



ANNUAL REPORT 2018-19

ARFIN INDIA LIMITED



MOVING FORWARD



Corporate Office





We keep moving forward, opening new doors and doing new things because we are curious and curiosity keeps leading us down new paths.





The future is filled with exciting possibilities. We are ideally placed to make the most of these opportunities to further strengthen our position as an industry leader.



ARFIM NIGRA LTD
Product: Puro Co. 650
Grade: 657
Thickness: 9mm
Supplier: Profiber



The Company has in built production capacity of 59,000 metric tons per annum. Main products line include Aluminium Wire Rod, Aluminium Deox, Cored Wire, Aluminium Alloy Ingots, Ferro Alloys, Automobile Parts and Conductor & Cables. Arfin covers supply to the Steel Sector, Automobile Sector and Power Sector.





Collective skills and experience of our workforce add value to our business outcomes. Our relationships with our stakeholders in the value chain and communities around us ensure long-term value-creation and our social license to operate.





Moving Forward...

Moving forward is essential if one wants to make progress, as great things happen when you move forward. Good things come to those who innovate, who challenge the norms, who stay true to their vision, values and beliefs, who follow their passions, stick to their commitments and keep their heads up high in the times of difficulty.

As we continue on our path to growth & success, we will tackle setbacks and difficulties with the same focus, persistence & strength when we move forward. Our focused approach to the business, dedication and motivation keeps us growing and moving forward in the changing markets. We are hopeful and seeing the future with endless exciting opportunities.

The Company has reported Net Income from Operations of ₹ 41,288 Lakhs, EBIDTA of ₹ 2,377 Lakhs and Profit After Tax of ₹ 656 Lakhs for the financial year ended March 31, 2019. Operationally, we continued to evolve our global network of customers, adding many reputed and respected customers to our list. The Company has been able to achieve Gross Export Sales of ₹ 4,000 Lakhs during the financial year 2018-19.

The company has many more miles to travel to move forward in order to accomplish its purposes. By being together, we can leverage the diverse capabilities of all our stakeholders and strengthen our preparedness for the future.

Blossoming from our vision, led by innovation, strong market reputation, operational excellence and steered by a sense of responsibility & good governance, we are at **Arfin**, Moving Forward.....!



“At Arfin, we continue on our path to growth & success, we will tackle setbacks and difficulties with the same focus, persistence & strength when we move forward.”



CHAIRMAN'S MESSAGE

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“For us value is that we seeded in our deep understanding of the industries we serve and of what will potentially drive value for our customers today, tomorrow and always.”



BUSINESS OVERVIEW

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“We stand strong on our commitment to provide growth opportunities to every employee, hence creating a coordination between business requirements and employees.”



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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

DINESHCHANDRA SHAH
Independent Director

MUKESH KUMAR CHOWDHARY
Independent Director

CHIEF FINANCIAL OFFICER
Vijay Lathi

COMPANY SECRETARY
Hetal Koradia

STATUTORY AUDITORS
Sanjay Bajoria & Associates,
Ahmedabad

SECRETARIAL AUDITORS
Kamlesh M. Shah & Co.,
Ahmedabad

COST AUDITORS
Ashish Bhavsar & Associates,
Ahmedabad

BANKERS

State Bank of India
Axis Bank Limited
Bank of Baroda
IDBI Bank Limited

REGISTRAR & SHARE TRANSFER AGENT

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

REGISTERED & CORPORATE OFFICE

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

WORKS

Plant I

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

Plant II


New Block No. 132/P, (Old Block No. 75),
Old Survey No. 77,78,79, Ahmedabad Mehsana Highway,
Village: Dhanot, Taluka: Kalol – 382729,
District – Gandhinagar, Gujarat, India.

Plant III

Survey No. 238, B/h Bhagwati Glass, Taluka – Kalol,
District – Gandhinagar, Vadaswami – 382729,
Gujarat, India.



Our Vision



**“To be a premier
name in its business
segment by fully
understanding the
diverse market
requirements and
providing clients with
the right products to
achieve consistent
success.”**

Financial Performance

“We judiciously deploy the funds that we raise and ensure that we enhance and add value to the financial resources that our business generates for our stakeholders.”

5 Year Financial Summary

Key Highlights of Financial Position

₹ in Lakhs

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Share Capital	301.83	301.83	405.12	1,324.37	1,589.24
Reserves and Surplus	1,468.88	2,075.37	5,082.88	6,939.05	7,033.29
Net Worth	1,770.71	2,377.20	5,488.00	8,263.41	8,622.53
Total Borrowings	3,374.71	4,402.19	6,159.95	9,527.88	11,371.81
Capital Employed	5,145.42	6,779.39	11,647.94	17,791.30	19,994.34
Trade Payables	3,566.69	4,635.89	3,519.00	2,167.93	1,864.20
Net Block	1,212.36	1,410.72	2,122.90	3,047.44	3,821.35
Inventories	4,408.18	6,189.48	7,137.36	8,032.66	10,295.09
Trade Receivables	2,318.14	3,289.81	5,828.90	7,594.23	4,987.00

Key Highlights of Financial Results

₹ in Lakhs

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Net Sales and Operating Income	24,994.94	27,287.56	34,379.54	46,620.73	41,288.05
Total Income	25,094.07	27,383.74	34,436.72	46,696.90	41,344.49
Cost of Goods Sold	21,814.45	23,722.74	28,539.65	37,611.59	33,457.08
PBDIT	1,265.49	1,570.74	2,771.32	4,537.31	2,376.87
Finance Cost	484.74	481.89	626.64	1,014.22	1,178.52
PBDT	780.76	1,088.85	2,144.68	3,523.10	1,198.35
Depreciation	75.44	88.19	118.94	156.13	203.86
Profit Before Tax	705.31	1,000.66	2,025.74	3,366.97	994.49
Profit After Tax	467.13	660.98	1,300.93	2,170.06	656.16
Cash Profit	542.57	749.17	1,419.87	2,326.19	860.02

Note: Financial numbers for the year ended March 31, 2019, March 31, 2018 and March 31, 2017 are prepared as per Ind AS, hence not comparable with the previous year numbers.

Financial Performance

Ratios

Financial Performance	2014-15	2015-16	2016-17	2017-18	2018-19
Cost of Goods Sold / Net Sales	87.28%	86.94%	83.02%	80.68%	81.03%
Manpower Costs / Net Sales	0.65%	0.99%	1.13%	1.30%	1.87%
Manufacturing Expenses / Net Sales	5.44%	4.72%	5.83%	6.38%	8.80%
Finance Cost / Net Sales	1.94%	1.77%	1.82%	2.18%	2.85%
PBDIT / Interest (Debt-Service Coverage Ratio)	2.61	3.26	4.42	4.47	2.02

Profitability	2014-15	2015-16	2016-17	2017-18	2018-19
PBDIT / Net Sales	5.06%	5.76%	8.06%	9.73%	5.76%
PBDT / Net Sales	3.12%	3.99%	6.24%	7.56%	2.90%
Net Profit / Net Sales	1.87%	2.42%	3.78%	4.65%	1.59%
RONW (PAT / Average Net Worth)	30.64%	31.87%	32.85%	31.56%	7.77%
ROCE (PBDIT / Average Capital Employed)	25.77%	26.34%	29.99%	30.82%	12.58%

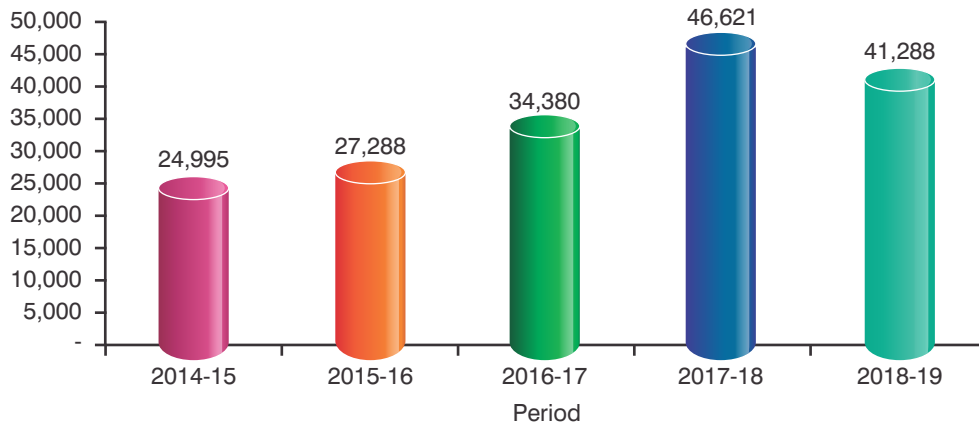
Balance Sheet	2014-15	2015-16	2016-17	2017-18	2018-19
Debt Equity Ratio	1.91	1.85	1.12	1.15	1.32
Debtors Turnover (Days)	29	38	52	51	38
Inventory Turnover (Days)	64	83	76	63	91
Current Ratio	1.10	1.21	1.35	1.43	1.30
Quick Ratio	0.46	0.46	0.63	0.74	0.47
Asset Turnover (Total Income / Total Assets)	2.83	2.32	2.15	2.22	1.87

Key Financial Parameters (₹ in Lakhs)	2014-15	2015-16	2016-17	2017-18	2018-19
Net Sales	24,994.94	27,287.56	34,379.54	46,620.73	41,288.05
Profit Before Depreciation, Interest and Tax	1,265.49	1,570.74	2,771.32	4,537.31	2,376.87
Profit Before Tax	705.31	1,000.66	2,025.74	3,366.97	994.49
Profit After Tax	467.13	660.98	1,300.93	2,170.06	656.16
Cash Profit	542.57	749.17	1,419.87	2,326.19	860.02

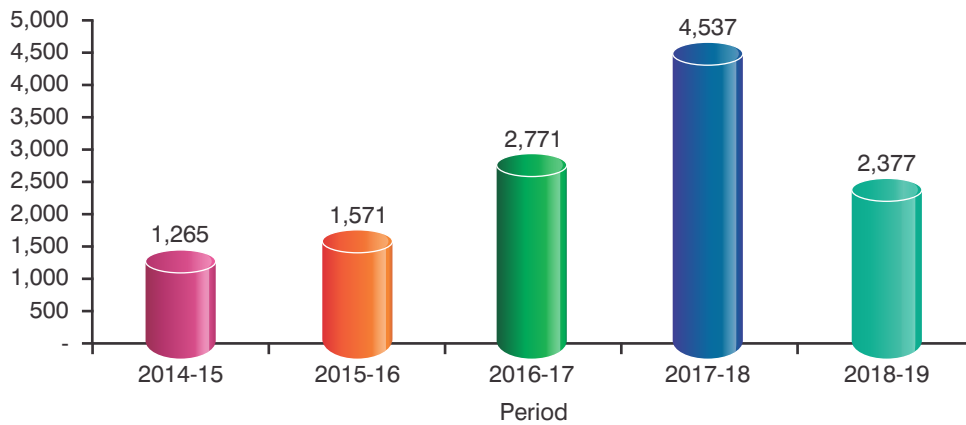
Per Share Data	2014-15	2015-16	2016-17	2017-18	2018-19
Basic Earnings Per Share (₹)	15.87	21.90	40.06	29.98	4.61
Basic Cash Earnings (₹)	18.44	24.82	43.72	32.14	6.04
Book Value (₹)	58.67	78.76	135.47	62.40	54.26

Financial Performance

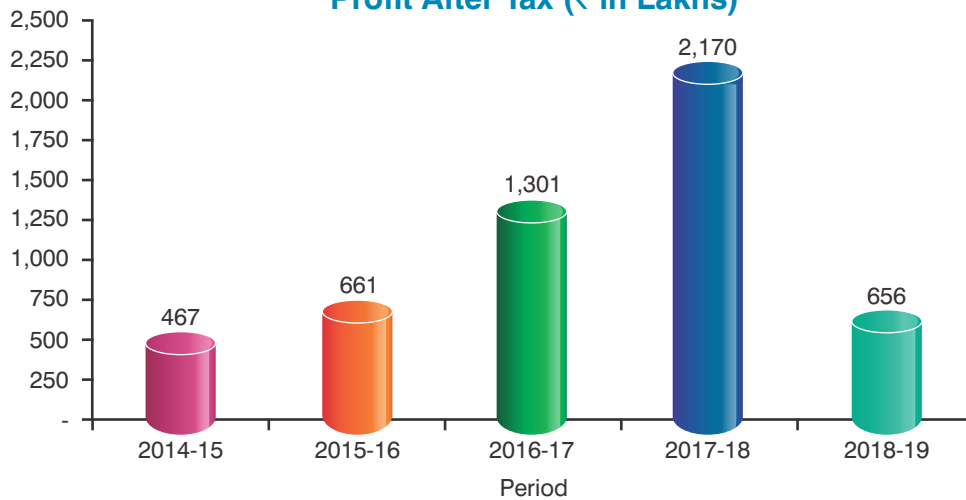
Net Sales (₹ in Lakhs)



EBIDTA (₹ in Lakhs)

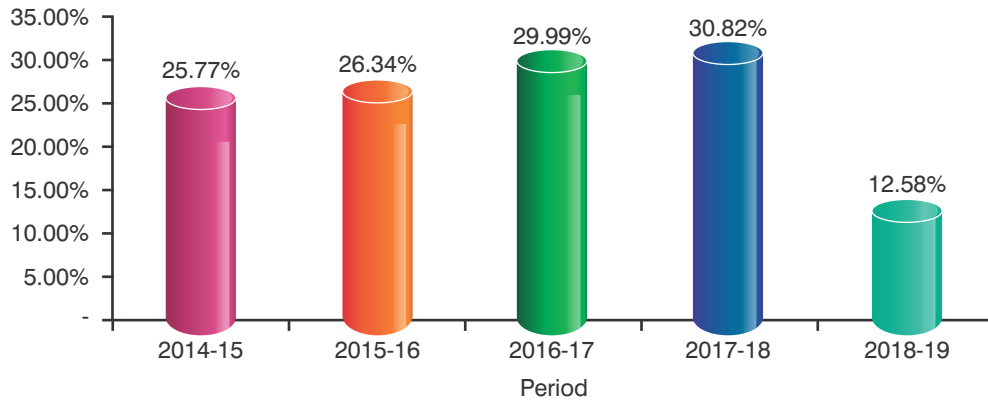


Profit After Tax (₹ in Lakhs)

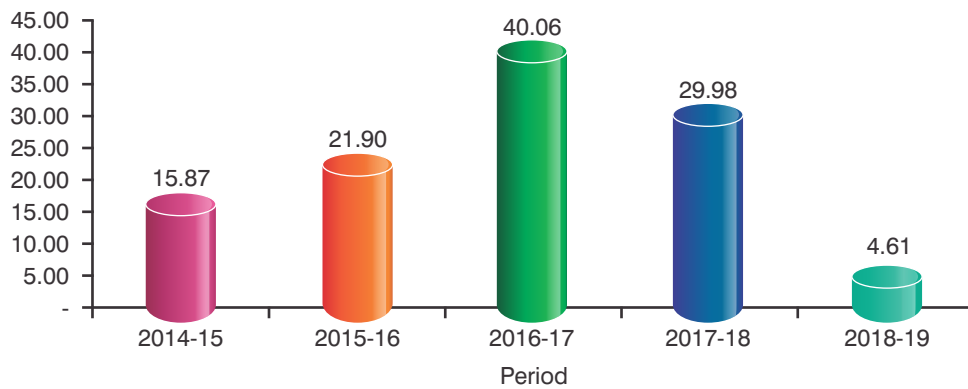


Financial Performance

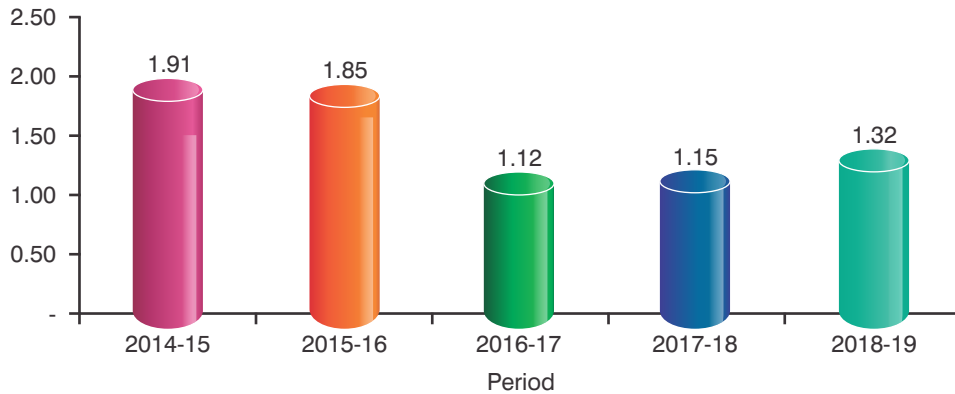
ROCE (%)



Earnings Per Share (₹)



Debt Equity Ratio (x)





Mahendra R. Shah
Chairman

Chairman's Message

Dear Stakeholders,

We are pleased to share with you the Annual Report of your Company for the financial year 2018-19. Your Company has achieved Gross Sales of ₹ 48,278 Lakhs, EBIDTA of ₹ 2,377 Lakhs and Profit After Tax of ₹ 656 Lakhs during the year. The Basic Earnings per Equity Share was ₹ 4.61. During the year, your Company has sold 23,950 metric tons of goods. We have constantly challenged ourselves to deliver more and set new benchmarks in the Industry.

I would like to share that, the Conductor business got matured during the year which was started during the third quarter of financial year 2017-18. The Company started supply to MP, Gujarat and Punjab State Electricity Board Companies. It has helped complete diversification of businesses to three sectors viz; Steel Sector, Automobile Sector and Power Sector. The Company aims to grow further in each of the sector going forward. During the year, Export sales of your Company has grown to ₹ 4,000 Lakhs in compare to ₹ 2,465 Lakhs during the previous financial year 2017-18. The Company has added more quality export customers to its portfolio. The Company currently exports to Japan, Middle East and South Africa.

Although overall performance of the Company in compare to previous financial year 2017-18 was down. However, the Cored Wire, Conductor & Cables and Ferro Alloys businesses has performed very well in compare to the previous financial year 2017-18.

The Conductors business has shown growth of 249% in sales in compare to previous year. Cored Wire business has shown growth of 101% in sales and 86% growth in volume in compare to previous year. Ferro Alloys business which was started during March 2017 has performed well during 2018-19. Ferro Alloys business has shown growth of 77% in sales in compare to previous year. During the year, the Company has completed successful installation and commissioning of third plant of Cored Wire and second plant of Ferro Alloys to meet increased customer demand. We constantly learn as we develop, and never stop moving forward to improve our operations.

The benefits of volume growth from invested capital yet to reach their full potential, coupled with favourable demand-supply dynamics, we believe that the Company has the potential to deliver better.

“At Arfin, we continue on our path to growth & success, we will tackle setbacks and difficulties with the same focus, persistence & strength when we move forward.”

Chairman's Message

“Our focused approach to the business, dedication and motivation keeps us growing and moving forward in the changing markets. We are hopeful and seeing the future with endless exciting opportunities.”

During the year our teams have consistently worked beyond their comfort zone to improve the performance and achieve the vision. We continuously strengthened our manufacturing processes, optimized costs, reduced waste, minimized environmental hazards and value creation to our customers. At Arfin, we understand the importance and criticality of the products being supplied to Steel, Automobile and Power Sectors. Our focus is now on our knowledge, expertise and resources to ensure that we continue to meet customer needs and deliver the best possible products to them.

The Non-Ferrous Metal industry is the foundation of any economy, especially in developing countries whose material intensity is likely to increase significantly in the future for infrastructure development and growth in manufacturing sector. India certainly is the one such economy that is poised to grow significantly over the next decade on account of various infrastructure initiatives taken by current Central Government. An efficient non-ferrous metal industry is a pre requisite for India to succeed in its industrial vision for 'Make in India'. Despite the market fluctuations and challenges, we have achieved reasonably good results. This has been largely due to ideal cost management, focus on efficiency

improvement, productivity and customer centricity. Your Company is committed to give back to the stakeholders who play a vital role in powering our growth.

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

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

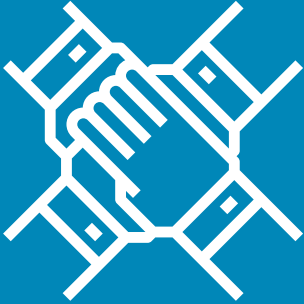
I must end with optimism that your Company continues to do things better and doing so, intends to enhance value for all its stakeholders in a sustainable way.

With Regards,
Yours Sincerely,



Mahendra R. Shah
(Chairman)

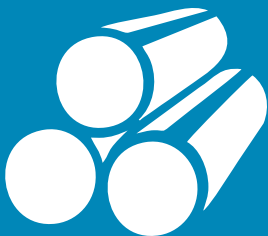
Highlights 2018-19



CONDUCTOR BUSINESS GOT MATURED DURING THE YEAR. AS A RESULT OF THIS, THE COMPANY BUSINESSES ARE DIVERSIFIED INTO THREE SECTORS VIZ; STEEL SECTOR, AUTOMOBILE SECTOR AND POWER SECTOR.



GEOGRAPHICAL EXPANSION THROUGH ADDITION OF CUSTOMERS IN JAPAN, SOUTH AFRICA AND MIDDLE EAST.



CONDUCTORS, CORED WIRE AND FERRO ALLOYS BUSINESSES OUT PERFORMED DURING THE YEAR.

ARFIN INDIA LTD.



Arfin at a Glance

Arfin India Limited forayed itself as a prominent name in Aluminum Recycling and Ferro Alloys in the year 2011-12 with Aluminium Deox and followed by Aluminium Wire Rod Plant during 2012-13. In 2013-14, Arfin expanded its reach into the automobile industry by extending its manufacturing strength to produce high-quality Aluminum Auto products which was followed by set up of Cored Wire Plant during FY15, Alloy Ingots Plant during FY16 and Ferro Alloys Plant during FY17. During 2017-18, the Company started supplying to Power Sector through its Conductor Plant. Arfin's manufacturing facilities are located at Chhatral industrial area within the vicinity of Ahmedabad. The Company has corporate office in Ahmedabad. The Company has in built production capacity of 59,000 metric tons per annum. Main products line include Aluminium Wire Rod, Aluminium Deox, Cored Wire,

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

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

“The Company covers supply to the Steel, Automobile and Power Sectors through diversification of its Businesses.”





Business Overview

Non-ferrous metals industry in India is on a path of strong demand growth given the robust economic growth prospects and rising manufacturing activity. Non-ferrous metals include metals like Aluminium, Copper, Zinc and Lead that find application in many industrial and infrastructural uses like real estate, automotive, defense, rail, power etc. Indian demand for non-ferrous metals is expected to grow further, in line with strong economic prospects and thrust on manufacturing sectors but stronger government support is required to motivate the industry.

Across the world, steel and aluminium are used the most with critical applications in core sectors like defense, aerospace, infrastructure, manufacturing and automobiles. With a demand of around 100 million tons in India, steel sees the most usage. However, globally, industries are fast adopting aluminium as their metal of choice. If one looks at the growth trajectory of aluminium, it

is safe to say that at the pace of 21x in the last 60 years, Aluminium is one of the fastest growing metals in the world.

India, too, is catching up to this global trend. India's aluminium consumption is expected to double to over 7 million tons in five years. Aluminium consumption in India is driven by its use in the power (48%), automobiles (15%), construction (13%), packaging (8%), industrial (7%) and consumer durables (7%) sector. This is difficult to gauge when one takes into account the huge potential India has to build a self-sufficient domestic industry that can meet internal demand as well as boost India's position as a leading exporter in global markets. Aluminium has been continuously finding new applications due to rising price competence since it is cheaper than copper, due to its superior weight to strength ratio, corrosion resistance, formability, dampness etc.

“Value that is seeded in our deep understanding of the industries we serve and of what will potentially drive value for our customers today, tomorrow and always.”



Business Overview

“The future is filled with exciting possibilities. We are ideally placed to make the most of these opportunities to further strengthen our position as an industry leader.”

Buoyant demand and market recovery across businesses in India is to further increase the demand for non-ferrous metal products. India is amongst the lowest cost producers of aluminium across the world owing to easy availability and ranks 2nd in terms of primary aluminium production. Over the next 5 years, it is expected to increase overall aluminium demand at 8 to 9% CAGR largely driven by increase in asset demand especially in automotive sector and infrastructure (power and building). Global aluminium prices had fallen sharply in FY19. However, given better macro-economic conditions globally, the outlook continues to remain stable.

Aluminium is 100% recyclable and the process is less capital intensive than primary metal production as the process requires only 5% of energy. At present, in India, all the activities related to aluminium scrap recovery are limited to the unorganized sector. India's secondary aluminium market is

the fastest growing in the world. The recycled aluminium market is predicted to grow at a CAGR of 9% to 10% fuelled by increase in demands for automotive sector especially two-wheelers and cars. The proportion of recycled aluminium has been increasing over the years. It is expected that in the years to come, it will reach at a figure of about 35 to 40% of total aluminium consumption. Since the cost of primary aluminium smelting is high in India, the secondary producers depend upon imports of aluminium scrap from the Middle East, China, South Africa, Taiwan, Nigeria, Spain, Australia, Malaysia and the EU.

India's lower per capita consumption of aluminium compared to the international average leaves a huge potential for increased demand and consumption. Government's initiatives like "Housing for All" and plans to increase capex in railways and infrastructure sector are expected to drive the demand and consumption of aluminium.



Business Overview

The Automotive industry consists predominantly SMEs and few organized players. The organized sector caters to high value-added precision engineering products whereas the unorganized sector caters to aftermarkets.

The Indian auto component industry caters to the needs of OEMs as well as replacement markets, with OEMs contributing around 80% of total component demand. The industry has a distinct global competitive advantage in terms of cost which stems from cost-competitiveness in raw material & labour.

An average cost advantage of 25 to 30% has attracted several global automobile manufacturers to set base in India.

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

National Green Corridor Program will provide further impetus for the sector.

The global market environment is constantly changing and customers are becoming more demanding. Arfin covers supply to international markets and will gradually increase exports to get a more diversified market penetration. To ensure global manufacturing standards of our operations, we are regularly upgrading and improving our technology base. The Company has recorded gross Export sales of ₹ 4,000 Lakhs during the year.

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 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 and Ferro Alloys.

“The business model of the Company is united to its vision of becoming the point of reference in value creation and Corporate Citizenship in Non-Ferrous Metal Industry.”



Business Overview

“The operating efficiencies are improving through addition of new plant of Aluminium Alloy Wire Rod to meet captive consumption requirements of Conductor Plant which will result in improved margins in conductor business.”

During FY19, Arfin has delivered sales of ₹ 48,278 Lakhs, EBIDTA of ₹ 2,377 Lakhs, Net Profit of ₹ 656 Lakhs and Net Income from Operations of ₹ 41,288 Lakhs. The Company has sold 23,950 metric tons of goods during the year although the Market sentiment was slow during the year. We have been able to achieve 5.76% EBIDTA margin, 2.41% Profit Before Tax and 1.59% Profit After Tax of Net Sales.

The Company has total production capacity of 59,000 metric tons per annum as at March 31, 2019. The operating efficiencies are improving following addition of new plant of Aluminium Alloy Wire Rod to meet captive consumption requirements of Conductor Plant which will result in improved margins in conductor business. Production from Aluminium Alloy Wire Rod plant is expected to start by second quarter of FY20. Currently the Company meets

Conductor Plant raw material requirements from outside suppliers. Addition of Alloy Wire Plant will add one more product line of Alloy Wire Rod. It will also improve efficiency level due to backward integration of this product line as a main raw material for Conductors.

The Company has added one more plant of Ferro Alloys to meet the increased customer demand. The capacity of Ferro Alloys plant has increased from 1,200 metric tons per annum to 2,500 metric tons per annum. Commercial production from this plant was started during last quarter of FY19. It has high potential to grow in domestic as well as overseas markets and we are getting good response from customers due to quality of products being supplied. We have created sufficient capacity in this product line to meet customer demands in domestic as well as overseas markets.

Arfin has focus to become a major global player in non-ferrous metal products. In the domestic arena, Arfin focuses and supplies its extensive range of products to Steel, Automobile and Power sector customers. In the international arena, the Company focuses on large steel and automobile units that have a constant need for competitive yet quality products.



Business Overview

Existing two plants of Cored Wire are running at full capacity and the Company has added one more plant of Cored wire to meet the increased customer demand. The capacity of Cored Wire Plant has been increased to 3,500 metric tons per annum. The sale from Cored Wire was almost doubled during FY19 and it is expected to grow further. Cored Wire is being supplied to Steel Plants in India as well as export markets.

Cored Wire, Conductors and Ferro Alloys businesses have performed very well during the year. Sales from Conductors business has been more than three times in compare to previous year and sales from Cored Wire business has been increased by more than 100% in compare to previous year. The Company's focus on value added products will yield desired results and is set to contribute significantly to the profitability. The Company has seeded

several initiatives and projects that will bear fruits in the upcoming years.

