



**RAMAN M. JAIN & CO.**

Chartered Accountants

**AUDITORS' REPORT**

**TO THE MEMBERS OF ARFIN INDIA LIMITED**

We have audited the attached Balance Sheet of **M/S ARFIN INDIA LIMITED**, as at **31st March 2012** and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash flow statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of accounts required by law have been kept by the company so far as appears from our examination of those books
- (iii) The Balance Sheet, Profit and Loss Accounts and cash flow statement dealt with by this report are in agreement with the books of accounts
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956:
- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012, and taken on record by the Board Of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956:
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at **31<sup>st</sup> March, 2012**; and
  - (b) in the case of the Profit and Loss Account, of the **PROFIT** for the year ended on that date.
  - (c) In the case of cash flow statement, of the cash flows for the year ended on that date.

**FOR RAMAN M. JAIN CO.**

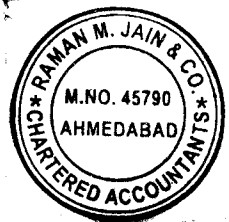
**Chartered Accountants**

**FRN: 113290W**

  
Raman M. Jain

Partner

M. NO. 45790



Place: Ahmedabad

Date : 16-06-2012

- (5) In respect to contracts or arrangements entered in the register under section 301 of Company Act. :
- (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under section 301 of Companies Act, 1956, have been duly entered by the company.
  - (b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements that are required to be entered in the register maintained under section 301 of Companies Act, 1956 aggregating during the year Rs.500000/- (Five lacs only) in respect of each party during the year, the rates are considered to be reasonable having regard to the prevailing market price at the relevant time.
- (6) In our opinion and according to information and explanations given to us, the company has not accepted any deposits from the public and hence the provisions of Section 58A and 58AA or any other relevant provisions of the companies Act, 1956 and the Companies (Acceptance of Deposits) rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company.
- (7) In our opinion, the company has an adequate internal audit system commensurate with its size and nature of its nature of business.
- (8) The maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act for any business activity carried out by the company.. Therefore provisions of this clause of the order are not applicable to the company.
- (9) In respect of Statutory Dues:
- (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, sales - tax, wealth - tax, custom duty, excise - duty, cess and other statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 31<sup>st</sup> March 2012 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no dues of income - tax, wealth - tax, excise duty, and cess which have not been deposited on account of any dispute.
- (10) The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year under report and the immediately preceding financial year.
- (11) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks or financial institutions. The Company has not issued any Debentures.
- (12) In our opinion and according to the information and explanations given to us, The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore the provisions of Clause XIII of paragraph 3 of the aforesaid Order, are not applicable to the company.
- (14) In our opinion and according to information and explanation given to us, The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of Clause XIV of paragraph 3 of the aforesaid Order, are not applicable to the company.
- (15) In our opinion and according to information and explanation given to us, The Company has given a guarantee to a financial institution or banks for loans taken by others from bank or financial institutions. according to information and explanation given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the company.



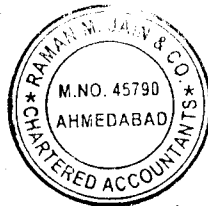
## ANNEXURE TO THE REPORT

REFER TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE ON THE ACCOUNT OF  
ARFIN INDIA LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2012

- (1) In respect of Fixed Assets:
  - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of physical verification of its fixed assets, which in our opinion, is Reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, fixed assets have been physically verified by the management during the year and according to the information and explanations given to us no material discrepancies have been noticed on such verification.
  - (c) During the year no substantial parts of fixed assets have been disposed off by the company. Therefore, the provisions of clause 1(c) of paragraph 3 of the aforesaid order, in our opinion, are not applicable to the company.
- (2) In respect of inventory of stores, operating suppliers, etc.:
  - (a) Physical verification of inventory has been conducted during the year by the management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained Proper records of its inventories and no material discrepancies were noticed on physical verification.
- (3) In respect of loans, secured or unsecured, granted or taken by the company to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 according to the information and explanation given to us:
  - (a) The Company has not granted any loans to companies listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause III(b) to (d) of paragraph 3 of the aforesaid order, in our opinion, are not applicable to the company.
  - (b) The company has taken loans or Advances of from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The outstanding year-end balance of loan taken is Rs.3.57 Crore. Therefore, the provisions of clause III(f) and III (g) of paragraph 4 of the aforesaid order, in our opinion, are not applicable to the company
  - (c) As per information and explanation given to us, the rate of interest and other terms and conditions of the loans taken or received by the company, if any, are not prima facie prejudicial to the interest of the company.
  - (d) As per information and explanation and records produced before us, there is no overdue amount payable, hence this clause is not applicable.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weakness in the internal control system.



