on Votes polled
		(1)	(2)	(3) = [(2)/(1)]*100	(4)	(5)	(6) = [(4)/(2)]*100	(7) = [(5)/(2)]*100
Promoter and Promoter Group	E-Voting	22,11,400	22,11,400	100	22,11,400	-	100	-
	Poll		Not Applicable					
	Postal Ballot		-	-	-	-	-	-
	Sub-Total		22,11,400	100	22,11,400	-	100	-
Public – Institutions	E-Voting	-	-	-	-	-	-	-
	Poll		Not Applicable					
	Postal Ballot		-	-	-	-	-	-
	Sub-Total		-	-	-	-	-	-
Public – Non Institutions	E-Voting	8,06,900	113	0.014	113	-	100	-
	Poll		Not Applicable					
	Postal Ballot		3,19,460	39.59	3,19,460	-	100	-
	Sub-Total		3,19,573	39.61	3,19,573	-	100	-
Grand Total		30,18,300	25,30,973	83.85	25,30,973	-	100	-

Corporate Governance Report

3. Ratification Resolution in matter of Issue of Warrants Convertible into Equity Shares

Resolution required: (Ordinary / Special)	Special Resolution								
Whether promoter / promoter group are interested in the agenda / resolution?	No								
Promoter and Promoter Group	Mode of Voting	No. of Shares held	No. of Votes Polled	% of Votes polled on outstanding shares	No. of Votes in favour	No. of Votes against	% of Votes in favour on Votes polled	% of Votes against on Votes polled	
		(1)	(2)	(3) = [(2)/(1)]*100	(4)	(5)	(6) = [(4)/(2)]*100	(7) = [(5)/(2)]*100	
Promoter and Promoter Group	E-Voting	22,11,400	22,11,400	100	22,11,400	-	100	-	
	Poll		Not Applicable						
	Postal Ballot		-	-	-	-	-	-	
	Sub-Total		22,11,400	100	22,11,400	-	100	-	
Public – Institutions	E-Voting	-	-	-	-	-	-	-	
	Poll		Not Applicable						
	Postal Ballot		-	-	-	-	-	-	
	Sub-Total		-	-	-	-	-	-	
Public – Non Institutions	E-Voting	8,06,900	3,33,636	41.35	3,33,636	-	100	-	
	Poll		Not Applicable						
	Postal Ballot		12	0.001	12	-	100	-	
	Sub-Total		3,33,648	41.35	3,33,648	-	100	-	
Grand Total		30,18,300	25,45,048	84.32	25,45,048	-	100	-	

d. Person who conducted the Postal Ballot exercise

Please refer Point c.

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

At present there is no proposal to pass any Special Resolution through Postal Ballot.

f. Procedure for Postal Ballot

Not applicable since there is no proposal to pass any resolution through Postal Ballot in the ensuing Annual General Meeting.

8. Means of Communication

The Annual, Half Yearly and Quarterly results are submitted to the Stock Exchange(s) in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same are normally published in "The Economic Times" all India publications. Management Discussion and Analysis Report forms part of the Annual Report of the Company.

All vital information relating to the Company viz. Report on Corporate Governance, Financial Results, Shareholding Pattern, Stock Exchange Submissions etc. are simultaneously posted on Company's website viz. www.arfin.co.in. Further, Financial Results, Shareholding Pattern, Quarterly Corporate Governance Report etc. are also uploaded on website of the BSE Limited where the equity shares of the Company are listed.

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

Corporate Governance Report

9. General Shareholders Information

a. Annual General Meeting

Date : Sunday, September 10, 2017
Time : 12:00 Noon
Venue : Alishan, Courtyard by Marriott, Ramdev Nagar Cross Road, Satellite Road, Ahmedabad - 380015, Gujarat, India.
Book Closure Date : Tuesday, September 5, 2017

b. Financial Year / Calendar

(a)	First Quarter Results	Within 45 days from the closure of Quarter ended on June 30, 2017
(b)	Second Quarter Results	Within 45 days from the closure of Quarter and Half Year ending on September 30, 2017
(c)	Third Quarter Results	Within 45 days from the closure of Quarter and Nine Months ending on December 31, 2017
(d)	Results for the Financial Year ending on March 31, 2018	Within 60 days from the closure of Quarter / Financial Year ending on March 31, 2018

* Subject to the Statutory Provisions

c. Dividend Payment Date

The Final Dividend, if declared for the financial year 2016-17, in the ensuing Annual General Meeting shall be paid on or after Saturday, September 16, 2017.

d. Listing on Stock Exchanges

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

ISIN: INE784R01015

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

During the financial year under report, the Equity Shares of the Company have been delisted from the Ahmedabad Stock Exchange Limited w.e.f. November 10, 2016. Further, the application made by the Company during the financial year under report with the Calcutta Stock Exchange for delisting of its equity shares, is pending with the Calcutta Stock Exchange Limited for its approval.

e. Stock (Scrip) Code

Please refer Point 9(d.) above.

Corporate Governance Report

f. Market Price Data

Month(s)	Price of Equity Shares of the Company at BSE		
	High (₹)	Low (₹)	Volume (No. of Shares)
April 2016	121.00	96.70	29,670
May 2016	137.00	100.00	35,277
June 2016	139.70	125.50	20,994
July 2016	197.55	131.30	65,626
August 2016	293.90	196.45	54,347
September 2016	293.90	293.90	7,119
October 2016	382.05	323.25	56,878
November 2016	464.00	351.00	39,690
December 2016	548.00	416.00	27,959
January 2017	554.00	450.00	10,921
February 2017	565.00	423.00	58,322
March 2017	524.00	400.00	2,78,898

(Source: Bombay Stock Exchange Portal)

g. Performance in Comparison to Broad - Based Indices:

Month(s)	Months Closing Price of BSE Sensex Index (₹)	% Increase / (Decrease) in Compare to Previous Month	Month Closing Prices of Company's Equity Shares on BSE (₹)	% Increase / (Decrease) in Compare to Previous Month
April 2016	25,606.62	10.60	114.00	11.66
May 2016	26,667.96	4.14	135.55	18.90
June 2016	26,999.72	1.24	133.00	(1.88)
July 2016	28,051.86	3.90	187.10	40.68
August 2016	28,452.17	1.43	286.20	52.97
September 2016	27,865.96	(2.06)	293.90	2.69
October 2016	27,930.21	0.23	382.05	29.99
November 2016	26,652.81	(4.57)	409.05	7.07
December 2016	26,626.46	(0.10)	486.45	18.92
January 2017	27,655.96	3.87	461.00	(5.23)
February 2017	28,743.32	3.93	500.80	8.63
March 2017	29,620.50	3.05	490.75	(2.01)

(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 Exchange(s).

i. Registrar & Share Transfer Agent

Link Intime India Private Limited

506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre,
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, 2017

No. of Equity Share Held	No. of Shareholders	% of Shareholders	No. of Equity Share Held	% of Shareholding
Upto 500	587	76.53	57,632	1.42
501 To 1,000	51	6.65	40,470	1.00
1,001 To 2,000	55	7.17	83,086	2.05
2,001 To 3,000	15	1.96	37,142	0.92
3,001 To 4,000	7	0.91	25,731	0.64
4,001 To 5,000	11	1.43	51,443	1.27
5,001 To 10,000	10	1.30	79,954	1.97
10,001 And Above	31	4.04	36,75,699	90.73
Total	767	100.00	40,51,157	100.00

Category of Shareholders as at March 31, 2017

Category	No. of Shareholders	% of Shareholders	No. of Share Held	% of Shareholding
A. Promoter & Promoter Group	10	1.30	29,44,257	72.68
B. Public Shareholding				
(a) Bodies Corporate	22	2.87	1,40,768	3.47
(b) Resident Individuals	654	85.27	8,95,349	22.10
(c) HUF	32	4.17	24,431	0.60
(d) NRI (Individuals)	35	4.56	38,497	0.95
Others				
Clearing Members	14	1.83	7,855	0.19
Total	767	100.00	40,51,157	100.00

Corporate Governance Report

I. Break up of Shares in physical & demat form as at March 31, 2017

Particulars	No. of Shares	% of Shares
Physical Segment	1,18,200	2.92
Demat Segment		
• CDSL	35,96,294	88.77
• NSDL	3,36,663	8.31
Total	40,51,157	100.00

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

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

During the financial year under report, the Company has issued, at the Board meeting held on December 5, 2016, 10,32,857 warrants convertible into equivalent number of Equity Shares of the Company. Conversion of the same took place as following:

Sr. No.	Particulars	Date	Warrants Converted into Equity Shares	Outstanding Warrants Pending for Conversion
1	Conversion of Warrants and issue of the Equity Shares	January 5, 2017	5,47,857	4,85,000
2	Conversion of Warrants and issue of the Equity Shares	January 11, 2017	4,35,000	50,000
3	Conversion of Warrants and issue of the Equity Shares	February 24, 2017	50,000	-

Consequent upon the conversion of warrants as above, the Paid Up Equity Share Capital has been increased from ₹ 3,01,83,000/- consisting of 30,18,300 Equity Shares of ₹ 10/- each to ₹ 4,05,11,570/- consisting of 40,51,157 Equity Shares of ₹ 10 each.

As on March 31, 2017 there were no outstanding warrants / convertible instruments pending for conversion.

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

Commodities form a part of the raw materials required for Company's Products portfolio and hence Commodity price risk is one of the important market risk for the Company. The commodities are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks. Your Company has a robust framework and governance mechanism in place to ensure that the organization is adequately protected from the market volatility in terms of price and availability. A robust planning and strategy ensures Company's interests are protected despite volatility in commodity prices.

The Company has managed the foreign exchange risk with appropriate activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with the no material residual risk.

Corporate Governance Report

o. Plant Location

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

p. Address of Correspondence

Company	Registrar & Share Transfer Agent
<p>Mr. Purvesh Pandit Company Secretary & Compliance Officer</p> <p>Arfin India Limited B-302, 3rd Floor, Pelican House, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad – 380009, Gujarat, India. Tel.: +91 79 26583791, 92, Fax: +91 79 26583792, Email: investors@arfin.co.in, Website: www.arfin.co.in</p>	<p>Link Intime India Private Limited 506-508, Amarnath Business Centre-1 (ABC-1) Besides Gala Business Centre, 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</p>

10. Others Disclosures

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

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

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

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

- c. Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013, Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Vigil Mechanism / Whistle Blower Policy for Directors and Employees have already been established and the same is in place.