The consumption of aluminium as a key ingredient in several industries such as steel, infrastructure and automobile goods, will continue to be linked closely to the economic prospectus of a country or region. We believe that Arfin will emerge on a stronger footing, through a series of management initiatives targeted at strengthening the core operations including investment in selected production facilities and introduction of new products.

The Company's research facility continually incorporates all the necessary facilities that aid in automizing the Company's processes. The facility also monitors the latest quality trends to ensure that Company's innovative products portfolio is also at par with the latest global standards.

“The Company combined with its market expertise and innovative approach has built its foundation on trust and partnership with its clients. It is with this approach that the Company is able to prioritize its performance and always achieve complete client satisfaction.”



Business Overview

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

Arfin’s competitive advantage lies in its advanced Research and Development Department. The facility is operated by cutting-edge equipment and skilled professionals who are constantly engaged in development of new and improved products. Arfin has made significant investments in expanding its infrastructural forte that allows smooth functioning of its manufacturing processes. The Company has also delinquenty recruited a professional work force that well complements its strides towards growth.

We incorporate our customer requirements in our product developments and our expert team works further to develop the products as per the customer requirements. The success of the Non Ferrous Metal 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 Arfin India Ltd.

The economic environment of the Country was not conducive during the year which was the election year for central government. There was overall recession at industrial front. High price of crude oil and weak rupee against US \$ have impacted many industries in India. However, due to stable government at the central level, there is likely to continue the infrastructure growth of the country on account of Make in India, Smart City Projects, Railways and various other development initiatives taken by the central government. It is expected that central government shall be more industry friendly and will boost unfinished economic agenda of the previous term.

Our priorities will be to improve margins as well as bottom line and efficiencies through the enhanced use of technology, diversifying our Product mix, boosting capacity utilization and lowering finance costs.



Business Overview

Our people are the foundation of our business and a key ingredient for our success. Our people strategy is founded on the recruitment, development and retention of the talented men and women who run and grow our businesses. Arfin believes in creating a work environment of fairness, transparency and mutual respect wherein the aspirations of employees and the goals of the Company are aligned. At Arfin, our people form the core of our operations. We invest in employee welfare and happiness to drive performance. People are one of the most valued assets for Arfin and we have framed policies that lay the ground for right opportunities for our team, while ensuring their health, safety and good working environment. At Arfin, our strong and energetic team helps reinforce the foundation of our business.

We always try to attract, develop and maintain the best talent. We stand strong on our commitment to provide growth opportunities to every employee, hence creating coordination between business requirements and employees.

Arfin had 271 employees (203 employees in previous year) as at March 31, 2019. The median age in the organization is around 30 years and around 5% of work force is women. Employees come

from every small and large community with very diverse skill sets. They also come from vastly diverse socio economic group. The diversity in the people force brings in different influences, awareness and understanding thus making change and evolution lot easier. This collective spirit guides us, motivates us, gives us solutions, encourages us to achieve our goals and propels us to be future-ready. This collective spirit that characterizes our corporate DNA is our team spirit.

We have a well-defined operating structure to ensure that the Company is on track to achieve its vision and strategic objectives. Our Executive management rests with Mr. Mahendra R. Shah, Executive Chairman & Whole time Director and Mr. Jatin M. Shah, Managing Director of the Company. The executive team is responsible for operations such as procurement of Raw Materials, Manufacturing, Sales and Marketing, Import-Export and other functions such as Risk Management, Human resource management, Corporate Social Responsibility, Corporate Governance. Corporate functions such as Finance and Accounts, Legal, Secretarial, Communications and Regulatory Affairs rest with Board of Directors.

“Arfin believes in creating a work environment of fairness, transparency and mutual respect wherein the aspirations of employees and the goals of the Company are aligned.”

Business Overview

“The diversity in the people force brings in different influences, awareness and understanding thus making change and evolution lot easier.”

The Company extensively practices delegation of authority across its team, which creates effective checks and balances within the system to arrest all possible gaps within the system. The rich experience of our Leadership Team combined with the exuberance of young workforce makes our talent pool even more vibrant. The leadership team is excited to take Arfin forward on its journey to deliver the best from its assets and create value added growth.

The themes set for the year were simplicity, happiness, satisfaction and growth that lead building a performance driven culture. A performance driven culture demands higher efficiency and productivity and the key to achieve higher productivity is attraction, development and nurturing of higher caliber individual. Keeping this objective in mind, the Company has undertaken various HR initiatives with focused interventions in continuous learning & development, leadership development and behavioral training.

Our HR policies and guidelines are designed in a way that encourages team work and synergistic approach. Employee training programs are integral to our HR department. The Company also provides multiple learning and development opportunities to its employees to acquire new skills, knowledge and enhance their capabilities.

Recognizing people as our biggest asset, we provide advanced quality training to the employees. The Company constantly launches and takes initiatives that contribute to happier and more productive talent. It is on the belief that a happier employee has a greater drive to perform and adapt to meet changing needs. The Company always believes that its biggest asset has been the people employed in its business who come from a large cross section of social and economic backgrounds.

We believe that an engaged work force connects better, performs better and adds better values to the business. Therefore, we



Business Overview

organize several employee engagement activities throughout the year to remain close to our employees and ensure better business performance. 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.

The Company respects Human Rights of all relevant stakeholders and groups within and beyond the workplace including that of communities, consumers and marginalized groups. Occupational Safety is the topmost priority at Arfin. Protecting the safety, health and well-being of those who work with us is a business imperative. Our stakeholders recognize this and have rated safety and occupational health as our highest strategic priority.

The Company is doing well in all its business segments and is

under process of organizing its production and warehousing activities through systematic allocation of space for each of the business verticals.

The Company has set up second plant of Ferro Alloys near existing plant of Ferro Alloys. Both plants are being run through single production team and with common infrastructure. It will further improve operational efficiencies and reduce the common costs. The Company has allocated space for warehousing of finished goods and raw materials systematically.

The Company has separate laboratory set ups for different business verticals which are Aluminium Deox, Aluminium Wire Rod, Cored Wire, Aluminium Alloys, Ferro Alloys and Conductor & Cable products. The Company has in-house quality testing team which is fully equipped and dedicated for inspection and testing of materials.

“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.”



Business Overview

“The Policies and Procedures are designed to ensure sound management of Company’s operations, safekeeping of its assets, optimal utilization of resources, reliability of its financial information and compliance.”

Arfin utilizes information technology both as a foundation to provide robust infrastructure as well as to enhance the business efficiency and effectiveness. It is constantly helping us in standardizing the business processes and collaboration. Our objective is to relentlessly pursue operational improvement and customer satisfaction. The Company has well established internal control procedures across all business verticals commensurate with the size and nature of operations.

Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company’s operations. The Policies and Procedures are adequate for

orderly and efficient conduct of business of the Company. 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. The Company has put in place robust internal risk management systems & processes and supportive technology.

The Company also has Strong Budgetary Control System and Management Reporting System which serve as the backbone to not only check the adequacy and effectiveness of the Internal Financial Controls, but also to monitor the existing operating systems to ensure that Business results are achieved and



Business Overview

corrective remedial actions are taken, wherever necessary. The Internal control system and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliances as well as an enhanced control consciousness.

We continue to strive for excellence with our strengths being our product mix, state of the art technology, excellence in execution and our focus on employee engagement.

The Company also has a review mechanism whereby the management regularly reviews the

actual performance in comparison to the plans.

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





Jatin M. Shah
Managing Director

Management Discussion and Analysis Report

Industry Structure and Developments

India is one of the largest producers of aluminum in the world and aluminum industry is the biggest Non-Ferrous industry in the world economy and one of the significant industries in Indian economy. The Indian industry is likely to see double digit growth over next few years owing to consistently growing demand from architectural, construction and building, power, infrastructure and automobile sectors. The per capita consumption of aluminum metal in developed countries is about 20 to 30 KGS. However, in India, the per capita consumption of aluminum is only 1.3 KGS. Thus, there is a vast scope for the industry to develop under the current scenario.

Your Company is involved primarily in segment of manufacturing and trading of Non-Ferrous Metals although major part of the business is covered by aluminium products.

Aluminium ranks second, next only to steel, in terms of volumes used due to its versatility, and its application have extended to various economic sectors. On the industrial side, aluminum is heavily used in electrical power transmission, machinery and equipment and construction. Housing in particular makes heavy use of the lightweight material as a substitute for steel and wood in doors, windows and siding. On the consumer side, aluminum is used in a variety for retail products, including cans, packaging, air-conditioners, furniture and vehicles. Aluminum being light weighted, durable and anti-corrosive is the metal of choice for leading designers, architects, engineers, all of whom are looking for a material which combines functionality and cost - effectiveness with forward looking form and design potential.

Your company is well positioned to capitalize on emerging opportunities due to significant competitive strength acquired over the years.

Opportunities

Non Ferrous Metal Industry in India is a highly

concentrated industry. Non Ferrous Metal is a sector of strategic importance due to its role in energy, security, national defense, aerospace, automobile, infrastructure, packaging etc. and critical for the government's visionary initiatives - Make in India, Smart Cities, Power for All, and Indigenous Space Programs. Rural electrification, focus on renewable energy projects and growth in the transportation segment have augmented the consumption of Non Ferrous Metal products. With the growing demand of Non Ferrous Metal Products in India, the industry is growing at an enviable pace. In anticipation of an increase in demand, the primary producers have been ramping up their production over the last year, which is expected to continue this year as well.

The Automobile and food packaging industries are also expected to stoke non-ferrous metal industry growth. Furthermore, rapid urbanization should augment consumer demand, yet another positive for the sector. Moreover, the per capita aluminium consumption is far below the global average.

This offers a huge potential, given our demographic and economic outlook. Growing energy demand and the consequent rise in utility numbers have seen continued growth in Conductors, Cored Wire and Ferro Alloys businesses. Additional renewable energy capacities reflect a high potential for transmission line investments over the next few years.

During the financial year 2018-19, the company has achieved sales of 23,950 metric tons worth ₹ 48,278 Lakhs.

The Company has increased its inbuilt production capacity to 59,000 metric tons per annum in compare to 55,700 metric tons per annum for the previous financial year.

Considering the installed capacity of 59,000 metric tons, the company has significant spare capacity to increase its production and sales level. Accordingly, the company has geared-up its marketing &

Management Discussion and Analysis Report

production activities. The company has increased its export sales through addition of more overseas customers and thus the Company has been able to achieve Gross Export Sales of ₹ 4,000 Lakhs during the financial year which is higher by 62% in compare to Export Sales of ₹ 2,465 Lakhs during previous financial year ended March 31, 2018.

Also, the imports of aluminium products, including scrap, are growing significantly, which is a major concern for the domestic aluminium producers. The power, packaging and transport sectors are the likely demand drivers of non-ferrous metal products in India in FY 2019-20.

Threats

The Company identifies all type of risks at an early stage which helps it to control them in a better way. The Company believes that it is exposed to the following types of risks:

1. Highly Competitive environment and Changes in Government Policies

The Company is operating in a highly competitive market as market dynamics are forever changing with entry of new players in the field of non-ferrous metal products manufacturing.

Moreover, there are always certain issues like local environment, Govt. policies which are difficult to predict and can become an impediment in the working of this division. While significant investments are planned by the Government of India, there has always been a lag in the planned investments and in the actual implementation and execution of those investments.

2. Imposition of high Import Tariffs & Customs duties

The implementation of high import tariffs and customs duty on primary aluminium & other

aluminium products, if any, may directly or indirectly affect the aluminium industry.

3. Unfair practices by overseas competitors

The Indian non-ferrous metal industry is confronting immense threat from imports due to reciprocal tariffs imposed by US and China. India is also turning out to be natural market for countries surfeited with non-ferrous metal products that have started dumping their surplus output. The sustainability of Indian non-ferrous metal industry has been adversely impacted by the increasing imports and declining domestic market share. The unabated stream of imports has eroded the domestic non-ferrous metal players' market share significantly.

4. Forex and Raw material price volatility / fluctuation

As always, significant volatility in the raw material prices of aluminium and foreign exchange fluctuations have been affecting the growth of aluminum industry to a larger extent as well as affect the performance of the company.

5. Presence of alternatives in diverse applications of aluminum

The easy availability of several substitutes for aluminum is another major challenge confronting the global aluminum market. These substitutes are widely used in the packaging, transportation, construction, and electrical and electronic industries among others.

6. Other Threats includes

- i. Global economic fallout
- ii. Regulatory risks
- iii. Significant sales and marketing costs
- iv. Foreign exchange volatilities
- v. Higher interest rates
- vi. Technological change / obsolescence
- vii. Other commercial & business related risks etc.

Management Discussion and Analysis Report

These factors can be main drivers behind the pressure on the company in terms of operation and profitability.

Product / Plant wise Performance

The company is engaged only in one business of manufacturing and trading of non-ferrous metal and does not have any other segment or activity. Hence segment wise reporting is not required to be given. Products / plant wise performance is as follows:

Aluminium Wire Rod

The Company has installed capacity of 15,000 metric tons per annum in the business of aluminium wire rod. The Company has sold 6,816 metric tons of aluminium wire rod worth ₹ 13,587 Lakhs in compare to 8,186 metric tons worth ₹ 15,937 Lakhs during previous year 2017-18. The Company expects aluminium wire rod product sales volume to increase by around 10 to 15% during FY20.

Aluminium Deox

The Company is having installed capacity of 20,000 metric tons per annum in aluminium deox. The sales during the financial year under report was 5,342 metric tons amounting to ₹ 9,953 Lakhs in compare to 11,055 metric tons worth ₹ 20,092 Lakhs during previous year 2017-18. The Company expects to grow this business also at 10 to 15% during FY20.

Cored Wire

The Company is having cored wire plant with capacity of 3,500 metric tons per annum. The sales quantity during the financial year under report was 2,790 metric tons worth ₹ 6,410 Lakhs in compare to 1,498 metric tons of goods worth ₹ 3,176 Lakhs during previous financial year 2017-18. It reflects year on year increase in sales volume at the rate of 86% in terms of quantity and 102% in terms of sales amount. The Company expects to grow this business by 3 to 5% during FY20.

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 4,700 metric tons amounting to ₹ 8,025 Lakhs in compare to 5,720 metric tons of goods worth ₹ 8,986 Lakhs during previous financial year 2017-18 which is lower by 18% in terms of quantity and 11% in terms of gross sales amount.

Conductor and Cables

The company is having installed capacity of 12,000 metric tons per annum of conductor and cables plant. The sales during the financial year under report stood at 1,788 metric tons amounting to ₹ 3,810 Lakhs in compare to 572 metric tons of goods worth ₹ 1,090 Lakhs during previous financial year 2017-18. It reflects increase in sales volume at the rate of 212% in terms of quantity and 249% in terms of sales amount for Cables & Conductor products over the last financial year. The company has successfully set up one aluminium alloy wire rod plant and production of the same shall be captively used for manufacturing of conductor plant production. It is a backward integration of the aluminium alloy wire rod which will result in improved margins in business.

Ferro Alloys

The company is having installed capacity of 2,500 metric tons per annum of Ferro Alloys plant. The sales during the financial year under report stood at 770 metric tons amounting to ₹ 2,057 Lakhs in compare to 422 metric tons of goods worth ₹ 1,159 Lakhs during previous financial year 2017-18 which is higher by 82% in terms of quantity. The company has set up second plant of Master & Ferro Alloys to meet the increased demand during the period under report.

Outlook

The future for non-ferrous metal industry in India

Management Discussion and Analysis Report

looks promising with the low per capita consumption in the country coupled with high and good quality reserves of Bauxite. Awareness of the utility of aluminum in various industrial sectors is growing and it provides a lower cost option as to use of various metals in different sectors.

The outlook for the aluminium industry in the current year continues to be good overall, in spite of continued political uncertainty, such as the planned US tariffs on aluminium imports and the concern that China, as the world's largest producer of aluminium and semi-finished aluminium products, might expand its exports into European markets.

Keeping in mind the ongoing value shift in alumina, favorable demand supply conditions in growing markets of Asia and significant advantages available for Indian producers, your Company has decided to pursue aggressive growth by strengthening our hold on domestic market and embark on value added export in future.

Business Highlights

Aluminium Wire Rod, Aluminium Deox and Aluminium alloy businesses have contributed significantly along with Cored Wire, Ferro Alloys and Conductor verticals during the year.

The salient points for the business overview of the company during the financial year 2018-19 are as follows:

- Total net revenue from operations of ₹ 41,288 Lakhs in compare to ₹ 46,620 Lakhs during the previous financial year ended March 31, 2018
- EBIDTA of ₹ 2,377 Lakhs
- EBIDTA Margins of 5.76% of Net Sales
- PAT of ₹ 656 Lakhs
- Basic and diluted earnings per share for the year was ₹ 4.61 per share

Risks and Concerns

The Company recognizes that risk is an integral part of business and it is committed to manage the risks in a proactive and efficient manner. Risk evaluation and management is an ongoing process within the Organization.

The state of external environment, including factors like interest rates, inflation, and growth in economic activity, rationalization of tax structure, job creation & retention of manpower and consumer sentiment continues to be the biggest source of threat as well as opportunity for the Company. Any slowdown in the economic activity in the Country, significant job losses or high rates of inflation can severely impact the consumption and therefore growth of the Company.

The Company's business is exposed to many internal and external risks and it has consequently put in place robust systems and processes along with appropriate review mechanism to actively monitor, manage and mitigate these risks. The Company takes a structured approach to the identification, quantification and hedging of such risks by developing comprehensive risk management policy of the Company which is periodically reviewed by the management.

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, cyber security risk, economic uncertainty and price volatility resulting from demand uncertainty etc. Although the board recognizes presence of these risks, but there are no risks which in the opinion of the board threaten the existence of the company.

Management Discussion and Analysis Report

Internal Control Systems and its Adequacy

The Company maintains adequate internal control systems commensurate with nature of its business and size and complexity of its operations. These are regularly tested for their effectiveness by statutory as well as internal auditors.

The company's internal control system includes enterprise risk management, legal compliance framework, internal audit and anti-fraud mechanisms, ethics framework, code of conduct, whistle blower policy, process level controls, information technology based controls, quarterly, half yearly and year to date financial reporting and closing control. Further, the internal control systems have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information.

The Company has strong and independent internal audit function consisting of professionally qualified accountants and assistants. The chief financial officer reports directly to the chairman of the board. The Internal audit function develops an audit plan for the Company, which covers, inter-alia, corporate, core business operations as well as support functions.

The Audit committee reviews the annual internal audit plans. Significant audit observations are presented to the audit committee, together with the status of management actions and the progress of the implementation of recommendations, if any. Every quarter the audit Committee is briefed about the internal control findings along with the remedial actions that have been suggested or have been already implemented.

Thus, during the year, the Company has taken appropriate steps to review and document the adequacy and operating effectiveness of the internal financial controls.

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 year under report witnessed a very positive industrial relations scenario across all manufacturing and administrative locations of the Company. The Company's focus continues towards propagating proactive and employee centric practices. Industrial relations remained cordial during the year. The Company places a great deal of confidence on its excellent pool of human resources, which it realizes is the key to its growth strategy.

Our Products and People are our biggest assets. Sustainable and profitable growth can only be achieved in an organization which focuses on a performance culture and where employees are engaged and empowered to be the best they can be. Employee well-being is of utmost importance to us. The Company focuses on four aspects of well-being: physical, mental, emotional and purposeful.

A safe work environment is non-negotiable, for which we follow safety standard in all our units. Our safety practices ensure all possible safety hazards are identified and eliminated at work places.

The company places high importance on the development of its human resources. The company's well-being strategy aims to create a working environment that is supportive to the employee's well-being.

Your Company drives fairness in the workplace by advancing human rights across its operations and extended supply chain. Your Company has an excellent record on industrial relations. Your Company currently has 271 (203 previous year) employees as on March 31, 2019.

Management Discussion and Analysis Report

Key Financial Ratios

The Company has identified the following ratios as its key financial Ratios:

Particulars	2018-19	2017-18
Debtors Turnover (Days)	38	51
Inventory Turnover (Days)	91	63
Interest Coverage Ratio (PBIT / Finance Cost)	1.84	4.32
Debt-Service Ratio (PBDIT / Finance Cost)	2.02	4.47
Cost of Goods Sold / Net Sales (%)	81.03%	80.68%
Current Ratio	1.30	1.43
Debt Equity Ratio	1.32	1.15
Operating Profit Margin (%)	5.76%	9.73%
Net Profit Margin (%)	1.59%	4.65%

Return on Net Worth

The detail of return on net worth is given below:

Particulars	2018-19	2017-18
Return on Net Worth (%)	7.77%	31.56%

Return on Net worth (RONW) is a measure of profitability of a company expressed in percentage. It is calculated by dividing Net profit by average capital employed during the year. Net profit has declined from ₹ 2,170.06 Lakhs to ₹ 656.16 Lakhs for the reasons of decline in sales and decrease in operating profit. An Increased working capital requirement has led to a higher debt equity ratio. Further, the company has identified aspects for the same and has taken suitable measures to improve net profit margin for upcoming periods.

Cautionary Statement

Statements forming part of the Management Discussion and Analysis covered in this report may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. The Company takes no responsibility to publicly amend, modify or revise any forward looking

statements on the basis of any subsequent developments, events or information.

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, applicable statutes, litigations, labour relations that may impact the company's business as well as its ability to implement its strategies. Further, market data and product information contained in this report are based on information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot be assured. The company does not undertake to update these statements.

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

Sales

The Company has reported Net Income from Operations of ₹ 41,288 Lakhs during the year in compare to ₹ 46,620 Lakhs during the previous financial year.

Profit Before Tax

Profit Before Tax of the Company for financial year ended March 31, 2019 stood at ₹ 994.49 Lakhs as compared to ₹ 3,366.97 Lakhs during the previous financial year.

Interest

Financial cost outflow has increased from ₹ 1,014.22 Lakhs to ₹ 1,178.52 Lakhs in 2018-19. The interest & financial charges cover for financial year ended March 31, 2019 under review is 2.02 times as compared to 4.47 times in the previous financial year.

Net Profit

Net profit for the financial year under report stood at ₹ 656.16 Lakhs as compared to ₹ 2,170.06 Lakhs in the previous financial year.

Dividend

The Board of Directors of the Company has decided not to recommend any dividend for the financial year ended March 31, 2019, to conserve profit for its future operations.

Capital Employed

The capital employed in the business was increased by ₹ 2,203.04 Lakhs during the financial year ended March 31, 2019. This is reflected in the liabilities side of the balance sheet through an increase in shareholder's fund by ₹ 359.12 Lakhs and increase in total borrowings by ₹ 1,843.92 Lakhs. Return on capital employed for the year was 12.58%.

Surplus Management

The company generated a cash profit of ₹ 860.02 Lakhs for the financial year ended March 31, 2019 as compared to ₹ 2,326.19 Lakhs during the previous financial year. The cash profit is ploughed back into the business to fund the growth. Growth of the company has partly been funded by the cash generated from the business and partly by the additional funds borrowed.

Equity Share Capital

As at March 31, 2019, the company's issued, subscribed and paid-up equity share capital stood at 1,58,92,405 equity shares of ₹ 10/- each amounting to total paid up equity share capital of ₹ 15,89,24,050/-.

During the year, the paid-up equity share capital was increased by ₹ 2,64,87,340/- by way of issue of 26,48,734 bonus equity shares of face value of ₹ 10/- each in the ratio of 1 new bonus equity share of ₹ 10/- each for every 5 existing fully paid up equity shares of ₹ 10/- each.

Debt Equity

Debt equity ratio of the company was 1.32 as at March 31, 2019 in compare to 1.15 as at March 31, 2018.

Earnings Per Share

The company's basic and diluted earnings per share for the financial year ended March 31, 2019 remains at ₹ 4.61 in compare to ₹ 29.98 for the previous year 2017-18.

Cash Earnings Per Share

The company's cash earnings per share for the financial year ended March 31, 2019 stood at ₹ 6.04 in comparison to ₹ 32.14 in the previous financial year.

Notice

NOTICE is hereby given that the **27th Annual General Meeting** of the members of the Company, **Arfin India Limited** is scheduled to be held on Sunday, September 29, 2019 at 10:00 a.m. at Gujarat Chamber of Commerce Hall, Opp. H. K. College, Ashram Road, Ahmedabad – 380009, Gujarat, India to transact the following businesses:

Ordinary Businesses

1. Adoption of Financial Statements

To receive, consider and adopt the audited financial statements of the company for the financial year ended on March 31, 2019 together with the directors' report and auditors' report thereon.

2. Appointment of Director(s) Retiring by Rotation

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

Special Businesses

3. Re-appointment of Mr. Mahendra R. Shah (DIN: 00182746) as an Executive Chairman and Whole Time Director of the Company

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members of the company, be and is hereby accorded to re-appoint Mr. Mahendra R. Shah (DIN: 00182746)

as an Executive Chairman and Whole Time Director of the Company, for a further period of 5 (five) years from the expiry of his present term of office, i.e. commencing with effect from October 1, 2019 on the terms and conditions including remuneration as set out in the Statement annexed to this Notice, with liberty to the board of directors (hereinafter referred to as “the Board” which term shall include the human resources, nomination and remuneration committee of the board or any other committee of the board formed and assigned to for this purpose) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Mahendra R. Shah as an Executive Chairman and Whole Time Director, the Company has no profits or its profits are inadequate, he shall be paid within such maximum remuneration as permissible under the provisions 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 be and is hereby authorized to take all such steps and actions and give such directions as may be in absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

4. Re-appointment of Mr. Jatin M. Shah (DIN: 00182683) as a Managing Director of the Company

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

Notice

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members of the company, be and is hereby accorded to re-appoint Mr. Jatin M. Shah (DIN: 00182683) as a Managing Director of the Company, for a further period of 5 (five) years from the expiry of his present term of office, i.e. commencing with effect from October 1, 2019 on the terms and conditions including remuneration as set out in the Statement annexed to this Notice, with liberty to the board of directors (hereinafter referred to as “the Board” which term shall include the human resources, nomination and remuneration committee of the board or any other committee of the board formed and assigned to for this purpose) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Jatin M. Shah as a Managing Director, the Company has no profits or its profits are inadequate, he shall be paid within such maximum remuneration as permissible under the provisions 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 be and is hereby authorized to take all such steps and actions and give such directions as may be in absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and

that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

5. Ratification of Remuneration Payable to Cost Auditors

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 including any amendment, modification or variation thereof, the company hereby ratifies the remuneration of ₹ 40,000 (Rupees Forty Thousand Only) plus GST and out of pocket expenses payable to M/s. Ashish Bhavsar & Associates, cost accountants (FRN: 000387) who have been appointed by the board of directors as cost auditors of the company, to conduct audit of cost records maintained by the company as prescribed under the Companies (Cost Records and Audit) Rules 2014, for the financial year ending on March 31, 2020.”

6. Refinancing of loans of the Company with an option to convert part or whole of the Loan or outstanding amounts or dues to share capital

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 read with rules thereto and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and the enabling provisions of the memorandum of association and articles of association of the company and subject to any permissions, sanctions and consents as may be required from

Notice

any regulatory and other appropriate authorities, the approval of the members of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose or any person(s) authorized by the Board) to create, offer, issue and allot, in any financial year / subsequent financial year, in lieu of and / or against the conversion of loan / any credit facilities availed / to be availed by the Company and / or to give effect to the option of conversion of the outstanding or the overdue amounts, in whole or in part, into shares of the company, voluntarily with consent of the lender, or in the event of default in payment of interest, further interest, additional interest, repayment

installment, liquidated damages, commission, fee etc. in favour of such lender(s) on the terms as decided / may be decided between the parties.

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

Registered Office

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

For & on behalf of Board of Directors

Mahendra R. Shah

(Chairman)

(DIN: 00182746)

Place: Ahmedabad

Date: August 09, 2019

Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF HIM / HER. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing proxies in order to be effective must be deposited at the Company's registered office, duly completed and signed not less than 48 hours before the commencement of the AGM.

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

Members / proxies / authorized representatives are requested to bring their copies of the annual reports and the attendance slips sent herewith to attend the annual general meeting, as no extra copies of annual reports would be made available at the annual general meeting and they are further requested to quote their folio numbers / BO ID in all the correspondences.

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

2. As per the provisions of regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, information in case of new appointment / re-appointment 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 24, 2019.
4. In terms of regulation 12 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS), LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS), Direct Credit, Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT) etc. for making cash payments like dividend etc. to the members. Accordingly, members holding securities in demat mode are requested to update their bank details with their depository participants (DPs) and the members holding securities in physical form are requested to send a request to the registrar and share transfer agent i.e. MCS Share Transfer Agent Limited at 201, 2nd Floor, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380009, Gujarat, India or to the company secretary of the company.
5. Members are requested to note that pursuant to the provisions of Section 124 of the Companies Act, 2013, the amount of Dividend unclaimed or unpaid for a period of 7 years from the date of transfer to Unpaid Dividend Account, shall be transferred to the Investor Education & Protection Fund (IEPF) set up by Government of India.

