

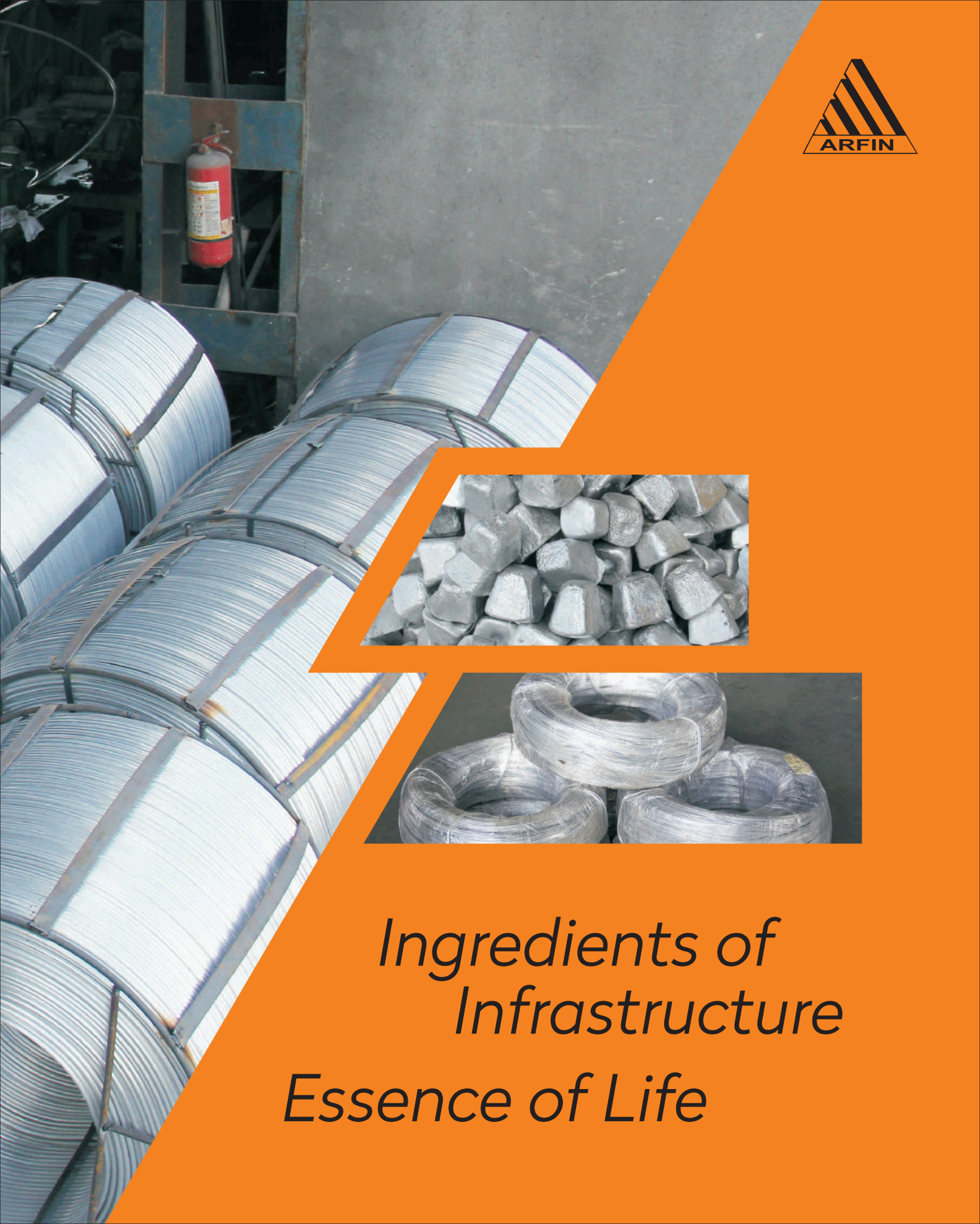


ARFIN INDIA LIMITED



ANNUAL REPORT
2013-14

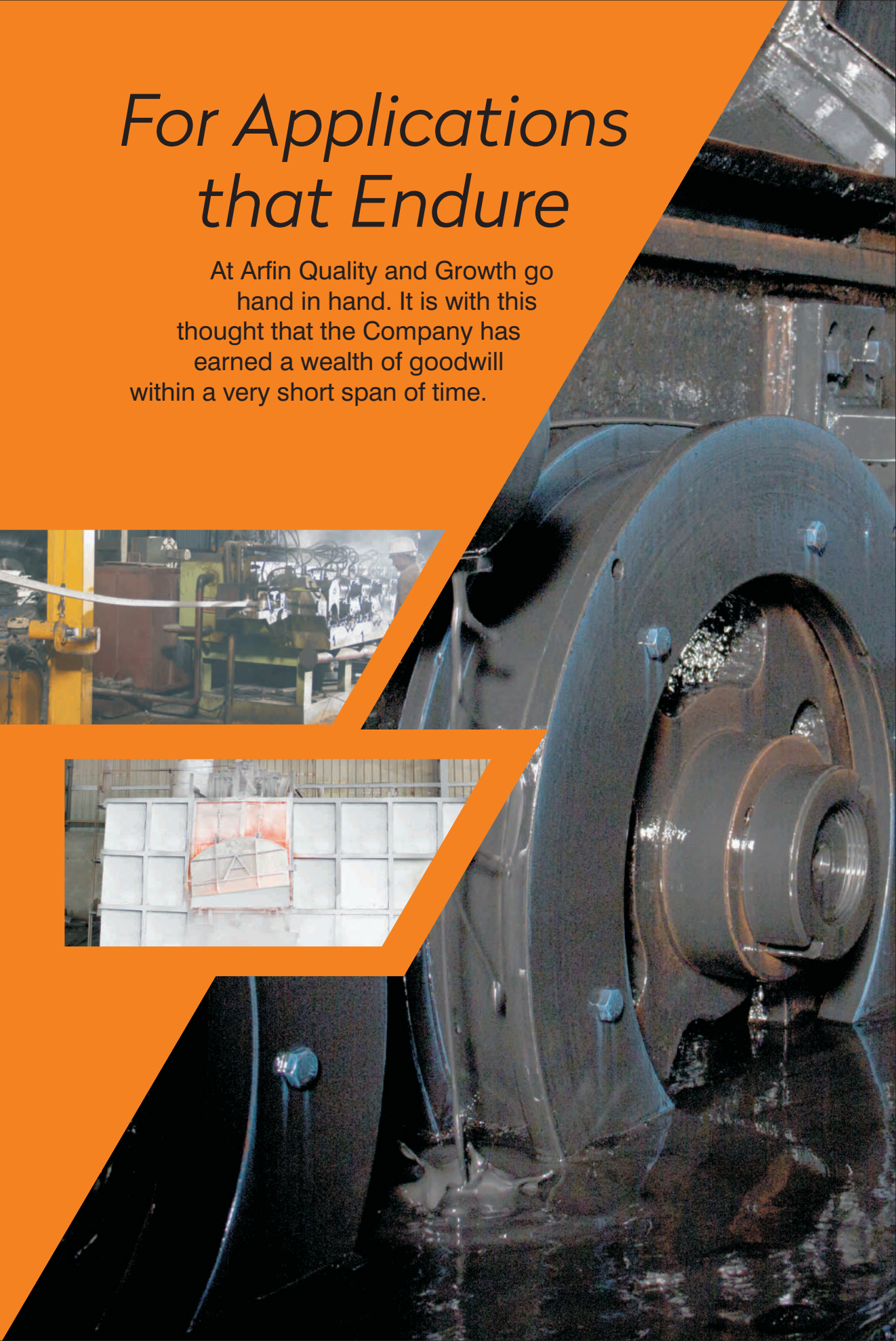


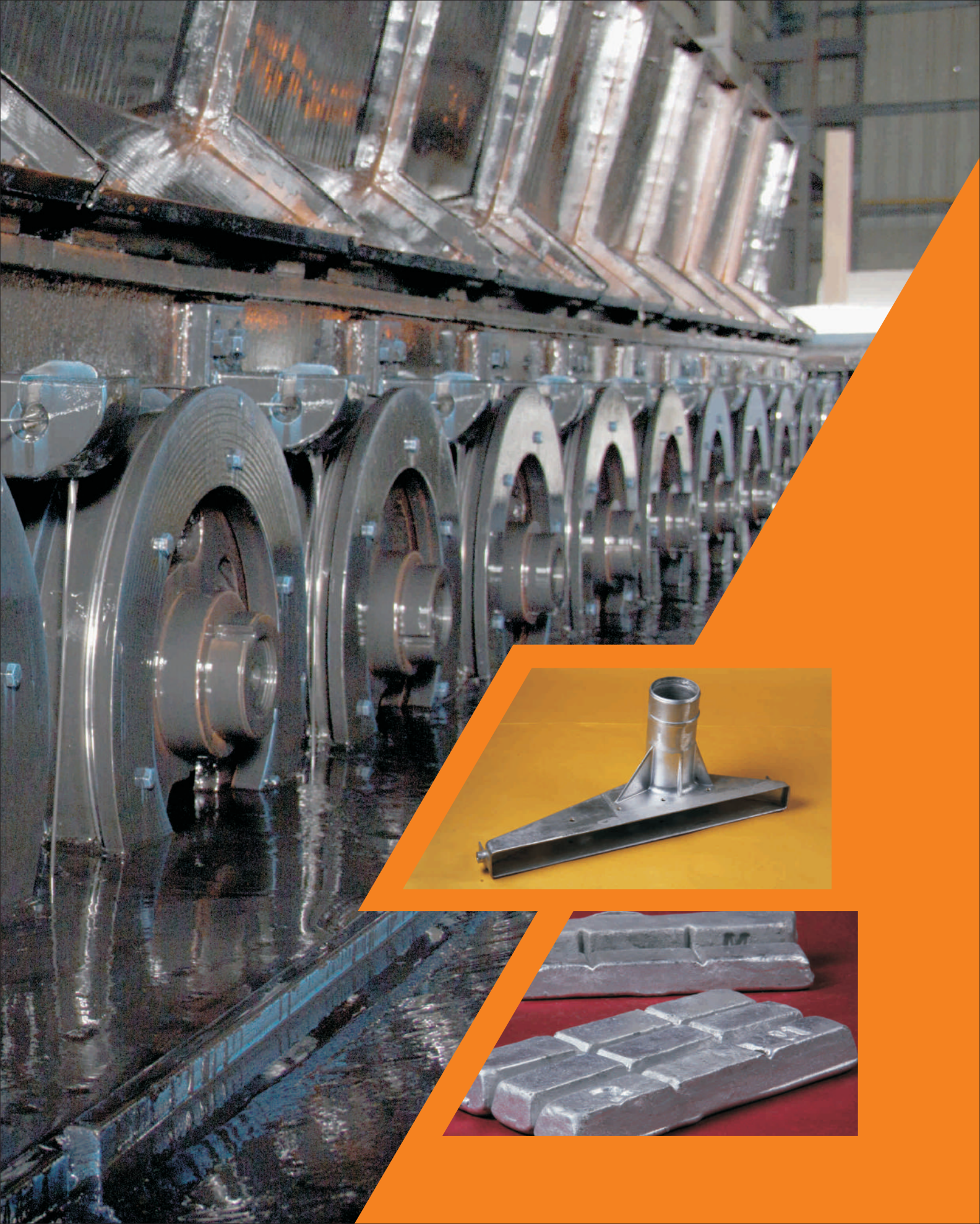


*Ingredients of
Infrastructure
Essence of Life*

For Applications that Endure

At Arfin Quality and Growth go hand in hand. It is with this thought that the Company has earned a wealth of goodwill within a very short span of time.





ARFIN

at a GLANCE

India's key Manufacturer of Aluminium Wire Rod & Aluminium Deox products and is also among the India's most popular Aluminium Recycling