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

Corporate Governance Report

- d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Board periodically reviewed the compliance of all applicable laws and steps were taken by the Company to rectify instances of non-compliance, if any. During the year, the Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Company has complied with the non-mandatory requirements relating to having regime of Financial Statements with audit report with unmodified opinion, appointment of separate persons to the post of Chairman and Managing Director and reporting by Internal Auditor directly to the Audit Committee.

- e. The Company doesn't have any subsidiaries and thus it has not adopted any policy for determination of material subsidiaries.
- f. Web link of the Policy on dealing with related party transactions is as follow:
<http://arfin.co.in/pdf/policies/related-party-transactions-policy.pdf>
- g. Disclosure of commodity price risks and commodity hedging activities
Please refer Point 9(n) above.

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

The Company has complied with all the provisions of Corporate Governance related to the matters enumerated in the Point 2 to 10 above to the extent applicable.

12. Compliance with Discretionary Requirements under Listing Regulations

Please refer Point 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

The Company is in compliance with the Corporate Governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations) for the financial year ended on March 31, 2017, to the extent applicable.

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

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

Corporate Governance Report

The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration signed by the Managing Director in this regard is given below:

“I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation(s) that they have complied with the code of Ethics and Business Conduct framed for Directors and Senior Management Personnel in respect to the financial year ended on March 31, 2017.”

Yours' Sincerely
For **Arfin India Limited**

Jatin M. Shah

(Managing Director)
(DIN: 00182683)

Place: Ahmedabad
Date: August 8, 2017

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

A certificate from Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance has been attached as an Annexure to the Directors' Report.

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

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

For and on Behalf of the Board of Directors

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

Place: Ahmedabad
Date: August 8, 2017

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, 2017 and that to the best of our knowledge and belief, we state that:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading; and
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with current Accounting Standards, applicable laws and regulations.
- (b) there are no transactions entered into by the Company during the financial year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the financial year;
 - (ii) significant changes, if any, in accounting policies made during the financial year and that the same have been disclosed in the notes to the Financial Statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

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

Place: Ahmedabad
Date: August 8, 2017

Vijay Lathi
(Chief Financial Officer)

5 Year Financial Summary

5 YEAR FINANCIAL SUMMARY - BALANCE SHEET

₹ in Lacs

PARTICULARS	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16	31-Mar-17
EQUITY AND LIABILITIES					
SHAREHOLDERS FUNDS					
Share Capital	186.77	290.21	301.83	301.83	405.12
Reserves And Surplus	421.84	988.53	1,468.88	2,075.37	4,983.83
	608.61	1,278.74	1,770.71	2,377.20	5,388.95
NON-CURRENT LIABILITIES					
Long Term Borrowings	811.05	969.78	247.10	1,094.90	462.14
Deferred Tax Liabilities (Net)	49.27	76.22	97.40	117.08	177.89
	860.32	1,046.00	344.50	1,211.98	640.03
CURRENT LIABILITIES					
Short Term Borrowings	1,737.35	2,349.75	3,111.18	3,218.11	5,601.61
Trade Payables	2,101.11	2,676.64	3,566.69	4,635.89	3,519.00
Other Current Liabilities	81.98	78.41	29.02	103.81	113.76
Short Term Provisions	60.94	49.97	156.03	366.07	770.35
	3,981.38	5,154.77	6,862.91	8,323.88	10,004.72
TOTAL	5,450.31	7,479.50	8,978.12	11,913.06	16,033.70
ASSETS					
NON-CURRENT ASSETS					
Fixed Assets					
Tangible Assets (Net Block)	821.80	925.61	1,212.36	1,410.72	2,122.90
Capital Work-In-Progress	13.45	0.00	208.42	429.82	34.56
Long Term Loans And Advances	20.22	23.17	19.51	19.25	36.72
	855.46	948.78	1,440.29	1,859.79	2,194.18
CURRENT ASSETS					
Current Investments	0.00	0.00	0.00	0.00	412.00
Inventories	1,269.87	2,705.65	4,408.18	6,189.48	7,137.36
Trade Receivables	2,774.54	3,512.62	2,318.14	3,289.81	5,828.90
Cash And Cash Equivalents	399.42	233.42	385.59	396.35	329.55
Short Term Loans And Advances	151.01	79.03	425.92	177.63	131.71
	4,594.85	6,530.72	7,537.83	10,053.27	13,839.52
TOTAL	5450.31	7,479.50	8,978.12	11,913.06	16,033.70

5 Year Financial Summary

5 YEAR FINANCIAL SUMMARY - STATEMENT OF PROFIT AND LOSS

₹ in Lacs

PARTICULARS	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Domestic Sales	18,333.59	21,143.55	24,607.07	27,184.65	38,203.08
Export Sales	272.90	175.88	3,421.61	3,504.27	471.11
Revenue From Operations	18,606.49	21,319.43	28,028.69	30,688.92	38,674.19
Less: Excise Duty	1,719.81	2,282.00	3,033.74	3,401.36	4,298.30
Revenue From Operations (Net)	16,886.68	19,037.43	24,994.94	27,287.56	34,375.89
Other Operating Income	4.42	0.00	0.00	0.00	3.65
Income From Operations	16,891.10	19,037.43	24,994.94	27,287.56	34,379.54
Cost of Goods Sold	15,421.69	16,960.68	21,814.45	23,722.74	28,539.65
Gross Margin	1,469.41	2,076.76	3,180.49	3,564.82	5,839.89
Other Income	66.00	18.43	99.13	96.18	92.10
Total Income	1,535.41	2,095.19	3,279.62	3,661.00	5,931.99
EXPENSES					
Manufacturing Expenses	692.51	1,078.07	1,359.23	1,289.09	2,005.68
Selling & Distribution Expense	113.95	223.80	408.94	429.24	571.95
Employee Benefit Expense	77.74	105.84	162.72	270.75	387.55
Administrative Expenses	73.01	58.69	83.24	101.18	175.61
Total Operating Expenses	957.20	1,466.40	2,014.13	2,090.26	3,140.79
PBDIT	578.22	628.79	1,265.49	1,570.74	2,791.20
Finance Cost	113.45	185.16	484.74	481.89	619.68
PBDT	464.76	443.62	780.76	1,088.85	2,171.52
Depreciation	23.29	42.17	75.44	88.19	118.94
PBT	441.47	401.45	705.31	1,000.66	2,052.58
Current Tax	105.00	110.00	217.00	320.00	690.00
Deferred Tax	27.62	26.95	21.18	19.68	60.81
PAT	308.84	264.51	467.13	660.98	1,301.77

5 Year Financial Summary

RATIOS

FINANCIAL PERFORMANCE	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Cost of Goods Sold / Net Sales	91.30%	89.09%	87.28%	86.94%	83.01%
Manpower Costs / Net Sales	0.46%	0.56%	0.65%	0.99%	1.13%
Manufacturing Expenses / Net Sales	4.10%	5.66%	5.44%	4.72%	5.83%
Finance Cost / Net Sales	0.67%	0.97%	1.94%	1.77%	1.80%
PBDIT / Interest (Debt-Service Coverage Ratio)	5.10	3.40	2.61	3.26	4.50

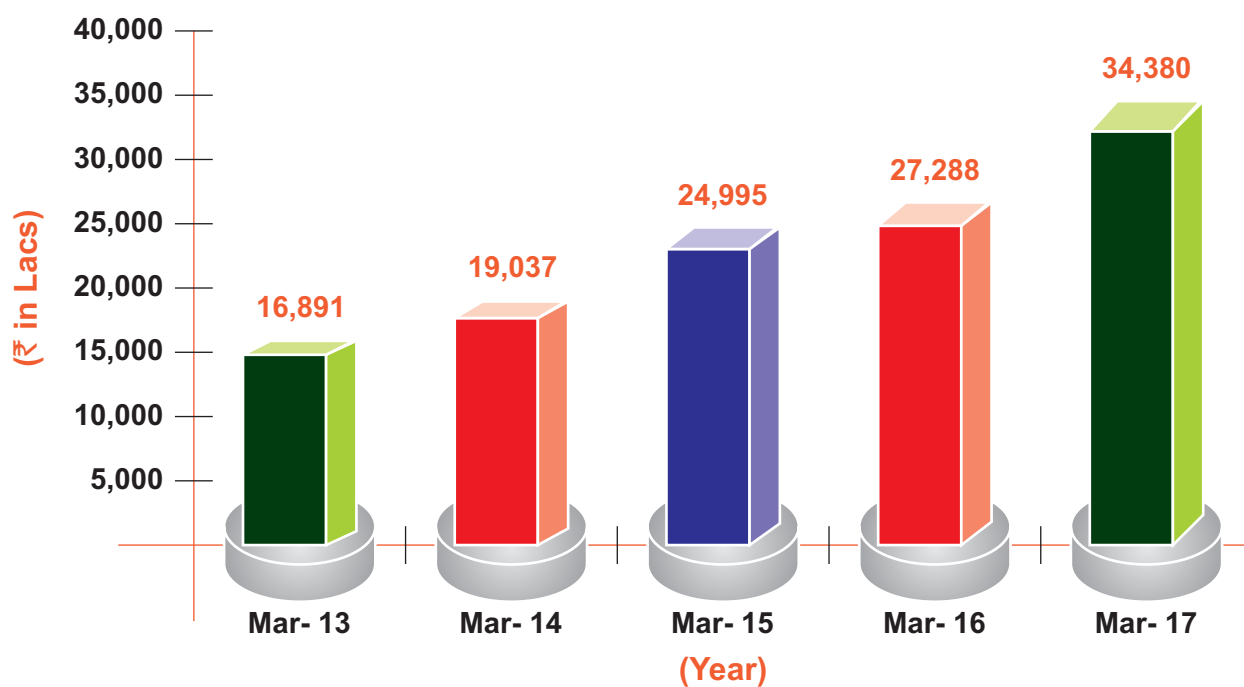
PROFITABILITY	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
PBDIT / Net Sales	3.42%	3.30%	5.06%	5.76%	8.12%
PBDT / Net Sales	2.75%	2.33%	3.12%	3.99%	6.32%
Net Profit / Net Sales	1.83%	1.39%	1.87%	2.42%	3.79%
RONW (PAT / Average Net Worth)	68.00%	28.03%	30.64%	31.87%	33.52%
ROCE (PBDIT / Average Capital Employed)	27.88%	15.90%	25.77%	26.34%	30.46%