Notes

The following are the details of dividend paid by the Company and their respective due dates of transfer to such Fund of the Central Government, which remains unpaid:

Sr. No.	Financial Year	Type of Dividend	Unclaimed / Unpaid Dividend (₹)	Corresponding Equity Shares	Due Date of Transfer
1	2014-15	Final Dividend	61,950	61,950	November 3, 2022
2	2015-16	Final Dividend	49,362	32,908	October 17, 2023
3	2016-17	Final Dividend	1,28,108	64,054	October 17, 2024
4	2017-18	Final Dividend	2,29,730	1,14,865	October 31, 2025

Members, who have not en-cashed their Dividend, are requested to make their claims to the Company immediately.

The Members are also requested to note that all Shares on which Dividend remains unclaimed for seven consecutive years or more shall be transferred to the IEPF account in compliance with Section 124 of the Companies Act, 2013 and the applicable Rules.

6. Non-resident Indian shareholders are requested to inform the registrar, MCS Share Transfer Agent Limited immediately about:

- change in the residential status on return to India for permanent settlement, if any; and
- particulars of the bank account maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.

Members are requested to address all correspondence including change in address, bank account details and dividend matters to MCS Share Transfer Agent Limited at 201, 2nd Floor, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380009, Gujarat, India. Members whose shareholding is in the electronic mode are requested to update the change of address and updation of bank account details to their respective DPs.

7. The Members, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity (since the trading is permitted in dematerialized

form only), electronic transfer, savings in stamp duty and elimination of possibility of loss of documents and bad deliveries.

8. 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.

9. 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.

10. 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

Notes

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 mcsstaahmd@gmail.com mentioning the company's name i.e. Arfin India Limited, so as to enable the company to send the annual report, notices and other documents through electronic mode to their e-mail addresses.

Electronic copy of the annual report including notice of ensuing annual general meeting of the company inter-alia indicating process and manner of e-voting along with attendance slip and proxy form are being sent to all the members whose e-mail addresses are registered with the DPs / company. Physical copies of the same have been sent to those members whose email addresses are not registered with the DPs / company, indicating the process and manner of e-voting. The members will be entitled to receive physical copy of the annual report for the financial year ended on March 31, 2019, free of cost, upon sending a request to the company secretary of the company.

11. 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.

12. 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.
13. Pursuant to the provisions of Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, members are entitled to make a nomination in respect of shares held by them in physical form. Members desirous of making a nomination are requested to send their requests in Form No. SH-13 in duplicate (which will be made available on request), to the registrar and share transfer agent of the company.
14. The annual report 2018-19 as circulated to the members of the company is also available on the website of the company at <http://arfin.co.in/financials.html>.

15. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013, rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide the facility to exercise members' right to vote at the ensuing annual general meeting by

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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 26, 2019 at 9:00 AM (IST) and ends on Saturday, September 28, 2019 at 5:00 PM (IST). During this period members of the Company holding shares either in physical form or in dematerialized form, as

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	Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (applicable for both demat shareholders as well as physical shareholders). 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.
Dividend Bank Details OR DOB	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. 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.

on the cut-off date (record date), Monday, September 23, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- ii. Log on to the e-voting website www.evotingindia.com.
- iii. Click on “Members / Shareholders” tab.
- iv. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

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

Notes

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

Mr. Rakesh Dalvi,
Manager

Central Depository Services (India) Limited

25th Floor, A Wing, Marathon Futurex,
Mafatlal Mills Compound, NM Joshi Marg,
Lower Parel (E), Mumbai – 400 013,
Maharashtra, India.

CIN: L67120MH1997PLC112443,

Tel. No.: 1800225533,

Email: helpdesk.evoting@cdslindia.com

Website: www.cdslindia.com

16. The voting rights of the members shall be in proportion to the paid up equity share capital of the Company held by them, as on the cut-off date i.e. Monday, September 23, 2019.

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 23, 2019, shall be entitled to exercise his / her vote either electronically i.e. remote e-voting or through the poll paper at the AGM by following the procedure mentioned in this part.

17. The company has appointed Mr. Kamlesh M. Shah, proprietor of M/s. Kamlesh M. Shah & Co., practicing company secretary, Ahmedabad (ICSI membership number: ACS 8356, certificate of practice number: 2072), who in the opinion of the board is a duly qualified person as a scrutinizer to scrutinize the voting processes in a fair and transparent manner.
18. The scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, count votes cast at the meeting, thereafter unblock votes cast through remote e-voting in presence of at least two witnesses not in employment of the company and present a consolidated scrutinizers' report of the total votes cast in favour or against, if any, to the chairman or a person authorized by him in writing who shall countersign the same.
19. The results declared along with the scrutinizer's report shall be placed on the company's website www.arfin.co.in and on the website of CDSL and shall be communicated to the stock exchange within the time prescribed by the law.
20. The resolution shall be deemed to be passed on the date of the annual general meeting, subject to the same being with requisite majority.
21. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

Explanatory Statement

Pursuant to Section 102 of the Companies Act, 2013 (including additional information on director(s) recommended for appointment / re-appointment as required under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under the Secretarial Standard on General Meetings)

In Respect of Item No. 2, 3 & 4

Mr. Mahendra R. Shah and Mr. Jatin M. Shah, directors of the company were appointed / designated as an Executive Chairman & Whole Time Director and Managing Director respectively by the board of directors of the company at its meeting held on September 26, 2014 which was further approved by shareholders of the company at their 22nd annual general meeting held on Tuesday, September 30, 2014. The said tenure of five years expires on September 30, 2019. The board of directors of the company has at its meeting held on Friday, August 9, 2019, pursuant to the recommendation of nomination and remuneration committee proposed to put before the shareholders in general meeting, agenda(s) to re-appoint them at their respective post(s).

Thus, it is proposed to seek member's approval for the re-appointment of Mr. Mahendra R. Shah and Mr. Jatin M. Shah, as an Executive Chairman & Whole Time Director and Managing Director of the Company respectively, in terms of the Applicable provisions of the Act.

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

The material terms of re-appointment and remuneration as contained in the draft agreement are given below:

(a) Salary, perquisites and Allowances per annum:

		Amount in ₹	
Sr. No.	Particulars	Mr. Mahendra R. Shah	Mr. Jatin M. Shah
1	Basic	12,00,000	12,00,000
2	Ad-hoc Allowance	11,56,000	11,56,000
3	Provident Fund	1,44,000	1,44,000
	Total	25,00,000	25,00,000

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Minimum Remuneration

Notwithstanding anything contained herein, where in any financial year during the period of their office as an Executive Chairman & Whole Time Director and Managing Director of the company respectively, the company has no profits or its profits are inadequate, the company may, in accordance with the previous

Explanatory Statement

approval(s) granted by the shareholders of the company in their 26th annual general meeting held on September 24, 2018, pay Mr. Mahendra R. Shah and Mr. Jatin M. Shah, remuneration not exceeding the limits as granted under such aforesaid approval(s); however not exceeding limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013, as may be agreed to by the board of directors.

Other General Terms of re-appointment are as follows:

- (b) The Company's Contribution to provident fund, superannuation or annuity fund, gratuity payable and encashment of leave as per the rules of the Company, shall be in addition to the remuneration under (a) above.
- (c) Increment in salary, perquisites and allowance and remuneration by way of incentive / bonus / performance linked incentives, payable to Mr. Mahendra Shah and Mr. Jatin Shah, as may be determined by the board or committee of the board, shall be in addition to the remuneration under (a) above.
- (d) Reimbursement of Expenses:
Expenses incurred for travelling, board and lodging including for their spouse and attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.
- (e) (i) The Whole Time Director and Managing Director will perform their duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may

from time to time be given and made by the Board and the functions of the Whole time Director will be under the overall authority of the Managing Director.

- (ii) The Whole Time Director and Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) The Whole Time Director and Managing Director shall adhere to the Company's Code of Conduct.
- (iv) The Whole Time Director and Managing Director, without the approval of the Board, shall not act as Key Managerial Person of any other Company and shall devote their full time and attention in managing the affairs of the Company.
- (v) Subject to overall superintendence and control of the Board, Mr. Mahendra R. Shah and Mr. Jatin M. Shah shall exercise the powers concerning the overall administration of Company's factory, workshop, admin or corporate office and all general powers relating to the Sale of Company's products and Banking and financial affairs including borrowing of Money subject to condition that they shall not exercise such powers without approval of Board of Directors or General Meeting which, by the provisions of the Companies Act, 2013 or rules framed thereunder or Articles of Association of the Company, can be exercised only with approval of Board of Directors or General Meeting.
- (vi) Mr. Mahendra R. Shah and Mr. Jatin M. Shah, as an Executive Chairman & Whole

Explanatory Statement

Time Director and Managing Director of the Company shall discharge all the duties as

may be assigned by the Board of Directors from time to time.

Details of Directors retiring by Rotation / seeking Appointment / Re-Appointment at the ensuing Annual General Meeting

Particulars	Mr. Mahendra R. Shah	Mr. Jatin M. Shah
Date of Birth	March 9, 1963	December 9, 1983
Age	57	36
Nationality	Indian	Indian
Date of Appointment on board	September 30, 1998	June 12, 2012
Qualifications	A Science Graduate from Gujarat University	A Commerce Graduate from Gujarat University
Experience (including expertise in specific functional area) / Brief Resume	<p>Mr. Mahendra R. Shah is having over two and a half decades of rich industrial experience. He has also an experience in Capital Markets, Textile and Sugar businesses prior to entering into Metal business. Mr. Mahendra M. Shah is also actively involved in corporate and strategic planning, corporate finance & restructuring, corporate governance, business management, risk management system and process implementation at Arfin. 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" and president of "ALL INDIA NON FERROUS METAL ASSOCIATION".</p>	<p>Mr. Jatin M. Shah is having over 15 years of rich and abundant experience in the non-ferrous metal industry. His strong domain knowledge and deep understanding of business is a reason for his command over the business which he has attained over a period of time. Mr. Jatin M. Shah has a rich knowledge of Indian Metal Industry with good understanding of Manufacturing, Sales, Imports, Exports, International Markets, and proven his ability in Business, Setting up Systems and Procedures for Robust Growth. He has represented metal industry on various topics of public interest in different forums. 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".</p>

Explanatory Statement

Particulars	Mr. Mahendra R. Shah	Mr. Jatin M. Shah
Terms and Conditions of Appointment / Reappointment	As per the resolution at item no. 3 of the Notice convening Annual General Meeting on Sunday, September 29, 2019 read with explanatory statement thereto, Mr. Mahendra R. Shah is proposed to be re-appointed as an Executive Chairman and Whole Time Director of the company.	As per the resolution at item no. 4 of the Notice convening Annual General Meeting on Sunday, September 29, 2019 read with explanatory statement thereto, Mr. Jatin M. Shah is proposed to be re-appointed as a Managing Director of the company.
Remuneration last drawn	₹ 1.00 Crore per Annum for Whole Time Director and Managing Director each, as approved by the members at their 26 th annual general meeting, pursuant to Section II of part II of Schedule V of the Companies Act, 2013.	
Remuneration proposed to be paid	Within maximum limit as approved by the shareholders earlier.	
Date of first appointment on the Board	Designated as Whole Time Director on October 1, 2014 for a period of 5 years.	Designated as Managing Director on October 1, 2014 for a period of 5 years.
Shareholding in the Company as on March 31, 2019	25,65,825 equity shares of ₹ 10/- (Rupees Ten only) each representing 16.14% of total share capital of the company.	25,15,953 equity shares of ₹ 10/- (Rupees Ten only) each representing 15.83% of total share capital of the company.
Relationship with other Directors / Key Managerial Personnel	Mr. Mahendra R. Shah is related to Mr. Jatin M. Shah and Mrs. Pushpa M. Shah as being their father and spouse respectively.	Mr. Jatin M. Shah is related to Mr. Mahendra R. Shah and Mrs. Pushpa M. Shah as being their son.
Number of meetings of the Board attended during the year	Mr. Mahendra R. Shah has attended all the 9 board meetings held during the financial year 2018-19, more details on which have been provided in the corporate governance report forming part of this annual report.	Mr. Jatin M. Shah has attended 7 board meetings out of 9 board meetings held during the financial year 2018-19, more details on which have been provided in the corporate governance report forming part of this annual report.
Directorships of other Boards as on March 31, 2019	1. Krish Ferro Industries Private Limited 2. Arfin Alucop Private Limited	1. Krish Ferro Industries Private Limited
Membership / Chairmanship of Committees of other Boards as on March 31, 2019	Nil	Nil

Explanatory Statement

In Respect of Item No. 5

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, 2020. 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, 2020. None of the directors and key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution. The board of directors recommends the resolution for members' approval.

In Respect of Item No. 6

The Board has proposed to create, offer, issue and

allot, in any subsequent financial year, in lieu of and / or against the conversion of loan / any credit facilities availed / to be availed by the Company and / or to give effect to the option of conversion of the outstanding or the overdue amounts, in whole or in part, into shares of the company, voluntarily with consent of the lender, or in the event of default in payment of interest, further Interest, additional Interest, repayment of installment, liquidated damages, commission, fee etc. in favour of such lenders on the terms as decided / may be decided between the parties. Pursuant to the provisions of Section 62(3) of the Companies Act, 2013 the above proposal requires approval of the members of the company by way of passing a special resolution. The board proposes approval of the shareholders by way of passing of this resolution as a special resolution for allotment of shares if required under the provisions of Section 62(3) of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of this Resolution.

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

Mahendra R. Shah

(Chairman)

(DIN: 00182746)

Place: Ahmedabad

Date: August 09, 2019

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report on the Businesses and Operations of the Company together with Audited Accounts for the financial year ended on March 31, 2019.

1. Financial Summary

Particulars	₹ in Lakhs	
	2018-19	2017-18
Revenue from Operations	41,288.05	46,620.73
Other Income	56.44	76.17
Total Income	41,344.49	46,696.90
Total Expenses	40,350.00	43,329.93
Profit / (Loss) Before Tax	994.49	3,366.97
Provisions for Income Tax including Deferred Tax	338.33	1,196.91
Profit / (Loss) After Tax	656.16	2,170.06
Other Comprehensive Income	21.75	17.12
Total Comprehensive Income for the Period	677.91	2,187.18
Earnings per Equity Share		
Basic	4.61	29.98
Diluted	4.61	29.98
Proposed Dividend	0.00	264.87
Transfer to General Reserves	50.00	100.00
Profit carried to Balance Sheet	656.16	2,170.06
Accumulated Balance of Profit	3,875.49	3,853.00

Financial Highlights and State of Company's Affairs

The revenue from operation for the financial year 2018-19 stands at ₹ 41,288.05 Lakhs in compare to ₹ 46,620.73 Lakhs for previous financial year 2017-18, the merged figures with Mahendra Aluminium Company Limited (Transferor Company). Hereinafter and also in the table above, all the figures for the financial year 2017-18 are merged figures of Arfin India Limited and Mahendra Aluminium Company Limited. Total net profit for the year stood at ₹ 656.16 Lakhs in compare to ₹ 2,170.06 Lakhs for the previous financial year 2017-18.

2. Transfer to Reserve

The closing balance of the retained earnings of the Company for FY 2019, after all appropriation and adjustments was ₹ 3,875.49 Lakhs. The

Board of Directors of the Company has proposed and approved an appropriation of ₹ 50 Lakhs to be transferred to the General Reserve.

3. Dividend

In order to conserve the profits for future operations, the Board of Directors of the Company has decided not to recommend any final dividend for the financial year ended March 31, 2019.

4. Listing on Stock Exchanges

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

Further as the shareholders of the company

Directors' Report

were not getting any tangible benefits, the company has proposed for delisting of equity shares of the company from the Calcutta Stock Exchange (regional stock exchange) application for which is pending with the Calcutta Stock Exchange for its approval.

The Company has also forwarded copy of application of delisting of equity shares from the Calcutta Stock Exchange to the Securities & Exchange Board of India (SEBI) for taking necessary action(s) for immediate resolution of pending matter.

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

The Company has designed and implemented process driven framework for internal financial controls within the meaning of explanation to Section 134(5)(e) of the Act.

For the year ended on March 31, 2019, the board is of the opinion that the company has adequate internal control systems commensurate with the size, scale and complexity of its business 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. The internal financial control operates effectively and no material weakness exists. The company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved internal controls whenever the effect of such gaps would have a material effect on the company's operations.

The board of directors at the recommendations of the audit committee appointed Mr. Anant

Patel, Cost Accountant, as internal auditor of the company for the financial year 2019-20.

Other details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

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 Krish Ferro Industries Private Limited and Arfin Alucop Private Limited. Mahendra Aluminium Company Limited, an erstwhile group company to the Arfin group has been amalgamated into Arfin India Limited during the financial year 2017-18.

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

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the closure of financial year on March 31, 2019 to which the financial statements relate and on the date of this report.

8. Significant and Material Orders passed by the Regulators or Courts

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations. However, members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the financial statements under note no. 35.

9. Deposits

During the financial year under report, your

Directors' Report

Company has not accepted any deposits within the meaning of Sections 73 & 74 of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014, as amended, nor did it have any amount of deposits carried forward from the previous financial year.

10. Statutory Auditors

M/s. Sanjay Bajoria & Associates, Chartered Accountants, Ahmedabad (FRN: 117443W) were appointed as Statutory Auditors of the company to hold the office for a term of five years from the conclusion of the 26th annual general meeting held on September 24, 2018 until the conclusion of the 31st annual general meeting of the company, in place of resigning auditors, M/s. Mukesh Rajendra & Co., Chartered Accountants, Ahmedabad (FRN: 143123W).

Pursuant to the notification dated May 7, 2018 issued by the Ministry of Corporate Affairs ("The Companies Amendment Act, 2017") amending Section 139 of the Companies Act, 2013, the mandatory requirement for ratification of appointment of statutory auditors by members at every annual general meeting has been omitted and hence your company has not proposed ratification of appointment of M/s. Sanjay Bajoria & Associates, Chartered Accountants, at the ensuing annual general meeting.

The auditors' report issued by M/s. Sanjay Bajoria & Associates, for the financial year ended on March 31, 2019 forms part of this annual report and there is no qualification, reservation, adverse remark or disclaimer given by the statutory auditors in their report.

11. Compliance with Secretarial Standards

The Company complies with all applicable mandatory secretarial standards issued by the

Institute of Company Secretaries of India.

12. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the board of directors of your company has re-appointed M/s. Kamlesh M. Shah & Co., practicing company secretary, Ahmedabad as secretarial auditors to conduct an audit of secretarial records and compliances of the company, for the financial year ending on March 31, 2020. The secretarial audit report for the financial year ended on March 31, 2019 is annexed herewith as **Annexure – 5** and the same is unmodified i.e. does not contain any qualification, reservation, adverse remark or disclaimer.

13. Reporting of Frauds by Auditors

During the year under report, neither the Statutory Auditors nor the Secretarial Auditors have reported to the audit committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

14. Cost Auditors

The board has on the recommendation of the audit committee, appointed M/s. Ashish Bhavsar & Associates, Cost Accountant (FRN: 000387), as a Cost Auditor for conducting the audit of cost records of the company for the financial year 2018-2019 as well as for financial year 2019-20. M/s. Ashish Bhavsar & Associates, have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under

Directors' Report

Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013.

The audit committee has also received a certificate from cost auditors certifying their independence and arm's length relationship with the company.

As per the provisions of the Companies Act, 2013, the remuneration payable to cost auditor is required to be placed before the members at

the ensuring general meeting for their ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to M/s. Ashish Bhavsar & Associates, cost auditor is included in the notice convening the annual general meeting.

15. Share Capital

During the financial year under report, the company has allotted equity shares under the bonus issue.

The detail of change in the capital structure of the company is tabulated as below:

Event date	Particulars	Authorised share capital		Issued, subscribed and paid-up share capital	
		No. of equity shares	Amount in ₹	No. of equity shares	Amount in ₹
April 1, 2018	Share capital at the beginning of the financial year	3,15,00,000	31,50,00,000	1,32,43,671	13,24,36,710
November 15, 2018	Allotment of bonus shares in the ratio of 1:5	-	-	26,48,734	2,64,87,340
March 31, 2019	Resultant share capital / capital at the end of the financial year	3,15,00,000	31,50,00,000	1,58,92,405	15,89,24,050

16. Directors & Key Managerial Personnel

I. Appointments and Details of KMPs

During the financial year under report, followings have been designated as the key managerial personnel of the company pursuant to Sections 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- Mr. Mahendra R. Shah – Chairman & Whole Time Director
- Mr. Jatin M. Shah – Managing Director
- Mr. Vijay Lathi – Chief Financial Officer
- Ms. Kruti Sheth – Company Secretary¹

¹Resigned w.e.f. April 10, 2019

There is no change in the composition of board of directors of the company during the financial year ending on March 31, 2019.

Company Secretary and Compliance Officer

Ms. Kruti Sheth has resigned and thus ceases to be company secretary & compliance officer of the company w.e.f. April 10, 2019. Ms. Hetal Koradia, a member of the Institute of Company Secretaries of India (ICSI) was appointed in her place as company secretary and compliance officer of the company at the meeting of board of directors held on May 27, 2019.

Directors' Report

Change in Designation of Independent Directors

The consent of the shareholders of the company was accorded to change the designation of Mr. Mukesh Shankerlal Chowdhary (DIN: 00025877) and Mr. Dineshchandra Mangaldas Shah (DIN: 02479309) from additional independent director to non-executive independent director of the company at their 26th annual general meeting held on September 24, 2018.

Pursuant to the provisions of Section 149 of the Act, all the Independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There has been no change in the circumstances affecting their status as independent directors of the Company.

II. Re-Appointment

At the ensuing annual general meeting, Mr. Mahendra R. Shah and Mr. Jatin M. Shah are proposed to be re-appointed as an Executive Chairman & Whole Time Director and Managing Director of the Company respectively, w.e.f. October 1, 2019 for a period of five years ending on September 30, 2024. The board of directors of the company requests the shareholders to accord their consent for such re-appointment(s).

III. Retirement by Rotation

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and the

articles of association of the company, Mr. Mahendra R. Shah (DIN: 00182746) will retire by rotation at this annual general meeting and being eligible, he offers himself for re-appointment. The board recommends his appointment.

IV. Evaluation of the Board's Performance

Pursuant to the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the board has carried out an annual evaluation of its own performance and that of its committees as well as performance of the directors individually considering various aspects of the board's functioning such as adequacy of the composition of the board & and its committee(s), board culture, experience & competencies, execution and performance of specific duties & obligations, governance etc.

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

The evaluation of the independent directors was carried out by the entire board excluding independent directors and that of the chairman and the performance evaluation of the non-independent director and the Board as a whole was carried out by the independent directors.

The performance evaluation of the Executive chairman of the Company was also carried out by the independent directors, taking into

Directors' Report

account the views of the managing director and other non-executive director(s).

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 director(s).

V. Remuneration Policy

The company follows a policy on remuneration of directors and senior management employees. The policy has been approved by the nomination & remuneration committee and the board. More details on the same have been given in the corporate governance report. The policy on remuneration of directors, key managerial personnel and senior employees can be accessed on website of the company at the following web link: <http://arfin.co.in/pdf/policies/remuneration-of-directors-key-managerial-personnel-and-senior-employees-policy.pdf>

17. Number of Meetings of Board of Directors

The board of directors met 9 times during the financial year ended on March 31, 2019. The details of the board meetings and the attendance of the directors are provided in the corporate governance report, which is a part of this report.

18. Audit Committee

The audit committee of the company is constituted with Mr. Dineshchandra Mangaldas Shah as chairman and Mr. Mukesh Shankerlal

Chowdhary and Mr. Mahendra R. Shah as members of the committee. All the recommendations, if any, made by the audit committee were accepted by the board of directors during the period under report. More details on the audit committee have been provided in the corporate governance report.

19. Nomination and Remuneration Committee

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

The policy, required to be formulated by the nomination and remuneration committee, under Section 178(3) of the Companies Act, 2013 is uploaded on the company's website at the following web link: <http://arfin.co.in/pdf/policies/remuneration-of-directors-key-managerial-personnel-and-senior-employees-policy.pdf>

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

20. Stakeholder Relationship Committee

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

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

Directors' Report

21. Internal Complaints Committee (ICC)

The company has in place an anti-sexual harassment policy in line with the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The policy is gender neutral and provides the employees safety against harassment, if any. The said policy adopted by the company for prevention of sexual harassment at workplace is available on its website at the following web link: <http://arfin.co.in/pdf/policies/prevention-of-sexual-harassment-policy.pdf>

During the financial year ended on March 31, 2019, the company did not receive any complaint pertaining to sexual harassment.

22. 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.

Your directors further confirm that there were no materially significant related party transactions made by the company with promoters, directors or key managerial personnel etc. which may have potential conflict with the interest of the company at large. All the related party transactions are presented to the audit committee and to the board. Omnibus approval has been obtained from audit committee, board

of directors and members of the company for the transactions with the related parties.

The policy on related party transactions as approved by the board has been uploaded on the company's website at the following weblink: <http://arfin.co.in/pdf/policies/related-party-transactions-policy.pdf>

23. 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, improper practice, wrongful conduct taking place, actual or suspected fraud or violation of the company's code of conduct or corporate governance policies or any improper activity to the chairman of the audit committee of the company or to the chairman of the board. The whistle blower policy has been duly communicated within the company.

Under the whistle blower policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. No personnel have been denied access to the audit committee in this regard. The said vigil mechanism / whistle blower policy has been uploaded on website of the company and can be accessed at the following web link: <http://arfin.co.in/pdf/policies/vigil-mechanism-or-whistle-blower-policy.pdf>

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

The company did not provide any guarantee in respect of loans availed by others, under the

Directors' Report

provisions of Section 186 of the Companies Act, 2013 and rules framed thereunder during the financial year under report. Details of loans and investments covered under the provisions of Section 186 are given in the notes forming part of the financial statements which form part of this annual report.

25. Managerial Remuneration

The company follows a policy on remuneration of directors, KMP and senior management employees. The company has paid remuneration to the executive as well as sitting fees to the non-executive directors during the financial year under report. More details on the managerial remuneration have been given in the extract of annual return and in the corporate governance report.

26. 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.

27. Corporate Governance Report

Your company has a rich legacy of ethical governance practices many of which were implemented by the company, even before they were mandated by law.

Your company is committed to transparency in all its dealings and places high emphasis on business ethics. 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.

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

29. Risk Management Policy

The Company has a well-defined risk management framework in place, which provides an integrated approach for identifying, assessing, mitigating, monitoring and reporting of risks associated with the business of the Company.

The Company has developed Risk Management Policy in accordance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("SEBI Listing Regulations"). It establishes various levels of accountability and overview within the Company, while vesting identified officials with responsibility for each significant risk.

The Board has delegated responsibility to the Committee to monitor and review risk

Directors' Report

management, assessment and minimization procedures and to develop, implement and monitor the risk management plan and identify, review and mitigate all elements of risks which the Company may be exposed to. The Audit Committee and the Board also periodically reviews the risk management assessment and minimization procedures.

The Board takes responsibility for the overall process of risk management in the organization. Through Enterprise Risk Management Programme, business units and corporate functions address opportunities and attend the risks with an institutionalized approach aligned to the Company's objectives. This is facilitated by internal audit.

The business risk is managed through cross functional involvement and communication across businesses. A risk management policy adopted by the board in this regard includes identification of elements of risks which mainly covers strategic risk, operational risk, financial risk and hazardous risks which can be accessed from the website of the company at the following web link: <http://arfin.co.in/pdf/policies/risk-management-policy.pdf>

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

30. Corporate Social Responsibility

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

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

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure – 7** of this report in the format prescribed in the Companies (CSR Policy) Rules, 2014.

The Policy is available on Company's website of the company at the following web link:

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

31. 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, 2019, 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, 2019 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

Directors' Report

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;

- d. that the annual financial statements for the year ended on March 31, 2019 have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f. that the system to ensure the compliances with the provisions of all applicable laws was in place and were adequate and operating effectively.

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

On the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the board of directors, none of directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013 read with rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

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

Section 124 of the Companies Act, 2013 mandates that companies shall transfer dividend(s) that remain unpaid or unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund. In this respect, the stakeholders are requested to take note that company has not yet completed seven years from its first dividend paying financial year and thus there were no amounts or corresponding

equity shares, which were required to be transferred to the Investor Education and Protection Fund by the company. Information about unclaimed / unpaid dividends and unclaimed shares to be transferred to IEPF is provided in the notes to the Notice of AGM.

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

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

35. Extract of Annual Return

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

36. Form AOC-2

Form AOC - 2 pursuant to clause(h) of sub Section (3) of Section 134 of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules, 2014 for disclosure of particulars of contracts / arrangements, if any, entered into by the company with the related parties as referred in Section 188(1) of the Companies Act, 2013 for financial year ended March 31, 2019 is enclosed herewith as **Annexure – 3**.

37. 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**.