plants. Our mission is to be a premier name in its business segment by fully understanding the diverse market requirements and providing clients with the right products to achieve consistent success.

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

Contents

<i>CORPORATE INFORMATION</i>	<i>01</i>
<i>NOTICE</i>	<i>02</i>
<i>LETTER FROM THE CHAIRMAN</i>	<i>04</i>
<i>ORGANIZATIONAL BUSINESS OVERVIEW</i>	<i>09</i>
<i>MANAGEMENT DISCUSSION AND ANALYSIS</i>	<i>18</i>
<i>DIRECTORS' REPORT</i>	<i>23</i>
<i>5 YEAR FINANCIAL SUMMARY</i>	<i>30</i>
<i>RATIOS</i>	<i>32</i>
<i>AUDITORS'S REPORT</i>	<i>35</i>
<i>BALANCE SHEET</i>	<i>43</i>
<i>STATEMENT OF PROFIT AND LOSS</i>	<i>44</i>
<i>NOTES FORMING PART OF FINANCIAL STATEMENTS</i>	<i>45</i>
<i>CASH FLOW</i>	<i>73</i>

Corporate Information

Board of Directors

MAHENDRA R. SHAH
Chairman

JATIN M. SHAH
Director

PUSHPABEN M. SHAH
Director

SHANTILAL MEHTA
Director

Bankers

Axis Bank
State Bank of India

Statutory Auditors

Raman M. Jain & Co.

Registered Office

B-302, Pelican House,
Gujarat Chamber of Commerce Building,
Near Natraj Cinema, Ashram Road,
Ahmedabad-380 009.