BALANCE SHEET	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Debt-Equity Ratio	4.31	2.66	1.91	1.85	1.14
Debtors Turnover (Days)	54	58	29	38	52
Inventory Turnover (Days)	27	52	64	83	76
Current Ratio	1.15	1.27	1.10	1.21	1.38
Quick Ratio	0.84	0.74	0.46	0.46	0.67
Asset Turnover (Total Income / Total Assets)	3.14	2.57	2.83	2.32	2.17

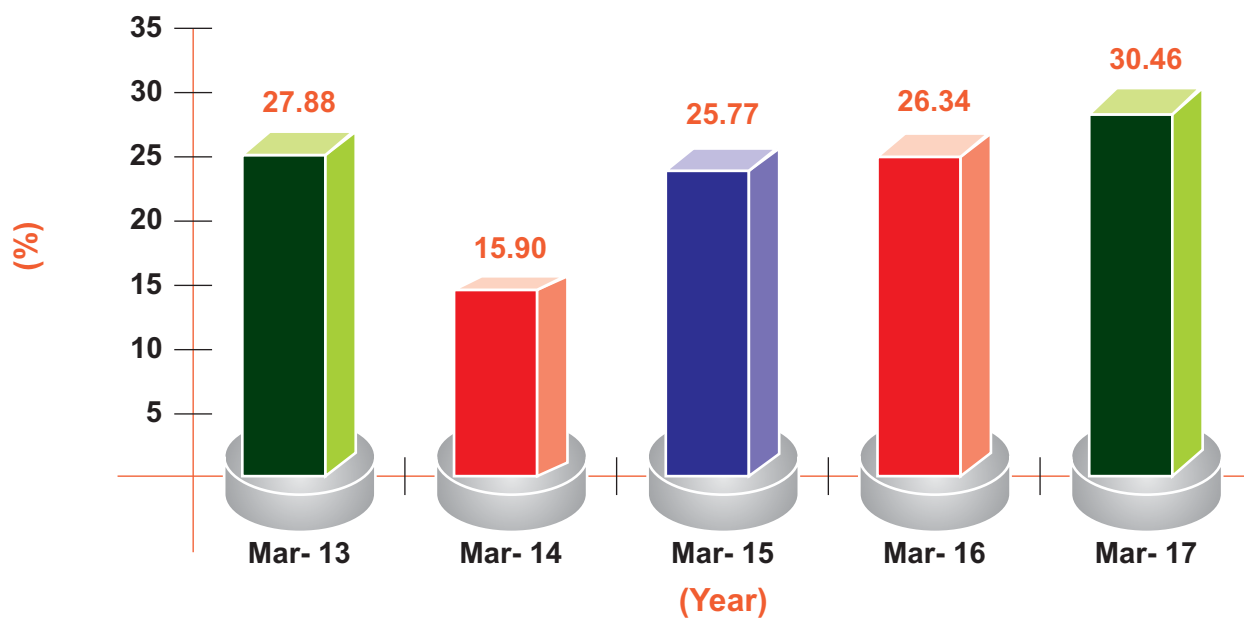
KEY FINANCIAL PARAMETERS (₹ in Lacs)	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Net Sales	16,891.10	19,037.43	24,994.94	27,287.56	34,379.54
Profit Before Depreciation, Interest and Tax	578.22	628.79	1,265.49	1,570.74	2,791.20
Profit Before Tax	441.47	401.45	705.31	1,000.66	2,052.58
Profit After Tax	308.84	264.51	467.13	660.98	1,301.77
Cash Profit	332.14	306.68	542.57	749.17	1,420.71

PER SHARE DATA	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Basic Earnings Per Share (₹)	10.23	9.24	15.87	21.90	40.08
Basic Cash Earnings (₹)	11.00	10.71	18.44	24.82	43.75
Book Value (₹)	20.16	44.66	58.67	78.76	133.02

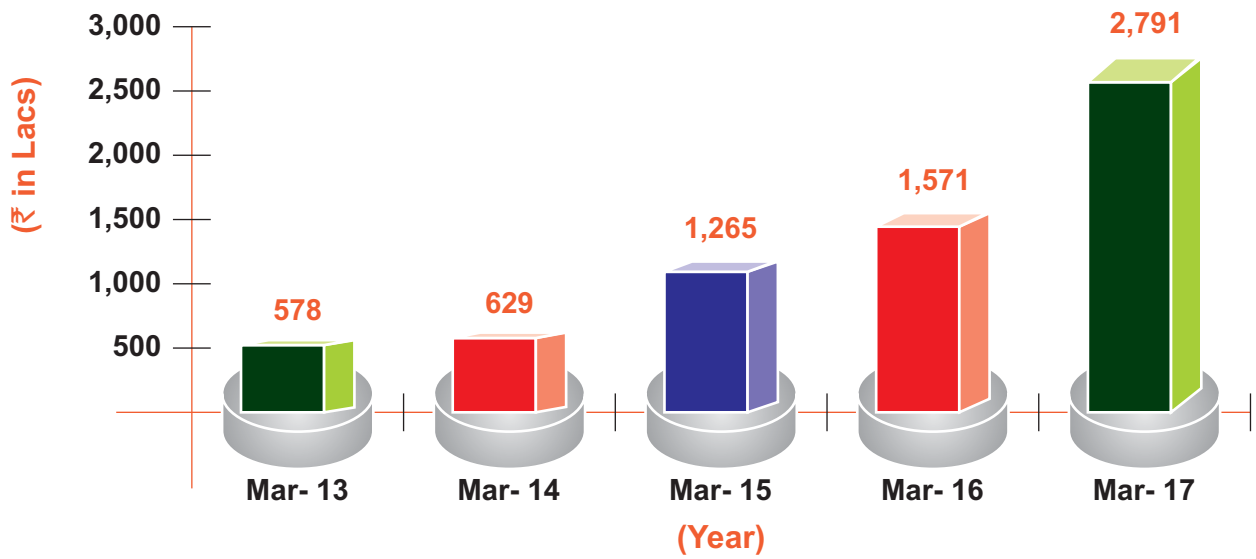
GROWTH IN NET SALES (₹ in Lacs)



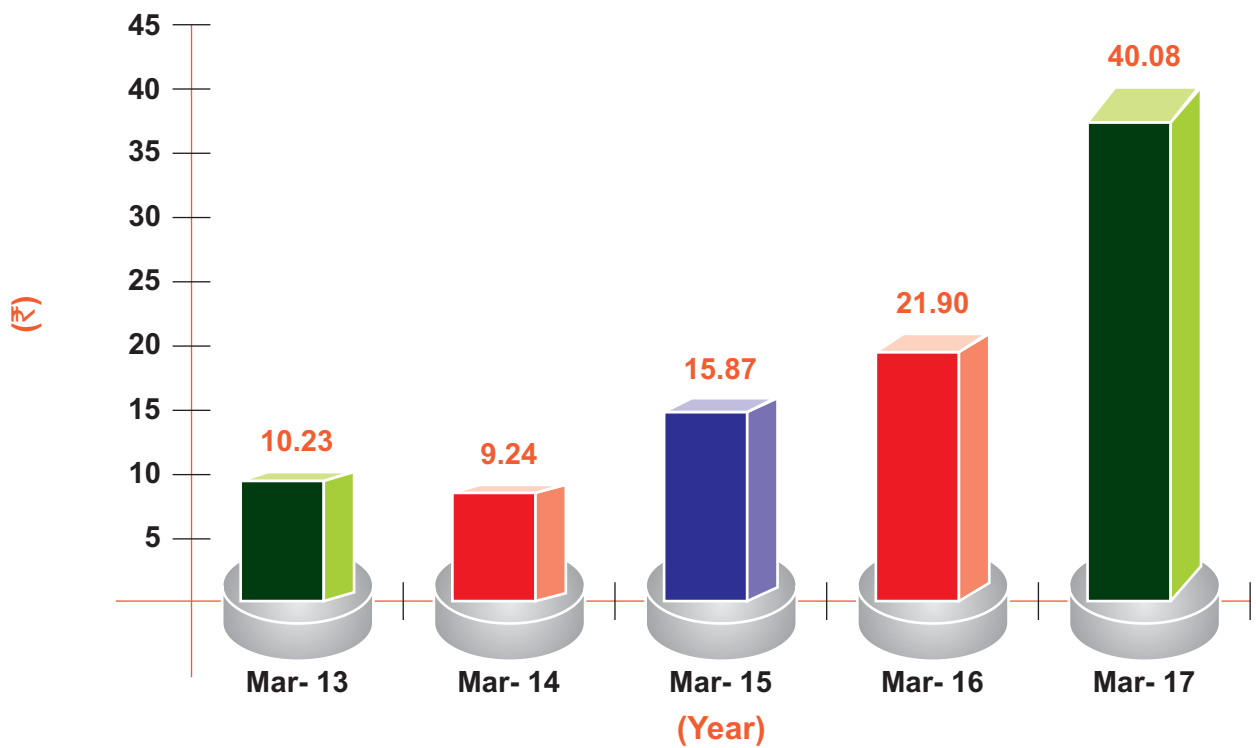
ROCE (%)