Directors' Report

38. Secretarial Audit Report

The secretarial audit report given by Mr. Kamlesh M. Shah, proprietor of M/s. Kamlesh M. Shah & Co., practicing company secretary, Ahmedabad, for the financial year ended on March 31, 2019 is enclosed herewith as **Annexure – 5**.

39. 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**.

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

40. Acknowledgments

Your Directors wish to convey their appreciation to all of the Company's employees for their enormous efforts as well as their collective contribution, co-operation, active participation and professionalism as all such things have collectively made the Company's growth possible.

The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers, Government, Regulatory authorities and all other business associates for their continuous support to the Company and their confidence in its management. Finally, the Directors thank you all for your continued trust and support.

For & on behalf of Board of Directors

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

Place: Ahmedabad
Date: August 09, 2019

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 substitution development or import	Nil
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
(a) details of technology imported	Nil
(b) year of import	Not Applicable
(c) whether the technology been fully absorbed	Not Applicable
(d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof	Not Applicable
(iv) expenditure incurred on Research and Development	Nil

(C) Foreign Exchange Earnings and Outgo

Description	₹ in Lakhs
Foreign Exchange Earned (Actual Inflow)	
Sale of finished goods	3,659.06
Others	0.00
Total	3,659.06
Foreign Exchange Used (Actual Outflow)	
Import of raw material	20,805.98
Import of capital goods	181.10
Consultancy expenses	16.10
Loss on LME Hedging	15.83
Commission	27.83
Foreign travelling expenses	5.42
Membership & subscription fees	2.80
Interest	1.58
Total	21,056.64

For and on Behalf of the Board of Directors

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

Place: Ahmedabad
Date: August 09, 2019

Annexure 2 to the Directors' Report

Form No. MGT-9

Extract of Annual Return

As on the Financial Year ended on March 31, 2019

[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	Listed Public Company, Limited by Shares
5. Address of the Registered Office & Contact Details	B-302, 3 rd Floor, Pelican House, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad – 380009, Gujarat, India. Tel. No.: +91 79 26583791, 92, Fax: +91 79 26583792, Email: investors@arfin.co.in , Website: www.arfin.co.in
6. Whether Listed Company	Yes

Details of Stock Exchanges where Shares are listed:

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

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of Main Product / Services	NIC Code of the Product	% to Total Turnover of the Company
1.	Non-ferrous metal	242	95.74%

(NIC Codes – 2008)

III. Particulars of Holding, Subsidiary and Associate Companies

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

Annexure 2 to the Directors' Report

IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity) As At March 31, 2019 i. Category Wise Shareholding

Category of shareholders	No. of shares held at the beginning of the financial year-April 01, 2018				No. of shares held at the end of the financial year - March 31, 2019				% change during the financial year
	Demat		Physical		Demat		Physical		
	Total	% of total shares	Total	% of total shares	Total	% of total shares	Total	% of total shares	
A. PROMOTERS AND PROMOTERS GROUP									
1. INDIAN									
a. Individual / HUF	98,13,942	-	98,13,942	74.10	1,17,77,702	-	1,17,77,702	74.11	0.01
b. Central government	-	-	-	-	-	-	-	-	-
c. State government(s)	-	-	-	-	-	-	-	-	-
d. Bodies corporate	-	-	-	-	-	-	-	-	-
e. Banks / financial institutions	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
Sub total - (A1)	98,13,942	-	98,13,942	74.10	1,17,77,702	-	1,17,77,702	74.11	0.01
2. FOREIGN									
a. NRI - individuals	-	-	-	-	-	-	-	-	-
b. Other - individuals	-	-	-	-	-	-	-	-	-
c. Bodies corporate	-	-	-	-	-	-	-	-	-
d. Banks / financial institutions	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
Sub total - (A2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoters & promoters group (A1+A2)	98,13,942	-	98,13,942	74.10	1,17,77,702	-	1,17,77,702	74.11	0.01
B. PUBLIC SHAREHOLDING									
1. INSTITUTIONS									
a. Mutual funds / UTI	-	-	-	-	-	-	-	-	-
b. Banks / financial institutions	-	-	-	-	-	-	-	-	-
c. Central government	-	-	-	-	-	-	-	-	-
d. State government(s)	-	-	-	-	-	-	-	-	-
e. Venture capital funds	-	-	-	-	-	-	-	-	-
f. Insurance companies	-	-	-	-	-	-	-	-	-
g. Foreign institutional investors	-	-	-	-	-	-	-	-	-
h. Foreign venture capital investors	-	-	-	-	-	-	-	-	-

Annexure 2 to the Directors' Report

IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity) As At March 31, 2019

i. Category Wise Shareholding

Category of shareholders	No. of shares held at the beginning of the financial year - April 01, 2018				No. of shares held at the end of the financial year - March 31, 2019				% change during the financial year
	Demat		% of total shares		Demat		% of total shares		
	Physical	Total	Physical	Total	Physical	Total	Physical	Total	
i. Others	-	-	-	-	-	-	-	-	-
Sub total - (B1)	-	-	-	-	-	-	-	-	-
2. NON – INSTITUTIONS									
a. Bodies corporate	35,368	-	35,368	0.27	3,82,694	-	3,82,694	2.41	2.14
b. Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	4,75,864	95,890	5,71,754	4.32	5,58,414	38,768	5,97,182	3.76	(0.56)
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	23,10,573	1,28,400	24,38,973	18.42	25,06,322	1,99,940	27,06,262	17.03	(1.39)
c. Others									
(i) HUF	2,62,344	-	2,62,344	1.98	3,44,666	-	3,44,666	2.17	0.19
(ii) NRI (non repatriable)	32,351	69,100	1,01,451	0.77	38,830	-	38,830	0.24	(0.53)
(iii) NRI (repatriable)	1582	-	1582	0.01	2,829	42,240	45,069	0.28	0.27
(iv) Clearing members	18,257	-	18,257	0.13	-	-	-	-	(0.13)
Sub total - (B2)	31,36,339	2,93,390	34,29,729	25.90	38,33,755	2,80,948	41,14,703	25.89	-
Net total (B1 + B2)	31,36,339	2,93,390	34,29,729	25.90	38,33,755	2,80,948	41,14,703	25.89	-
C. SHARES HELD BY CUSTODIANS FOR GDRs & ADRs									
Promoter and promoter group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Net total (C)	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A + B + C)	1,29,50,281	2,93,390	1,32,43,671	100.00	1,56,11,457	2,80,948	1,58,92,405	100.00	-

Note: The shareholding for the financial year ended on March 31, 2019 includes 26,48,734 equity shares allotted on November 15, 2018 through bonus issue of equity shares.

Annexure 2 to the Directors' Report

ii. Share Holding of Promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the financial year - April 01, 2018			Shareholding at the end of the financial year – March 31, 2019			% change during the financial year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Mahendra R. Shah	21,38,188	16.14	-	25,65,825	16.14	-	-
2	Jatin M. Shah	20,96,628	15.83	-	25,15,953	15.83	-	-
3	Pushpa M. Shah	18,00,092	13.59	-	21,60,110	13.59	-	-
4	Rani J. Shah	17,77,764	13.42	-	21,33,316	13.42	-	-
5	Jatin M. Shah (HUF)	5,41,500	4.09	-	6,49,800	4.09	-	-
6	Pooja M. Shah	6,68,700	5.05	-	8,02,440	5.05	-	-
7	Mahendra R. Shah (HUF)	2,71,128	2.05	-	3,25,353	2.05	-	-
8	Khushbu M. Shah	1,44,942	1.09	-	1,74,905	1.10	-	0.01
9	Krish Jatin Shah	3,00,000	2.27	-	3,60,000	2.27	-	-
10	Khwaish Jatin Shah	75,000	0.57	-	90,000	0.57	-	-
	Total	98,13,942	74.10	-	1,17,77,702	74.11	-	0.01

Note: Percentage of Shareholding at the beginning of the financial year is based on total paid up equity share capital as on April 01, 2018 (1,32,43,671 equity shares) and percentage of shareholding at the end of the financial year is based on total paid up equity share capital on March 31, 2019 (1,58,92,405 equity shares). The shareholding for the financial year ended on March 31, 2019 includes 26,48,734 equity shares allotted on November 15, 2018 through bonus issue of 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 01, 2018		Cumulative shareholding during the financial year	
		No. of shares	% of total no. of shares of the company	No. of shares	% of total no. of shares of the company
1	Mahendra R. Shah				
	At the beginning of the year	21,38,188	16.14	21,38,188	16.14
	Allotted on November 15, 2018 under bonus issue	4,27,637	2.69	25,65,825	16.14
	At the end of the year			25,65,825	16.14
2	Jatin M. Shah				
	At the beginning of the year	20,96,628	15.83	20,96,628	15.83
	Allotted on November 15, 2018 under bonus issue	4,19,325	2.64	25,15,953	15.83
	At the end of the year			25,15,953	15.83
3	Pushpa M. Shah				
	At the beginning of the year	18,00,092	13.59	18,00,092	13.59
	Allotted on November 15, 2018 under bonus issue	3,60,018	2.26	21,60,110	13.59
	At the end of the year			21,60,110	13.59
4	Rani J. Shah				
	At the beginning of the year	17,77,764	13.42	17,77,764	13.42
	Allotted on November 15, 2018 under bonus issue	3,55,552	2.24	21,33,316	13.42
	At the end of the year			21,33,316	13.42
5	Jatin M. Shah (HUF)				
	At the beginning of the year	5,41,500	4.09	5,41,500	4.09
	Allotted on November 15, 2018 under bonus issue	1,08,300	0.68	6,49,800	4.09
	At the end of the year			6,49,800	4.09
6	Pooja Shah				
	At the beginning of the year	6,68,700	5.05	6,68,700	5.05
	Allotted on November 15, 2018 under bonus issue	1,33,740	0.84	8,02,440	5.05
	At the end of the year			8,02,440	5.05

Annexure 2 to the Directors' Report

iii. Change in Promoters' Shareholding

Sr. No.	Name of the shareholder	Shareholding at beginning of the financial year – April 01, 2018		Cumulative shareholding during the financial year	
		No. of shares	% of total no. of shares of the company	No. of shares	% of total no. of shares of the company
7	Mahendra R. Shah (HUF)				
	At the beginning of the year	2,71,128	2.05	2,71,128	2.05
	Allotted on November 15, 2018 under bonus issue	54,225	0.34	3,25,353	2.05
	At the end of the year			3,25,353	2.05
8	Khushbu Shah				
	At the beginning of the year	1,44,942	1.09	1,44,942	1.09
	Purchased during the benpos / week ended on April 28, 2018	200	0.00	1,45,142	1.09
	Purchased during the benpos / week ended on May 4, 2018	320	0.00	1,45,462	1.10
	Purchased during the benpos / week ended on May 18, 2018	83	0.00	1,45,545	1.10
	Purchased during the benpos / week ended on May 25, 2018	133	0.00	1,45,678	1.10
	Purchased on during the benpos / week ended on June 01, 2018	77	0.00	1,45,755	1.10
	Allotted on November 15, 2018 under bonus issue	29,150	0.18	1,74,905	1.10
	At the end of the year			1,74,905	1.10
9	Krish Jatin Shah				
	At the beginning of the year	3,00,000	2.27	3,00,000	2.27
	Allotted on November 15, 2018 under bonus issue	60,000	0.38	3,60,000	2.27
	At the end of the year			3,60,000	2.27
10	Khwaish Jatin Shah				
	At the beginning of the year	75,000	0.57	75,000	0.57
	Allotted on November 15, 2018 under bonus issue	15,000	0.09	90,000	0.57
	At the end of the year			90,000	0.57

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

Annexure 2 to the Directors' Report

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

Sr. No.	Name of the shareholder	Shareholding at beginning of the financial year – April 01, 2018		Cumulative shareholding during the financial year	
		No. of shares	% of total no. of shares of the company	No. of shares	% of total no. of shares of the company
1	Parasmal Ghewarchand Nahata				
	At the beginning of the year	1,50,000	1.13	1,50,000	1.13
	Allotted on November 15, 2018 under bonus issue	30,000	0.19	1,80,000	1.13
	At the end of the year			1,80,000	1.13
2	Shantilal Tulsiram Khator				
	At the beginning of the year	1,50,000	1.13	1,50,000	1.13
	Allotted on November 15, 2018 under bonus issue	30,000	0.19	1,80,000	1.13
	At the end of the year			1,80,000	1.13
3	Khatod Vartika Vijendra				
	At the beginning of the year	1,50,000	1.13	1,50,000	1.13
	Allotted on November 15, 2018 under bonus issue	30,000	0.19	1,80,000	1.13
	At the end of the year			1,80,000	1.13
4	Babita R. Shah				
	At the beginning of the year	1,25,400	0.95	1,25,400	0.95
	Purchased during the benpos / week ended on October 19, 2018	5,500	0.04	1,30,900	0.99
	Sold during the benpos / week ended on November 16, 2018	(67)	(0.00)	1,30,833	0.98
	Allotted on November 15, 2018 under bonus issue	26,166	0.16	1,56,999	0.99
	Purchased during the benpos / week ended on November 23, 2018	116	0.00	1,57,115	0.99
	Purchased during the benpos / week ended on November 30, 2018	13	0.00	1,57,128	0.99
	Sold during the benpos / week started on December 31, 2018	(1,800)	(0.01)	1,55,328	0.98
	Purchased during the benpos / week started on January 25, 2019	328	0.00	1,55,656	0.98
	Purchased during the benpos / week ended on February 15, 2019	422	0.00	1,56,078	0.98
	Purchased during the benpos / week ended on February 22, 2019	350	0.00	1,56,428	0.98

Annexure 2 to the Directors' Report

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

Sr. No.	Name of the shareholder	Shareholding at beginning of the financial year – April 01, 2018		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
	Sold during the benpos / week ended on March 15, 2019	(254)	(0.00)	1,56,174	0.98
	Sold during the benpos / week ended on March 30, 2019	(400)	(0.00)	1,55,774	0.98
	At the end of the year			1,55,774	0.98
5	Sumitra Lalitkumar Shah				
	At the beginning of the year	1,24,800	0.94	1,24,800	0.94
	Purchased during the benpos / week ended on October 12, 2018	5,400	0.04	1,30,200	0.98
	Sold during the benpos / week ended on November 16, 2018	(50)	(0.00)	1,30,150	0.82
	Allotted on November 15, 2018 under bonus issue	26,030	0.16	1,56,180	0.98
	Purchased during the benpos / week ended on November 30, 2018	73	0.00	1,56,253	0.98
	Sold during the benpos / week started on December 31, 2018	(1800)	(0.01)	1,54,453	0.97
	Sold during the benpos / week ended on January 11, 2019	(7)	(0.00)	1,54,446	0.97
	Purchased during the benpos / week ended on February 22, 2019	349	0.00	1,54,795	0.97
	Sold during the benpos / week ended on March 15, 2019	(250)	(0.00)	1,54,545	0.97
	Sold during the benpos / week ended on March 30, 2019	(536)	(0.00)	1,54,009	0.97
	At the end of the year			1,54,009	0.97
6	Gopal Shantilal Shah				
	At the beginning of the year	2,49,704	1.89	2,49,704	1.89
	Allotted on November 15, 2018 under bonus issue	49,940	0.31	2,99,644	1.89
	Sold during the benpos / week ended on January 11, 2019	(6,100)	(0.04)	2,93,544	1.85
	At the end of the year			2,93,544	1.85
7	Monarch Network Capital Limited				
	At the beginning of the year	-	-	-	-

Annexure 2 to the Directors' Report

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

Sr. No.	Name of the shareholder	Shareholding at beginning of the financial year – April 01, 2018		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
	Purchased during the benpos / week ended on April 13, 2018	3,060	0.02	3,060	0.02
	Sold during the benpos / week ended on May 18, 2018	(3,022)	(0.02)	38	0.00
	Purchased during the benpos / week ended on May 25, 2018	2,350	0.02	2,388	0.02
	Sold during the benpos / week ended on June 1, 2018	(1,785)	(0.01)	603	0.00
	Purchase during the benpos / week ended on June 8, 2018	6,186	0.05	6,789	0.05
	Sold during the benpos / week ended on June 15, 2018	(6,764)	(0.05)	25	0.00
	Sold during the benpos / week ended on June 22, 2018	(25)	(0.00)	-	-
	Purchased during the benpos / week ended on June 30, 2018	36	0.00	36	0.00
	Sold during the benpos / week ended on July 06, 2018	(36)	(0.00)	-	-
	Purchased during the benpos / week ended on July 13, 2018	500	0.00	500	0.00
	Sold during the benpos / week ended on July 27, 2018	(500)	(0.00)	-	-
	Purchased during the benpos / week ended on August 3, 2018	25	0.00	25	0.00
	Sold during the benpos / week ended on August 10, 2018	(25)	(0.00)	-	-
	Purchased during the benpos / week ended on August 17, 2018	209	0.00	209	0.00
	Sold during the benpos / week ended on August 24, 2018	(139)	(0.00)	70	0.00
	Sold during the benpos / week ended on August 31, 2018	(14)	(0.00)	56	0.00
	Sold during the benpos / week ended on September 7, 2018	(50)	(0.00)	6	0.00
	Purchased during the benpos / week ended on September 14, 2018	597	0.00	603	0.00

Annexure 2 to the Directors' Report

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

Sr. No.	Name of the shareholder	Shareholding at beginning of the financial year – April 01, 2018		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
	Sold during the benpos / week ended on September 21, 2018	(346)	(0.00)	257	0.00
	Sold during the benpos / week ended on September 28, 2018	(251)	(0.00)	6	0.00
	Purchased during the benpos / week ended on October 5, 2018	147	0.00	153	0.00
	Sold during the benpos / week ended on October 19, 2018	(149)	(0.00)	4	0.00
	Purchased during the benpos / week ended on October 26, 2018	4,524	0.03	4,528	0.03
	Purchased during the benpos / week ended on November 2, 2018	36	0.00	4,564	0.03
	Sold during the benpos / week ended on November 9, 2018	(372)	(0.00)	4,192	0.03
	Sold during the benpos / week ended on November 14, 2018	(3,856)	(0.03)	336	0.00
	Purchased during the benpos / week ended on November 23, 2018 (Including Bonus Issue)	12,532	0.08	12,868	0.08
	Purchased during the benpos / week ended on November 30, 2018	7,648	0.05	20,516	0.13
	Purchased during the benpos / week ended on December 7, 2018	12,010	0.08	32,526	0.20
	Purchased during the benpos / week ended on December 14, 2018	930	0.01	33,456	0.21
	Purchased during the benpos / week ended on December 21, 2018	2,830	0.02	36,286	0.23
	Purchased during the benpos / week ended on December 28, 2018	1,58,916	1.00	1,95,202	1.23
	Sold during the benpos / week ended on December 31, 2019	(22,879)	(0.14)	1,72,323	1.08
	Sold during the benpos / week ended on January 4, 2019	(1,21,889)	(0.77)	50,434	0.32
	Purchased during the benpos / week ended January 11, 2019	589	0.00	51,023	0.32
	Purchased during the benpos / week ended on January 18, 2019	1,576	0.01	52,599	0.33

Annexure 2 to the Directors' Report

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

Sr. No.	Name of the shareholder	Shareholding at beginning of the financial year – April 01, 2018		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
	Purchased during the benpos / week ended on January 25, 2019	430	0.00	53,029	0.33
	Purchased during the benpos / week started on February 25, 2019	1,869	0.01	54,898	0.35
	Purchased during the benpos / week ended on March 1, 2019	738	0.00	55,636	0.35
	Sold during the benpos / week ended on March 15, 2019	(16,314)	(0.10)	39,322	0.25
	Purchased during the benpos / week ended on March 25, 2019	1,262	0.01	40,584	0.26
	Purchased during the benpos / week ended on March 30, 2019	2,31,712	1.46	2,72,296	1.71
	At the end of the year			2,72,296	1.71
8	Bela Himanshu Shah				
	At the beginning of the year	99,942	0.75	99,942	0.75
	Sold during the benpos / week ended on September 14, 2018	(9,800)	(0.07)	90,142	0.68
	Allotted on November 15, 2018 under bonus issue	18,028	0.11	1,08,170	0.68
	At the end of the year			1,08,170	0.68
9	Kinnari Vaibhav Shah				
	At the beginning of the year	90,451	0.68	90,451	0.68
	Allotted on November 15, 2018 under bonus issue	18,090	0.11	1,08,541	0.68
	At the end of the year			1,08,541	0.68
10	Rameshkumar Babulal Shah HUF				
	At the beginning of the year	75,000	0.57	75,000	0.57
	Purchased during the benpos / week ended on September 7, 2018	213	0.00	75,213	0.57
	Purchased during the benpos / week ended on September 14, 2018	4,800	0.04	80,013	0.60
	Purchased during the benpos / week ended on September 21, 2018	1,676	0.01	81,689	0.62
	Allotted on November 15, 2018 under bonus issue	16,337	0.10	98,026	0.62
	At the end of the year			98,026	0.62

Annexure 2 to the Directors' Report

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

Sr. No.	Name of the shareholder	Shareholding at beginning of the financial year – April 01, 2018		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
11	Babulal Sonmalji Balar				
	At the beginning of the year	75,000	0.57	75,000	0.57
	Allotted on November 15, 2018 under bonus issue	15,000	0.09	90,000	0.57
	At the end of the year			90,000	0.57
12	Lalitkumar Babulal Shah HUF				
	At the beginning of the year	75,000	0.57	75,000	0.57
	Allotted on November 15, 2018 under bonus issue	15,000	0.09	90,000	0.57
	At the end of the year			90,000	0.57
13	Rameshkumar Babulal Shah				
	At the beginning of the year	75,000	0.57	75,000	0.57
	Allotted on November 15, 2018 under bonus issue	15,000	0.09	90,000	0.57
	At the end of the year			90,000	0.57
14	Kishor Mohanlal Shah				
	At the beginning of the year	72,600	0.55	72,600	0.55
	Allotted on November 15, 2018 under bonus issue	14,520	0.09	87,120	0.55
	At the end of the year			87,120	0.55

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

Annexure 2 to the Directors' Report

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the director / KMP	Shareholding at beginning of the financial year – April 01, 2018		Cumulative shareholding during the financial year	
		No. of shares	% of total no. of shares of the company	No. of shares	% of total no. of shares of the company
1	Mahendra R. Shah				
	At the beginning of the year	21,38,188	16.14	21,38,188	16.14
	Allotted on November 15, 2018 under bonus issue	4,27,637	2.69	25,65,825	16.14
	At the end of the year			25,65,825	16.14
2	Jatin M. Shah				
	At the beginning of the year	20,96,628	15.83	20,96,628	15.83
	Allotted on November 15, 2018 under bonus issue	4,19,325	2.64	25,15,953	15.83
	At the end of the year			25,15,953	15.83
3	Pushpa M. Shah				
	At the beginning of the year	18,00,092	13.59	18,00,092	13.59
	Allotted on November 15, 2018 under bonus issue	3,60,018	2.26	21,60,110	13.59
	At the end of the year			21,60,110	13.59
4	Shantilal Mehta				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
5	Dineshchandra Mangaldas Shah				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
6	Mukesh Shankerlal Chowdhary				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
7	Vijay Lathi				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
8	Kruti Sheth¹				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
9	Hetal Koradia²				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-

¹ Resigned w.e.f. April 10, 2019

² Appointed w.e.f. May 27, 2019

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

Annexure 2 to the Directors' Report

V. Indebtedness

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

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtednes
Indebtedness as at April 1, 2018				
1) Principle amount	8,718.86	809.03	-	9,527.89
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total (1+2+3)	8,718.86	809.03	-	9,527.89
Change of indebtedness during the year				
Addition	2,680.87	6.26	-	2,687.13
Reduction	(814.63)	(28.58)	-	(843.21)
Net change	1,866.24	(22.32)	-	1,843.92
Indebtedness as at March 31, 2019				
1) Principle amount	10,585.10	786.71	-	11,371.81
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total (1+2+3)	10,585.10	786.71	-	11,371.81

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	12,00,000	12,00,000	24,00,000
	(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	-	-	-
2	Stock option	-	-	-
3	Sweat equity	-	-	-
4	Commission			
	- As % of profit	-	-	-
	- Other, specify	-	-	-
5	Others			
	- Ad hoc allowance	86,56,000	86,56,000	1,73,12,000
	- Medical reimbursement	-	-	-
	- Contribution of employer to the provident fund	1,44,000	1,44,000	2,88,000
	Total	1,00,00,000	1,00,00,000	2,00,00,000

Ceiling as per the Act: ₹ 1 Crore per annum for whole time director & managing director each, as approved by the members at their 26th 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	6,00,000 - -
2	Stock option	-
3	Sweat equity	-
4	Commission - As % of profit - Other, specify	- -
5	Others - Ad hoc allowance - Medical reimbursement - Contribution of employer to the provident fund	43,28,000 - 72,000
	Total	50,00,000

Ceiling as per the Act: ₹ 50.00 Lakhs per annum as approved by the members at their 26th 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. Shantilal Mehta	Mr. Dineshchandra Mangaldas Shah	Mr. Mukesh Shankerlal Chowdhary	
Fee for Attending Board Meetings	40,000	40,000	40,000	1,20,000
Fee for Attending Committee Meetings	-	20,000	20,000	40,000
Commission	-	-	-	-
Others	-	-	-	-
Total	40,000	60,000	60,000	1,60,000

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 Lakh per meeting attended. Payment to the Directors in this respect is well within the limits.

Overall Ceiling as per the Companies Act, 2013

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

Annexure 2 to the Directors' Report

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

Amount in ₹

Sr. No.	Particulars of Remuneration	Mr. Vijay Lathi (Chief Financial Officer)	Ms. Kruti Sheth (Company secretary) ¹
1	Gross Salary		
	(a) Salary as per Provisions Contained in Section 17(1) of the Income Tax Act	12,00,000	1,66,172
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	-	-
	(c) Profits in lieu of Salary u/s 17(3) Income Tax Act Section 17(1) of the Income Tax Act	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- As % of Profit	-	-
	- Others, Specify	-	-
5	Others		
	- Medical Reimbursement	-	-
	- Ad hoc allowance	12,66,000	1,01,952
	- House Rent Allowance	2,10,000	10,998
	- Conveyance allowance	-	-
	- Others	3,24,000	-
	- Bonus	-	-
	Total	30,00,000	2,79,122

¹ Resigned w.e.f. April 10, 2019

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, 2019.

For and on Behalf of the Board of Directors

Place: Ahmedabad
Date: August 09, 2019

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

Annexure 3 to the Directors' Report

Form No. AOC - 2

(Pursuant to clause (h) of sub-Section (3) of Section 134 of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contract or arrangements of transactions not at arm's length price: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis: Nil

For and on Behalf of the Board of Directors

Place: Ahmedabad
Date: August 09, 2019

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

Annexure 4 to the Directors' Report

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

Rule 5(1)

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ended on March 31, 2019 and,
- ii. The percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary or manager, if any, in the financial year

Name	Designation	Ratio to Median Employee	% Increase in Remuneration in the Financial Year 2018-19
Mahendra R. Shah	Chairman & whole time director	36.58:1	33.33%
Jatin M. Shah	Managing director	36.58:1	33.33%
Pushpa M. Shah	Executive director	18.29:1	66.67%
Shantilal Mehta	Independent director	Being non-executive directors, only sitting fees was paid and ratio of remuneration to the remuneration of median employee is not being given.	
Dineshchandra Mangaldas Shah	Independent director		
Mukesh Shankerlal Chowdhary	Independent director		
Vijay Lathi	Chief financial officer	NA	NA
Kruti Sheth ¹	Company secretary	NA	35.11%

¹ Resigned w.e.f. April 10, 2019

- iii. The percentage increase in the median remuneration of employees in the financial year ended on March 31, 2019: 4.99%
- iv. The number of permanent employees on the rolls of company: 271 employees (Previous year 203 employees)
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration:
 - > Average increase in remuneration of employees excluding KMPs: 3.42%
 - > Average increase in remuneration of KMPs: 35.74%
- vi. The Company affirms that the remuneration is as per the remuneration policy of the company.
- vii. The Statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary of the company.

For and on Behalf of the Board of Directors

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

Place: Ahmedabad
Date: August 09, 2019

Annexure 5 to the Directors' Report

FORM NO. MR - 3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

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

To,
The members,
Arfin India Limited
CIN: L65990GJ1992PLC017460

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

Based on my / our verification of the records of Arfin India Limited, books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I / we hereby report that in my / our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the company has proper board-processes and compliances mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I / we have examined the books, papers, minutes books, forms and returns filed and records maintained by Arfin India Limited (CIN: L65990GJ1992PLC017460) for the financial year ended on March 31, 2019 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- II. The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- IV. The Foreign Exchange Management Act, 1999 and the rules and regulation made thereunder to the extent of foreign direct investment, overseas direct investment and external commercial borrowings: (not applicable for the year under review)
- V. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;

Annexure 5 to the Directors' Report

- b) The Securities and Exchange Board of India (Prohibition of Insider Training) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: The Company has made Issue and Allotment of 26,48,734 Bonus Shares for which these regulations are duly complied with;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (not applicable for the year under review);
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable for the year under review);
- f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable for the year under review); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable for the year under review).