Works

118/1, Ravi Estate, B/h Hotel Prestige,
Taluka - Kalol, Dist-Gandhinagar,
Chhatral (Gujarat)-382729.

Website

www.arfin.co.in

Notice

Notice is hereby given that the **22nd Annual General Meeting** of the Members of M/s. **Arfin India Limited** will be held on Tuesday, July 22, 2014 at 3:30 P. M. at Registered Office of the Company situated at **B – 302, Third Floor, Pelican House, Gujarat Chamber of Commerce Building, Near Natraj Cinema, Ashram Road**, Ahmedabad – 380 009 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt Audited Balance Sheet as on March 31, 2014, Statement of Profit & Loss and Cash Flow Statement for the year ended on that day along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Pushpaben M. Shah, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next 3rd Annual General Meeting of the Company and to fix their remuneration. The retiring Auditors M/s. Raman M. Jain & Co., Chartered Accountants are eligible for reappointment. In this regards to pass the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules framed thereunder, M/s. Raman M. Jain & Co., the firm of Chartered Accountants, (FRN: 113290W) be and are hereby reappointed as auditors of the Company to hold the office from the conclusion of this meeting until conclusion of next 3rd Annual General Meeting of the Company on payment of such remuneration as may be mutually agreed between the Company and the auditors”.

Date: May 27, 2014

Place: Ahmedabad

By order of the Board of Directors

For, Arfin India Limited

Sd/-

Mahendra R. Shah – Chairman

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE AT THE MEETING ON HIS OR HER BEHALF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE VALID MUST REACH AT THE REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE MEETING.
2. Register of Members and Share Transfer Register shall remain closed during 15.07.2014 to 22.07.2014 (both days inclusive).
3. The members are requested to intimate to the Company change in address, if any.
4. Members are requested to bring with them duly filled attendance slip and to hand over the same at entrance.
5. Members are requested to bring a copy of Annual Report as no extra copy shall be furnished by the Company.
6. Any member desirous of any information may intimate to the Company in advance so that information asked for may be kept ready at Annual General Meeting.



From the Chairman's Desk

“Modern Infrastructure will drive new demand, drive consumption and as manufacturer, we will have to play a major role and create demand for many new products.”



Dear Shareholders,

We are pleased to share with you the Annual Report for the financial year 2013-14 which aims to give a detailed picture and has been characterized by the great efforts made by our team. The Gross Revenue from Operations has reached to ₹2,13,19 Lacs from ₹1,86,11 Lacs during previous year, thereby registering healthy year on year growth of 14.55%. Your Company has posted Profit Before Depreciation, Interest & Tax of ₹628.79 Lacs and Earning per Share (EPS) of ₹9.24 for the financial year ended March 31, 2014.

It has been a tumultuous year for the Indian economy as whole and the world Economy has also struggled on a path to uniform and widespread economic stability. Most emerging markets and developing economies have moved on divergent paths. The Indian economy has slow down in the last 12 months and some of the sectors including metal industries have faced with demand slow down.



In spite of the difficult environments your Company has consolidated and strengthened its position in the Indian Aluminium Industry during the financial year 2013-14. Your Company's strategy of being relevant to the customer and providing solution to the customer needs continued to resonate with the customers. This is reflected in the strong, well round performance for the Financial Year 2013-14.

During the year your Company has successfully expanded the capacity of Aluminium Wire Rod Plant and operating parameters of the plant has been standardized in a very short period of time. We also implemented Integrated Management System to cover ISO 9001 under one umbrella & create seamlessness in the system. In this short span of time your Company has been able to recognize itself in the vendors to the top Steel Companies in India as well as outside India.

The Company has forayed into technological upgrades for its Aluminium Wire Rod and Deox Plants which has resulted in the form of improvement in quality of its products and optimization in achieving productivity of the plant. These have resulted the Company to have better reach with the Aluminium Wire Rod, Aluminium Deox Customers. Further your Company had been able to add some more prestigious companies like Tata Steel Limited & SABIC in its client list during the Financial Year 2013-14. These all efforts of your Company will ultimately result in enhancing your Company's value.

Today your Company is enjoying the status being one among the preferred suppliers to Steel Companies because of our orientation towards customer service and product quality. Today the Aluminium Wire Rod and Aluminium Deox products produced by the Company are rated to be one amongst the best in the country. This has been made possible with the technological innovation which has been made in the Aluminium Wire Rod and Aluminium Deox plant at Chhatral.