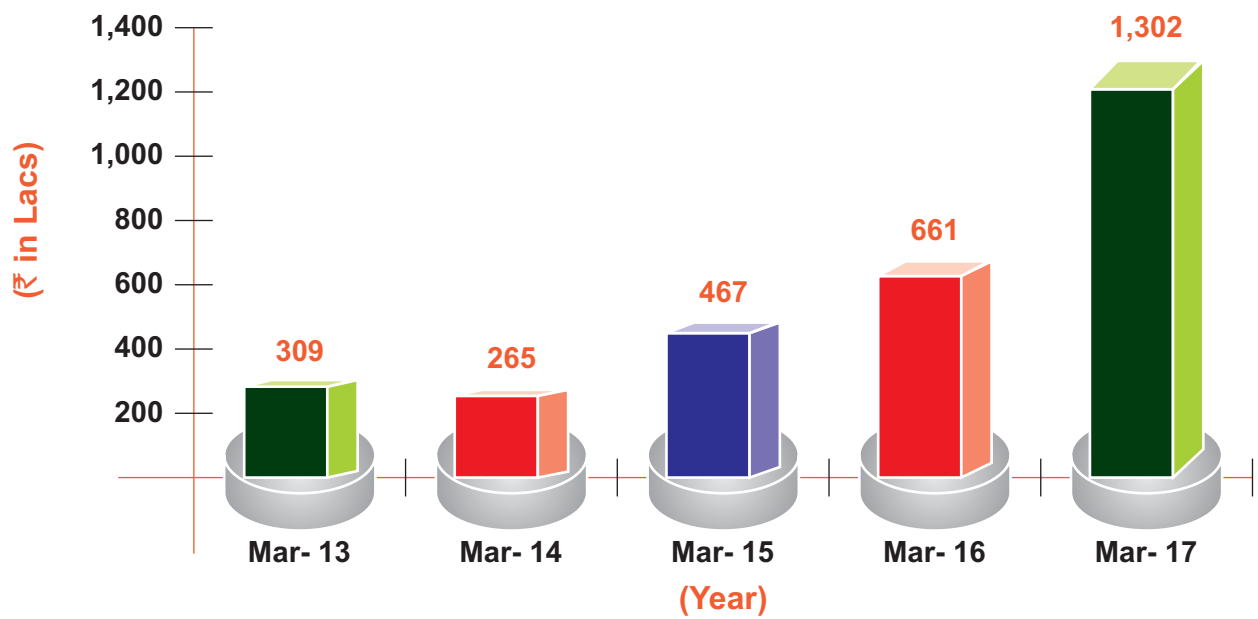
GROWTH IN PBDIT (₹ in Lacs)



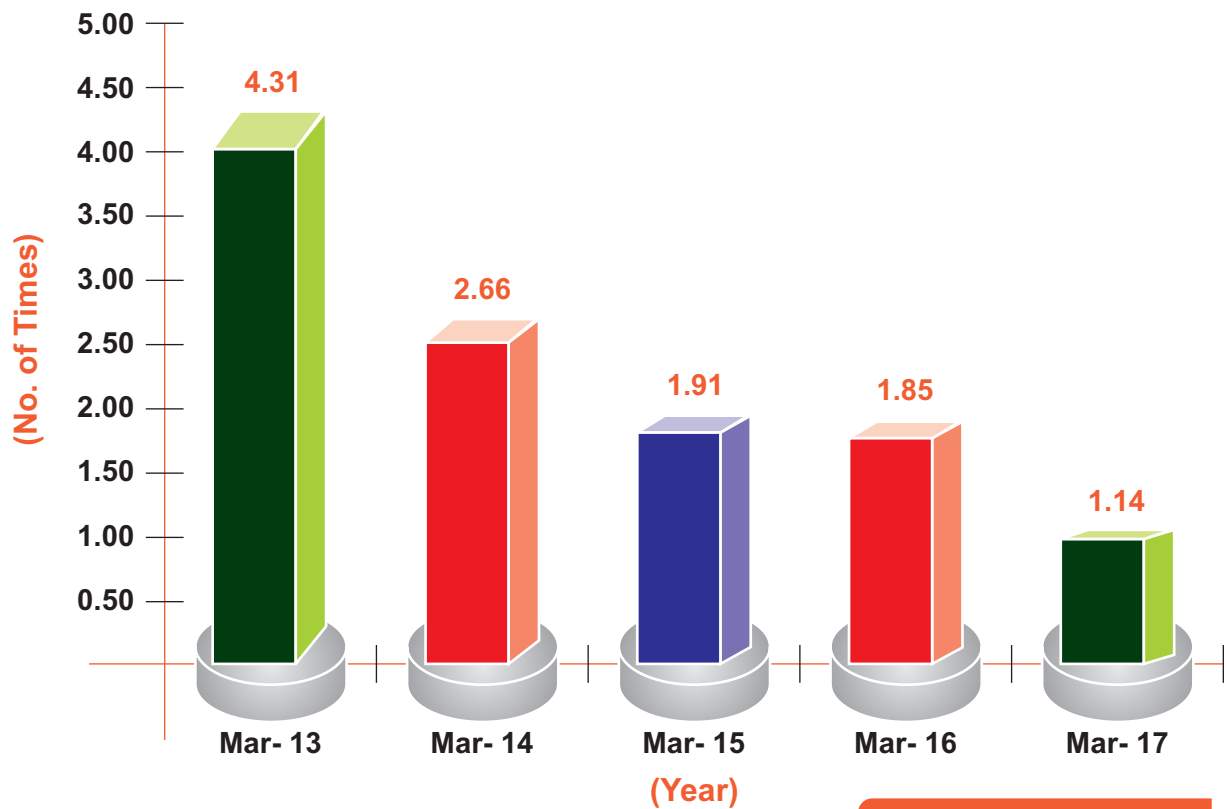
EARNINGS PER SHARE (₹)



GROWTH IN PROFIT AFTER TAX (₹ in Lacs)



DEBT-EQUITY RATIO (X)



Independent 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, 2017**, the Statement of Profit and Loss and Cash Flow Statement for the financial 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 (Accounts) Rules, 2014 and Accounting Standard 30, "Financial Instruments". Recognition and Measurements issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other Accounting Standard referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) 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, 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.

Auditors' 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 thereunder.
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 evidence 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

Independent Auditors' Report

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 adequate Internal Financial Control Systems over financial reporting and the operating effectiveness of such controls. An Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Financial Statements.

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, 2017;
 - b) In the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 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 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, 2017, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017, 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**; and
 - g) in our opinion and to the best of our information and according to the explanations

Independent Auditors' Report

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

- (i) The Company does not have any pending litigations which would impact its financial position;
- (ii) In our opinion and as per the information and explanations provided to us, the Company has not entered into any long term contracts including derivative contracts, requiring provisions, under the applicable law or Accounting Standards, for material foreseeable losses;
- (iii) There has not been any occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund and thus the question of delay in transferring such sums does not arise; and
- (iv) The Company has provided requisite disclosures in the Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the Management Representation, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management – Refer Note 31.

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

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

Place: Ahmedabad
Date: May 20, 2017

Independent 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 financial year ended on **March 31, 2017**.

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, 2017 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 (ICAI). Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
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.

Independent 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) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - (ii) provides reasonable assurance that the transactions are recorded as necessary to permit preparations of Financial Statements in accordance with the Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and
 - (iii) provides reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Control Systems over Financial Reporting

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 was operating effectively as at March 31, 2017, 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

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

Place: Ahmedabad
Date: May 20, 2017

Independent 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, 2017**.

(1) In respect of Fixed Assets:

- (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) As explained to us, the fixed assets have been physically verified by the Management during the year according to a phased program designed by the Company to cover all the items, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, fixed assets have been physically verified by the Management during the year and according to the information and explanations given to us, no material discrepancies have been noticed on such verification; and
 - (c) The title deeds of immovable properties other than self-constructed immovable properties, as disclosed in fixed assets note to the Financial Statements, are held in the name of Company.
- (2) In our opinion and according to the information and explanations given to us, physical verification of inventories 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 thereunder, with regard to the deposits accepted from the public are not applicable to the Company.
- (6) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules prescribed by the Central Government for maintenance of cost records under Sub-Section (1) of Section 148 of the Companies Act, 2013 for the business

Independent Auditors' Report

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 outstanding as at March 31, 2017 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 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 18 "Related Party Disclosures", specified under Section 133 of

Independent Auditors' Report

the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(14) During the year, the Company has issued 10,32,857 warrants at ₹ 175/- (including ₹ 165/- as securities premium) convertible into equivalent number of equity shares and has converted the same in multiple tranches during the year. To the best of our knowledge and belief and according to the information and explanations given to us, the requirement of Section 42 and 62 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.

(15) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with them. Consequently, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

(16) According to the nature of business of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Consequently, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Raman M. Jain & Co.,

Chartered Accountants

Firm Registration No.: 113290W

Raman M. Jain

(Partner)

(Membership No.: 045790)

Place: Ahmedabad

Date: May 20, 2017

Financial Statements and Notes



Balance Sheet as at March 31, 2017

₹ in Lacs

	Note	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	405.12	301.83
Reserves and Surplus	3	4,983.83	2,075.37
Money Received Against Share Warrants		0.00	0.00
		5,388.95	2,377.20
SHARE APPLICATION MONEY PENDING ALLOTMENT			
		0.00	0.00
NON CURRENT LIABILITIES			
Long Term Borrowings	4	462.14	1,094.90
Deferred Tax Liabilities (Net)	5	177.89	117.08
Other Long Term Liabilities	6	0.00	0.00
Long Term Provisions	7	0.00	0.00
		640.03	1,211.98
CURRENT LIABILITIES			
Short Term Borrowings	8	5,601.61	3,218.11
Trade Payables	9	3,519.00	4,635.89
Other Current Liabilities	10	113.76	103.81
Short Term Provisions	11	770.35	366.07
		10,004.72	8,323.88
		16,033.70	11,913.06
TOTAL ASSETS			
NON CURRENT ASSETS			
Fixed Assets	12		
Tangible Assets		2,122.90	1,410.72
Intangible Assets		0.00	0.00
Capital Work-In-Progress		34.56	429.82
Non Current Investments	13	0.00	0.00
Long Term Loans and Advances	14	36.72	19.25
Other Non Current Assets	15	0.00	0.00
		2,194.18	1,859.79
CURRENT ASSETS			
Current Investments	16	412.00	0.00
Inventories	17	7,137.36	6,189.48
Trade Receivables	18	5,828.90	3,289.81
Cash and Cash Equivalents	19	329.55	396.35
Short Term Loans and Advances	20	131.71	177.63
Other Current Assets	21	0.00	0.00
		13,839.52	10,053.27
		16,033.70	11,913.06
TOTAL			