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

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

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

- (i) Secretarial standards issued by the Institute of Company Secretaries of India and applicable w.e.f. July 1, 2015, or any amendment, substation thereof, if any, are adopted by the company and are complied with.
- (ii) The listing agreements entered into by the company with the Bombay Stock Exchange Limited and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Adequate notice is given to all directors to schedule the board meetings; agenda and detailed notes on agenda were sent at least seven days in advance or with consent of directors at a shorter notice, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting

Annexure 5 to the Directors' Report

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

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

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

- (i) Issue and allotment of bonus equity shares.

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

Place: Ahmedabad
Date: August 09, 2019

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

Annexure 5 to the Directors' Report

“ANNEXURE-A”

Securities laws

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

Labour laws

1. All the premises and establishments have been registered with the appropriate authorities.
2. The company has not employed any child labour / bonded labour in any of its establishments.
3. Provisions related to compliances of PF / ESI / Gratuity Act are applicable to company and are duly complied with.

Environmental laws

As the company is engaged in the manufacturing activities, the environmental laws as are applicable to it and it has properly complied with such provisions to the extent applicable and have obtained GPCB Approval and such approvals / license are either valid throughout the year or were renewed during the Year.

Taxation laws

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

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

Place: Ahmedabad
Date: August 09, 2019

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

Annexure 5 to the Directors' Report

“ANNEXURE-B”

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

1. During the year under review, the company has issued and allotted 26,48,735 equity shares of ₹ 10/- each as fully paid up bonus equity shares in its board meeting held on November 15, 2018, in the ratio of 1 (one) new fully paid-up equity share of ₹ 10/- each of the company for every 5 (five) fully paid equity shares of ₹ 10/- each held, to the members eligible whose names appeared in the register of members and the register of beneficial owners as on November 14, 2018, 'the record date' fixed for this purpose.
2. The company has completed the process of crediting the bonus shares in the demat account of all the respective shareholders and dispatched physical share certificates to those shareholders who held shares in physical form within the time limit prescribed for the purpose by the Act and the applicable SEBI regulation(s).
3. The company had obtained listing and trading approval of bonus equity shares from Bombay Stock Exchange Ltd. on November 16, 2018 and November 21, 2018 respectively and trading of such bonus shares was allowed on the Bombay stock exchange portal from Thursday, November 22, 2018.
4. The Company has filled all the relevant Forms for Creation, Modification, Satisfaction of Charges with the Registrar of Companies in time and has also updated its Register of Charge.

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

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

Place: Ahmedabad
Date: August 09, 2019

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, 2019, 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 Sanjay Bajoria & Associates,
Chartered accountants
Firm registration number: 117443W

Place: Ahmedabad
Date: August 09, 2019

Kalpesh R. Shah
(Partner)
(Membership No.: 103301)

Annexure 7 to the Directors' Report

Annual Report on CSR Activities

Sr. No.	Particulars	Details				
1.	A brief outline of the company's corporate social responsibility (CSR) policy, including overview of projects or programs proposed to be taken and a reference to the web link to the CSR policy and projects or programs	<p>The Company's vision on CSR is to enhance the quality of life and the economic well-being of communities around its operations.</p> <p>Arfin believes that Corporate Social Responsibility ("CSR") extends beyond the ambit of business and should focus on a broad portfolio of assets viz. human, physical, environmental and social.</p> <p>The CSR Policy of the Company inter-alia includes CSR Activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013.</p> <p>At Arfin, we are focused on our approach that education is the biggest factor that can transform a life of family and generation. The Company endeavours to make a positive contribution especially to the communities by supporting social-economic, education and health initiatives. We have made deep inroads into our chosen areas and are contributing to inclusive growth, empowering communities and spurring development.</p> <p>CSR Policy of the Company is available on the website of the Company at the Link: http://arfin.co.in/pdf/policies/corporate-social-responsibility-policy.pdf</p>				
2.	Composition of CSR committee	The CSR Committee as on March 31, 2019 comprises of: 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	₹ 2,206.07 Lakhs				
4.	Prescribed CSR expenditure (2% of the amount as mentioned in point 3 above)	₹ 44.12 Lakhs				
5.	Details of CSR expenditure during the Year	<table border="1"> <tr> <td data-bbox="177 1609 767 1658">Total amount spent for the financial year</td> <td data-bbox="767 1609 1485 1658">Nil</td> </tr> <tr> <td data-bbox="177 1658 767 1697">Amount unspent, if any</td> <td data-bbox="767 1658 1485 1697">₹ 44.12 Lakhs</td> </tr> </table>	Total amount spent for the financial year	Nil	Amount unspent, if any	₹ 44.12 Lakhs
Total amount spent for the financial year	Nil					
Amount unspent, if any	₹ 44.12 Lakhs					

Annexure 7 to the Directors' Report

Sr. No.	Particulars			Details				
Manner in which amount spent during the financial year 2018-19 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	
	Nil							
6.	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount on CSR		The amount of ₹ 44.12 Lakhs for corporate social responsibility was not spent during the financial year ended on March 2019. However, the Company has planned to make cumulative provision for such unspent amount in the financial year 2019-20. The Company has also identified long term projects for CSR expenditure in line with CSR policy for spending such unspent amount in upcoming years. The Company is under process of formulating implementation plan.					
7.	Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company		It is affirmed that implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.					

For **Arfin India Limited**

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

Place: Ahmedabad
Date: August 09, 2019

For **Arfin India Limited**

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

Place: Ahmedabad
Date: August 09, 2019

Corporate Governance Report

1. Company's Philosophy on Code of Corporate Governance

Arfin India Limited believes in continuous good corporate governance and always strives to improve performance at all levels by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability. We have, therefore, designed our systems and action plans to enhance performance and stakeholders' value in the long run.

To create a culture of good governance, your Company has adopted practices that comprise of performance accountability, effective management control, fair representation of professionally qualified non-executive and independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the company and payment of statutory dues. The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Governance Structure of Arfin India Limited

Governance structure of the company comprises of the Board of Directors (the Board) and the Committees of the Board at the top level and the internal governance structure at the operational level.

The responsibility of the Board is to determine the overall corporate objectives and give directions and freedom to the management to achieve those objectives within a given framework. The organisational and governance structure enables an environment for value creation through sustainable and profitable growth.

The governance structure is based on the principles of freedom to the executive management within a given frame work to ensure that the powers vested in the executive management are exercised with due care and responsibilities.

The primary role of the Board is to protect the interest and enhance the value for all the stakeholders. It conducts the overall strategic supervision and control by setting policies, reporting mechanism and accountability and decision making process to be followed. The Chairman and the Managing Director are in overall control and responsible for the overall working of the Company. They give strategic directions, lay down the policy guidelines and ensure the implementation of the decisions of the Board and its committees.

The governance system encourages the entrepreneurship, risk taking and growth orientation with an objective to lead full accountability enabled by appropriate empowerment.

2. Board of Directors

The Chairman and the Managing Director look after the day-to-day business affairs of the Company. The Board of Directors reviews the overall business operations at least once in a quarter based on updates on the Company's performance provided by the Chairman / Managing Director.

a. Composition and Category of the Board

Arfin believes that our Board needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence, and separate its functions of governance and management.

Corporate Governance Report

The board of directors at Arfin is headed by Mr. Mahendra R. Shah, chairman & whole time director of the company, who is also a promoter Director. During the year and also as on March 31, 2019, your company's Board comprised of Six Directors, which include three executive directors and three Non-executive independent directors. 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, 2019, the composition of the board of directors is given below:

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

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

In compliance with regulation 17 of the Listing Regulations and as required under the Companies Act, 2013, the Board meets at least once in each quarter and the gap between any two board meetings was not more than 120 days. In addition, the board also meets as and when necessary to address specific issues relating to the business of your company.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly / year to date unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure, compliance with applicable laws and regulations. It monitors overall performance of the Company. All agenda items are supported by relevant information, documents and presentations to enable the board and committee(s) thereof to take informed decisions.

During the financial year ended on March 31, 2019, 9 (Nine) board meetings were held on the following dates:

- | | | |
|-----------------------|----------------------|-----------------------|
| 1. May 18, 2018 | 2. August 10, 2018 | 3. September 24, 2018 |
| 4. September 29, 2018 | 5. November 14, 2018 | 6. November 15, 2018 |
| 7. January 29, 2019 | 8. February 13, 2019 | 9. February 28, 2019 |

Corporate Governance Report

Attendance of each director at board meetings and at last annual general meeting (AGM) held on September 24, 2018 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	
1	Mr. Mahendra R. Shah	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Mr. Jatin M. Shah	N	N	Y	Y	Y	Y	Y	Y	Y	Y
3	Mrs. Pushpa M. Shah	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Mr. Shantilal Mehta	Y	Y	N	N	Y	N	N	Y	N	Y
5	Mr. Dineshchandra Mangaldas Shah	Y	Y	N	N	Y	N	N	Y	N	Y
6	Mr. Mukesh Shankerlal Chowdhary	Y	Y	N	N	Y	N	N	Y	N	Y

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, 2019, including skill sets / expertise / competencies / practical knowledge and list of category of Directorship in other listed companies are as follows:

Sr. No.	Name of director	Relationship inter-se directors	No. of other directorships (other than Arfin India Limited)	No. of board committees (other than Arfin India Limited)	
				Chairman	Member
1	Mr. Mahendra R. Shah	Related to Mr. Jatin M. Shah & Mrs. Pushpa M. Shah	2	-	-
2	Mr. Jatin M. Shah	Related to Mr. Mahendra R. Shah & Mrs. Pushpa M. Shah	1	-	-
3	Mrs. Pushpa M. Shah	Related to Mr. Mahendra R. Shah & Mr. Jatin M. Shah	-	-	-
4	Mr. Shantilal Mehta	-	-	-	-
5	Mr. Dineshchandra Mangaldas Shah	-	2	-	-
6	Mr. Mukesh Shankerlal Chowdhary	-	1	-	-

The Board of Arfin requires skills / expertise / competencies in the areas of Business Strategy, Finance, Accounting, Business Management, Marketing, Strategic Management and Corporate Governance, Investment Banking and Structured Finance, Human Resource Management, Economics, Legal and Regulatory matters, Mergers and Acquisitions, Foreign Exchange Management, Risk Management, Corporate Advisory, Environmental Friendly & Green Technologies, Sustainability, Operations and Process Optimization, to efficiently carry on its core business of manufacturing and trading of Non-ferrous metal and other metal products. All the above required skills / expertise / competencies are available with the Board.

Corporate Governance Report

The Board provides leadership, strategic guidance, an objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

Sr. No.	Name of director	Category	Special Knowledge / Practical Experience / Skills / Expertise / Competencies	List and Category of Directorship in other Listed Companies
1.	Mr. Mahendra R. Shah	Executive Chairman & Whole Time Director	Business Strategy, Business Management, Human Resource Management, and Strategic Management and Corporate Governance	Nil
2.	Mr. Jatin M. Shah	Managing Director	Investment Banking and Structured Finance, Foreign Exchange Management, Marketing, Operations and Process Optimization	Nil
3.	Mrs. Pushpa M. Shah	Executive Director	Business Management	Nil
4.	Mr. Shantilal Mehta	Non-Executive Independent Director	Corporate Advisory, Strategic Planning	Nil
5.	Mr. Dineshchandra Mangaldas Shah	Non-Executive Independent Director	Corporate Advisory, Risk Management	Nil
6.	Mr. Mukesh Shankerlal Chowdhary	Non-Executive Independent Director	Corporate Advisory, Strategic Management & Corporate Governance	Nil

Note: The Nomination & Remuneration Committee of the Board undertakes the process of due diligence and evaluates every year whether the members of the Board adhere to the 'fit and proper' criteria and the adherence to the 'fit and proper' criteria by the members of the NRC is evaluated by the Board of Directors annually and at the time of appointment of Directors.

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, 2019	No. of convertible instruments held as on March 31, 2019
1	Mr. Shantilal Mehta	-	NA
2	Mr. Dineshchandra Mangaldas Shah	-	
3	Mr. Mukesh Shankerlal Chowdhary	-	

Corporate Governance Report

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

At the time of appointment of an Independent Director, a formal letter of appointment is offered to him / her, which inter-alia explains the role, functions, duties and responsibilities expected from him / her as a Director of the Company. All our Directors are aware and also updated, whenever required, of their role, responsibilities, liabilities and obligations under the provisions of the Companies Act, 2013 and Rules made thereunder and regulation 25 of the Listing Regulations.

Independent directors' Familiarisation programme is posted on the website of the Company at following web link: <http://www.arfin.co.in/policies-disclosures.html>

h. Confirmation by the Board on Fulfillment of Independence of the Independent Director

The Board also hereby confirms that all the independent Directors of company fulfill all the conditions specified in the LODR Regulations, 2015 and are Independent of the Management.

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

Corporate Governance Report

omnibus approvals subject to fulfillment of certain conditions, valuation of undertakings or assets of the company wherever it is necessary, evaluation of internal financial controls and risk management systems.

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

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

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

b. Composition of Audit Committee

As at March 31, 2019, the following directors were members of the audit committee:

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

All members of the audit committee have the requisite qualification for appointment on the committee and possess sound knowledge of finance, accounting practices and internal controls. Ms. Hetal Koradia, company secretary & compliance officer acts as secretary of the committee effective from May 27, 2019.

c. Meetings & Attendance

During the financial year ended on March 31, 2019, the committee met four times on (i) May 18, 2018 (ii) August 10, 2018 (iii) November 14, 2018 and (iv) February 13, 2019. All the committee members attended the meetings held during their tenure.

d. Invitees at the Audit Committee Meetings:

The Statutory Auditors are regularly invited and they have attended all the Audit Committee meetings held during the financial year where the financial results are considered. The Cost Auditor attends the Audit Committee meeting, where the Cost Audit Report is tabled for discussion. The Managing Director, Chief Financial Officer and Management Auditor are also invited to attend and participate in these meetings. The Company continues to derive benefits from the deliberations of the Audit committee meetings as the members are experienced in the areas of finance, accounts, taxation, corporate laws and industry. It ensures accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

4. Nomination & Remuneration Committee

a. Brief Description of Terms of Reference

In compliance with the provisions of Section

Corporate Governance Report

178 of the Companies Act, 2013 and regulation 19 of the Listing Regulations, the Board has constituted a Nomination and Remuneration Committee (NRC). The Terms of reference of the NRC are specified in clause A of Part D of Schedule II of the Listing Regulations which are mentioned hereunder:

The functions of Nomination and Remuneration Committee, inter-alia, include the following:

- To identify the persons, who are qualified to become directors of the Company or who may be appointed in Senior Management in accordance with criteria laid down.
- To recommend to the Board, appointment and removal of the Director(s) and evaluation of each Director's performance.
- To formulate criteria for determining qualifications, positive attributes and independence of directors.
- To review on annual basis the compensation to the Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel and recommend to the Board the remuneration and incentive payable to each of them.
- Ensure that level and composition of remuneration is reasonable and sufficient, its relationship with performance is clear and meets appropriate performance benchmarks; and
- To develop and review the succession plan for the Board.

b. Composition of the Committee

As at March 31, 2019, the following directors were members of the nomination and remuneration committee:

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

Ms. Hetal Koradia, company secretary & compliance officer acts as secretary of the committee effective from May 27, 2019.

c. Meetings & Attendance

During the financial year ended on March 31, 2019, one committee meeting was held on July 30, 2018. All the committee members attended the said meeting.

d. Performance Evaluation Criteria of Independent Directors

The performance evaluation criteria of the independent directors are determined by the nomination and remuneration committee.

An indicative list of the factors that may be evaluated includes participation and contribution by the director, commitment, effective deployment of knowledge, expertise of their field, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgment.

Corporate Governance Report

5. Remuneration of Directors

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

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

c. Disclosure of Remuneration

The amount of remuneration paid to the directors of the company during the financial year ended on March 31, 2019 is as follows:

Amount in ₹

Particulars of remuneration	Whole time director	Managing director	Executive director
	Mr. Mahendra R. Shah	Mr. Jatin M. Shah	Mrs. Pushpa M. Shah
Gross salary	12,00,000	12,00,000	6,00,000
Ad hoc allowance	86,56,000	86,56,000	43,28,000
Contribution of employer to the provident fund	1,44,000	1,44,000	72,000
Total	1,00,00,000	1,00,00,000	50,00,000

Amount in ₹

Non- executive directors	Mr. Shantilal Mehta	Mr. Dineshchandra Mangaldas Shah	Mr. Mukesh Shankerlal Chowdhary	Total
Sitting fee paid	40,000	60,000	60,000	1,60,000

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

a. Brief Description of Terms of Reference

The stakeholder relationship committee is constituted in line with the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Act.

The functions of Stakeholders Relationship Committee, inter-alia, include the following:

- Consider and resolve the grievances of the Stakeholders including complaints related to transfer / transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, general meeting notices etc. and issue of New / Duplicate certificates.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

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- Take a note of the unclaimed dividend and equity shares transferred to the Investor Education and Protection Fund (IEPF) pursuant to IEPF Rules.

b. Composition

As on March 31, 2019, followings were the members of the stakeholder's relationship committee / shareholders' / investors' grievance committee:

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

¹ Resigned w.e.f. April 10, 2019

Post resignation of Ms. Kruti Sheth effective from April 10, 2019 and appointment of Ms. Hetal Koradia effective from May 27, 2019, Ms. Hetal Koradia has been designated as a member of the committee.

c. Status of Complaints

There was no pending investor complaint at the beginning of the financial year. However, two investor complaints received during the quarter ended on December 31, 2018 were resolved before closure of financial year 2018-19. Accordingly, there remains no investor complaint unresolved as on March 31, 2019.

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
2017-18 26 th AGM	Gujarat Chamber of Commerce Hall, Opp. H. K. College, Ashram Road, Ahmedabad – 380009, Gujarat, India	Monday, September 24, 2018	10:30 am	4
2016-17 25 th AGM	Alishan, Courtyard by Marriott, Ramdev Nagar Cross Road, Satellite Road, Ahmedabad – 380015, Gujarat, India.	Sunday, September 10, 2017	12:00 noon	3
2015-16 24 th AGM	Regency Ballroom, Hyatt Regency, 17A, Ashram Road, Usmanpura, Ahmedabad – 380014, Gujarat, India.	Saturday, September 10, 2016	12:00 noon	2

b. Whether any Special Resolution(s) passed in the previous three annual general meetings:

Yes, details as per point a. above

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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 for the resolution(s) passed vide postal ballot during the year. The brief particulars of resolution(s) passed by way of postal ballot during the year are given herein below:

Sr. No.	Brief particulars of special resolution	Postal ballot notice date	Voting period	Date of passing of resolution
1	Issue of Bonus Shares	September 29, 2018	October 3, 2018 to November 1, 2018	November 1, 2018

The above resolution was duly passed with the requisite majority. The details of voting pattern are given herein below:

1. Issue of bonus shares

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

Category of shareholder	Mode of voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
		(1)	(2)	(3) = $[(2)/(1)] * 100$	(4)	(5)	(6) = $[(4)/(2)] * 100$	(7) = $[(5)/(2)] * 100$
Promoter and promoter group	E-voting	98,14,755	98,14,755	100.00	98,14,755	-	100.00	-
	Poll		-	-	-	-	-	-
	Postal ballot		-	-	-	-	-	-
	Sub-total		98,14,755	100.00	98,14,755	-	100.00	-
Public – institutions	E-voting		-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal ballot		-	-	-	-	-	-
	Sub-total		-	-	-	-	-	-
Public – non institutions	E-voting	34,28,916	18,78,788	54.79	18,78,788	-	100.00	-
	Poll		-	-	-	-	-	-
	Postal ballot		1,258	0.04	1,258	-	-	-
	Sub-total		18,80,046	54.83	18,80,046	-	100.00	-
Grand total		1,32,43,671	1,16,94,801	88.31	1,16,94,801	-	100.00	-

(Zero invalid vote)

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d. Person who conducted the Postal Ballot exercise

Please refer Point c. above.

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

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

f. Procedure for Postal Ballot

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

8. Means of Communication

The annual, half yearly and quarterly results are submitted to the stock exchange(s) in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same are normally published in “The Economic Times” all India publications or “Business Standard” or such other newspaper publications as decided. Management discussion and analysis report forms part of the annual report of the company. All vital information relating to the company viz. report on corporate governance, financial results, shareholding pattern, stock exchange submissions etc. are simultaneously posted on company’s website viz. www.arfin.co.in.

Further, financial results, shareholding pattern, quarterly corporate governance report, corporate announcements etc. are also being uploaded on the 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 also being uploaded on the website of the company.

Designated exclusive email-ids:

The Company has designated the following email-ids exclusively for investor servicing:

- (i) For Investor Grievances and Queries:- investors@arfin.co.in, cs@arfin.co.in
- (ii) For queries related to financial statement:- vijay.lathi@arfin.co.in, info@arfin.co.in

9. General Shareholders Information

a. Annual General Meeting

Date : Sunday, September 29, 2019
Time : 10:00 a.m.
Venue : Gujarat Chamber of Commerce Hall, Opp. H. K. College, Ashram Road, Ahmedabad- 380009, Gujarat, India
Book Closure Date : Tuesday, September 24, 2019

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b. Financial Year / Calendar

(a)	First quarter results	Within 45 days from the closure of quarter ended on June 30, 2019
(b)	Second quarter results	Within 45 days from the closure of quarter and half year ending on September 30, 2019
(c)	Third quarter results	Within 45 days from the closure of quarter and nine months ending on December 31, 2019
(d)	Results for the financial year	Within 60 days from the closure of quarter / financial year ending on March 31, 2020

c. Dividend Payment Date

The board of directors of the company has not recommended any dividend for the financial year ended on March 31, 2019.

d. Listing on Stock Exchanges

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

ISIN: INE784R01015

The listing fee has been duly and timely paid to the Stock Exchanges for the financial year under report. The application made by the company during the financial year 2016-17 with the Calcutta Stock Exchange for delisting of its equity shares is pending with the Calcutta Stock Exchange Limited for its approval.

The Company has also forwarded copy of application of delisting of equity shares from the Calcutta Stock Exchange to the Securities & Exchange Board of India (SEBI) for taking necessary action(s) for immediate resolution of pending matter.

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e. Stock (Scrip) Code

Please refer Point d. above

f. Market Price Data

Month(s)	Price of equity shares of the company at BSE		
	High (₹)	Low (₹)	Volume (No. of Shares)
April 2018	518.00	406.00	22,227
May 2018	474.00	352.90	22,202
June 2018	368.00	305.00	22,689
July 2018	347.00	312.60	9,620
August 2018	360.00	212.15	69,700
September 2018	260.00	190.00	2,80,044
October 2018	270.00	195.00	18,783
November 2018	300.00	213.00	83,840
December 2018	270.00	172.20	2,83,865
January 2019	266.85	189.10	1,56,422
February 2019	211.80	150.05	26,155
March 2019	238.00	161.05	4,44,097

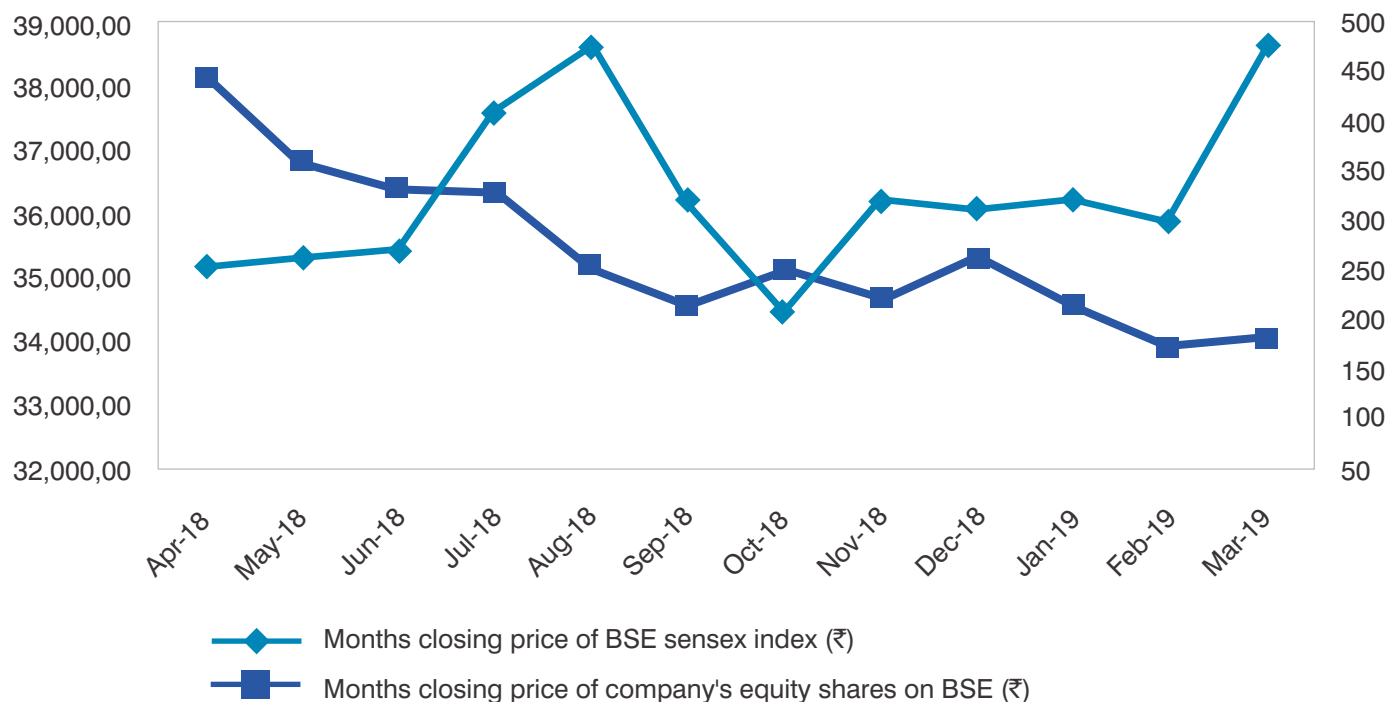
(Source: Bombay Stock Exchange Portal)

g. Performance in Comparison to Broad - Based Indices

Month(s)	Months closing price of BSE sensx index (₹)	% increase / (decrease) in compare to previous month	Month closing prices of company's equity shares on BSE (₹)	% increase / (decrease) in compare to previous month
April 2018	35,160.36	6.65	444.05	(4.71)
May 2018	35,322.38	0.46	360.00	(18.93)
June 2018	35,423.48	0.29	330.15	(8.29)
July 2018	37,606.58	6.16	329.05	(0.33)
August 2018	38,645.07	2.76	253.10	(23.08)
September 2018	36,227.14	(6.26)	212.75	(15.94)
October 2018	34,442.05	(4.93)	250.05	17.53
November 2018	36,194.30	5.09	217.70	(12.94)
December 2018	36,068.33	(0.35)	261.00	19.89
January 2019	36,256.69	0.52	212.90	(18.43)
February 2019	35,867.44	(1.07)	170.15	(20.08)
March 2019	38,672.91	7.82	179.75	5.64

(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

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

Registered office

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

Ahmedabad office

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

Corporate Governance Report

j. Share Transfer System

All work related to Share Registry, both in physical form and electronic form, is handled by the Company's Registrar and Share Transfer Agent. The Company has appointed M/s. MCS Share Transfer Agent Limited as the Registrar & Share Transfer Agent.

k. Dematerialization of Shares

As per notifications issued by the Securities and Exchange Board of India (SEBI), the trading in Company's shares is permitted only in dematerialized form. Share transfers in physical form are processed and returned to the shareholders in the normal course and requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects. In terms of requirements to amendments to Regulation 40 of the SEBI LODR w.e.f. April 1, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the dematerialized form with a depository.

l. Distribution of Shareholding as at March 31, 2019

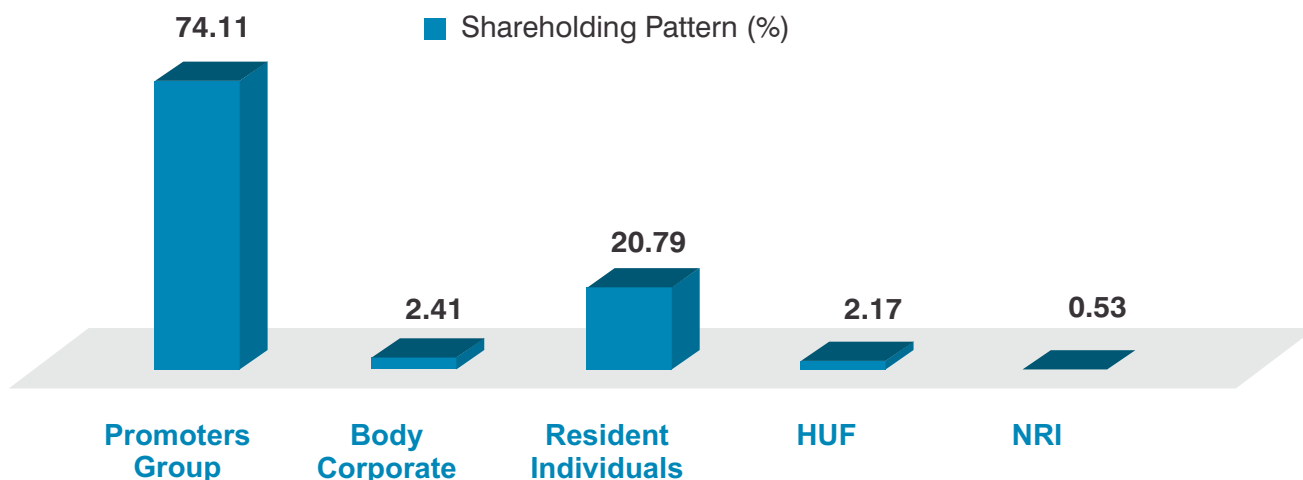
No. of equity shares held	No. of shareholders	% of shareholders	No. of equity shares held	% of shareholding
Upto 500	1,546	82.41	1,30,997	0.82
501 To 1,000	115	6.13	83,972	0.53
1,001 To 2,000	69	3.68	98,251	0.62
2,001 To 3,000	27	1.44	69,382	0.44
3,001 To 4,000	21	1.12	74,656	0.47
4,001 To 5,000	13	0.69	60,018	0.38
5,001 To 10,000	25	1.33	1,78,465	1.12
10,001 and above	60	3.20	1,51,96,664	95.62
Total	1,876	100.00	1,58,92,405	100.00

Category of Shareholders as at March 31, 2019

Category	No. of shareholders	% of shareholders	No. of equity shares held	% of shareholding
A. Promoter & promoter group	10	0.53	1,17,77,702	74.11
B. Public shareholding				
(a) Bodies corporate	44	2.35	3,82,694	2.41
(b) Resident individuals	1,705	90.94	33,03,444	20.79
(c) HUF	91	4.85	3,44,666	2.17
(d) NRI	25	1.33	83,899	0.53
Others				
Clearing members	-	-	-	-
Total	1,875	100.00	1,58,92,405	100.00

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Shareholding Pattern as on March 31, 2019



m. Break up of Shares in physical & demat form as at March 31, 2019

Particulars	No. of equity shares	% of shares
Physical segment	2,80,948	1.77
Demat segment		
• CDSL	1,42,87,510	89.90
• NSDL	13,23,947	8.33
Total	1,58,92,405	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).