Your Company's Wire Rod business has been expanded its reach to the southern and western region of the country with value added wire rod products. Our product had been established & acceptable within a very small period due to its quality & reliability.

For the future your Company is looking actively at expansion in the automobile sector after the successful commissioning of the Aluminium Wire Rod plant. We are looking to establish ourselves as a prime manufacturer of aluminium & automobile products. We also understand the need for backward integration of our facilities and we are actively evaluating the possibilities of such projects.

Your Company has been able to put together a dedicated team of professionals at Arfin India Limited. We strongly believe in value proposition and the requirement of Human Resources, which add comprehensively to the total reserves of the Company.

I would like to place on record my appreciation to all employees, lenders, shareholders and other stakeholders for their dedication, continued support and confidence reposed on us.

Yours Sincerely

Sd/-

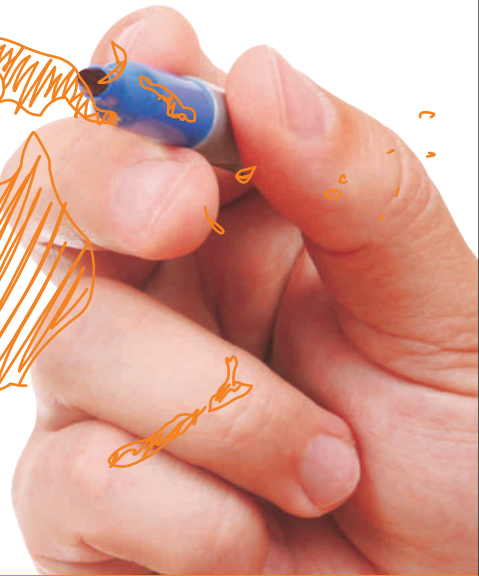
Mahendra R. Shah

Chairman



Tracing a Global Presence





Organizational Business Overview

“An optimized supply chain, efficient operations, higher production productivity coupled with appropriate product mix has translated in better gross margins and operational efficiency.”

The business model of the Company is united to its vision of becoming the point of reference in value creation and Corporate Citizenship in Aluminium Industry. Through this it maintains a strategic focus on continuous value creation for all its stakeholders. The Company is one of the key Aluminium producers in India. With a focus on continuous improvement, the Company meets diverse customer requirements across multiple segments globally.

Today the Company has forayed itself as a prominent name in the Aluminium Recycling and Ferro Alloys segment. With a progressive vision and the requisite industrial capacity, the Company is today regarded as a name to reckon with in its segment of business.

The Company believes that success comes through determination and perseverance. It is with this thought the Company has earned a wealth of goodwill within a very short span of period. The Company's success comprises of its consistent performance, excellent quality, prompt customer service as well as accuracy in delivering on clients' requirements.

The Company combined with its market expertise and innovative approach finds its foundation on trust and partnership with it's clients. It is with this approach that the Company is able to prioritize its performance and always achieve complete client satisfaction.

Vision

Company has 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.

Your Company has focus to become a major global player in Aluminium Recycling and Ferro Alloys segment. In the domestic arena Arfin focuses and supplies its extensive range of products to Steel, Chemical, Power & Conductor industries. In the international arena, the Company focuses on large steel units that have a constant need for competitive yet quality products.

Production

During the year your Company has successfully expanded the capacity of Aluminium Wire Rod Plant

and operating parameters of the wire rod plant has been standardized in a very short period of time. We also implemented Integrated Management System to cover ISO 9001 under one umbrella & create seamlessness in the system. In this short span of time your Company has been able to recognize itself in the vendors to the top Steel Companies in India as well as outside India.

During the year 2013-14 production facilities were utilized at optimum level and Company has more plans to increase the production from current level through introduction of automated furnaces and increase in efficiency of aluminium wire rod plant by addition of some more capital expenditure to get increased output.







*For Fabrications
that Sustain*









“The operational initiatives across the Company are aimed to make the Arfin India Limited a stronger and more competitive business that can withstand external shocks better and create long term value for its stakeholders.”

Due to expansion in Aluminium Wire Rod Plant production capacity of Aluminium Wire Rod Plant has been increased to 25,000 MT per annum.

During the year 2013-14 your Company has added more products in the existing list of products which include Aluminium Draw Wire & Automobile Dyes.

Arfin's competitive advantage lies in its advanced Research and Development Department. The facility is operated by cutting-edge equipments and skilled professionals who are constantly engaged in development of new and improved products.

The Company's research facility continually incorporates all the necessary nuances that aid in automatizing 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.