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 20, 2017

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 2016 - 17

₹ in Lacs

	Note	As at March 31, 2017	As at March 31, 2016
REVENUE			
Revenue From Operations	22	38,677.84	30,688.92
Less: Central Excise Duty		4,298.30	3,401.36
Revenue From Operations (Net)		34,379.54	27,287.56
Other Income	23	92.10	96.18
Total Revenue		34,471.64	27,383.74
EXPENSES			
Cost of Materials Consumed	24	28,956.58	23,317.48
Purchases of Stock-In-Trade		39.51	18.97
Changes In Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	25	(456.44)	386.29
Employee Benefits Expense	26	387.55	270.75
Finance Costs	27	619.68	481.89
Depreciation and Amortization Expense	12	118.94	88.19
Other Expenses	28	2,753.24	1,819.52
Total Expenses		32,419.06	26,383.08
Profit Before Tax		2,052.58	1,000.66
Tax Expense			
Current Tax	29	690.00	320.00
Deferred Tax		60.81	19.68
Profit / (Loss) for the Period		1,301.77	660.98
Earnings Per Equity Share (Face Value of ₹ 10/- Each)			
Basic Earnings Per Equity Share (₹)	30	40.08	21.90
Diluted Earnings Per Equity Share (₹)	30	38.87	21.90

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 20, 2017

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)

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

c) Revenue Recognition

- Revenue / Income and Cost / Expenditure are generally accounted on accrual basis as they are earned / incurred, except those with significant uncertainties. Sales and purchases are accounted at net of taxes & duties.
- 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 assets to bring it to the Company premises and in the working condition for its intended use.

e) Depreciation

Depreciation on fixed assets is calculated on 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 provisions 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 location and condition.

h) Miscellaneous Expenditure

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

i) Retirement Benefits

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

ii) Defined Contribution Plan

Monthly contribution to the provident fund which is under defined contribution schemes 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 expenses in the Statement of Profit and Loss as un-funded plan for the period in which employees have rendered services. The expenses are recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gain and 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 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 at the Balance Sheet date. Deferred Tax Assets arising from temporary timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future.

k) Expenses

Materially 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 it 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 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 "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, 2017	As at March 31, 2016
1	AUTHORIZED SHARE CAPITAL		
	1,10,00,000 Equity Shares of ₹ 10/- Each (Previous Year 1,10,00,000)	1,100.00	1,100.00
		1,100.00	1,100.00
2	ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE CAPITAL		
	At the Beginning of the Year	301.83	301.83
	Add: Issued During the Year	0.00	0.00
	Add: Issued on Account of conversion of 10,32,857 Warrants into Equity Shares During the Year	103.29	0.00
	Less: Deduction on Forfeiture of Shares	0.00	0.00
	Issued Share Capital at the End of the Year	405.12	301.83
	Less: Calls Unpaid (Showing Aggregate Value of Calls Unpaid by Directors and Members)	0.00	0.00
	At the End of the Reporting Period	405.12	301.83
	Add: Equity Shares Forfeited	0.00	0.00
	Total	405.12	301.83

2.1 The Reconciliation of the Number of Shares Outstanding as at March 31, 2017 and March 31, 2016 is set out below

Particulars	As At March 31, 2017		As At March 31, 2016	
	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	30,18,300	301.83
Add: Shares Issued During the Year	10,32,857	103.29	0	0.00
Less: Buy Back / Forfeited Shares	0	0.00	0	0.00
Shares Outstanding at the End of the Year	40,51,157	405.12	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 Shareholder	As At March 31, 2017		As At March 31, 2016	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Mr. Mahendra R. Shah	6,82,400	16.84	5,13,400	17.01
2	Mr. Jatin M. Shah	6,08,900	15.03	4,48,900	14.87
3	Mrs. Pushpa M. Shah	5,97,700	14.75	4,36,700	14.47
4	Mrs. Rani J. Shah	5,03,900	12.44	4,03,900	13.38
5	Jatin M. Shah - HUF	1,80,500	4.46	1,77,700	5.89

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

2.4 During the financial year, the Company has issued 10,32,857 Convertible Warrants at ₹ 175/- (including ₹ 165/- as Securities Premium) per Warrant on Preferential Allotment basis and the same have been converted into equivalent no. of Equity Shares.

3 RESERVES AND SURPLUS

Sr. No.	Particulars	₹ in Lacs	
		As at March 31, 2017	As at March 31, 2016
I	CAPITAL RESERVE		
	Opening Balance	26.38	26.38
	Add: Created During the Year	0.00	0.00
	Less: Transferred to General Reserve	0.00	0.00
		26.38	26.38
II	SECURITIES PREMIUM RESERVE		
	Opening Balance	444.15	444.15
	Add: Amount Received on Issue / Conversion of 10,32,857 Warrants	1,704.21	0.00
	Add / (Less): Calls in Arrear 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: Calls in Arrear	0.00	0.00
	Less: Bonus Shares Issued by Capitalization of Share Premium	0.00	0.00
		2,148.36	444.15
III	GENERAL RESERVE		
	Opening Balance	115.00	40.00
	Add: Transferred During the Year from the Statement of Profit and Loss	100.00	75.00
	Add: Any Other	0.00	0.00
	Less: Utilization During the Year	0.00	0.00
		215.00	115.00

Notes Forming Part of the Financial Statements

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
IV	SURPLUS IN STATEMENT OF PROFIT AND LOSS		
	Opening Balance	1,489.85	958.36
	Add: Profit for the Year	1,301.77	660.98
	Add: Addition During the Year (Including Transferred From Reserves)	0.00	0.00
	Less: Appropriations		
	Proposed Dividend on Equity Shares	81.02	45.27
	Tax on Dividend	16.49	9.22
	Residual Value of Fixed Assets Transferred	0.00	0.00
	Transferred to General Reserve	100.00	75.00
		2,594.10	1,489.85
	Total	4,983.83	2,075.37

4 LONG TERM BORROWINGS

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
I	TERM LOANS		
	(a) Secured		
	(i) From Banks		
	HDFC Bank Limited - (Vehicle Loan)	31.71	51.19
	i) Tenure of Loan is 36 Months and Repayable in Equal Monthly Instalments. Present Rate of Interest is 9.35% per annum.		
	ii) Nature of Security: Loan is Secured by Pledge of Vehicle.		
	iii) Loan is Guaranteed by following Directors:		
	(1) Mr. Mahendra R. Shah (2) Mr. Jatin M. Shah		
	(ii) From Other Parties		
	Tata Capital Financial Services Limited - (Term Loan)	31.92	96.44
	i) Tenure of Loan is 36 Months and Repayable in Monthly Instalments. 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		
		63.63	147.63
	(b) Unsecured		
	(i) From Banks / NBFCs	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, 2017	As at March 31, 2016
II	LOANS AND ADVANCES FROM RELATED PARTIES		
	(a) Secured	0.00	0.00
		0.00	0.00
	(b) Unsecured		
	Mr. Mahendra R. Shah	14.29	135.72
	Mr. Jatin M. Shah	25.85	136.64
	Mrs. Pushpa M. Shah	3.38	109.90
		43.52	382.27
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)	355.00	565.00
		355.00	565.00
	Total	462.14	1094.90

Notes: 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, 2017	As at March 31, 2016
I	DEFERRED TAX LIABILITIES		
	Related to Fixed Assets	179.85	118.34
	Related to Others	0.00	0.00
		179.85	118.34
II	LESS: DEFERRED TAX ASSETS		
	Related to Fixed Assets	0.00	0.00
	Related to Others	1.96	1.26
		1.96	1.26
	Total	177.89	117.08

Notes Forming Part of the Financial Statements

6 OTHER LONG TERM LIABILITIES

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
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, 2017	As at March 31, 2016
	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, 2017	As at March 31, 2016
I	LOAN REPAYABLE ON DEMAND		
	(a) Secured		
	(i) From Banks		
	Axis Bank Limited - Cash Credit Limits	1,067.03	680.47
	Axis Bank Limited - Buyer's Credit Limits	605.66	806.08
	IDBI Bank Limited - Cash Credit Limits	1,315.42	1,058.03
	IDBI Bank Limited - Buyer's Credit Limits	188.27	673.52
	State Bank of India - Cash Credit Limits	2,425.22	0.00
	Axis & IDBI Loans are secured by following:		
	1) Nature of Security: (i) Secured by Hypothecation of Entire Current Assets Including Book Debts and Stock at Present and in Future. It is on pari passu basis with State Bank of India (SBI).		
	2) Collateral Security: (i) Mortgage of Factory Land and Building at "118/1, Ravi Industrial Estate situated at Bileshwarpura Village, Chhatral, Gandhinagar - 382729, Gujarat, India".		
	(ii) Mortgage of Office Building situated at "B-302, 3 rd Floor, Pelican House, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad - 380009, Gujarat, India".		
	(iii) Fixed Deposit of ₹ 200 Lacs with Axis Bank Limited.		