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

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

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

The Company considers exposure to commodity price fluctuations to be an integral part of its business and its usual policy is to sell its products at prevailing market prices and not to enter into price heading arrangements. The Company's reputation for quality, products differentiation and service, coupled with existence of brand image with marketing network mitigates the impact of price risk on finished goods.

Your Company continues to watch the Market situation closely and continues to focus on mitigating the inflationary impact through "Commodity Risk Management" and other cost reduction measures. Hedging of Commodities as a part of "Commodity Risk Management" as well as Foreign Exchange and Commodity

Corporate Governance Report

prices risks are being governed in accordance with the measures as approved by the Board of Directors of your Company.

The aim of the company's approach to manage currency risk is to leave the company with the no material residual risk.

p. Plant Location

Chhatral Plant	Vadaswami Plant
118/1,2,3, 4 & 117/P-3,6,7, Ravi Industrial Estate, Behind Hotel Prestige, Billeshwarpura, Taluka – Kalol, District – Gandhinagar, Chhatral – 382729, Gujarat, India.	Survey No. 238, B/h Bhagwati Glass, Vadaswami, Taluka – Kalol, District – Gandhinagar – 382729, Gujarat, India.
	Dhanot Plant
	New Block No. 132/P, (Old Block No. 75), Old Survey No. 77,78,79, Ahmedabad Mehsana Highway, Village: Dhanot, Taluka: Kalol, District – Gandhinagar, Gujarat, India.

q. Address of Correspondence

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

* Appointed w.e.f. May 27, 2019

r. Credit Rating

The Company has CARE BBB+ and CARE A2 rating for the long-term bank facilities and short-term bank facilities as at March 31, 2019 respectively.

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10. Others Disclosures

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

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

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

Other than the penalty of ₹ 20,000/- for delay of 1 day in getting trading approval from the Bombay Stock Exchange Ltd. for the bonus shares issued during the financial year 2017-18, there were no instances of any non-compliance by the company or any other penalties or strictures imposed upon it by any of the exchange(s) or the board or any other statutory authority, on any matter related to capital markets, during the last three years.

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

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

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

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

The board periodically reviewed the compliance of all the applicable laws and the 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, to the extent applicable.

The status of compliance with discretionary recommendations of Regulation 27 of the Listing Regulations are provided below:

1. Shareholder's Right: As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

2. Modified Opinion in Auditors Report: The Company's financial statement for the financial year 2018-19 does not contain any modified audit opinion.

Corporate Governance Report

- 3. Separate posts of Chairman and Managing Director:** The position of the Chairman is held by Mr. Mahendra R. Shah and of the Managing Director is held by Mr. Jatin M. Shah.
- 4. Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.
- 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.
- h. During the year under review, there were no preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of the Listing Regulations.**
- i. Certificate from Company Secretary in Practice:**
M/s. Kamlesh M. Shah & Co, practicing company secretaries, has issued a certificate as required under the listing regulations, confirming that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or such statutory authority. The certificate is enclosed with this section as **Annexure – A**.
- j. All the recommendations, if any, of the various committees were accepted by the Board.**
- k. During the year, details of fees paid / payable to the Statutory Auditors and all entities in the network firm / network entity of which the Statutory Auditor is a part, by the Company and its subsidiaries, are given below:**

Particulars	₹ In Lakhs*
Statutory audit fees	1.00
Tax audit fees	0.35
Other services	0.50
Total Payment	1.85

*The above fees are exclusive of applicable tax.

- l. Disclosure in relation to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**
The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC). The Company has in place an Anti-Sexual Harassment Policy in line with the

Corporate Governance Report

requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same is available on the Company's website at following web link: <http://arfin.co.in/pdf/policies/prevention-of-sexual-harassment-policy.pdf>

Status of Complaints as on March 31, 2019:

Sr. No.	Particulars	Number of Complaints
1	Number of complaints filed during the financial year	Nil
2	Number of complaints disposed off during the financial year	N.A.
3	Number of complaints pending at the end of the financial year	N.A.

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 the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (listing regulations) for the financial year ended on March 31, 2019, to the extent applicable.

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

The board of directors has adopted a code of conduct & policy for the directors and senior management personnel. This code is a comprehensive code applicable to all executives as well as non-executive directors and members of the senior management. A copy of the code has been hosted on the company's website at web link: <http://www.arfin.co.in/code-conduct.html>.

The code has been circulated to all the members of the board and senior management personnel and compliance of the same has been affirmed by them. A declaration signed by the managing director in this regard is given below:

"I hereby confirm that the company has obtained from all the members of the board and senior management personnel of the company, affirmation(s) that they have complied with the code of ethics

Corporate Governance Report

and business conduct framed for directors and senior management personnel in respect to the financial year ended on March 31, 2019.”

For Arfin India Limited

Place: Ahmedabad
Date: August 09, 2019

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

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

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

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

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

For and on Behalf of the Board of Directors

Place: Ahmedabad
Date: August 09, 2019

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

Corporate Governance Report

ANNEXURE-A

Certificate of Non-Disqualification of Directors

(As per clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations)

To,
Members,
Arfin India Limited,
Ahmedabad-09, Gujarat

I / We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Arfin India Limited bearing CIN: L65990GJ1992PLC017460 and having its registered office at B 302, 3rd Floor, Pelican House, Nr. Natraj Cinema, Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad – 380009, Gujarat, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	DIN Status	Date of Appointment
1	Mahendra R. Shah	00182746	Approved	30/09/1998
2	Jatin M. Shah	00182683	Approved	12/06/2012
3	Pushpaben M. Shah	00182754	Approved	05/11/2015
4	Mukesh Shankerlal Chowdhary	00025877	Approved	09/11/2017
5	Dineshchandra Mangaldas Shah	02479309	Approved	20/09/2017
6	Shanti Lal Mehta	06459451	Approved	05/11/2015

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

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

Kamlesh M. Shah
(Proprietor)

(ACS: 8356, COP: 2072)

Place: Ahmedabad
Date: August 09, 2019

Corporate Governance Report

CERTIFICATE BY MD & CFO

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, 2019 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 09, 2019

Vijay Lathi
(Chief Financial Officer)

Independent Auditors' Report

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

Opinion

We have audited the accompanying Ind AS financial statements of Arfin India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its Profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the

Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other Than the Financial Statements and Auditors Report Thereon

The company's board of directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our Auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind As financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated, if, based on work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Independent Auditors' Report

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's

financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3), we are also responsible for expressing our opinion on whether the Company has adequate internal

Independent Auditors' Report

financial controls system in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we

identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the "**Annexure – 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

Independent Auditors' Report

- (c) The Balance Sheet, Statement of Profit and Loss including other comprehensive income and the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019, from being appointed as a Director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure – 2**” to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; and

- (h) With respect to the other matters to be

included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 35 to the financial statements.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses, if any.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Sanjay Bajoria & Associates,

Chartered Accountants
Firm Registration No.: 117443W

Kalpesh R. Shah

(Partner)
(Membership No.: 103301)

Place: Ahmedabad

Date: May 27, 2019

Independent Auditors' Report

Annexure 1 to the Independent Auditors' Report

Referred to in Paragraph 1 of report on Legal & Regulatory Requirements of our report of even date to the members of **Arfin India Limited** on the Financial Statements for the year ended on **March 31, 2019**

- 1 In respect of Fixed Assets:
 - a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) As explained to us, the fixed assets have been physically verified by the management during the year according to a phased program designed by the Company to cover all the items, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, fixed assets have been physically verified by the management during the year and according to the information and explanations given to us, no material discrepancies have been noticed on such verification;
 - c) The title deeds of immovable properties other than self-constructed immovable properties, as disclosed in fixed assets 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 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 3(iii) of the aforesaid Order, in our opinion, are not applicable to the Company.
- 4 In our opinion and according to the information and explanations given to us, the Company has not granted any loans or given any guarantee or provided any security or made any investment to any parties covered under Section 185 of the Act. The Company has not advanced any loans or given guarantees or provided any security or made investments pursuant to the provisions of Section 186 of the Act and hence not commented upon.
- 5 In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and Rules framed there under, with regard to the deposits accepted from the public are not applicable to the Company.
- 6 We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules prescribed by the Central Government for maintenance of cost records under Sub-Section (1) of Section 148 of the Companies Act, 2013 for the business activities carried out by the Company, and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination for the same with a view to determine whether they are accurate or

Independent Auditors' Report

- complete.
- 7 In respect of Statutory Dues:
- (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, GST, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues, if any. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty etc. were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, GST, service tax, value added tax, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- 8 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to any banks or financial institutions or government. The Company has not issued any Debentures.
- 9 To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). However, term loans obtained were prima facie, applied by the Company during the year for the purpose for which they were raised.
- 10 To the best of our knowledge and belief, during the course of our examination of the books and records of the Company, carried out with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across of any instances of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year nor we have been informed of any such case by the management.
- 11 To the best of our knowledge and belief and according to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 12 As the Company is not Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- 13 To the best of our knowledge and belief and according to the information and explanations given to us, all the transactions with related parties are in compliance with the provisions of Section 177 and Section 188 of the Act, wherever applicable. The details of related party transactions have been disclosed in the Financial Statements, as required under "Related Party Disclosures".
- 14 To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

Independent Auditors' Report

- 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 Sanjay Bajoria & Associates,

Chartered Accountants

Firm Registration No.: 117443W

Kalpesh R. Shah

(Partner)

(Membership No.: 103301)

Place: Ahmedabad

Date: May 27, 2019

Independent Auditors' Report

Annexure 2 to the Independent Auditor's Report

Referred to in Paragraph 2 of report on legal and regulatory requirements of our report of even date to the members of **Arfin India Limited** on the Financial Statements for the year ended on **March 31, 2019**

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

We have audited the Internal Financial Controls over financial reporting of **Arfin India Limited** ("the Company") as on March 31, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting based on our audit. We conducted our

audit in accordance with the Guidance Note on Audit of Internal Financial Controls over financial reporting and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India (ICAI). Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing 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.

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

Meaning of Internal Financial Control Systems over Financial Reporting

A Company's Internal Financial Control Systems over financial reporting is a process designed to provide reasonable assurance regarding the

Independent Auditors' Report

reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's Internal Financial Control Systems over financial reporting includes those policies and procedures that;

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

Inherent Limitations of Internal Financial Control Systems over Financial Reporting

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

deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate Internal Financial Control Systems over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at March 31, 2019, 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 Sanjay Bajoria & Associates,

Chartered Accountants

Firm Registration No.: 117443W

Kalpesh R. Shah

(Partner)

(Membership No.: 103301)

Place: Ahmedabad

Date: May 27, 2019

IC EARNINGS BY REGION

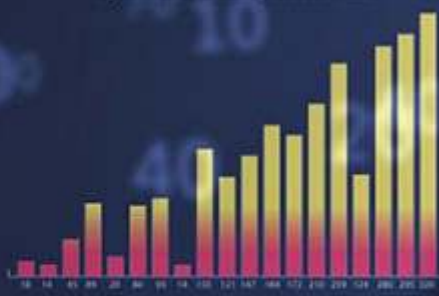


Distribution of market share among the major industry players



Distribution of market share among the major industry players: B & C and B&T was 74% and 20% percent respectively. A further change in the economic situation in the market will be characterized by a more equal distribution of market share among players.

Projected sales of main products in 2013



Projected sales of main products in 2013



Share of market activity



Changes in the activity of the active and passive market is uncertain. Established positive trends in various market segments.

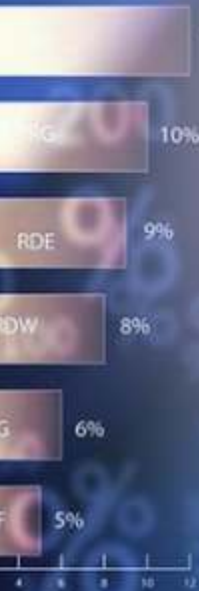
Passive market share



Distribution marketing participation in the securities market.



Distribution of the securities market key players



FRT division				
	254	274	154	415
	320	754	273	825
	330	144	364	954
	550	874	657	125
	124	752	741	759
	954	241	741	345

FINANCIAL

Statements and Notes

Balance Sheet As At March 31, 2019

₹ In Lakhs

Particulars	Note No.	As At March 31, 2019	As At March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	3,821.35	3,047.44
(b) Capital Work-In-Progress	3	1,722.97	970.04
(c) Intangible Assets		0.00	0.00
(d) Financial Assets			
(i) Investments	4	472.52	442.10
(ii) Loans	5	74.22	51.05
(iii) Others	6	41.30	41.30
(e) Other Non-Current Assets	7	106.50	20.06
		6,238.86	4,571.99
CURRENT ASSETS			
(a) Inventories	8	10,295.09	8,032.66
(b) Financial Assets			
(i) Trade Receivables	9	4,987.00	7,594.23
(ii) Cash and Cash Equivalents	10	16.02	25.93
(iii) Bank Balances other than (ii) above	11	302.86	336.24
(iv) Loans	12	69.28	266.39
(v) Others Current Financial Assets	13	1.71	1.34
(c) Other Current Assets	14	514.51	436.56
		16,186.47	16,693.35
		22,425.33	21,265.34
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	15	1,589.24	1,324.37
(b) Other Equity	16	7,033.29	6,939.05
		8,622.53	8,263.41
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17	1,062.63	1,096.85
(ii) Other Financial Liabilities	18	0.00	0.00
(b) Provisions	19	27.42	15.37
(c) Deferred Tax Liabilities (Net)	20	289.34	225.80
		1,379.39	1,338.02
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	21	10,088.24	8,245.24
(ii) Trade Payables	22	1,864.20	2,167.93
(iii) Other Financial Liabilities	23	280.95	215.92
(b) Other Current Liabilities	24	19.78	49.74
(c) Provisions	25	170.24	985.08
		12,423.41	11,663.91
		22,425.33	21,265.34
TOTAL EQUITY AND LIABILITIES			

Balance Sheet As At March 31, 2019

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

The accompanying notes 1 to 48 are integral parts of the Financial Statements.
As per our Report of even date attached

For Sanjay Bajoria & Associates,
Chartered Accountants
Firm Registration No.: 117443W

For & on Behalf of Board of Directors

Kalpesh R. Shah
(Partner)
(Membership No.: 103301)

Mahendra R. Shah
(Chairman)

Jatin M. Shah
(Managing Director)

Place: Ahmedabad
Date: May 27, 2019

Hetal Koradia
(Company Secretary)

Vijay Lathi
(Chief Financial Officer)

Statement of Profit and Loss for the Year Ended March 31, 2019

₹ In Lakhs

Particulars		Note No.	As At March 31, 2019	As At March 31, 2018
I	Revenue From Operations	26	41,288.05	47,748.30
II	Other Income	27	56.44	76.17
III	Total Income (I+II)		41,344.49	47,824.48
IV	Expenses			
	Cost of Materials Consumed	28	35,434.53	37,788.79
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	29	(1,977.45)	(177.20)
	Excise Duty on Sales		0.00	1,127.58
	Employee Benefits Expense	30	771.15	603.98
	Finance Costs	31	1,178.52	1,014.22
	Depreciation and Amortization Expense	3	203.86	156.13
	Other Expenses	32	4,739.38	3,944.01
	Total Expenses (IV)		40,350.00	44,457.51
V	Profit / (Loss) Before Exceptional Items and Tax (III-IV)		994.49	3,366.97
VI	Exceptional Items		0.00	0.00
VII	Profit / (Loss) Before Tax (V-VI)		994.49	3,366.97
VIII	Tax Expense:			
	(1) Current Tax	33	285.69	1,174.49
	(2) Deferred Tax	20	52.64	22.42
IX	Profit / (Loss) For the Period (VII-VIII)		656.16	2,170.06
X	Other Comprehensive Income			
	A (i) Items that will not be Reclassified to Profit or Loss		2.24	(1.10)
	(ii) Income tax relating to items that will not be Reclassified to Profit or Loss		(0.75)	0.38
	B (i) Items that will be Reclassified to Profit or Loss		30.41	27.28
	(ii) Income tax relating to items that will be Reclassified to Profit or Loss		(10.15)	(9.44)
XI	Total Comprehensive Income for the Period (IX+X) (Comprising Profit / (Loss) and Other Comprehensive Income for the Period)		677.91	2,187.18
XII	Earnings per Equity Share	34		
	(1) Basic (₹)		4.61	29.98
	(2) Diluted (₹)		4.61	29.98

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

The accompanying notes 1 to 48 are integral parts of the Financial Statements.
As per our Report of even date attached

For Sanjay Bajoria & Associates,
Chartered Accountants
Firm Registration No.: 117443W

Kalpesh R. Shah
(Partner)
(Membership No.: 103301)

Place: Ahmedabad
Date: May 27, 2019

For & on Behalf of Board of Directors

Mahendra R. Shah
(Chairman)

Hetal Koradia
(Company Secretary)

Jatin M. Shah
(Managing Director)

Vijay Lathi
(Chief Financial Officer)

Statement of Changes in Equity for the Period Ended March 31, 2019

A. EQUITY SHARE CAPITAL

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

₹ In Lakhs

Particulars	As At March 31, 2019	As At March 31, 2018
Balance at the Beginning of the Reporting Period	1,324.37	405.12
Add: Bonus Shares Issued During the Year in the Ratio of 1:5 i.e. 1 Bonus Equity Share Issued for Each 5 Existing Equity Shares held (Previous Year Bonus Shares Issued in the Ratio of 2:1)	264.87	810.23
Add: Issued to the Shareholders of MALCO on Account of Amalgamation	0.00	109.02
Balance at the End of the Reporting Period	1,589.24	1,324.37

B. OTHER EQUITY

₹ In Lakhs

Particulars	Capital Reserve	Securities Premium Reserve	General Reserves	Surplus in Profit & Loss Statement	Other Comprehensive Income	Total
Balance at the Beginning of the Reporting Period April 01, 2018	603.11	2,148.36	315.00	3,853.00	19.57	6,939.05
Profit for the Year	0.00	0.00	0.00	656.16	0.00	656.16
Fair Valuation of Debt Instrument	0.00	0.00	0.00	0.00	20.26	20.26
Re-measurement Gains / (Losses) on Employee Benefits	0.00	0.00	0.00	0.00	1.49	1.49
Dividend Payment	0.00	0.00	0.00	(264.87)	0.00	(264.87)
Tax on Dividend Payment	0.00	0.00	0.00	(53.92)	0.00	(53.92)
Transfer to General Reserve	0.00	0.00	0.00	(50.00)	0.00	(50.00)
Transfer from Retained Earnings	0.00	0.00	50.00	0.00	0.00	50.00
Used for Issue of Bonus Shares	0.00	0.00	0.00	(264.87)	0.00	(264.87)
Balance at the End of the Reporting Period March 31, 2019	603.11	2,148.36	365.00	3,875.49	41.33	7,033.29

Statement of Changes in Equity for the Period Ended March 31, 2019

B. OTHER EQUITY

₹ In Lakhs

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

As per our Report of even date attached

For Sanjay Bajoria & Associates,
Chartered Accountants
Firm Registration No.: 117443W

Kalpesh R. Shah
(Partner)
(Membership No.: 103301)

Place: Ahmedabad
Date: May 27, 2019

For & on Behalf of Board of Directors

Mahendra R. Shah
(Chairman)

Hetal Koradia
(Company Secretary)

Jatin M. Shah
(Managing Director)

Vijay Lathi
(Chief Financial Officer)

Cash Flow Statement for the Year Ended March 31, 2019

₹ In Lakhs

Particulars	As At March 31, 2019	As At March 31, 2018
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	994.49	3,366.97
Adjustments for:		
Depreciation and Amortization	203.86	156.13
Interest and Finance Charges	1,178.52	1,014.22
Interest income	(20.90)	(42.66)
(Gain) / Loss on Fixed Assets Sold / Discarded (Net)	10.21	10.59
Others	0.00	0.00
Operating Profit Before Working Capital Changes	2,366.18	4,505.25
Adjustments for Changes in Working Capital:		
(Increase) / Decrease in Trade Receivables, Loans & Advances and Other Assets	2,726.03	(2,363.27)
(Increase) / Decrease in Inventories	(2,262.44)	(895.30)
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	(303.30)	(1,460.25)
Increase / (Decrease) Other Non-Current Assets	(109.61)	(50.33)
Increase / (Decrease) Other Non-Current Liabilities	14.29	9.46
Cash Generated From Operations	2,431.14	(254.44)
Income Taxes Paid	1,114.23	755.61
Net Cashflow From Operating Activities	1,316.91	(1,010.05)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(996.35)	(1,123.22)
Additions in Capital Work-in-Progress	(752.93)	(935.48)
Proceeds From Sale of Fixed Assets	8.36	31.76
Purchase of Non-Current Investments	0.00	0.00
Investments in Bank Deposits (with Original Maturity over 3 Months)	33.38	(34.39)
Interest Received	20.90	42.66
Net Cash Flow From Investing Activities	(1,686.64)	(2,018.67)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Share Capital & Capital Reserve*	0.00	685.76
Proceeds / (Repayment) from Long Term Borrowings	0.93	724.30
Proceeds / (Repayment) from Short Term Borrowings	1,842.99	2,643.64
Payment of Dividend & Dividend Tax thereon	(318.80)	(97.52)
Interest and Finance Charges	(1,165.32)	(929.22)
Net Cashflow from Financing Activities	359.81	3,026.96
Net Increase / (Decrease) in Cash and Cash Equivalents	(9.92)	(1.76)
Cash and Bank Balances at the Beginning of the Year	25.93	27.70
Cash and Bank Balances at the End of the Year	16.02	25.93

* It includes issue of shares to shareholders of MALCO and Capital Reserve created due to the Scheme of Amalgamation during the financial year 2017-18. (Refer Note No. 38)

Cash Flow Statement for the Year Ended March 31, 2019

NOTES:

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

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

DETAIL OF CASH AND CASH EQUIVALENTS

₹ In Lakhs

Particulars	As At March 31, 2019	As At March 31, 2018
Balances with Banks		
In Current Accounts	2.75	4.07
In Deposits with Original Maturity of Less than 3 Months	0.00	0.00
Cash on Hand	13.27	21.86
Cheque on Hand	0.00	0.00
Total	16.02	25.93

As per our Report of even date attached

For Sanjay Bajoria & Associates,

Chartered Accountants

Firm Registration No.: 117443W

Kalpesh R. Shah

(Partner)

(Membership No.: 103301)

Place: Ahmedabad

Date: May 27, 2019

For & on Behalf of Board of Directors

Mahendra R. Shah

(Chairman)

Hetal Koradia

(Company Secretary)

Jatin M. Shah

(Managing Director)

Vijay Lathi

(Chief Financial Officer)

Notes Forming Part of the Financial Statements

Note-1 Company Overview and Significant Accounting Policies

1. Corporate Information

Arfin India Limited (the “Company”) is a public Company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and the Calcutta Stock Exchange Limited. The registered office of the Company is located at B-302, 3rd Floor, Pelican House, Near Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad - 380009, Gujarat, India.

The Company is engaged in the business of manufacturing, trading and selling of various non-ferrous metal products and its manufacturing facilities are located at Chhatral, Dhanot and Vadaswami in the State of Gujarat. The Company caters to both domestic as well as international markets.

The Hon’ble National Company Law Tribunal, Ahmedabad Bench (“NCLT”) vide its order dated February 22, 2018 has approved the Scheme of Amalgamation of Mahendra Aluminium Company Limited (“MALCO”) with Arfin India Limited (“the Company”). Appointed date for the scheme is April 1, 2017. Accordingly books of both the above Companies have been merged for preparing financial statements for the financial year 2017-18.

2.1 Basis of Preparation of Financial Statements

Compliance with Ind AS

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

The financial statements for the financial year ended March 31, 2019 have been approved by the Board of Directors of the Company in its meeting held on May 27, 2019.

Historical Cost Convention

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

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

Current and Non-Current Classification

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

Rounding of Amounts

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

Notes Forming Part of the Financial Statements

2.2 Use of Estimates

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known / materialized. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

2.3 Property, Plant & Equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, less depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and other cost directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

Notes Forming Part of the Financial Statements

Capital Work in Progress and Capital Advances

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

2.4 Intangible Assets

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

Amortization method and useful life

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

2.5 Inventories

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

2.6 Financial Instrument

(i) Initial Recognition and Measurement

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

(ii) Subsequent Measurement

A. Non-Derivative Financial Instrument

(a) Financial Assets Carried at Amortized Cost

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

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

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

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

Notes Forming Part of the Financial Statements

election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

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

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

(d) Financial Liabilities

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

B. Derivative Financial Instruments

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

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

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

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

C. De-recognition of Financial Instruments

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

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

2.7 Current versus Non-Current Classification

An asset is considered as current when it is:

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

Notes Forming Part of the Financial Statements

least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is considered as current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

2.8 Measurement of Fair Value

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

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

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

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

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

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

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

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

2.9 Investments and Other Financial Assets Classification

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

Notes Forming Part of the Financial Statements

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

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

Measurement

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

Impairment of Financial Assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

2.10 Revenue Recognition

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

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

Sale of Goods

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

Other Operating Revenue

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

Other Revenue

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

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

Dividend

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

2.11 Foreign Currency Transactions

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

Notes Forming Part of the Financial Statements

presentation currency.

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

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

Exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

2.12 Income Tax

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

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is

Notes Forming Part of the Financial Statements

written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.13 Provisions and Contingent Liabilities

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

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

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

2.14 Employee Benefits

Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Post-Employment Obligations

The Company operates the following post-employment schemes:

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

Gratuity Obligations

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

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

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

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the

Notes Forming Part of the Financial Statements

Balance Sheet.

Gratuity liability of employees is not funded.