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



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

  
RAMAN M. JAIN  
PARTNER  
M. NO. 045790

PLACE : AHMEDABAD  
DATE : 16-06-2012

# ARFIN INDIA LIMITED

## BALANCE SHEET AS AT 31st MARCH, 2012

Particulars	Note No.	Amount in Rs.	
		As at 31st March 2012	As at 31st March 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholders' Funds</u></b>			
(a) Share Capital	1	18677250	18677250
(b) Reserves and Surplus	2	11299406	10126434
(c) Money Received against share Warrants		0	0
		29976656	28803684
<b><u>(2) Share Application money Pending Allotment</u></b>		0	0
<b><u>(3) Non-Current Liabilities</u></b>			
(a) Long-Term Borrowings	3	47260603	9820000
(b) Deferred Tax Liabilities (Net)	4	2164652	1853317
(c) Other Long Term Liabilities	5	0	0
(c) Long Term Provisions	6	0	0
		49425255	11673317
<b><u>(4) Current Liabilities</u></b>			
(a) Short-Term Borrowings	7	10348427	38274
(b) Trade Payables	8	58932112	51010
(c) Other Current Liabilities	9	4284945	0
(d) Short-Term Provisions	10	186714	127500
		73752198	216784
<b>Total Equity &amp; Liabilities :</b>		<b>153154109</b>	<b>40693785</b>
<b>II. ASSETS</b>			
<b><u>(1) Non-Current Assets</u></b>			
(a) Fixed Assets	11		
(i) Tangible Assets		39455525	21059597
(ii) Intangible Assets		0	0
(iii) Capital Work in Progress		0	0
(b) Non Current Investments	12	17211150	17211150
(c) Long term loans and advances	13	1792822	450000
(d) Other Non Current Assets	14	0	0
		58459497	38720747
<b><u>(2) Current Assets</u></b>			
(a) Current investments	15	0	0
(b) Inventories	16	54359555	195818
(c) Trade receivables	17	22703684	242000
(d) Cash and bank balances	18	4240374	133726
(e) Short-term loans and advances	19	13391000	1401494
(f) Other current assets	20	0	0
		94694612	1973038
<b>Total Assets :</b>		<b>153154109</b>	<b>40693785</b>

The accompanying notes are integral part of these financial statements

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

RAMAN M. JAIN  
PARTNER  
M.No. 045790



FOR & ON BEHALF OF BOARD OF DIRECTORS

PUSHPABEN M. S. *nakendra R. Chhab*  
DIRECTOR

DIRECTOR

# ARFIN INDIA LIMITED

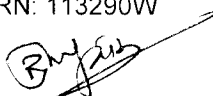
## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2012

Amount in Rs.

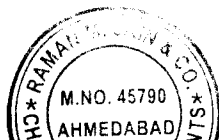
Sr. No	Particulars	Note No	31st March 2012	31st March 2011
	<b>Revenue :</b>			
I	Revenue from operations	21	175929226	0
	Less: Central Excise duty		14502202	0
	Revenue from operations (Net)		161427024	0
II	Other Income	22	405585	376606
III	<b>Total Revenue (I +II)</b>		<b>161832609</b>	<b>376606</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	23	151054452	0
	Purchases of Stock-in-Trade			
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(5395455)	0
	Employee Benefits Expense	25	1904915	120000
	Finance Costs	26	1325009	0
	Depreciation and Amortization Expense	11	256138	0
	Other Expenses	27	10856343	180899
	<b>Total Expenses (IV)</b>		<b>160001402</b>	<b>300899</b>
V	Profit before tax (III - IV)		<b>1831207</b>	<b>75707</b>
VI	<b>Tax expense :</b>			
	(1) Current tax	28	346900	0
	(2) Deferred tax		311335	0
VII	Profit/(Loss) for the period (V - VI)		<b>1172972</b>	<b>75707</b>
VIII	Earnings per Equity Share: (Face Value of Rs.10/- each )			
	(1) Basic and Diluted	29	0.39	0.03

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

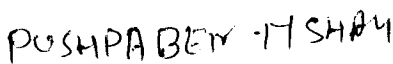
FOR RAMAN M. JAIN & CO.  
CHARTERED ACCOUNTANTS  
FRN: 113290W

  
RAMAN M. JAIN  
PARTNER  
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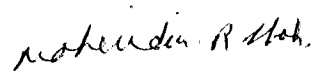
PLACE : AHMEDABAD  
DATE : 16-06-2012