Notes Forming Part of the Financial Statements

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
	SBI Loan is secured by following:		
	1) Nature of Security: (i) Secured by Hypothecation of Entire Current Assets Including Book Debts and Stock at Present and in Future. It is on pari passu basis with Axis Bank & IDBI Bank.		
	2) Collateral Security with State Bank of India: (i) Mortgage of Factory Land and Building at "118/2 & 118/3, Ravi Industrial Estate situated at Bileshwarpura Village, Chhatral, Gandhinagar - 382729, Gujarat, India". (ii) Mutual Fund of ₹ 412 Lacs with State Bank of India.		
	3) Rate of Interest on Cash Credit Loan is in Range Between 10.50% to 11.25% per annum.		
	4) All the above Short Term Cash Credit Loans are Renewable Every Year.		
	5) Loans are Guaranteed by following Directors: (i) Mr. Mahendra R. Shah (ii) Mr. Jatin M. Shah (iii) Mrs. Pushpa M. Shah		
	(ii) From Other Parties	0.00	0.00
		5,601.61	3,218.11
	(b) Unsecured		
	(i) From Banks	0.00	0.00
	(ii) From Other Parties	0.00	0.00
		0.00	0.00
		5,601.61	3,218.11
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	5,601.61	3,218.11

Notes Forming Part of the Financial Statements

9 TRADE PAYABLES

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1	Due to Micro, Small and Medium Enterprises	0.00	0.00
2	Due to Others	3,519.00	4,635.89
	Total	3,519.00	4,635.89

10 OTHER CURRENT LIABILITIES

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1	Current Maturities of Long Term Debt - Term Loans	96.20	89.18
2	Unpaid Dividends	2.67	1.13
3	Creditors for Capital Goods	14.88	13.50
4	Other Payables	0.00	0.00
	Total	113.76	103.81

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

11 SHORT TERM PROVISIONS

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
I	PROVISIONS FOR EMPLOYEE BENEFITS		
	Provision for Bonus	0.00	0.00
	Provision for Gratuity	5.91	3.90
		5.91	3.90
II	OTHERS		
	Provision for Income Tax (Net off Advance Tax and TDS)	495.44	209.43
	Proposed Dividend	81.02	45.27
	Provision For Dividend Distribution Tax	16.49	9.22
	Salary Payable	10.48	0.00
	Service Tax Payable	0.00	0.06
	VAT Payable	138.35	66.99
	CSR Expenses Payable	0.00	10.11
	CST Payable	1.24	1.51
	ESIC Payable	0.22	0.09
	Provident Fund Payable	1.73	1.72
	TDS Payable	19.47	17.79
		764.44	362.17
	Total	770.35	366.07

Notes Forming Part of the Financial Statements

12 FIXED ASSETS

₹ in Lacs

Description	Gross Block				Depreciation				Net Block	
	As at April 1, 2016	Addition during the year	Sales and / of Adjustment During the year	As At March 31, 2017	Upto March 31, 2016	For the Year	Adjustment for the Year	Up to March 31, 2017	As At March 31, 2017	As At March 31, 2016
I TANGIBLE ASSETS										
Freehold Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Factory Land	137.62	0.00	0.00	137.62	0.00	0.00	0.00	0.00	137.62	137.62
Factory Building	440.66	266.48	0.00	707.14	36.98	18.96	0.00	55.94	651.20	403.69
Plant and Machineries	770.40	547.44	0.00	1,317.84	125.19	67.64	0.00	192.83	1,125.00	645.20
Computer	10.41	2.57	0.00	12.98	7.80	1.50	0.00	9.31	3.67	2.60
Furniture and Fixtures	28.35	3.19	0.00	31.53	9.31	2.43	0.00	11.74	19.79	19.04
Vehicles	183.75	25.83	33.75	175.83	39.51	21.95	16.02	45.44	130.39	144.24
Office Equipment	25.83	3.34	0.00	29.17	11.30	5.54	0.00	16.84	12.33	14.53
Office Building Pelican House	55.37	0.00	0.00	55.37	11.57	0.91	0.00	12.48	42.89	43.80
Total (I)	1,652.38	848.85	33.75	2,467.48	241.65	118.94	16.02	344.58	2,122.90	1,410.72
II INTANGIBLE ASSETS										
Total (I) + (II)	1,652.38	848.85	33.75	2,467.48	241.65	118.94	16.02	344.58	2,122.90	1,410.72

Notes Forming Part of the Financial Statements

13 NON CURRENT INVESTMENTS

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
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 Shares of Associate Company - (Unquoted, Fully Paid up)	0.00	0.00
	(c) Investment In Government and Trust Securities	0.00	0.00
	(d) Investment In Partnership Firms	0.00	0.00
	(e) Other Non-Current Investments (Specify Nature) (Previous Year)	0.00	0.00
	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, 2017	As at March 31, 2016
	UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED		
I	CAPITAL ADVANCES		
	Advance Against Fixed Assets	20.00	0.00
		20.00	0.00
II	OTHER LOANS AND ADVANCES		
	Sundry Deposits and Advances	16.72	19.25
		16.72	19.25
	Total	36.72	19.25

Notes Forming Part of the Financial Statements

15 OTHER NON CURRENT ASSETS

		₹ in Lacs	
Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
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 and Bank Balances)	0.00	0.00
Total		0.00	0.00

16 CURRENT INVESTMENTS

		₹ in Lacs	
Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1	Investment In Mutual Fund / Bond Fund (15,82,795 Units of State Bank of India Mutual Funds)	412.00	0.00
2	Investment In Equity Shares	0.00	0.00
3	Investment In Others	0.00	0.00
	AGGREGATE ₹ 412 Lacs	QUOTED ₹ 412 Lacs	UNQUOTED NIL
Total		412.00	0.00

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

		₹ in Lacs	
Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1	Raw Materials	5,976.79	5,502.16
2	Work-In-Progress	0.00	0.00
3	Stores and Spares	33.52	16.71
4	Finished Goods	1,127.05	670.61
5	Stock-In-Trade	0.00	0.00
Total		7,137.36	6,189.48

Notes Forming Part of the Financial Statements

18 TRADE RECEIVABLES

		₹ in Lacs	
Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
I	OUTSTANDING FOR NOT MORE THAN SIX MONTHS		
	(a) Secured, Considered Good	0.00	0.00
	(b) Unsecured, Considered Good	5,826.54	3,285.89
	(c) Others Considered Doubtful	0.00	0.00
Less:	(d) Allowance for Bad and Doubtful Debts	0.00	0.00
		5,826.54	3,285.89
II	OUTSTANDING FOR MORE THAN SIX MONTHS		
	(a) Secured, Considered Good	0.00	0.00
	(b) Unsecured, Considered Good	2.36	3.92
	(c) Others Considered Doubtful	0.00	0.00
Less:	(d) Allowance for Bad and Doubtful Debts	0.00	0.00
		2.36	3.92
	Total	5,828.90	3,289.81

19 CASH AND CASH EQUIVALENTS

		₹ in Lacs	
Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
I	CASH AND BANK BALANCES		
	(a) Balances with Scheduled Banks	7.34	0.51
	(b) Cash in Hand	20.36	9.29
	(c) Others In Fixed Deposits for less than 3 Months	0.00	0.00
		27.70	9.81
II	OTHER BANK BALANCES		
	(a) Fixed Deposits with Banks		
	Fixed Deposit for less than 12 Months	299.17	385.42
	Fixed Deposit for more than 12 Months	0.00	0.00
	(b) Earmarked Balances with Banks (Unpaid Dividend)	2.67	1.13
		301.85	386.55
	Less: Bank Fixed Deposit for more than 12 Months Transferred to Non-Current Assets	0.00	0.00
		301.85	386.55
	Total	329.55	396.35

Notes Forming Part of the Financial Statements

20 SHORT TERM LOANS AND ADVANCES

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
	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	53.67	47.99
	Loans and Advances to Staff	9.90	0.21
	Balance With Statutory / Government Authority	50.41	112.15
	Interest Receivable	2.91	2.69
	Preliminary Expense to the Extent Not Written off	8.26	9.29
	Pre-Paid Expenses	6.54	5.30
		131.71	177.63
	Total	131.71	177.63

21 OTHER CURRENT ASSETS

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
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, 2017	As at March 31, 2016
I	REVENUE FROM OPERATIONS		
	Sale of Products		
	Domestic Sales	40,154.87	28,473.39
	Export Sales (*)	471.11	3,504.27
		40,625.98	31,977.66
	(*) Earning in Foreign Exchange		
II	OTHER OPERATING REVENUE		
	Job Work Charges	3.65	0.00
	Revenue From Operations (Gross)	40,629.62	31,977.66
	Less: VAT / CST	1,951.79	1,288.73
		38,677.84	30,688.92
	Less: Central Excise Duty	4,298.30	3,401.36
	Revenue From Operations (Net)	34,379.54	27,287.56
	Total	34,379.54	27,287.56

22.1 The above sales includes Trading sales of ₹ 43.66 Lacs during the year (Previous Year ₹ 20.79 Lacs)

23 OTHER INCOME

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1	Interest Income	26.87	31.75
2	Interest from Customer on Delay in Payment	19.88	74.13
3	Dividend Income	0.00	0.00
4	Profit on Sale of Shares	0.00	0.00
5	Other Non-Operating Income		
	Gain on Exchange Rate Fluctuation	42.75	(12.10)
	Rent Income	2.40	2.40
	Duty Drawback Income	0.19	0.00
		45.35	(9.70)
	Total	92.10	96.18

Notes Forming Part of the Financial Statements

24 COST OF MATERIALS CONSUMED

		₹ in Lacs	
Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
I	RAW MATERIALS		
	Opening Stock	5,502.16	3,328.74
	Add: Purchases	29,061.42	25,204.47
		34,563.57	28,533.21
	Less: Closing Stock	5,976.79	5,502.16
		28,586.79	23,031.06
II	PACKING MATERIAL AND CONSUMABLE STORES		
	Opening Stock	16.70	22.53
	Add: Purchases	386.61	280.60
		403.31	303.13
	Less: Closing Stock	33.52	16.70
		369.79	286.43
	Total	28,956.58	23,317.48

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

		₹ in Lacs	
Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
I	FINISHED GOODS		
	Opening Stock	670.61	1,056.90
	Less: Closing Stock	1,127.05	670.61
		(456.44)	386.29
II	STOCK-IN-TRADE		
	Opening Stock	0.00	0.00
	Less: Closing Stock	0.00	0.00
		0.00	0.00
	Total	(456.44)	386.29

Notes Forming Part of the Financial Statements

26 EMPLOYEE BENEFITS EXPENSE

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1	Salaries, Wages and Bonus	250.88	141.71
2	Directors' Salary Expense	119.98	112.16
3	Contribution to Provident Fund / ESIC / Gratuity	13.94	16.28
4	Staff Welfare Expenses	2.76	0.60
	Total	387.55	270.75

27 FINANCE COSTS

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
I	INTEREST EXPENSE		
	For Short Term Borrowings		
	To Bank	291.75	221.90
	To Others	228.54	171.59
	For Others (Term Loan)	17.51	4.07
		537.80	397.56
II	OTHER BORROWING COSTS		
	Bank Charges and Commission	35.58	66.18
	Bank Loan Processing and Documentation Charges	46.29	18.15
		81.88	84.33
	Total	619.68	481.89