Defined Contribution Plans

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

2.15 Borrowing Costs

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

2.16 Earnings per Share

Basic Earnings per Share

Basic earnings per share is calculated by dividing:

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

Diluted Earnings per Share

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

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.17 Impairment of Assets

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

2.18 Leases

As a lessee:

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

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

Notes Forming Part of the Financial Statements

2.19 Government Grants

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

2.20 Business Combinations

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

2.21 Cash and Cash Equivalents

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

2.22 Cash Flow Statement

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

2.23 Share Capital

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

2.24 Cash Dividend

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

Notes Forming Part of the Financial Statements

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

₹ In Lakhs

Particulars	Factory Land	Factory Buildings	Plant & Equipment	Computer	Furniture & Fixtures	Vehicles	Office Equipment	Office Building Pelican House	Total	Capital Work in Progress
COST OF ASSETS										
As at April 01, 2017	137.62	707.14	1317.84	12.98	31.53	175.83	29.17	55.37	2467.48	34.56
Add: Acquired under the Scheme*	95.42	174.86	42.43	3.98	15.77	18.09	3.51	0.00	354.05	0.00
Addition	316.78	1.26	229.93	4.32	0.89	15.67	1.95	244.63	815.45	935.48
Disposal / Adjustments	0.00	0.00	21.86	3.98	0.00	60.19	1.27	0.00	87.30	0.00
As at March 31, 2018	549.83	883.26	1,568.34	17.30	48.19	149.40	33.36	300.00	3,549.68	970.04
Addition	0.89	222.83	606.06	3.00	2.83	147.73	7.75	5.25	996.35	1,080.15
Disposal / Adjustments	0.00	19.46	0.00	0.00	0.00	0.00	0.00	0.00	19.46	327.22
As at March 31, 2019	550.72	1,086.63	2,174.40	20.30	51.03	297.13	41.10	305.25	4,526.57	1,722.97
DEPRECIATION										
As at April 01, 2017	0.00	55.94	192.83	9.31	11.74	45.44	16.84	12.48	344.58	0.00
Add: Acquired under the Scheme*	0.00	17.73	5.84	3.81	7.16	9.85	1.90	0.00	46.28	0.00
Charge For The Year	0.00	28.24	93.53	2.46	4.57	18.31	4.98	4.05	156.14	0.00
Disposal / Adjustments	0.00	0.00	2.77	3.86	0.00	36.94	1.18	0.00	44.76	0.00
As at March 31, 2018	0.00	101.90	289.44	11.71	23.47	36.65	22.54	16.53	502.24	0.00
Charge For The Year	0.00	29.15	123.42	2.84	4.34	34.61	4.65	4.85	203.86	0.00
Disposal / Adjustments	0.00	0.89	0.00	0.00	0.00	0.00	0.00	0.00	0.89	0.00
As at March 31, 2019	0.00	130.16	412.86	14.55	27.81	71.26	27.18	21.38	705.21	0.00
NET BLOCK										
As at March 31, 2019	550.72	956.47	1,761.54	5.75	23.22	225.87	13.92	283.87	3,821.35	1,722.97
As at March 31, 2018	549.83	781.36	1,278.90	5.59	24.72	112.74	10.82	283.47	3,047.44	970.04

* Please refer Note No. 38.

Notes Forming Part of the Financial Statements

4. NON - CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	TRADE INVESTMENT (AT COST) Investment in Equity Instruments	0.00	0.00
		0.00	0.00
II	NON-TRADE INVESTMENT Investment in SBI Corporate Bond Fund (Quoted) (At Fair Value through OCI)	472.52	442.10
	Total	472.52	442.10

4.1 SBI Corporate Bonds are hypothecated to Consortium Secured Working Capital Facilities from State Bank of India, Axis Bank, IDBI Bank and Bank of Baroda.

5. NON - CURRENT FINANCIAL ASSETS - LOANS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED (i) Security Deposits	74.22	51.05
	(ii) Others	0.00	0.00
II	Loans to Employees	0.00	0.00
	Total	74.22	51.05

6. NON - CURRENT FINANCIAL ASSETS - OTHERS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Bank Deposits with Original Maturity Greater than 12 Months	0.00	0.00
II	Balance with Statutory / Government Authority (Refer Note 6.1)	41.30	41.30
	Total	41.30	41.30

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

7. NON - CURRENT ASSETS - OTHERS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	CAPITAL ADVANCES (i) Considered good	0.00	0.00
	(ii) Considered doubtful	0.00	0.00
II	Less: Provision for doubtful advances	0.00	0.00
		0.00	0.00
III	Preliminary / Unamortized Expense to the Extent Not Written Off	106.50	20.06
	Total	106.50	20.06

Notes Forming Part of the Financial Statements

8. INVENTORIES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
	(Valued at Lower of Cost and Net Realizable Value)		
I	Raw Materials (Refer Note No. 8.2)	6,924.37	6,604.19
II	Work-In-Progress	0.00	0.00
III	Stores and Spares	25.90	61.10
IV	Finished Goods	3,344.82	1,367.37
V	Stock-In-Trade	0.00	0.00
	Total	10,295.09	8,032.66

As per inventory taken and valued by the Management.

8.1 Inventories are hypothecated to Consortium Secured Working Capital Facilities from State Bank of India, Axis Bank, IDBI Bank and Bank of Baroda.

8.2 At the end of Financial Year 2017-18, Raw Materials Inventory includes goods in transit which are lying at custom port worth ₹ 159.31 Lakhs as at March 31, 2018.

9. TRADE RECEIVABLES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	UNSECURED		
	(i) Considered good	4,987.00	7,594.23
	(ii) Considered doubtful	0.00	0.00
		4,987.00	7,594.23
II	Less: Provision for doubtful debts	0.00	0.00
	Total	4,987.00	7,594.23

9.1 AGEING OF TRADE RECEIVABLES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Within the Credit Period	3,259.33	7,243.98
II	91-180 Days from Past Dues	656.05	337.70
III	More than 180 Days from Past Dues	1,071.61	12.54
	Total	4,987.00	7,594.23
I	Current Trade Receivables	4,987.00	7,594.23
II	Non-Current Trade Receivables	0.00	0.00
	Total	4,987.00	7,594.23

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

Notes Forming Part of the Financial Statements

10. CASH AND CASH EQUIVALENTS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Balances with Scheduled Banks		
	(i) In Current Accounts	2.75	4.07
	(ii) In Deposit Accounts (Maturity Less than 3 Months)	0.00	0.00
II	Cash in Hand	13.27	21.86
III	Cheques in Hand	0.00	0.00
	Total	16.02	25.93

11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Other Balances	0.00	0.00
II	Earmarked Balances with Banks for:		
	(i) Unpaid Dividends (Refer Note No. 11.1 below)	4.69	2.46
	(ii) Bank Fixed Deposits*	298.16	333.77
	Total	302.86	336.24

11.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2019.

*Includes ₹ 200 Lakhs (Previous Year ₹ 200 Lakhs) as Margin Money Deposit (Lien) against Borrowings from State Bank of India, Axis Bank, IDBI Bank and Bank of Baroda under consortium banking arrangement.

*Includes FDR of ₹ 81.66 Lakhs against various Bank Guarantees issued as at March 31, 2019.

*Includes FDR of ₹ 134.08 Lakhs against Buyers Credit & Guarantees Taken from Banks as at March 31, 2018.

12. CURRENT FINANCIAL ASSETS – LOANS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
	UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED		
I	Security Deposits	0.00	0.00
II	Others:		
	(i) Advances Recoverable in Cash or Kind	67.41	260.27
	(ii) Advances to Staff	1.87	6.12
	Total	69.28	266.39

13. CURRENT FINANCIAL ASSETS - OTHERS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Interest Accrued on Deposits	1.71	1.34
	Total	1.71	1.34

Notes Forming Part of the Financial Statements

14. CURRENT ASSETS - OTHERS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
	UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED		
I	Capital Advances		
	(i) Considered Good	43.16	100.74
	(ii) Considered Doubtful	0.00	0.00
II	Others		
	(i) Prepaid Expenses	28.09	11.82
	(ii) Balance with Statutory Authorities	443.26	324.01
	Total	514.51	436.56

15. EQUITY SHARE CAPITAL

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	AUTHORIZED 3,15,00,000 Equity Shares of ₹ 10/- Each (March 31, 2018 - 3,15,00,000 Equity Shares)	3,150.00	3,150.00
II	ISSUED, SUBSCRIBED AND PAID UP 1,58,92,405 Equity Shares of ₹ 10/- Each (As At March 31, 2018 - 1,32,43,671 Equity Shares of ₹ 10/- Each)	1,589.24	1,324.37

15.1 The Company has only One Class of Ordinary Equity Shares having Par Value of ₹ 10/- Each and the holders of these Ordinary Shares are entitled to receive Dividends as and when declared by the Company. Each holder of the Equity Shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution to all preferential amounts, in proportion to their shareholding.

Notes Forming Part of the Financial Statements

15.2 The Reconciliation of the Number of Shares Outstanding as at March 31, 2019 and March 31, 2018 is set out below

Sr. No.	Particulars	As At March 31, 2019		As At March 31, 2018	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
I	EQUITY SHARES				
	Shares Outstanding at the Beginning of the Year	1,32,43,671	1,324.37	40,51,157	405.12
	Add: Bonus Shares Issued During the Year in the ratio of 1:5 (Previous Year: 2:1)	26,48,734	264.87	81,02,314	810.23
	Add: Shares Issued During the Year on Account of amalgamation of Mahendra Aluminium Company Limited	0	0.00	10,90,200	109.02
	Shares Outstanding at the End of the Year	1,58,92,405	1,589.24	1,32,43,671	1,324.37

15.3 During the year the Company has, on November 15, 2018, issued and allotted 26,48,734 Bonus Equity Shares to the shareholders holding shares as on the record date fixed for this purpose, i.e. November 14, 2018 in the ratio of 1:5 i.e. in the proportion of 1 (One) new fully paid-up Equity Share of ₹ 10/- (Rupees Ten Only) each for every 5 (Five) existing fully paid-up equity shares of ₹ 10/- (Rupees Ten Only) each.

15.4 The Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") by vide its order dated February 22, 2018 approved the Scheme of Amalgamation of Mahendra Aluminium Company Limited ("MALCO") with Arfin India Limited ("the Company") and their respective shareholders and creditors. Appointed date for the scheme is April 1, 2017. As per the scheme of amalgamation, the Company has issued and allotted 10,90,200 Equity Shares of ₹ 10/- (Rupees Ten Only) each per share to the shareholders of MALCO towards purchase consideration during the Financial Year 2017-18.

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

Sr. No.	Name of the Shareholder	As At March 31, 2019		As At March 31, 2018	
		No. of Shares	% of Holding	No. of Shares	% of Holding
(i)	Mr. Mahendra R. Shah	25,65,825	16.14%	21,38,188	16.14%
(ii)	Mr. Jatin M. Shah	25,15,953	15.83%	20,96,628	15.83%
(iii)	Mrs. Pushpa M. Shah	21,60,110	13.59%	18,00,092	13.59%
(iv)	Mrs. Rani J. Shah	21,33,316	13.42%	17,77,764	13.42%
(v)	Ms. Pooja M. Shah	8,02,440	5.05%	6,68,700	5.05%

Notes Forming Part of the Financial Statements

16. OTHER EQUITY

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	CAPITAL RESERVE		
	Opening Balance	603.11	26.38
	Addition due to the Scheme of Amalgamation	0.00	576.74
	Deductions during the Financial Year	0.00	0.00
	Closing Balance	603.11	603.11
II	SECURITIES PREMIUM RESERVE		
	Opening Balance	2,148.36	2,148.36
	Additions During the Financial Year	0.00	0.00
	Deductions During the Financial Year	0.00	0.00
	Closing Balance	2,148.36	2,148.36
III	GENERAL RESERVE		
	Opening Balance	315.00	215.00
	Additions During the Financial Year	50.00	100.00
	Closing Balance	365.00	315.00
IV	RETAINED EARNINGS		
	Opening Balance	3,853.00	2,690.69
	Profit / (Loss) During the Year	656.16	2,170.06
	Add: Addition During the Year (Including Transferred From Reserves)	0.00	0.00
	Less: Appropriations		
	Dividend Paid	264.87	81.02
	Tax on Dividend Paid	53.92	16.49
	Residual Value of Fixed Assets Transferred	0.00	0.00
	Used for Issue of Bonus Shares	264.87	810.23
	Transferred to General Reserve	50.00	100.00
	Closing Balance	3,875.49	3,853.00
V	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME [FVTOCI] RESERVE		
	Opening Balance	19.57	2.45
	Fair Valuation of Debt Instrument	20.26	17.84
	Adjusted from Surplus in Statement of Profit and Loss		
	Re-measurement Gains / (Losses) on Employee Benefits	1.49	(0.72)
	Deductions during the Financial Year	0.00	0.00
	Closing Balance	41.33	19.57
	Total Other Equity	7,033.29	6,939.05

16.1 NATURE AND PURPOSE OF RESERVES

a) SECURITIES PREMIUM RESERVE

Securities Premium Reserve is created when shares are issued at premium. The reserves are utilized by the Company in accordance with provisions of the Act.

Notes Forming Part of the Financial Statements

b) CAPITAL RESERVE

The Company has created Capital Reserve of ₹ 26.38 Lakhs on account of forfeiture of shares and balance amount of ₹ 576.74 Lakhs has been created pursuant to the scheme of amalgamation during the financial year 2017-18.

c) GENERAL RESERVE

Pursuant to the provisions of the Companies Act, 1956, the Company has transferred a portion of its net profit for the year to General Reserve before declaration of dividend. Mandatory transfer to the General Reserve is not required under the Companies Act.

d) RETAINED EARNINGS

Retained Earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distribution paid to shareholders.

e) FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME [FVTOCI] RESERVE

The Company transfer actuarial gain / (loss) arising at the time of valuation defined benefit obligation to "Actuarial Gain / Loss" component of Other Comprehensive Income (OCI).

The Company has elected to recognize changes in the fair value of certain investments in Other Comprehensive Income (OCI). These changes are accumulated within the FVTOCI.

17. NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
A (1)	SECURED TERM LOANS FROM BANKS For Acquisition of Plant & Machinery State Bank of India - (Term Loan)	161.28	281.28
	a) Tenure of Loan is 41 Months and Repayable in Monthly Installments commencing from the month of April 2018. Present Floating Rate of Interest is 11.00% per annum. b) Nature of Primary Security: (a) Loan is Secured by Pledge of Plant & Machineries created out of Bank Finance. c) Collateral Security: (i) Equitable Mortgage of Factory Land and Building at "Plot No. 118/1,2,3,4, Plot No. 117/P-3,6,7, Ravi Industrial Estate situated at Billeshwarpura Village, Chhatral, Gandhinagar - 382729, Gujarat, India". (ii) Equitable Mortgage over Block No. 132/P, Near Mesco Weldmesh Industries, Ahmedabad - Mehsana Highway, Dhanot, Taluka, Kalol, Dist. - Gandhinagar - 382729, Gujarat, India. (iii) Equitable Mortgage Over Office No. B-302, 3 rd Floor and Office No. A-601 & B-602, 6 th Floor located at Pelican House, Near Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad - 380009, Gujarat, India. (iv) Fixed Deposit of ₹ 200 Lakhs with Axis Bank Limited.		

Notes Forming Part of the Financial Statements

17. NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
	(v) Lien on SBI Mutual Funds: No. of Units: 15,82,795, Folio No. 16903058, in the name of Arfin India Limited of ₹ 4.72 Crores.		
	d) Loan is Guaranteed by following Directors: (1) Mr. Mahendra R. Shah (2) Mr. Jatin M. Shah (3) Mrs. Pushpa M. Shah		
(2)	For Acquisition of Vehicles HDFC Bank Limited - (Vehicle Loan)	62.05	11.77
	a) Tenure of Loan is 36 Months and Repayable in Equal Monthly Installments. Present Fixed Rate of Interest is 9.35% per annum.		
	b) Nature of Security: Loan is Secured by Pledge of Vehicle.		
	c) Loan is Guaranteed by following Directors: (1) Mr. Mahendra R. Shah (2) Mr. Jatin M. Shah	223.33	293.05
	Less: Adjustment of Transaction Costs as per Ind AS 109	4.12	5.22
		219.21	287.83
B	FROM FINANCIALS INSTITUTIONS		
(1)	For Acquisition of Plant & Machinery Tata Capital Financial Services Limited - (Term Loan)	56.71	0.00
	a) Tenure of Loan is 36 Months and Repayable in Monthly Installments commencing from the month of February 2019. Present Rate of Interest is 11.75% per annum.		
	b) Nature of Security: Secured by Hypothecation of Plant and Machinery Purchased out of Tata Capital Finance.		
	c) Loan is Guaranteed by following Directors: (1) Mr. Mahendra R. Shah (2) Mr. Jatin M. Shah		
C	FROM OTHERS (UNSECURED)		
	Inter Corporate Deposits*	688.74	717.32
	Directors*	97.96	91.71
	Total	1,062.63	1,096.85

* 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.

18. NON - CURRENT - OTHER FINANCIAL LIABILITIES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Security Deposits	0.00	0.00
	Total	0.00	0.00

Notes Forming Part of the Financial Statements

19. NON - CURRENT PROVISIONS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Provision for employee benefit		
	(i) Gratuity Payable	27.42	15.37
	Total	27.42	15.37

20. NON - CURRENT DEFERRED TAX LIABILITIES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Deferred Tax Liabilities	298.28	230.72
II	Deferred Tax Assets	8.94	4.91
	Total	289.34	225.80

20.1. COMPONENTS OF DEFERRED TAX ASSETS AS AT MARCH 31, 2019

₹ In Lakhs

Sr. No.	Particulars	As At April 01, 2018	Charge / (Credit) Recognized in Profit / Loss	Charge / (Credit) Recognized in Other Comprehensive Income	As At March 31, 2019
I	DEFERRED TAX ASSETS				
	Fair Valuation of (Gain) / Loss on Debt Instrument	0.00	0.00	0.00	0.00
	Provision for Post-Retirement and Other Employee Benefits	4.85	4.77	0.00	9.63
	Re-measurement of Defined Benefit Obligations	0.06	0.00	(0.75)	(0.69)
	Total Deferred Tax Assets	4.91	4.77	(0.75)	8.94

COMPONENTS OF DEFERRED TAX LIABILITIES AS AT MARCH 31, 2019

₹ In Lakhs

Sr. No.	Particulars	As At April 01, 2018	Charge / (Credit) Recognized in Profit / Loss	Charge / (Credit) Recognized in Other Comprehensive Income	As At March 31, 2019
I	DEFERRED TAX LIABILITIES				
	Fair Valuation of (Gain) / Loss on Debt Instrument	10.42	0.00	10.15	20.57
	Timing Difference with respect to Property, Plant & Equipment	220.30	57.41	0.00	277.71
	Borrowings Designated at Amortized Cost	0.00	0.00	0.00	0.00
	Total Deferred Tax Liabilities	230.72	57.41	10.15	298.28

Notes Forming Part of the Financial Statements

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

₹ In Lakhs

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

COMPONENTS OF DEFERRED TAX LIABILITIES AS AT MARCH 31, 2018

₹ In Lakhs

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

21. CURRENT FINANCIAL LIABILITIES – BORROWINGS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	SECURED LOANS REPAYABLE ON DEMAND		
	(a) Secured		
	(i) From Banks		
	Axis Bank Limited - Cash Credit Limits	3,091.05	2,828.08
	Axis Bank Limited - Buyer's Credit Limits (In USD)	0.00	512.85
	(Refer Note No. 40)		

Notes Forming Part of the Financial Statements

21. CURRENT FINANCIAL LIABILITIES – BORROWINGS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
	IDBI Bank Limited - Cash Credit Limits	1,541.44	1,774.60
	IDBI Bank Limited - Buyer's Credit Limits (In USD) (Refer Note No. 40)	0.00	0.00
	State Bank of India - Cash Credit Limits	3,623.90	3,129.72
	Bank of Baroda - Cash Credit Limits	1,831.85	0.00
	All Above Working Capital Loans under consortium arrangements are Secured by:		
	a) Nature of Primary Security: (i) Secured by Hypothecation of Entire Current Assets Including Book Debts and Stock at Present and in Future.		
	b) Collateral Security: (i) Equitable Mortgage of Factory Land and Building at "Plot No. 118/1,2,3,4, Plot No. 117/P-3,6,7, Ravi Industrial Estate situated at Billeshwarpura Village, Chhatral, Gandhinagar - 382729, Gujarat, India".		
	(ii) Equitable Mortgage over Block No. 132/P, Near Mesco Weldmesh Industries, Ahmedabad - Mehsana Highway, Dhanot, Taluka - Kalol, Dist. - Gandhinagar - 382729, Gujarat, India.		
	(iii) Equitable Mortgage Over Office No. B-302, 3 rd Floor and Office No. A-601 & B-602, 6 th Floor situated at Pelican House, Near Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad - 380009, Gujarat, India.		
	(iv) Fixed Deposit of ₹ 200 Lakhs with Axis Bank Limited.		
	(v) Lien on SBI Mutual Funds: No. of Units: 15,82,795, Folio No. 16903058, in the name of Arfin India Limited of ₹ 4.72 Crores.		
	c) Rate of Interest on Cash Credit Loan is in the range of 10.50% to 11.60% per annum.		
	d) Cash Credit limits are renewable every year.		
	e) 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
		10,088.24	8,245.24
	(b) Unsecured		
	(i) From Banks	0.00	0.00
	(ii) From Other Parties	0.00	0.00
		0.00	0.00
		10,088.24	8,245.24

Notes Forming Part of the Financial Statements

21. CURRENT FINANCIAL LIABILITIES – BORROWINGS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
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	10,088.24	8,245.24

22. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Due to Micro and Small Enterprises (Refer Note No. 41)	188.08	109.89
II	Due to other than Micro and Small Enterprises	1,676.12	2,058.03
	Total	1,864.20	2,167.93

23. CURRENT FINANCIAL LIABILITIES - OTHERS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Current Maturities of Long Term Debt - Term Loans	220.94	185.79
II	Payables for Capital Goods	55.31	27.66
III	Unpaid / Unclaimed Dividend (Refer Note No. 23.1)	4.69	2.47
	Total	280.95	215.92

23.1 No Unpaid Dividend remains due for payment to the Investor Education and Protection Fund as at March 31, 2019.

24. OTHER CURRENT LIABILITIES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Salary Payable	5.06	37.56
II	Statutory Liabilities	14.72	12.18
	Total	19.78	49.74

25. SHORT TERM PROVISIONS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Current Tax Provision (Net of Advance Tax and Tax Deducted at Source)	169.73	985.08
II	Provision for Expenses	0.51	0.00
	Total	170.24	985.08

Notes Forming Part of the Financial Statements

26. REVENUE FROM OPERATIONS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	REVENUE FROM OPERATIONS		
	Sale of Products		
	Domestic Sales	44,277.68	52,219.97
	Export Sales (*)	4,000.34	2,465.97
		48,278.02	54,685.94
	(*) Earning in Foreign Exchange		
II	OTHER OPERATING REVENUE		
	Export Incentives & Benefits	84.61	9.78
	Job Work Charges	1.23	1.41
	Revenue From Operations (Gross)	48,363.86	54,697.12
	Less: VAT / CST	0.00	495.22
		48,363.86	54,201.91
	Less: GST Recovered	7,075.81	6,453.60
	Revenue from Operations (Net)	41,288.05	47,748.30
	Net Sales	41,288.05	47,748.30

26.1 The above sales include Trading Sales of ₹ NIL during the year (Previous Year ₹ 1,061.16 Lakhs). (Refer Note No. 38).

26.2 Effective July 01, 2017, the Government of India has introduced Goods and Service Tax (GST) whereby sales are recorded net of GST whereas previous year sales till June 30, 2017 were recorded gross of Excise Duty which formed part of expenses.

27. OTHER INCOME

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Interest Income	20.90	28.95
II	Interest from Customer on Delay in Payment	0.00	13.71
III	Other Non-Operating Income		
	Gain on Exchange Rate Fluctuation	34.04	32.31
	Rent Income	1.50	1.20
		35.54	33.51
	Total	56.44	76.17

Notes Forming Part of the Financial Statements

28. COST OF MATERIALS CONSUMED

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	RAW MATERIAL		
	Opening Stock (Refer Note No. 28.1)	6,604.19	6,410.92
	Add: Purchases (Refer Note No. 38)	35,174.35	37,457.48
		41,778.53	43,868.40
	Less: Closing Stock	6,924.37	6,604.19
		34,854.17	37,264.21
II	PACKING MATERIAL AND CONSUMABLE STORES		
	Opening Stock	61.10	33.52
	Add: Purchases	545.17	552.15
		606.27	585.67
	Less: Closing Stock	25.90	61.10
		580.37	524.57
	Total	35,434.53	37,788.79

28.1 Opening Inventory of Raw Materials for the Financial Year 2017-18 includes ₹ 434.14 Lakhs opening inventory received from Mahendra Aluminium Company Limited on account of amalgamation during the year 2017-18.

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

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	FINISHED GOODS		
	Opening Stock (Refer Note No. 29.1)	1,367.37	1,190.17
	Less: Closing Stock	3,344.82	1,367.37
		(1,977.45)	(177.20)
II	STOCK-IN-TRADE		
	Opening Stock	0.00	0.00
	Less: Closing Stock	0.00	0.00
		0.00	0.00
	Total	(1,977.45)	(177.20)

29.1 Opening Inventory of Finished Goods for the Financial Year 2017-18 includes ₹ 63.12 Lakhs opening inventory received from Mahendra Aluminium Company Limited on account of amalgamation during the financial year 2017-18.

Notes Forming Part of the Financial Statements

30. EMPLOYEE BENEFITS EXPENSE

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Salaries, Wages and Bonus	492.12	407.82
II	Directors' Salary Expense	246.40	176.40
III	Contribution to Provident Fund / ESIC / Gratuity	28.76	17.84
IV	Staff Welfare Expenses	3.87	1.92
	Total	771.15	603.98

31. FINANCE COSTS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	INTEREST EXPENSE		
	For Short Term Borrowings		
	To Bank	725.90	620.73
	To Others	146.02	177.38
	For Others (Term Loan)	17.04	13.13
		888.96	811.24
II	OTHER BORROWING COSTS		
	Bank Charges and Commission	243.76	82.07
	Bank Loan Processing and Documentation Charges	32.61	35.40
	Interest on income Tax	13.20	85.51
		289.56	202.98
	Total	1,178.52	1,014.22

32. OTHER EXPENSES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	MANUFACTURING EXPENSES		
	Electricity Expenses	187.26	169.27
	Gas and Fuel Expenses	872.60	803.47
	Freight Inward-Octroi-Coolies and Cartages	156.23	119.99
	Repairs and Maintenance		
	To Buildings	6.22	2.84
	To Plant and Machineries	67.38	51.42
	To Other Assets	11.02	7.11
	CHA Agency Charges - Import	68.53	84.65
	Clearing and Forwarding Expenses	1,771.04	1,263.14
	Consultancy Expenses - Plant	21.15	17.00
	Job Work Charges	60.92	31.20
	Security Expenses	15.57	23.96
	Bhatthi Consumable Items and Maintenance Expenses	339.49	349.99

Notes Forming Part of the Financial Statements

32. OTHER EXPENSES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
	Water Expenses	7.48	20.58
	VAT Expense and VAT Credit not available	0.00	6.03
	Other Manufacturing Expenses	49.75	23.45
		3,634.64	2,974.11
II	SELLING AND DISTRIBUTION EXPENSES		
	Freight Outward, Detention, Cartages and Others	709.38	611.56
	CHA Agency Charges - Export	3.27	1.84
	Clearing and Forwarding Expenses - Export	15.13	13.41
	Commission and Other Expenses	84.77	28.98
	Traveling Expenses		
	For Directors	38.26	57.34
	For Staff and Guests	25.58	22.65
	Business Promotion Expenses	21.53	7.50
	Advertisement Expenses	11.80	11.16
		909.72	754.45
III	ADMINISTRATIVE EXPENSES		
	Insurance Premium Expenses	9.39	6.08
	Rent Expenses	3.14	4.15
	Rates and Taxes	6.05	3.18
	Payments to Auditors		
	As Auditor		
	Statutory Audit Fees	1.00	1.53
	Tax Audit Fees	0.35	0.10
	For Other Services (Income Tax)	0.50	0.10
	Donation Expenses	0.50	0.29
	Electricity Expenses	2.91	3.77
	Profit / (Loss) on LME Hedging Account	15.83	0.00
	Income Tax Expenses	20.68	32.72
	CSR Expenses	0.00	36.40
	Directors' Sitting Fees	1.60	1.70
	Legal and Professional Fees	50.77	34.15
	License, Membership and Annual Subscription Fees	5.34	8.60
	Listing Fees Expenses	3.20	6.13
	Loss on Fixed Assets Due to Fire / Sale	10.21	10.59
	Office Expenses	2.59	3.06
	Penalty Expenses	9.35	0.60
	Petrol and Conveyance Expenses	9.42	9.18
	Postage and Courier Expenses	2.64	1.46
	Printing and Stationery Expenses	6.27	7.21
	ROC and Filling Fees	0.26	0.30
	Sundry Balances Written Off	5.78	7.47

Notes Forming Part of the Financial Statements

32. OTHER EXPENSES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
	Service Tax Expenses	3.64	0.25
	Telephone and Internet Expenses	3.75	4.99
	Other Expenses	19.84	31.47
		195.03	215.46
	Total	4,739.38	3,944.01

32.1 C. I. F. VALUE OF IMPORTS

Sr. No.	Particulars	As At March 31, 2019		As At March 31, 2018	
		M.T.	₹ in Lakhs	M.T.	₹ in Lakhs
I	Raw Materials	15,680.69	20,805.98	19,375.16	20,697.95
II	Stores	0.00	0.00	0.00	0.00
III	Capital Goods	0.00	181.10	0.00	173.84

32.2 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Travelling Expenses	5.42	13.55
II	Consultancy Expenses	16.10	2.58
III	Membership & Subscription Fees	2.80	0.72
IV	Loss on LME Hedging	15.83	0.00
V	Commission	27.83	0.00
VI	Interest Expenses	1.58	27.35
	Total	69.56	44.20

32.3 EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Sale of Products (On FOB Basis)	3,659.06	2,374.55
	Total	3,659.06	2,374.55

33. CURRENT TAX

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Current Tax	285.69	1,174.49
	Total	285.69	1,174.49

Notes Forming Part of the Financial Statements

33.1 RECONCILIATION OF INCOME TAX EXPENSE

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
	Accounting Profit Before Tax	994.49	3,366.97
	Enacted Income Tax Rate in India applicable to the Company (%)	33.384%	34.608%
	Tax using the Company's Domestic Tax Rate	332.00	1,165.24
	Tax Effects of:		
	Exempt Income	0.00	0.00
	Deduction Under Chapter VIA	0.00	0.00
	Income Tax Allowances	0.00	0.00
	Non Deductible Expenses	15.79	46.16
	Payment of Income Tax of Earlier Years	6.90	11.32
	Effect of Other Adjustments	0.00	0.00
	Less: Others	69.00	48.23
	Total	285.69	1,174.49

34. EARNINGS PER SHARE

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Profit Attributable to the Equity Shareholders (A) (₹ in Lakhs)	656.16	2,170.06
II	Basic Number of Equity Shares Outstanding During The Period	1,58,92,405	1,32,43,671
III	Weighted Average Number of Equity Shares Outstanding During The Period (B)	1,42,37,853	72,37,436
IV	Weighted Average Number of Equity Shares (other equity instruments, if any) Outstanding During The Period (C)	1,42,37,853	72,37,436
V	Nominal Value of Equity Shares (₹)	10.00	10.00
VI	Basic Earnings Per Share [D=A/B] (₹)	4.61	29.98
VII	Diluted Earnings Per Share [E=A/C] (₹)	4.61	29.98

35. CONTINGENT LIABILITIES

₹ In Lakhs

Particulars	As At March 31, 2019	As At March 31, 2018
(a) Claims against the Company / Disputed Liabilities not acknowledged as debts*	41.30	41.30
(b) Guarantees issued by Bank to Custom Department*	116.17	107.17
(c) Claims against the Company / Disputed Liabilities not acknowledged as debt**	8.82	0.00
(d) Guarantees issued by Bank to Customers & Vendors	545.55	186.87
(e) Sales bills discounted with Financial institution	1,004.85	722.26

* Litigation pertaining to Custom Tariff / Rate classification at Custom Department on interpretation of the respective law and rules thereunder. The Company has filed appeals before Commissioner of Custom Appeals, Ahmedabad, against the custom demand and according to lawyer's opinion, the Company has

Notes Forming Part of the Financial Statements

sufficient merit to succeed in due course of litigation. The Company has paid duty under protest for ₹ 41.30 Lakhs. The Company has not provided provision for the above since the company's management does not consider that there is any probable loss.