FOR & ON BEHALF OF BOARD OF DIRECTORS

  
PUSHPA BEN MISHRA

DIRECTOR

  
Mahendra R. Shah

DIRECTOR

PLACE : AHMEDABAD  
DATE : 16-06-2012

Notes to the Financial Statements for the year ended 31st March 2012

1 Share Capital

Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
1	<b>AUTHORIZED SHARE CAPITAL</b> 35,00,000 (Previous year 35,00,000) Equity Shares of Rs. 10/- each	35000000	35000000
	<b>Total</b>	<b>35000000</b>	<b>35000000</b>
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> At the beginning period Add : Issued during the period Add : Issued on account of merger / Conversion / Bonus / Split Less : Forfeited Share (amount originally paid up) At the end of reporting period Less: Calls Unpaid (Showing aggregate value of calls unpaid by directors and officers)	30183000 0 0 0 30183000 11505750	30183000 0 0 0 30183000 11505750
	<b>Total</b>	<b>18677250</b>	<b>18677250</b>

1.1 The reconciliation of the number of shares outstanding as at March 31, 2012 and March 31, 2011 is set out below :

Equity Shares	As at 31st March 2012		As at 31st March 2011	
	No of shares	Amount	No of shares	Amount
Shares outstanding at the beginning of the year	3018300	30183000	3018300	30183000
Add: Shares issued during the year	0	0	0	0
Less: Buy Back/ Forfeited Shares	0	0	0	0
Shares outstanding at the end of the year	3018300	30183000	3018300	30183000

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

Name of the shareholder	As at 31st March 2012		As at 31st March 2011	
	No of Shares	% of holding	No of Shares	% of holding
1				
2				

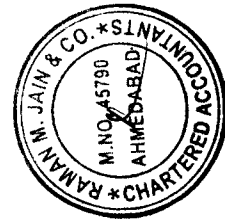
1.3 The company has only one class of ordinary equity shares and the holders of these ordinary shares are entitled to receive dividends as and when declared by the company. All shares rank equally with regard to the company's residual assets.



Notes to the Financial Statements for the year ended 31st March 2012

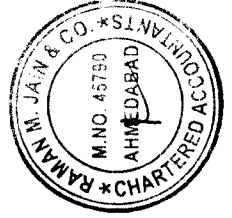
2 Reserves & Surplus

Sr. No	Particulars	As at	
		31st March 2012	31st March 2011
1	<b>CAPITAL RESERVE.</b> As per last balance sheet Add : Created during the year Less : Transfer to General Reserve etc.	0 0 0	0 0 0
2	<b>SECURITIES PRIMUM RESERVE</b> As per last balance sheet Add : Amount received on conversion of FCCB/from proceeds of Right Issue/on account of merger etc. Less : Right Share Issue Expenses Written off Less: Call in Arrears Less : Bonus shares issued by capitalisation of share premium	15012000 0 0 3216000 0	15012000 0 0 3216000 0
3	<b>GENERAL RESERVE</b> As per last balance sheet Add : Transferred during the year from Profit & Loss Account Add : Any others Less : Utilised for _____	0 0 0 0	0 0 0 0
4	<b>SURPLUS IN STATEMENT OF PROFIT AND LOSS</b> Balance as per last Financial year Add : Profit for the year Add : Addition during the year (including transfer from reserve) Less : Appropriations Proposed Dividend on Equity Shares Tax on Dividend Transferred to General Reserve	(1669566) 1172972 0 0 0	(1745273) 75707 0 0 0
	<b>Total</b>	<b>11299406</b> (496594)	<b>10126434</b> (1669566)





Notes to the Financial Statements for the year ended 31st March 2012



3 Long Term Borrowings

Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
1	<b>Term loans</b>		
	<b>(a) Secured</b>		
	<b>(i) From Banks</b>		
	- HDFC Bank (Car Loan)	754047	0
	i) Tenor of Loan is 60 months & repayable in equal monthly installments		
	ii) Nature of Security : Loan is secured by pledge of Car.		
	iii) Loan is gauranteed by direcors of company.		
	- AXIS Bank Ltd. - (Term Loan)	10791556	0
	i) Tenor of Loan is 48 months & repayable in equal monthly installments and at present ROI is (bank's Base rate + 3.75%) i.e. 13.75 p.a.		
	ii) Nature of Security : (1) Secured by Hypothication of fixed asset including plant & machinery purchased out of bank finance. (2) morgaged of Factory Land & Buiiding at "Ravi Industrial Estate" situated at Bileshwarpura Village, Chhatral, Gandhinagar.		
iii) Loan is gauranteed by following direcors: (1) Deepchand Shah (2) Ramesh Shah (3) Mahendra Shah (4) Pushpaben Shah			
<b>(ii) From other parties</b>	0	0	
<b>(b) Unsecured</b>			
(i) From Bank	0	0	
(ii) From Other parties	0	0	
		11545603	0
<b>2</b>	<b>Loans and Advances from related parties</b>		
(a) Secured	0	0	0
(b) Unsecured			
- Arfin Capital Ltd	10000000	0	0
- Deepchand R Shah	375000	0	0
- Mahendra Corporation	24990000	9700000	0
- Pushpaben M Shah	175000	120000	0
- Ramesh R Shah	175000	0	0
		35715000	9820000