Future Plans

Arfin has made significant investments in expanding its infrastructural forte that allow smooth functioning of its manufacturing processes. The Company has also delinquently recruited a professional work force that well complements its strides towards growth.

After achieving more than 100% turnover in the previous financial year, Arfin estimates to further its progress by commissioning new Alloy Ingot plant to better meet the growing requirements of the Automobile Industry.

The consumption of aluminium, 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, Arfin will emerge on a stronger footing, through a series of management initiatives targeted at strengthening the core operations including investment in select production facilities and introduction of new products.

Management Discussion And Analysis

Economic Scenario

The growth of the Indian economy is driven by domestic consumption story, which comprise of increasing young (Working) population and growing infrastructure needs giving further push to consumption and demand. The steps taken by the organization during previous twelve months to secure, preserve and enhance its economic value creation, has further been able to provide better returns in form of economic value, stakeholder's satisfaction, compliance and governance. The economic environment of the Country was not conducive during the year. There was overall recession at industrial front. High price of crude oil and weak rupee against US \$ have impacted many industries in India. India achieved the GDP Growth of around 4% during the year 2013 – 14. However due to change in Government at the central level there is likely change in economic policies of the country. It is expected that new government shall be industry friendly and will boost unfinished economic agenda of the earlier government. Given the facts, GDP growth is likely to be 5% during the year 2014 – 15.

Financial and Capital Market

As stated earlier, the government's economic policies are likely to change substantially. With the expectation that Narendra Modi is likely Prime Minister, since last quarter of the year 2013 – 14, FII's started to bring in

huge investment inflow to the capital market. As a result capital market of the country witnessed some positive movement. Now all depends of the next general budget and economic policies of the new government.

Company Performance Vis a Vis Industry Scenario

The Company pertains to steel and metal industry. Despite global recession the steel and metal industry has not been impacted much. However the weak rupee against other foreign currency was cause of concern but the Company could manage its import requirement very well. Accordingly, despite the adverse economic environment, the Company could not only sustain its growth but there was substantial growth in Company's business as reported in financial statements. The efforts of sourcing as well as production management in order to reduce the carrying cost of the products, has helped these to perform better and as well improved the overall productivity and efficiency. The better management of the resources as well as use of production facilities has resulted in improved efficiency and better customer satisfaction.

The Company is also working on developing gravity dye casting products in Automobile category. A dedicated team of professionals working on development of automobile products which would

result in increase of top line and thereby show a significant improvement in overall margin. The Company is concentrating on developing special products as per specific customer needs.

Segment wise Reporting

The Company is engaged in the business of metal and does not have any other segment or activity. Hence segment wise discussion is not required to be given.

Future Outlook (Opportunities and Threats)

During the year 2013 – 14 there was global economic crisis. American and European economy is also passing through bad phase. In some gulf countries there is an environment of internal aggression. The internal violence in some gulf countries has become routine. There is heavy increase in crude and oil price. Due to election time, government policies become paralyzed. All these have impacted Indian economy. GDP is very low and fiscal and revenue deficit is major economic problem for our country.

However due to change in power at centre, there seems to be some hope for the better economic condition. Further if there is likely improvement in world economy more particularly American and European economy. Now all depend on economic policies of new government and next general budget. If there are measures taken by new government

conducive to economic growth, the Company would be able to improve its financial performance.

Otherwise also the Company within short span has developed good customer base. The quality products of the Company are widely accepted by the Industry. The management of the Company has set the target of ₹1000 Crore turnover within next 3-4 years. Accordingly the management of the Company hopes for further business growth in coming years.

The Company has focused its efforts increasing the turnover by getting larger share of the existing customers and also by creating new class of customers to gain overall larger share of the overall available industry requirements.

The set standards, policies and defined responsibilities at each level of management ensure that risk of execution and management is minimized. Further the standards and policies set are reviewed on regular basis and revised as per the requirements to further minimize the risk. Use of information technology for implementation and execution of various functions ensures that the risk of execution is minimized further.

Internal Control System

The Company had identified the key risks and control process to mitigate the same. Further, the Company continues this process of Enterprise Risk

Management as a continuing process, in order to identify the new risks and to define and establish the control process to mitigate the identified risks. The Company has established a good Internal Control System, which is adequate and commensurate with the nature and size of the Company. The Internal Control System is under the direct supervision of Shri Jatin M. Shah, Director at Factory and Shri Mahendra R. Shah, Chairman at Registered and Admin Office. The main purposes of the Internal Control System are:

- 1) Assurance about the fact that the transactions are recorded in proper manner and under proper heads.
- 2) Automatic and independent checking of transactions so as to ensure its validity.
- 3) To check and assure the compliance of various enactments like corporate laws, tax laws etc.
- 4) To prevent and early detect fraud and mal-practices, if any.