28 OTHER EXPENSES

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
I	MANUFACTURING EXPENSES		
	Electricity Expenses	90.31	77.07
	Gas and Fuel Expenses	455.49	261.14
	Freight Inward-Octroi-Coolies and Cartages	61.44	59.55
	Repairs and Maintenance		
	To Buildings	2.86	1.79
	To Plant and Machineries	34.69	26.55
	To Other Assets	13.27	9.21
	CHA Agency Charges - Import	47.87	42.92
	Clearing and Forwarding Expenses	1,018.67	542.47
	Consultancy Expenses - Plant	9.00	9.00
	Job Work Charges	125.73	120.42

Notes Forming Part of the Financial Statements

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
	Security Expenses	24.28	20.88
	Bhatthi Consumable Items and Maintenance Expenses	91.73	92.07
	Water Expenses	6.97	15.79
	VAT Expense and VAT Credit not available	23.38	10.25
		2,005.68	1,289.09
II	SELLING AND DISTRIBUTION EXPENSES		
	Freight Outward, Detention, Cartages and Others	459.67	377.03
	CHA Agency Charges - Export	0.35	2.21
	Clearing and Forwarding Expenses - Export	2.62	21.36
	Commission and Other Expenses	23.00	0.14
	Traveling Expenses		
	For Directors	34.33	14.88
	For Staff and Guests	5.65	1.93
	Business Promotion Expenses	24.45	1.90
	Advertisement Expenses	21.89	9.80
		571.95	429.24
III	ADMINISTRATIVE EXPENSES		
	Insurance Premium Expenses	4.80	3.63
	Rent Expenses	5.87	8.92
	Rates and Taxes	3.46	1.25
	Payments to Auditors		
	As Auditor		
	Statutory Audit Fees	1.67	1.50
	Tax Audit Fees	0.11	0.11
	For Other Services (Income Tax)	0.11	0.11
	Donation Expenses	0.11	0.00
	Electricity Expenses	1.94	2.05
	Premium paid on Hedging of Currency	0.00	4.00
	Income Tax Expenses	3.31	1.81
	CSR Expenses	14.20	10.11
	Delisting Fees	1.15	0.00
	Directors' Sitting Fees	3.00	1.80
	Interest on VAT, Service Tax and Custom Duty	15.88	6.42
	Legal and Professional Fees	29.05	18.11
	License, Membership and Annual Subscription Fees	12.73	8.24
	Listing Fees Expenses	2.49	2.92

Notes Forming Part of the Financial Statements

₹ in Lacs

Sr. No.	Particulars	₹ in Lacs	
		As at March 31, 2017	As at March 31, 2016
	Loss on Sale of Fixed Assets	13.88	0.00
	Office Expenses	1.74	0.99
	Penalty Expenses	12.16	0.81
	Petrol and Conveyance Expenses	6.82	7.05
	Postage and Courier Expenses	1.28	0.98
	Printing and Stationery Expenses	7.26	6.08
	Recruitment Expenses	0.30	0.09
	ROC and Filing Fees	0.17	0.20
	Service Tax Expenses	0.44	0.24
	Telephone and Internet Expenses	5.21	5.04
	Other Expenses	26.48	8.73
		175.61	101.18
	Total	2,753.24	1,819.52

28.1 C. I. F. VALUE OF IMPORTS

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2017		As At March 31, 2016	
		M.T.	₹ in Lacs	M.T.	₹ in Lacs
1	Raw Materials	13,317.09	12,719.17	8,805.01	8,057.68
2	Stores	0.00	0.66	0.00	0.61
3	Capital Goods	0.00	5.13	0.00	0.00

28.2 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

₹ in Lacs

Sr. No.	Particulars	₹ in Lacs	
		As at March 31, 2017	As at March 31, 2016
1	Travelling Expenses	14.92	7.91
2	Business Promotion Expenses	4.56	0.00
3	Interest Expenses	14.86	25.07
	Total	34.35	32.98

Notes Forming Part of the Financial Statements

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

₹ in Lacs

Sr. No.	Particulars	As At March 31, 2017		As At March 31, 2016	
		M.T.	₹ in Lacs	M.T.	₹ in Lacs
a) RAW MATERIALS					
1	Imported	13,405.56	11,735.72	6,122.76	5,762.84
	Percentage (%)	44.22	41.05	27.67	25.02
2	Indigenous	16,913.04	16,851.06	16,003.31	17,268.22
	Percentage (%)	55.78	58.95	72.33	74.98
	Total	30,318.60	28,586.79	22,126.08	23,031.06
b) STORES AND SPARES					
1	Imported	0.00	0.66	0.00	0.61
	Percentage (%)	0.00	0.18	0.00	0.21
2	Indigenous	0.00	369.12	0.00	285.82
	Percentage (%)	0.00	99.82	0.00	99.79
	Total	0.00	369.79	0.00	286.43

28.4 EARNINGS IN FOREIGN CURRENCY (ON ACRUAL BASIS)

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
	Sale of Products (On FOB Basis)	471.11	3,504.27
	Total	471.11	3,504.27

29 CURRENT TAX

₹ in Lacs

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
	Current Tax	690.00	320.00
	Total	690.00	320.00

30 EARNINGS PER SHARE

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1	Profit Attributable to the Equity Shareholders (A) (₹ in Lacs)	1,301.77	660.98
2	Basic Number of Equity Shares Outstanding During The Period	40,51,157	30,18,300
3	Weighted Average Number of Equity Shares Outstanding During The Period (B)	32,47,658	30,18,300
4	Weighted Average Number of Equity Shares (Including Warrants) Outstanding During The Period (C)	33,49,380	30,18,300
5	Nominal Value of Equity Shares (₹)	10.00	10.00
6	Basic Earnings Per Share [D=A/B] (₹)	40.08	21.90
7	Diluted Earnings Per Share [E=A/C] (₹)	38.87	21.90

Notes Forming Part of the Financial Statements

NOTE – 31

- The balances in respect of Sundry Debtors, Current Liabilities and Loans & Advances are subject to confirmations and reconciliations, if any.
- In the opinion of the Board of Directors and 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.
- 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 “Segment Reporting”.
- The borrowing costs capitalized during the year ended on March 31, 2017 was ₹ 10.84 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”)

- Mr. Mahendra R. Shah - Chairman and Whole Time Director
- Mr. Jatin M. Shah - Managing Director
- Mrs. Pushpa M. Shah - Executive 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

c) Transactions with Related Parties during the year

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

Details of Related Party Transactions with “KMP”:

₹ In Lacs

Particulars	Mahendra R. Shah	Jatin M. Shah	Pushpa M. Shah
Director Remuneration Paid	50.79 (50.79)	50.79 (50.79)	18.39 (10.58)
Receipt of Loans	433.46 (345.30)	532.64 (251.85)	113.50 (110.00)
Repayments of Loans	554.89 (358.18)	643.44 (213.71)	220.03 (0.09)
BALANCES AS AT MARCH 31, 2017			
Unsecured Loans	14.29 (135.72)	25.85 (136.64)	3.38 (109.90)

Note: Figures in brackets denote figures for the previous financial year 2015-16.

Notes Forming Part of the Financial Statements

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

Particulars	₹ In Lacs		
	Mahendra Aluminium Co. Limited	Mahendra Corporation	Krish Ferro Industries Pvt. Ltd.
EXPENSES			
Purchase & Job work Charges	5,395.15 (3,175.61)	621.80 (NIL)	NIL (239.53)
Rent Expenses	3.00 (3.00)	NIL (NIL)	NIL (NIL)
INCOME			
Rent Income	1.20 (1.20)	NIL (NIL)	1.20 (1.20)
Sales & Job Work Income	2,787.01 (1,424.65)	296.30 (375.56)	205.15 (NIL)
BALANCES AS AT MARCH 31, 2017			
Trade Receivables	NIL (NIL)	NIL (332.25)	NIL (NIL)
Trade Payables	193.63 (NIL)	372.01 (NIL)	23.28 (280.92)

Note: Figures in brackets denote figures for the previous financial year 2015-16.

6. 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.

Particulars	₹ In Lacs	
	2016-17	2015-16
Contribution to Provident Fund	11.03	10.58
Contribution to ESIC Fund	0.86	1.00

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	2016-17	2015-16
Present Value of the Obligation at the beginning of the Period	3,89,687	1,68,578
Interest Cost	29,227	13,486
Current Service Cost	2,55,989	2,16,304
Benefits Paid (If any)	0	0
Actuarial (Gain) / Loss	(83,890)	(8,681)
Present value of the Obligation at the end of the Period	5,91,013	3,89,687

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

Amount in ₹

Particulars	2016-17	2015-16
Present Value of the Obligation at the end of the Period	5,91,013	3,89,687
Fair Value of Plan Assets at End of the Period	0	0
Net Liability / (Asset) Recognized in Balance Sheet & Related Analysis	5,91,013	3,89,687
Funded Status	(5,91,013)	(3,89,687)

1.3 Expense Recognized in the Statement of Profit and Loss

Amount in ₹

Particulars	2016-17	2015-16
Interest Cost	29,227	13,486
Current Service Cost	2,55,989	2,16,304
Expected Return on Plan Asset	0	0
Net Actuarial (Gain) / Loss Recognized in the period	(83,890)	(8,681)
Expenses to be Recognized in the Statement of Profit and Loss	2,01,326	2,21,109

2.1 The Assumptions Employed for the Calculations are Tabulated

Particulars	2016-17	2015-16
Discount Rate	7.50% per annum	8.00% per annum
Salary Growth Rate	6.00% per annum	6.00% per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

Notes Forming Part of the Financial Statements

7. 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.
8. 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.