**Notes:**

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

Notes to the Financial Statements for the year ended 31st March 2012

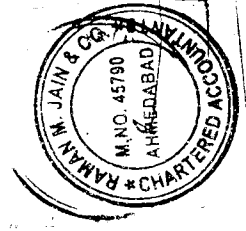
	As at 31st March 2012	As at 31st March 2011
<b>3 Deferred Payment Liabilities</b>		
(a) Secured	0	0
(b) Unsecured	0	0
<b>4 Other loans and advances</b>		
(a) Secured	0	0
(b) Unsecured	0	0
<b>Total</b>	<b>47260603</b>	<b>9820000</b>

**4 Deferred Tax Liability (Net)**

Particulars	As at 31st March 2012	As at 31st March 2011
<b>1 DEFERRED TAX LIABILITIES :</b>		
- Related to Fixed Assets	2164652	1853317
- Related to Others	0	0
<b>TOTAL ( A )</b>	<b>2164652</b>	<b>1853317</b>
<b>Less :</b>		
<b>2 DEFERRED TAX ASSETS :</b>		
- Related to Fixed Assets	0	0
- Related to Others	0	0
<b>TOTAL ( B )</b>	<b>0</b>	<b>0</b>
<b>Total ( A - B )</b>	<b>2164652</b>	<b>1853317</b>

**5 Other Long Term Liabilities**

Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
	(a) Trade Payables	0	0
	(b) Others	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>



Notes to the Financial Statements for the year ended 31st March 2012

**6 Long Term Provisions**

Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
	Provision for Employee Benefits		
	(a) Provision for Leave Encashment	0	0
	(b) Others	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>

**7 Short Term Borrowings**

Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
<b>(1)</b>	<b>Loan repayable on demand</b>		
	<b>(a) Secured</b>		
	(i) From banks	10348427	0
	- Axis Bank Ltd. - CC Account		
	i) Nature of Security : (1) Secured by Hypothecation of Entire Current Assets including book debts and stock at present and in future.		
	- Citi Bank (Current A/c)	0	38274
	(ii) From Other Parties	0	0
	<b>(b) Unsecured</b>	10348427	38274
	(i) From banks	0	0
	(ii) From other parties	0	0
<b>(2)</b>	<b>Loans and advances from related parties</b>		
	(a) Secured	0	0
	(b) Unsecured	0	0
<b>(3)</b>	<b>Deposits</b>		
	(a) Secured	0	0
	(b) Unsecured	0	0
	<b>Total</b>	<b>10348427</b>	<b>38274</b>



Notes to the Financial Statements for the year ended 31st March 2012

8 Trade Payables

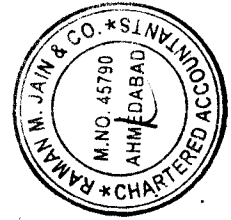
Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
1	Due to Micro, Small and Medium Enterprises	0	0
2	Due to Others	58932112	51010
	<b>Total</b>	<b>58932112</b>	<b>51010</b>

9 Other Current Liabilities

Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
1	Current maturities of Long term Debt	3940746	0
2	Income received in advance	0	0
3	Unpaid Dividends	0	0
4	Creditors for Capital Goods	344199	0
5	Other payables	0	0
	<b>Total</b>	<b>4284945</b>	<b>0</b>

10 Short Term Provisions

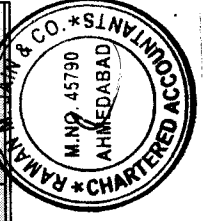
Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
1	<b>Provision for employee benefits :</b>		
	- Provision for Bonus	0	0
	- Provision for Gratuity / Leave Encashment	0	0
2	<b>Others :</b>		
	- Provision for Income tax (Net of Advance tax)	0	0
	- Proposed Dividend	0	0
	- Provision for Corporate Tax on Dividend	0	0
	- Service Tax Payable	4250	0
	- Provident Fund Payable	6129	0
	- TDS Payable	48835	0
	- Listing Fees Payable	127500	127500
		186714	127500
	<b>Total</b>	<b>186714</b>	<b>127500</b>