Human Resource Initiatives

The Company has achieved the scale and growth, where it is today due to its employees and the value they carry with them to deliver the holistic experience to the customers and reap benefit for the organization in form of better efficiency and profitability.

The continuous learning and training inculcate the organization ethos and policies set on the basis of Indian way of life, respect for organization, Indian

culture ethos and community. The Company values for various needs of each person in the organization ranging from economic, knowledge and power and tries to address each of them to bring out infinite potential of each person, which in turn benefits with better productivity and efficiency. Good bonding has been developed with employees which has resulted in very low level of attrition at organization level.



Review of Financial Performance of the Company for the period under Review

Sales

The Company's Revenue from Operations has increased from ₹18,611 Lacs to ₹21,319 Lacs with an increase of 14.55% over the previous year.

Profit Before Tax

Profit before tax of the Company for the year 2013-14 stood at ₹401.45 Lacs as compared to ₹441.47 Lacs during previous year, a marginal decrease of 9.06% over the previous due to other income of ₹ 66 Lacs during 2012-13.

Interest

Financial costs outflow has increased from ₹113.45 Lacs in 2012-13 to ₹185.16 Lacs in 2013-14. The increase in finance cost is on account of additional working capital requirement for business.

The interest & financial charges cover during the year under review is 3.40 times as compared to 5.10 times in the preceding year.

Net Profit

Net profit of the Company for the year under review stood at ₹264.51 Lacs as compared to ₹308.84 Lacs in the previous year, a decrease of ₹44.34 Lacs over the previous year is due to other income of ₹ 66 Lacs during 2012-13.

Capital employed

The capital employed in the business increased by ₹1,444.79 Lacs in 2013-14. This is reflected in the liabilities side of the balance sheet through an increase in borrowings by ₹774.66 Lacs, and an increase in shareholders fund by ₹670.13 Lacs. Return on capital employed during 2013-14 is 15.90% which was 27.88% during 2012-13.

Surplus management

The Company generated a Cash Profit of ₹306.68 Lacs as compared to ₹332.14 Lacs in the last year. This Cash profit is ploughed back into the business to fund the growth. The growth of the Company has partly been funded by the cash generated from the business as well as from additional funds borrowed and equity funds infused during the year.

Debt-equity

Debt-equity ratio of the Company has decreased to 2.66 as at March 31, 2014 in compare to 4.31 as at March 31, 2013.

Earnings Per Share (EPS)

The Company's Basic Earnings Per Share (EPS) for the year 2013-14 was 9.24 in compare to 10.23 for 2012-13.

Cash Earnings Per Share (CEPS)

The Company's Cash Earnings per Share (CEPS) during 2013-14 was ₹10.71 in compare to ₹11.00 in the preceding year.

Cautionary Statement

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, outlook etc. may be forward looking statements within the meaning of applicable laws and regulations.



Directors' Report

Your Directors have pleasure in presenting their 22nd Annual Report and the Audited Accounts of the Company for the year ended on March 31, 2014 and Compliance Certificate for the year 2013 – 14.

Financial Highlights	₹ in Lacs	
	2013-14	2012-13
Revenue From Operations	21,319.43	18,610.91
Less: Central Excise Duty	2,282.00	1,719.81
Net Revenue From Operation	19,037.43	16,891.10
Profit/(Loss) Before Taxation	401.45	441.47
Provision for Income Tax including Deferred Tax	136.95	132.62
Profit/(Loss) After Taxation	264.51	308.84
Proposed Dividend	Nil	Nil
Transfer to General Reserves	Nil	Nil
Profit Carried to Balance Sheet	264.51	308.84
Accumulated Balance of Profit	568.39	303.88

Operational and Financial Review

The Company has accelerated its business growth during the year under report. After resuming its business operation during the year 2011-12 the Company has improved its business performance every year. The new factory installed at Chhatral is utilizing production capacity at its full fledged. The Company's main products like aluminum or ferro alloys have been widely accepted by Company's well reputed big customers. The production capacity is increased to 3000 MT/month for Aluminum. Thus there is sustainable business growth for the Company for past couple of years. During the year under report

the Net Revenue from Operation went up by 12.71% to ₹19,037.43 Lacs as compared to ₹16,891.10 Lacs of the previous year. However due to increase in turnover, the Company had to avail more financial assistance from bank. As a result of increased employees emoluments and finance cost, the profit before and after tax is decreased as compared to previous year. However directors feel that over a period of time finance cost shall be reduced to increase profitability of the Company. The directors of your Company express their satisfaction towards the business and financial performance of the Company.