9. Contingent Liability ₹ In Lacs

Particulars	2016-17	2015-16
Claims against the Company / Disputed Liabilities not acknowledged as debts	37.09	NIL
Guarantees issued by Bank to Custom Department	69.31	NIL

During the year, till the month of August 2016, the Company has imported raw material Throb Ingots and paid custom duty as per the applicable rate i.e. 2.50% of material value, considering as it is raw material for the Company. From the month of August 2016, the Company has imported same material and Custom department (Mundra Port & Ahmedabad ICD) has issued notice considering the same material as finished goods and demanded custom duty @7.50% of material value. The matter went for debate and only for the clearance of material from custom department, the Company has deposited difference amount as extra custom duty of ₹ 37,09,262/- (At Mundra Port) and given Bank Guarantee for extra custom duty of ₹ 69,30,919/- (At Ahmedabad ICD) at the cost of litigation against the custom department.

Company has filed appeals before Commissioner of Custom Appeals, Ahmedabad, against the custom demand and according to lawyer's opinion, the Company has sufficient merit to succeed in due course of litigation. The Company has not provided provision for the above since as the Company's Management does not consider that there is any probable loss.

10. In the opinion of the Board, Current Assets, Loans and Advances have a value of the least equal to the amounts shown in the Balance Sheet, if realized in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of amount considered reasonably necessary.

Notes Forming Part of the Financial Statements

11. Details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016:

Particulars	Amount in ₹		
	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on November 8, 2016	9,80,000	2,79,828	12,59,828
(+) Permitted Receipts	-	6,66,118	6,66,118
(-) Permitted Payments	30,000	6,10,097	6,40,097
(-) Amount Deposited in Banks	9,50,000	-	9,50,000
Closing Cash in Hand as on December 30, 2016	-	3,35,849	3,35,849

12. For the year ended March 31, 2017 the Board of Directors of the Company have recommended a Final Dividend of ₹ 2/- (i.e. 20%) Per Equity Share (Previous Year ₹ 1.50 Per Equity Share i.e. 15%) to the Equity Shareholders. Dividend, if approved, at the ensuing Annual General Meeting, will be paid to those members whose names appear on the Company's Register of Members on the Record Date.
13. Previous year's figures have been regrouped, reclassified and rearranged wherever considered necessary.

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 20, 2017

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, 2017

₹ in Lacs

Particulars	As at March 31, 2017	As at March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	2,052.58	1,000.66
Adjustments for:		
Depreciation	118.94	88.19
Interest, Dividend etc. Received	(49.16)	(96.18)
Finance Cost	619.68	481.89
Loss on Sale of Assets	13.88	0.00
Miscellaneous Expenditure	0.00	0.00
	703.34	473.90
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,755.92	1,474.55
Adjustments:		
Trade and Other Receivables	(2,510.65)	(723.12)
Inventories	(947.88)	(1,781.30)
Trade Payable / Provision	(1,453.48)	877.74
	(4,912.00)	(1,626.67)
CASH GENERATED FROM OPERATIONS	(2,156.08)	(152.12)
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	(2,156.08)	(152.12)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(848.85)	(286.55)
Sale of Investment	0.00	0.00
Purchase of Investment	(412.00)	0.00
Sale of Fixed Assets	3.85	0.00
Capital Expenditure on WIP	395.26	(221.40)
Interest, Dividend etc. Received	49.16	96.18
	(812.58)	(411.77)
NET CASH FLOW FROM INVESTING ACTIVITIES	(812.58)	(411.77)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Share Capital / Calls in Arrears Received	1,807.50	0.00
Net Increase in Borrowings	1,757.76	1,027.48
Finance Cost	(619.68)	(481.89)
Share Issue Expenses	0.00	0.00
Dividend Paid	(43.73)	29.06
	2901.86	574.65
NET CASH FROM FINANCING ACTIVITIES	2901.86	574.65
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(66.80)	10.76
CASH AND CASH EQUIVALENTS - OPENING BALANCE	396.35	385.59
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	329.55	396.35

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 20, 2017

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)



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

25th Annual General Meeting on Sunday, September 10, 2017 at 12.00 noon
at Alishan, Courtyard by Marriott, Ramdev Nagar Cross Road,
Satellite Road, Ahmedabad – 380015, 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 25th Annual General Meeting of the Company on Sunday, September 10, 2017 at 12:00 noon.

Signature of the Member / Proxy

(To be signed at the time of handing over this slip)

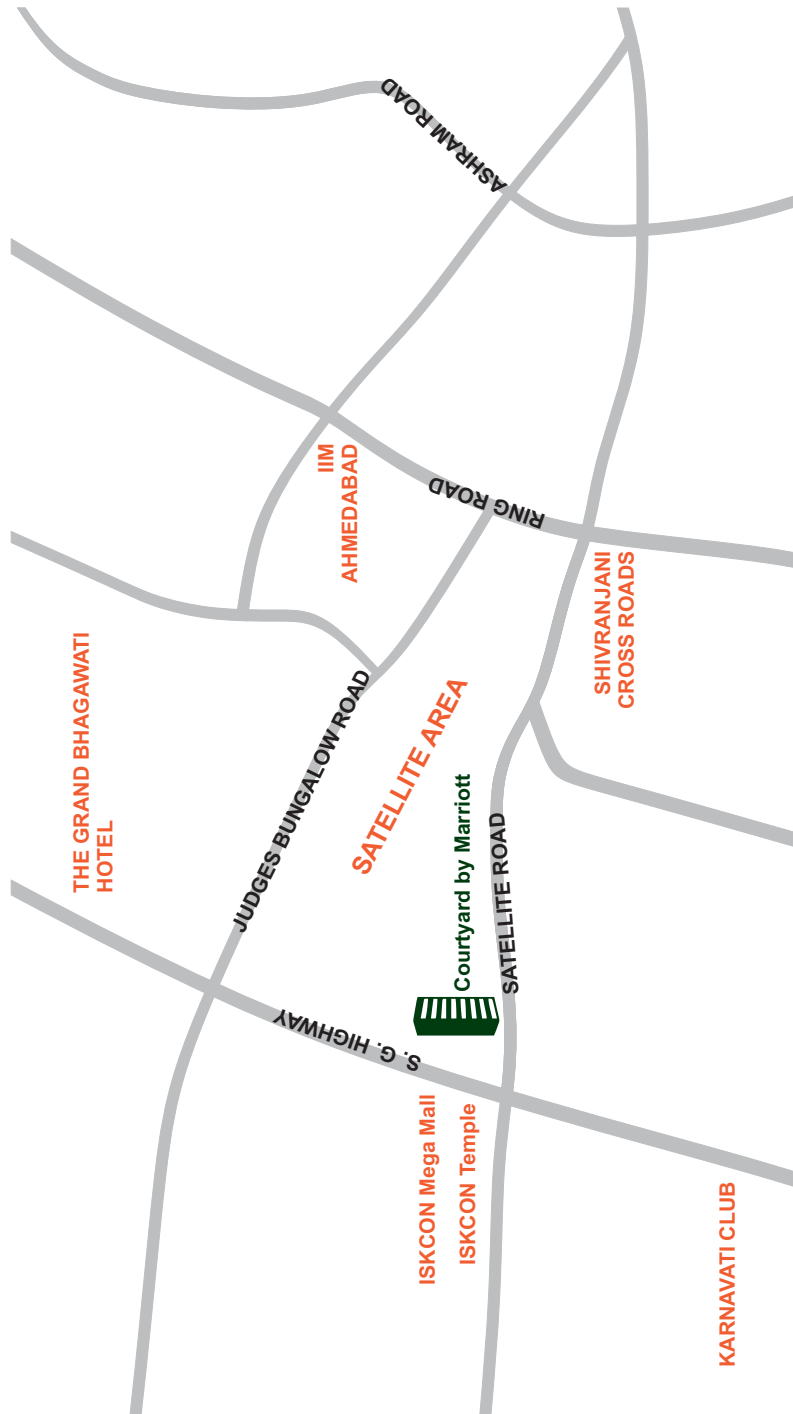
Note:

1. Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.
2. Joint shareholders may use photo copies or obtain additional Attendance Slip at the venue of the meeting.
3. Bodies Corporate, whether a Company or not, who are members, may attend through their authorized representative appointed under Section 113 of the Companies Act, 2013. A copy of authorization should be deposited with the Company.

Route Map to the Venue of 25th Annual General Meeting



Alishan, Courtyard by Marriott, Ramdev Nagar Cross Road, Satellite Road, Ahmedabad - 380015, 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

25th Annual General Meeting – Sunday, September 10, 2017 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 :
DP ID :

I / We, being the member(s) holding equity shares of Arfin India Limited, hereby appoint:

Name: _____

Address: _____

Email ID: _____ Signature: _____ or failing him / her

Name: _____

Address: _____

Email ID: _____ Signature: _____ or failing him / her

Name: _____

Address: _____

Email ID: _____ Signature: _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 25th Annual General Meeting
of the Company to be held on Sunday, September 10, 2017 at 12:00 noon at Alishan, Courtyard by Marriott,
Ramdev Nagar Cross Road, Satellite Road, Ahmedabad – 380015, Gujarat, India and at any adjournment thereof
in respect of such resolutions as are indicated overleaf:

Proxy Form

Resolution Number	Resolution	Vote (Refer Note 4)	
		For	Against

Ordinary Business

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. Jatin M. Shah, who retires by rotation and being eligible, offers himself for re-appointment		
4	Appointment of Statutory Auditors		

Special Business

5	Appointment of Mr. Bherulal Lalchand Chopra as an Independent Director		
6	Revision in remuneration of Mr. Mahendra R. Shah, Chairman & Whole Time Director of the Company		
7	Revision in remuneration of Mr. Jatin M. Shah, Managing Director of the Company		
8	Revision in remuneration of Mrs. Pushpa M. Shah, Executive Director of the Company		
9	Ratification of Cost Auditors' Remuneration		

Signed on this _____ day of _____, 2017.

Affix
Revenue
Stamp of not
less than
₹ 1/-

Signature of Member

Signature of Proxy holder(s)

Notes:

- For the resolutions, explanatory statements and notes, please refer to the notice of 25th Annual General Meeting.
- This proxy form in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
- A proxy need not be a member of the Company.
- It is optional to indicate your preference. If you leave 'for' or 'against' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
- Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip / Proxy.



The report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions / expectations are accurate or will be realized.

The Company's actual results, performance or achievements could differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or event.



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