to the Financial Statements for the year ended 31st March 2012

**BLE ASSETS :**

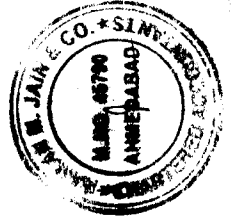
	Freehold Land	Factory Land	Factory Buildings	Plant and Machineries	Computer	Furniture and Fixtures	Vehicles	Office Bldg.- Madhupura	Office Equipments	Office Bldg.- Pelican	TOTAL
<b>Assets</b>											
April 2010	251460	0	0	72701	0	471938	0	947560	248785	10100000	12092444
/ Adjustments	0	7802445	3343905	0	0	0	0	0	0	0	11146350
<b>31st March 2011</b>	251460	7802445	3343905	72701	0	471938	0	947560	248785	10100000	23238794
/ Adjustments	0	0	10478207	6959488	34179	0	1180192	0	0	0	18652066
<b>31st March 2012</b>	251460	7802445	13822112	7032189	34179	471938	1180192	947560	248785	10100000	41890860
<b>Assets</b>											
April 2010	0	0	0	54180	0	351918	0	188336	161278	1423485	2179197
for the year	0	0	0	0	0	0	0	0	0	0	0
/ Adjustments	0	0	0	0	0	0	0	0	0	0	0
<b>31st March 2011</b>	0	0	0	54180	0	351918	0	188336	161278	1423485	2179197
for the year	0	0	118485	100015	2107	14241	8294	7363	5633	0	256138
/ Adjustments	0	0	0	0	0	0	0	0	0	0	0
<b>31st March 2012</b>	0	0	118485	154195	2107	366159	8294	195699	166911	1423485	2435335
<b>Assets</b>											
31st March 2011	251460	7802445	3343905	18521	0	120020	0	759224	87507	8676515	21059597
31st March 2012	251460	7802445	13703627	6877994	32072	105779	1171898	751861	81874	8676515	29155525



es to the Financial Statements for the year ended 31st March 2012

**ANGIBLE ASSETS :**

	Goodwill	Software	Patents and Copyrights	TOTAL
<b>of Assets</b>				
<b>at 1st April 2010</b>	0	0	0	0
ion	0	0	0	0
osal / Adjustments	0	0	0	0
<b>31st March 2011</b>	0	0	0	0
ion	0	0	0	0
osal / Adjustments	0	0	0	0
<b>31st March 2012</b>	0	0	0	0
<b>eciation</b>				
1st April 2010	0	0	0	0
ge for the year	0	0	0	0
osal / Adjustments	0	0	0	0
<b>31st March 2011</b>	0	0	0	0
ge for the year	0	0	0	0
osal / Adjustments	0	0	0	0
<b>31st March 2012</b>	0	0	0	0
<b>lock</b>				
<b>31st March 2011</b>	0	0	0	0
<b>31st March 2012</b>	0	0	0	0



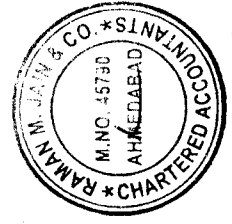
Notes to the Financial Statements for the year ended 31st March 2012

12 Non Current Investments

Sr. No.	Particulars	As at 31st March 2012		As at 31st March 2011	
(1)	<b>Trade Investments</b>				
	(a) Investment in property				0
	(b) Investment in Equity Instruments				0
	(c) Other non-current investments (specify nature)				0
(2)	<b>Other Investments</b>				
	(a) Investment in property				0
	(b) Investment in Equity Instruments				
	In Eq. Shares of Associate Company - (Unquoted, Fully Paid up)				
		No. Of Shares	Prev. Yr.		
		Curr. Yr.			
	Sakar Ferro Alloys P. Ltd.	357000	357000	11510000	
	Arfin Enterprise Limited	475000	475000	4750000	
	Arfin Capital Limited	95115	95115	951150	
				17211150	17211150
	(d) Investment in Government and trust securities				0
	(g) Investment in Partnership Firms				0
	(h) Other non-current investments (specify nature)				0
	<b>AGGREGATE</b>	<b>QUOTED</b>	<b>UNQUOTED</b>		
	17211150	0	17211150		
	<b>Total</b>			<b>17211150</b>	<b>17211150</b>

13 Long Term Loans and Advances

Sr. No.	Particulars	As at 31st March 2012		As at 31st March 2011	
	<b>Unsecured, Considered Good unless otherwise stated :</b>				
1	<b>Capital Advances</b>				
	Advance against Fixed Assets	1342822		0	0
2	<b>Other Loans &amp; Advances</b>				
	Pelican Complex Maintenance Deposit	450000		450000	450000
	<b>Total</b>		<b>1792822</b>		<b>450000</b>



Notes to the Financial Statements for the year ended 31st March 2012  
**14 Other Non Current Assets**

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	<b>Long Term Trade Receivables</b> Unsecured, Considered Good.	0	0
2	<b>Others</b> Bank FD for more than 12 months (Transferred from Cash & Bank Balances)	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>