** Litigation pertaining to IGST paid to GST Department for non-issuance of E-way bill as per the respective law and rules thereunder. The Company has filed appeals before Commissioner of GST, Ahmedabad. The Company has paid GST under protest for ₹ 8.82 Lakhs. The Company has not booked the same as an expense since as the company's management does not consider that there is any probable loss.

36. SEGMENT REPORTING

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

37. POST RETIREMENT EMPLOYEE BENEFITS

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

a) Defined Contribution Plans

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

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Employers' Contribution to Provident Fund	8.55	6.63

b) Defined Benefit Plans

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

Economic Assumptions

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

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits / obligations works out to zero years. For the current valuation a discount rate of 7.75% p.a. (Previous Year 7.50% p.a.) compound has been used.

Salary Escalation Rate

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

Notes Forming Part of the Financial Statements

The assumptions used are summarized in the following table:

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

₹ In Lakhs

Period	From April 01, 2018 to March 31, 2019	From April 01, 2017 to March 31, 2018
Present value of the obligation at the beginning of the period	15.37	5.91
Interest Cost	1.19	0.46
Current Service Cost	13.10	7.90
Past Service Cost	0.00	0.00
Benefits Paid (if any)	0.00	0.00
Actuarial (Gain) / Loss	(2.24)	1.10
Present Value of the Obligation at the end of the Period	27.42	15.37

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

₹ In Lakhs

Period	From April 01, 2018 to March 31, 2019	From April 01, 2017 to March 31, 2018
Actuarial Gain / Losses from changes in Demographics assumptions (Mortality)	Not Applicable	Not Applicable
Actuarial (Gain) / Losses from changes in Financial Assumptions	0.43	(0.25)
Experience Adjustment (Gain) / Loss for Plan Liabilities	(2.67)	1.35
Total amount recognized in Other Comprehensive Income	(2.24)	1.10

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

₹ In Lakhs

Period	As At March 31, 2019	As At March 31, 2018
Present Value of the Obligation at the End of the Period	27.42	15.37
Fair Value of Plan Assets at End of Period	0.00	0.00
Net Liability / (Asset) Recognized in Balance Sheet and Related Analysis	27.42	15.37
Funded Status - Surplus / (Deficit)	(27.42)	(15.37)

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

₹ In Lakhs

Period	From April 01, 2018 to March 31, 2019	From April 01, 2017 to March 31, 2018
Interest Cost	1.19	0.46
Current Service Cost	13.10	7.90
Past Service Cost	0.00	0.00
Expected Return on Plan Asset	0.00	0.00
Expenses to be recognized in P&L	14.29	8.36

Notes Forming Part of the Financial Statements

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

₹ In Lakhs

Period	From April 01, 2018 to March 31, 2019	From April 01, 2017 to March 31, 2018
Cumulative Unrecognized Actuarial (Gain) / Loss Opening-B/F	1.10	0.00
Actuarial (Gain) / Loss - Obligation	(2.24)	1.10
Actuarial (Gain) / Loss - Plan Assets	0.00	0.00
Total Actuarial (Gain) / Loss	(2.24)	1.10
Cumulative Total Actuarial (Gain) / Loss-C/F	(1.14)	1.10

2.3 (c) Net Interest Cost

₹ In Lakhs

Period	From April 01, 2018 to March 31, 2019
Interest Cost on Defined Benefit Obligation	1.19
Interest Income on Plan Assets	0.00
Net Interest Cost (Income)	1.19

2.4 Experience Adjustment

₹ In Lakhs

Period	From April 01, 2018 to March 31, 2019	From April 01, 2017 to March 31, 2018
Experience Adjustment (Gain) / Loss for Plan Liabilities	(2.67)	1.35
Experience Adjustment Gain / (Loss) for Plan Assets	0.00	0.00

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

Period	As At March 31, 2019	As At March 31, 2018
Number of Employees	271	203
Total Monthly Salary (₹ in Lakhs)	37.91	27.48
Average Past Service (Years)	1.50	1.00
Average Future Service (Years)	25.30	24.80
Average Age (Years)	32.70	33.20
Weighted Average Duration (based on Discounted Cash Flows) (in Years)	20.00	19.00
Average Monthly Salary (₹ in Lakhs)	0.14	0.14

3.2 The Assumptions Employed for the Calculations are tabulated

₹ In Lakhs

Period	From April 01, 2018 to March 31, 2019	From April 01, 2017 to March 31, 2018
Discount Rate	7.75% per annum	7.75% per annum
Salary Growth Rate	6.00% per annum	6.00% per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Rate of Return (%)	0.00	0.00
Withdrawal Rate (Per Annum)	5.00% p.a. (18 to 30 Years)	3.00% p.a. (18 to 30 Years)
Withdrawal Rate (Per Annum)	2.00% p.a. (30 to 44 Years)	
Withdrawal Rate (Per Annum)	1.00% p.a. (44 to 58 Years)	

Notes Forming Part of the Financial Statements

3.3 Benefits Valued

Period	From April 01, 2018 to March 31, 2019	From April 01, 2017 to March 31, 2018
Normal Retirement Age	58 Years	58 Years
Salary	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period	5 Years of service	5 Years of service
Benefits on Normal Retirement	15/26 * Salary * Past Service (Years)	15/26 * Salary * Past Service (Years)
Benefit on Early Exit due to Death and Disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit (₹ in Lakhs)	20.00	20.00

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

₹ In Lakhs

Period	As At March 31, 2019	As At March 31, 2018
Current Liability (Short Term)*	0.26	0.10
Non-Current Liability (Long Term)	27.16	15.27
Total Liability	27.42	15.37

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

3.5 Effect of plan on Entity's Future Cash Flows

3.5 (a) Funding Arrangements and Funding Policy

Not Applicable

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

₹ In Lakhs

The Company's best Estimate of Contribution During the Next Year	16.97	11.88
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3.5 (c) Maturity Profile of Defined Benefit Obligation

Weighted Average Duration (based on Discounted Cash Flows) (in Years)	20	19
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3.5 (d) Estimate of Expected Benefit Payments (In Absolute Terms i.e. Undiscounted)

₹ In Lakhs

April 01 2019 to March 31, 2020	0.74
April 01 2020 to March 31, 2021	3.77
April 01 2021 to March 31, 2022	1.15
April 01 2022 to March 31, 2023	1.35
April 01 2023 to March 31, 2024	1.71
April 01, 2024 Onwards	27.87

3.6 Projection for next period

₹ In Lakhs

Best estimate for contribution during next Period	16.97
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Notes Forming Part of the Financial Statements

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

Period	As At March 31, 2019
Defined Benefit Obligation (Base)	27,42,080 @ Salary Increase Rate : 6%, and Discount Rate: 7.75%
Liability with x% increase in Discount Rate	24,96,719; x=1.00% [Change (9)%]
Liability with x% decrease in Discount Rate	30,33,623; x=1.00% [Change 11%]
Liability with x% increase in Salary Growth Rate	30,35,869; x=1.00% [Change 11%]
Liability with x% decrease in Salary Growth Rate	24,90,894; x=1.00% [Change (9)%]
Liability with x% increase in Withdrawal Rate	27,28,820; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	27,47,765; x=1.00% [Change 0%]

3.8 Reconciliation of liability in Balance Sheet

₹ In Lakhs

Period	From April 01, 2018 to March 31, 2019
Opening Gross Defined Benefit Liability / (Asset)	15.37
Expenses to be Recognized in P&L	14.29
OCI - Actuarial (Gain) / Loss - Total Current Period	(2.24)
Benefits Paid (If Any)	0.00
Closing Gross Defined Benefit Liability / (Asset)	27.42

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

39. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), the Company has formed its Corporate Social Responsibility (CSR) Committee. As per the relevant provisions of the Act read with Rule 2(1)(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to spend at least 2% of the average net profits (determined under Section 198 of the Companies Act, 2013), made during the immediately three preceding financial years. The Company has incurred the following expenditure on CSR activities during the Financial Year 2018-19:

₹ In Lakhs

Particulars	2018-19	2017-18
Prescribed CSR Expenditure (2% of Average Net Profit)	44.12	25.39
CSR Expenditure incurred during the Financial Year	0.00	36.40
Short / (Excess) Spent during the year	44.12	(11.01)

Notes Forming Part of the Financial Statements

The amount of ₹ 44.12 Lakhs for corporate social responsibility was not spent during the financial year ended on March 31, 2019. However, the Company has planned to make cumulative provision for such unspent amount in the financial year 2019-20. The Company has also identified long term projects for CSR expenditure in line with CSR policy for spending such unspent amount in future years. The Company is under process of formulating implementation plan.

40. DERIVATIVE INSTRUMENTS

(a) The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at March 31, 2019 and March 31, 2018 are as under:

Particulars	As At March 31, 2019		As At March 31, 2018	
	in Lakhs	₹ in Lakhs	in Lakhs	₹ in Lakhs
RECEIVABLES				
Loans and advances given				
(in USD)	0.24	16.60	2.07	134.66
(in GBP)	0.02	1.58	0.00	0.00
Trade Receivables				
(in USD)	4.73	326.46	8.05	523.77
PAYABLES				
Trade payables				
(in USD)	0.88	61.06	0.00	0.00
(in EURO)	0.05	3.74	0.03	2.58
Payable for capital goods				
(in USD)	0.07	5.05	0.00	0.00
Buyer Credit				
(in USD)	0.00	0.00	7.84	510.05
Interest on Buyers Credit				
(in USD)	0.00	0.00	0.04	2.81
Total	5.99	414.49	18.04	1,173.86

41. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2019 is provided as under to the extent the Company has received information from the "Suppliers" regarding their status under the said Act.

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
I	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act):		
	Principal amount due to Micro, and Small Enterprises	188.08	109.89
	Interest due there on	0.00	0.00
II	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period.	0.00	0.00

Notes Forming Part of the Financial Statements

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2019	As At March 31, 2018
III	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	0.00	0.00
IV	The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.00	0.00
V	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprises.	0.00	0.00

Note: The Company had sought confirmation from its vendors on their status under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 02, 2006. Dues to the Micro and Small Enterprises have been determined to the extent confirmation received by the Company from its vendors. This has been relied upon by the Auditors.

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

(A) RELATED PARTIES

(a) KEY MANAGEMENT PERSONNEL (KMP)

Mr. Mahendra R. Shah – Chairman & Whole Time Director

Mr. Jatin M. Shah – Managing Director

Mrs. Pushpa M. Shah – Director

(b) RELATIVES OF KEY MANAGEMENT PERSONNEL

Ms. Pooja M. Shah – Daughter of Chairman

(c) ENTITIES CONTROLLED BY DIRECTORS OR THEIR RELATIVES

(with whom transactions entered into during the financial year)

Krish Ferro Industries Private Limited – Sister Concern

Arfin Alucop Private Limited – Sister Concern

Mahendra Corporation – Sister Concern

Metalic International – Sister Concern

₹ In Lakhs

(B) TRANSACTIONS WITH RELATED PARTIES	KMP & their Relatives		Entities Controlled by Directors or their Relatives		Total	
	As At March 31, 2019	As At March 31, 2018	As At March 31, 2019	As At March 31, 2018	As At March 31, 2019	As At March 31, 2018
EXPENSES						
Purchase & Job work Charges	0.00	0.00	732.01	49.72	732.01	49.72
Remuneration	266.40	196.40	0.00	0.00	266.40	196.40
INCOME						
Sales & Job Work Income	0.00	0.00	420.15	410.52	420.15	410.52
Rent Income	0.00	0.00	1.50	1.20	1.50	1.20

Notes Forming Part of the Financial Statements

₹ In Lakhs

BALANCES OUTSTANDING	Payable		Receivable	
	As At March 31, 2019	As At March 31, 2018	As At March 31, 2019	As At March 31, 2018
Key Management Personnel and their Relatives	97.96	91.71	0.00	0.00
Entities Controlled by Directors or their Relatives	238.60	19.04	1.77	321.13

Note:

- The above related party transactions have been reviewed periodically by the Board of Directors of the Company *vis-à-vis* the applicable provisions of the Companies Act, 2013, and justification of the rates being charged / terms thereof have also been approved.
- The details of guarantees and collaterals extended by the related parties in respect of borrowings of the Company have been given at the respective notes.

(C) DISCLOSURE IN RESPECT OF RELATED PARTY WISE TRANSACTIONS

₹ In Lakhs

Particulars	2018-19	2017-18
EXPENSES		
Purchase & Job Work Charges		
Krish Ferro Industries Private Limited	155.29	0.00
Mahendra Corporation	576.72	40.79
Metalic International	0.00	8.93
Total	732.01	49.72
Remuneration*		
Mr. Mahendra R. Shah	98.56	73.56
Mr. Jatin M. Shah	98.56	73.56
Mrs. Pushpa M. Shah	49.28	29.28
Ms. Pooja M. Shah	20.00	20.00
Total	266.40	196.40

* The remuneration to the key managerial personnel does not include the provisions made for gratuity, as it is determined on actuarial basis for the Company as a whole.

₹ In Lakhs

Particulars	2018-19	2017-18
INCOME		
Sales & Job Work Income		
Arfin Alucop Private Limited	1.52	0.00
Krish Ferro Industries Private Limited	418.63	72.39
Mahendra Corporation	0.00	338.13
Total	420.15	410.52
Rent Income		
Mahendra Corporation	0.15	0.00
Krish Ferro Industries Private Limited	1.35	1.20
Total	1.50	1.20

Notes Forming Part of the Financial Statements

₹ In Lakhs

PARTY WISE OUTSTANDING BALANCES	Payable		Receivable	
	As At March 31, 2019	As At March 31, 2018	As At March 31, 2019	As At March 31, 2018
KMPs & THEIR RELATIVES				
Mr. Mahendra R. Shah	27.89	30.65	0.00	0.00
Mr. Jatin M. Shah	37.07	48.17	0.00	0.00
Mrs. Pushpa M. Shah	33.00	12.89	0.00	0.00
Total	97.96	91.71	0.00	0.00
ENTITIES CONTROLLED BY DIRECTORS OR THEIR RELATIVES				
Arfin Alucop Private Limited	0.00	0.00	1.77	0.00
Krish Ferro Industries Private Limited	111.11	19.04	0.00	0.00
Mahendra Corporation	127.49	0.00	0.00	321.13
Total	238.60	19.04	1.77	321.13

43. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have significant effects on the recorded fair value that are not based on observable market data.

Notes Forming Part of the Financial Statements

₹ In Lakhs

I. FIGURES AS AT MARCH 31, 2018

Particulars	Carrying Amount	Fair value		
	As at March 31, 2018	Level 1	Level 2	Level 3
Financial Assets at Amortized Cost				
Bank Deposits (Non-Current)	0.00	0.00	0.00	0.00
Other Non-Current Financial Assets	61.36	0.00	61.36	0.00
Trade Receivables	7,594.23	0.00	7,594.23	0.00
Cash and Cash Equivalents	25.93	0.00	25.93	0.00
Bank Balances Other than Cash and Cash Equivalents	336.24	0.00	336.24	0.00
Security Deposits (Current)	0.00	0.00	0.00	0.00
Other Current Financial Assets	437.91	0.00	437.91	0.00
Total	8,455.67	0.00	8,455.67	0.00
Financial Assets at Fair Value through Other Comprehensive Income				
Investments (Non-Current)	442.10	442.10	0.00	0.00
Total	442.10	442.10	0.00	0.00
Financial Liabilities at Amortized Cost				
Borrowings (Non-Current)	1,096.85	0.00	1,096.85	0.00
Borrowings (Current)	8,431.03	0.00	8,431.03	0.00
Trade Payables	2,167.93	0.00	2,167.93	0.00
Security Deposits (Current)	0.00	0.00	0.00	0.00
Other Financial Liabilities (Current)	1,250.73	0.00	1,250.73	0.00
Total	12,946.55	0.00	12,946.55	0.00

II. FIGURES AS AT MARCH 31, 2019

Particulars	Carrying Amount	Fair value		
	As at March 31, 2019	Level 1	Level 2	Level 3
Financial Assets at Amortized Cost				
Bank Deposits (Non-Current)	0.00	0.00	0.00	0.00
Other Non-Current Financial Assets	147.81	0.00	147.81	0.00
Trade Receivables	4,987.00	0.00	4,987.00	0.00
Cash and Cash Equivalents	16.02	0.00	16.02	0.00
Bank Balances Other than Cash and Cash Equivalents	302.86	0.00	302.86	0.00
Security Deposits (Current)	0.00	0.00	0.00	0.00
Other Current Financial Assets	516.22	0.00	516.22	0.00
Total	5,969.90	0.00	5,969.90	0.00
Financial assets at fair value through Other Comprehensive Income				
Investments (Non-Current)	472.52	472.52	0.00	0.00
Total	472.52	472.52	0.00	0.00
Financial Liabilities at Amortized Cost				
Borrowings (Non-Current)	1,062.63	0.00	1,062.63	0.00
Borrowings (Current)	10,309.18	0.00	10,309.18	0.00
Trade Payables	1,864.20	0.00	1,864.20	0.00
Security Deposits (Current)	0.00	0.00	0.00	0.00
Other Financial Liabilities (Current)	470.97	0.00	470.97	0.00
Total	13,706.98	0.00	13,706.98	0.00

Notes Forming Part of the Financial Statements

During the reporting periods ended March 31, 2019 and March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

The carrying amounts of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

44. During the year, interest cost of ₹ 161.16 Lakhs (Previous Year ₹ 8.44 Lakhs) has been capitalized by way of addition to Capital Work in Progress of Property, Plant and Equipment.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities are exposed to variety of financial risks. The key financial risks include market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors reviews and approves policies for managing risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

MARKET RISK

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by the Senior Management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Refer Note 17 & 21 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Notes Forming Part of the Financial Statements

Exposure to Interest Rate Risk

₹ In Lakhs

Particulars	As At	As At
	March 31, 2019	March 31, 2018
Borrowings Bearing Fixed Rate of Interest	1,185.61	1,190.94
Borrowings Bearing Variable Rate of Interest (In Rupees)	10,088.24	7,732.39
Borrowings Bearing Variable Rate of Interest (In USD)	0.00	512.85

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit Before Tax

₹ In Lakhs

Particulars	2018-19	2017-18
50 bps Increase-Decrease in Profits	(33.18)	(29.48)
50 bps Decrease-Increase in Profits	33.18	29.48

Market Risk - Foreign Currency

The Company operates locally, however, the nature of its operations requires it to transact in several currencies and consequently the Company is exposed to foreign exchange risk in various foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies.

I. Foreign Currency Exposure

Particulars	As At March 31, 2019		As At March 31, 2018	
	in Lakhs	₹ in Lakhs	in Lakhs	₹ in Lakhs
RECEIVABLES				
Loans and advances given				
(in USD)	0.24	16.60	2.07	134.66
(in GBP)	0.02	1.58	0.00	0.00
Trade Receivables				
(in USD)	4.73	326.46	8.05	523.77
Total Receivables	4.99	344.64	10.12	658.43
PAYABLES				
Trade payables				
(in USD)	0.88	61.06	0.00	0.00
(in EURO)	0.05	3.74	0.03	2.58
Payable for capital goods				
(in USD)	0.07	5.05	0.00	0.00
Buyer Credit				
(in USD)	0.00	0.00	7.84	510.05
Interest on Buyers Credit				
(in USD)	0.00	0.00	0.04	2.81
Total Payables	1.01	69.85	7.92	515.43
Net Receivable / (Payable)	3.98	274.79	2.21	142.99

Notes Forming Part of the Financial Statements

II. Foreign Currency Sensitivity

5% increase or decrease in foreign exchange rates will have the following impact on the profit before tax:

Currency	2018-19		2017-18	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	13.85	(13.85)	7.28	(7.28)
GBP	0.08	(0.08)	0.00	0.00
EURO	(0.19)	0.19	(0.13)	0.13
Total	13.74	(13.74)	7.15	(7.15)

Other Price Risk

The Company is also exposed to price risk arising from investments in bonds recognized at Fair Value through Other Comprehensive Income (FVTOCI). As at March 31, 2019, the carrying value of such instruments recognized at FVTOCI amounts to ₹ 472.52 Lakhs (₹ 442.10 Lakhs as at March 31, 2018). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds are given in Note 4(II).

CREDIT RISK

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable (Refer note no. 9.1). Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk, the company compares the risk of a default occurring on the asset at the reporting date with the risk of default on the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty,
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation.
- (iv) Significant increase in credit risk on other financial instruments of the same counterparty, and
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorizes a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the profit or loss.

LIQUIDITY RISK

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as

Notes Forming Part of the Financial Statements

settlement management. In addition, processes and policies related to such risks are overseen by the senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

Maturity Profile of Financial Liabilities

The below table provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ In Lakhs

Particulars	As At March 31, 2019			As At March 31, 2018		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-Current Financial Liabilities - Borrowings	220.94	1,062.63	1,283.57	185.79	1,096.85	1,282.64
Non-Current Financial Liabilities - Others	60.01	0.00	60.01	30.13	0.00	30.13
Current Financial Liabilities - Borrowings	10,088.24	0.00	10,088.24	8,245.24	0.00	8,245.24
Current Financial Liabilities - Trade Payables	1,864.20	0.00	1,864.20	2,167.93	0.00	2,167.93
Current Financial Liabilities - Others	470.97	0.00	470.97	1,250.73	0.00	1,250.73
Total	12,704.36	1,062.63	13,766.98	11,879.83	1,096.85	12,976.68

Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholders' value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

₹ In Lakhs

Particulars	As At March 31, 2019	As At March 31, 2018
Total Debt	11,371.81	9,527.88
Less: Cash and Cash Equivalent	16.02	25.93
Less: Bank Balances Other than Cash and Cash Equivalents	302.86	336.24
Net Debt	11,052.93	9,165.72
Equity	8,622.53	8,263.41
Capital and Net Debt	19,675.46	17,429.13
Gearing Ratio (x)	0.56	0.53

Notes Forming Part of the Financial Statements

46. In the opinion of the Board of Director, current assets, non-current loans and advances are realizable in the ordinary course of business, at the value at which they are stated. The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.
47. Balance of Trade receivables, Trade payables, loans and advances are subject to confirmation from the respective parties.
48. Previous year's figures have been regrouped, reclassified and rearranged wherever considered necessary to confirm to current year presentation.

For Sanjay Bajoria & Associates,

Chartered Accountants

Firm Registration No.: 117443W

Kalpesh R. Shah

(Partner)

(Membership No.: 103301)

Place: Ahmedabad

Date: May 27, 2019

For & on Behalf of Board of Directors

Mahendra R. Shah

(Chairman)

Hetal Koradia

(Company Secretary)

Jatin M. Shah

(Managing Director)

Vijay Lathi

(Chief Financial Officer)



ARFIN INDIA LIMITED

ARFIN INDIA LIMITED

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

27th Annual General Meeting on Sunday, September 29, 2019 at 10:00 a.m. at Gujarat Chamber of Commerce Hall, Opposite H. K. College, Ashram Road, Ahmedabad – 380009, Gujarat, India.

ATTENDANCE SLIP

(To be presented at the entrance)

Full Name and Address of the Shareholder :

Full Name of the Proxy :
(To be filled in if Proxy Form has been
duly deposited with the Company)

Registered Folio No. / DP ID & Client ID :

No. of Equity Shares held :

Email ID :

I certify that I am a member / proxy / authorized representative for the member of the Company. I hereby accord my presence at the 27th Annual General Meeting of the Company on Sunday, September 29, 2019 at 10:00 a.m.

Signature of the Member / Proxy

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

Notes

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

Route Map to the Venue of 27th Annual General Meeting

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





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27th Annual General Meeting on Sunday, September 29, 2019 at 10:00 a.m.

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :
Registered Address :

Email ID :
Registered Folio No. / DP ID & Client ID :

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

Name: _____

Address: _____

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

Name: _____

Address: _____

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

Name: _____

Address: _____

Email ID: _____ Signature: _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 27th Annual General Meeting of the Company scheduled to be held on Sunday, September 29, 2019 at 10:00 a.m. at Gujarat Chamber of Commerce Hall, Opposite H. K. College, Ashram Road, Ahmedabad – 380009, Gujarat, India, and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Proxy Form

Resolution Number	Resolution	Vote – Refer Note 4	
		For	Against
Ordinary Business:			
1	Adoption of Financial Statements of the Company and Reports of Directors and Auditors thereon		
2	Re-appointment of a Director in place of Mr. Mahendra Shah (DIN: 00182746), who retires by rotation and being eligible, offers himself for re-appointment		
Special Business:			
3	Re-appointment of Mr. Mahendra R. Shah (DIN: 00182746) as an Executive Chairman and Whole Time Director of the Company		
4	Re-appointment of Mr. Jatin M. Shah (DIN: 00182683) as a Managing Director of the Company		
5	Ratification of Cost Auditors' Remuneration		
6	Refinancing of loans of the Company with an option to convert part or whole of the Loan or outstanding amounts or dues to share capital		

Signed on the this _____ day of _____, 2019.

Affix Revenue Stamp of not less than ₹ 1/-

Signature of the of Member

Signature of Proxy Holder(s)

Notes

- For the resolutions, explanatory statements and notes, please refer to the notice of 27th 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', '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.





ARFIN INDIA LIMITED

REGISTERED OFFICE :

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Gujarat Chamber of Commerce Building,
Ashram Road, Ahmedabad - 380009,
Gujarat, India.
Ph.: +91 79 26583791 / 92

FACTORY :

118/1, 2, 3, 4 & 117/P-3, 6, 7,
Ravi Industrial Estate, Behind Hotel Prestige,
Billeshwarpura, Taluka - Kalol, District - Gandhinagar,
Chhatral - 382729, Gujarat, India.
Ph.: +91 2764 232620 / 21