**15 Current Investments**

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	Investment in Mutual Fund	0	0
2	Investment in Equity Shares	0	0
3	Investment in Others	0	0
	<b>AGGREGATE QUOTED UNQUOTED</b>		
	<b>Total</b>	<b>0</b>	<b>0</b>

**16 Inventories**

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
1	(At lower of cost or Net Realisable Value) Raw Material	48768282	0
2	Raw Materials in Transit	0	0
3	Work in Process	0	0
4	Stores & Spares	0	0
5	Finished Goods	5395455	0
6	Stock-in-Trade	195818	195818
	<b>Total</b>	<b>54359555</b>	<b>195818</b>





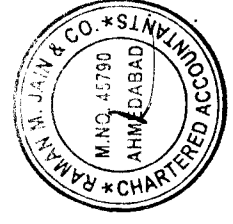
Notes to the Financial Statements for the year ended 31st March 2012

17 Trade Receivables

Sr. No.	Particulars	As at 31st March 2012	As at 31st March 2011
(1)	Outstanding for not more than six months	22703684	242000
	(a) Secured, considered good	0	0
	(b) Unsecured, considered good	0	0
	(c) Others considered doubtful	0	0
	Less : (d) Allowance for bad and doubtful Debts	22703684	242000
(2)	Outstanding for more than six months		
	(a) Secured, considered good	0	0
	(b) Unsecured, considered good	0	0
	(c) Others considered doubtful	0	0
	Less : (d) Allowance for bad and doubtful Debts	0	0
	<b>Total</b>	<b>22703684</b>	<b>242000</b>

18 Cash & Bank balances

Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
1	<u>Cash &amp; Cash Equivalent</u>		
	(a) Balances with Schedule Banks	22066	5016
	(b) Cash on Hand	1295422	128710
	(c) Others	0	0
	- In Fixed Deposits for less than 3 months		
	<b>Sub Total ( A )</b>	<b>1317488</b>	<b>133726</b>
2	<u>Other Bank Balances</u>		
	(a) Fixed Deposits with Banks		
	- Bank FD for less than 12 months	2922886	0
	- Bank FD for more than 12 months	0	0
	(b) Earmarked balances with banks (Unpaid Dividend)	2922886	0
	Less : Bank FD for more than 12 months transferred to Non Current Assets	0	0
	<b>Sub Total ( B )</b>	<b>2922886</b>	<b>0</b>
	<b>Total</b>	<b>4240374</b>	<b>133726</b>



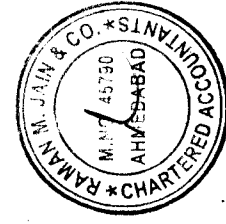
Notes to the Financial Statements for the year ended 31st March 2012

19 Short Terms Loans and Advances

Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
1	<u>Unsecured, Considered Good:</u> Loans & Advances to related parties :		
	Arfin Enterprise Limited	177253	677253
	Sakar Ferro Alloys Pvt Ltd.	0	5084
2	<u>Others :</u>	177253	682337
	Advance Recoverable in cash or in kind or for value to be received.	6143384	0
	Sundry Deposits and Advances	1819413	0
	Advance Tax & TDS Receivable :1-12 (Net of Provision)	97723	335229
	Loans and Advances to Staff	0	0
	Balance with Statutory / Government authority		
	Cenvat Credit Receivable	3023577	0
	Vat Receivable	1923992	0
	TDS Receivables- Old	205657	383928
		13213747	719157
	<b>Total</b>	<b>13391000</b>	<b>1401494</b>

20 Other Current assets

Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
1	Interest Accrued on Investments		
2	Advance Premium on Forward Contracts		
	<b>Total</b>	<b>0</b>	<b>0</b>



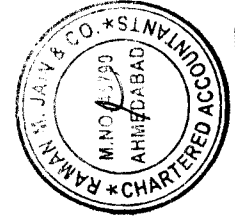
Profit & Loss for the year ended 31st March 2012

21 Revenue from Operations

Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
1	<u>Revenue from Operations</u>		
	<u>Sale of Products</u>		
	Domestic Sales	169242144	0
	Export Sales (*)	0	0
	(*) Earning in Foreign Exchange	169242144	0
2	<u>Other Operating Revenue</u>		
	Job Work Charges	6687082	0
	<b>Total</b>	<b>175929226</b>	<b>0</b>

22 Other Income

Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
1	Interest Income	134443	134993
2	Dividend Income	1613	1613
3	Profit on Sale of Shares	0	0
4	Other Non Operating Income		
	- Gain on Exchange Rate Fluctuation	0	0
	- Profit on Sale of Assets	0	0
	- Rent Income	240000	240000
	- Miscellaneous Receipts	0	0
	- Sundry balances written back	29529	0
	<b>Total</b>	<b>405585</b>	<b>376606</b>



Profit & Loss for the year ended 31st March 2012

23 Cost of Materials Consumed

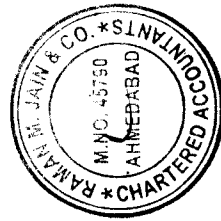
Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
1	Opening Stock	0	0
	Add : Purchases	199822734	0
	= Sub Total	199822734	0
	Less : Closing Stock	48768282	0
	<b>Total</b>	<b>151054452</b>	<b>0</b>

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

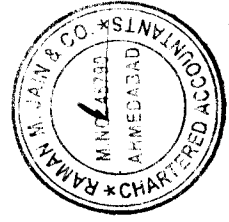
Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
1	Finished Goods:		
	Opening Stock	0	0
	Less : Closing Stock	5395455	0
		(5395455)	0
1	Stock-in-Trade:		
	Opening Stock	195818	195818
	Less : Closing Stock	195818	195818
		0	0
	<b>Total</b>	<b>(5395455)</b>	<b>0</b>

25 Employee Benefits Expense

Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
1	Salaries, Wages and Bonus	1904915	120000
2	Contribution to Provident Fund / ESIC / Gratuity	0	0
3	Staff Welfare Expenses	0	0
		1904915	120000
	<b>Total</b>	<b>1904915</b>	<b>120000</b>



**Profit & Loss for the year ended 31st March 2012**



2	<b>Selling and Distribution Expenses</b>				
	Freight Outward, Coolies and Cartages	700			0
	Commission Expenses	0			0
	Traveling Expenses	0			0
	- For Directors	0			0
	- For Staff and Guests	0			0
	Sales Promotion / Gift Expenses	3000			0
	Advertisement Expenses	0	3564		3564
			3700		
3	<b>Administrative Expenses</b>				
	Insurance Premium Expenses	65771			0
	Rent Expenses	0			0
	Rates and Taxes	61056			130131
	Service Charges	2875			0
	Payments to Auditors				
	- As Auditor				
	Statutory Audit fees	22472			16545
	Tax Audit Fees	5618			0
	- For Other Services (Income Tax)	5618			
	Bank & Demat Charges	38753			386
	Crane Expense	193075			0
	Electricity Exp	6000			0
	Inspection Charges	7175			0
	Interest on TDS	731			0
	Legal & Professional Exp.	87127			5000
	Oxygen Expense	4750			0
	Petrol Expense	12682			0
	Printing & Stationery Exp.	15695			3400
	Pollution Control Board Fees	12500			0
	Repairing & Maintenance exp.	8775			13000
	ROC & Filing Fees	22200			0
	Recruitment Expense	10588			0
	Security Expense	214561			0
	Society Administration Expense	12000			0
	Software Purchase Account	15750			0
	Telephone Exp.	6105			8873
	Water Expense	53860			0
			885737		177335
	<b>Total</b>		<b>10856343</b>		<b>180899</b>

**Profit & Loss for the year ended 31st March 2012**

**27.1 C. I. F. Value of Imports :**

	2011-12		2010-11	
	M.T.	Amount Rs.	M.T.	Amount Rs.
1 Raw Materials -	224470	39244641	0	0
2 Stores	0	0	0	0
3 Capital Goods	0	0	0	0

**27.2 Expenditure in Foreign Currency :**

	2011-12	2010-11
1 Travelling Expenses	0	0
2 Professional Fees	0	0
3 Subscription & Membership	0	0
4 Others	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

	2011-12		2010-11	
	M.T.	Amount Rs.	M.T.	Amount Rs.
<b>a) Raw Materials</b>				
1 Imported -	224470	39244641	0	0
Percentage		19.64%		0.00%
3 Indigenous -	1715151	160578093	0	0
Percentage		80.36%		0.00%
<b>Total</b>	<b>1939621</b>	<b>199822734</b>	<b>0</b>	<b>0</b>

	2011-12		2010-11	
	M.T.	Amount Rs.	M.T.	Amount Rs.
<b>b) Stores &amp; Spares</b>				
1 Imported	0	0	0	0
Percentage		0.00%		0.00%
2 Indigenous	0	1506008	0	0
Percentage		100.00%		0.00%
<b>Total</b>	<b>0</b>	<b>1506008</b>	<b>-</b>	<b>0</b>



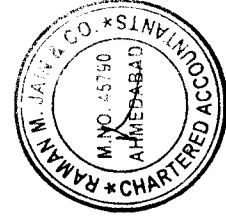
**Profit & Loss for the year ended 31st March 2012**

**28 Current Tax**

Sr. No	Particulars.	As at 31st March 2012	As at 31st March 2011
1	Current Tax	346900	0
	<b>Total</b>	<b>346900</b>	<b>0</b>

**29 Earning Per Share**

Sr. No	Particulars	As at 31st March 2012	As at 31st March 2011
1	Profit attributable to the Equity Shareholders	A 1172972	75707
2	Basic / Weighted average number of Equity Shares outstanding during the period	B 3018300	3018300
3	Nominal value of Equity Shares (Rs.)	10	10
4	Basic/Diluted Earnings per Share (Rs.)	A / B 0.39	0.03



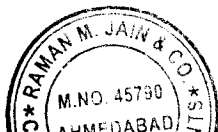
# ARFIN INDIA LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	As at 31.03.2012		As at 31.03.2011	
<b>Cash Flow from Operating Activities :</b>				
Net Profit/(Loss) before tax		1831207		75707
Adjustments for :				
Depreciation	256138		0	
Interest Dividend etc. received	(376056)		(376606)	
Miscellaneous Expenditure	0		0	
		(119918)		(376606)
<b>Operating Profit before working capital changes</b>		1711289		(300899)
Adjustments :				
Trade and other receivables	(36140912)		1271007	
Inventories	(54163737)		0	
Trade Payable	59284515		(40713)	
		(31020134)		1230294
<b>Cash generated from operations</b>		(29308844)		929395
Interest and finance charges recd	0		0	
Excess Provision Written back	0		0	
Income Tax & FBT Paid	0		0	
		0		0
<b>Net cash from operating activities</b>		(29308844)		929395
<b>Cash Flow from Investing Activities :</b>				
Purchase of Fixed assets	(18652066)		(11146350)	
Net Purchase of Investment	0		0	
Sale of Fixed assets	0		0	
Interest, Dividend etc. Received	376056		376606	
		(18276010)		(10769744)
<b>Cash Flow from financing Activities :</b>				
Proceeds from Share Capital Calls in arrears Recd.				
Net increase in borrowings	51729776		9700000	
Share issue exp.	0		0	
Dividend paid	0		0	
<b>Net Cash from Financing Activities</b>		51729776		9700000
<b>Net increase in cash and cash equivalents(A+B+C)</b>		4144922		(140349)
<b>Cash and cash equivalents-Opening Balance</b>		95452		235801
<b>Cash and cash equivalents-Closing Balance</b>		4240374		95452

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

RAMAN M. JAIN  
 PARTNER  
 M.No. 045790



FOR & ON BEHALF OF BOARD OF DIRECTORS

PUSHPABEN M SHETH

DIRECTOR

*Madhura A Shah*

DIRECTOR



## NOTES – 30

### NOTES FORMING PART OF ACCOUNTS FOR THE PERIOD ENDED 31<sup>st</sup> March, 2012.

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

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

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

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

Mr. Mahendrabhai R. Shah	-	Director
Mr. Deepchand R Shah ,	-	Director
Mrs. Pushpaben M Shah,	-	Director

b) Relatives of "KMP"

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

c) Enterprises significantly influenced by Directors and or Their relatives

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

#### Transactions with Related Parties during the year :

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

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

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

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

Name of Transactions	Volume of Transactions	
	Current Year	Previous Year
1. <u>Expenses</u>		

Purchase 196102906



2 **Income :**

Rent Income	240000	240000
Sales & Job Work	147603717	-

5. **Employee Benefits:**

a) Defined Benefit Plan:

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

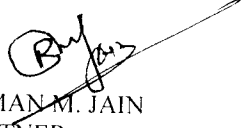
a) Defined Contribution Plan:

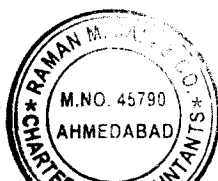
The Company has recognized the following amount in P & L account which is included under contribution to funds.

Particulars	Amounts (In Rs.)	
	2011-12	2010-11
Contribution to Provident Fund	-	-

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

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

  
RAMAN M. JAIN  
PARTNER  
M. NO. 045790  
PLACE : AHMEDABAD  
DATE : 16-06-2012



## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

### **1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

### **2) Use of Estimates:**

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

### **3) Revenue Recognition:**

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

### **4) Fixed assets**

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

### **5) Depreciation**

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

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



## 6) Investments

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

## 7) Inventories

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

## 8) Miscellaneous Expenditure

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

## 9) Retirement Benefits

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

b) **Defined Contribution Plan:**

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

**Defined benefit Plans:**

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

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

## 10) Taxes on Income

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

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

## 11) Expenses

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

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



**12) Transaction in Foreign Currency**

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

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

**13) Borrowing Cost**

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

**14) Earning per Share**

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

**15) Impairments of Assets**

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

**16) Provisions and Contingent Liabilities**

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

**17) Cash Flow Statement**

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

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