Dividend

The Board of Directors does not recommend any payment of dividend for the year 2013–14.

Conservation of Energy, Technology absorption, Foreign Exchange Earnings and outgo

The particulars as to conservation of energy, technology absorption and foreign exchange earnings and outgo to be disclosed in terms of Section 217 (1) (e) of the Companies Act, 1956 read with rules framed there under is given separately by way of annexure.

Employees Details

No person was employed in a Company during the year in receipt of remuneration at a rate prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Directors' Responsibility Statement

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, the directors' state:

1. That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and

prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the directors have prepared the annual accounts on a going concern basis.

Public Deposits/Financial Resources

The Company has not invited any public deposits. The Company could manage its financial needs by way of fund and non fund based credit facilities from the bank. Further the Company during the year effected forfeiture of partly paid up shares. The Company forfeited 10,55,000 Equity Shares and reissued 9,00,000 Equity Shares at ₹40 (Including premium of ₹30/-) to its directors or existing share holders or others.

Directors

Smt. Pushpaben M. Shah retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers herself for re-appointment.

Auditors

M/s. Raman M. Jain & Co., the retiring auditors are eligible for reappointment as auditors. The Board recommends reappointing them as auditors of the Company as per resolution set out in the notice of Annual General Meeting of the Company and to fix their remuneration.

Acknowledgement

The Board wish to place on record the unstinted support of all associated with the Company and smooth relation with the bankers of the Company. The Board hopes for the continuance support from all of them in future too.

By Order of the Board of Directors

For, Arfin India Limited

Sd/-

Mahendra R. Shah – Chairman

Date: May 27, 2014

Place: Ahmedabad



Annexure 1 Forming Part of Report of Board of Directors

Conservation of Energy, Technology Absorption, Foreign Exchange Earning & Outgo as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Conservation of Energy

- (a) Energy conservation measures taken: None
(b) Additional investments or proposals, if any, being implemented for reduction of consumption of energy: Nil
(c) Impact of (a) and (b) above: Not Applicable
(d) Total energy consumption and energy consumption per unit of production:

A. Power and Fuel Consumption

Particulars	Current Year	Previous Year
I. Electricity		
(a) Purchased (Units)	493,362	208,662
(b) Total Amount (₹ In Lacs)	38.98	19.18
(c) Rate/Unit (₹)	7.9	9.19
(b) Own Generation	-	-
II. Coal (Specify Quality And Where Used)		
(a) Purchased (Units)	358,893	-
(b) Total Amount (₹ In Lacs)	35.86	-
(c) Rate/Unit (₹)	9.99	-
III. Furnace Oil		
(a) Purchased (Liters)	-	-
(b) Total Amount (₹ In Lacs)	-	-
(c) Rate/Liter (₹)	-	-
IV. Gas Consumption		
(a) Purchased (Unit)	1,296,119	950,733
(b) Total Amount (₹ In Lacs)	430.05	293.71
(c) Rate/Liter (₹)	33.18	30.89

B. Consumption per Unit of Production

Particulars	Standard (If Any)	Current Year	Previous Year
Production (with detail) units	Not Applicable	Not possible to segregate these details	
Electricity	Not Applicable	in view of multiplicity of data	
Furnace Oil	Not Applicable		
Coal (specify quality)	Not Applicable		
Other (Gas and Fuel)	Not Applicable		

Date: May 27, 2014

Place: Ahmedabad

By order of the Board of Directors

For, Arfin India Limited

Sd/-

Mahendra R. Shah – Chairman



Form-B**Form for Disclosure of Particulars with Respect to Absorption****Research and Development (R & D)**

1	Specify area in which R&D carried out	The Company has not carried out any R & D process
2	Benefit derived as a result of above R&D	Not Applicable
3	Future plan of action	No future plan
4	Expenditure on R&D (₹) (a) Capital (b) Recurring (c) Total (d) Total R&D expenditure as a % of total turnover	₹ Nil ₹ Nil ₹ Nil Not Applicable

Technology Absorption, Adoption and Innovation

1.	Efforts, in brief, made towards Technology Absorption, Adoption and Innovation.	Continuous observation on fuel and gas flow every hour. Temperature reading of molten aluminum at every hour through thermo couple.
2.	Benefit derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution.	Due to monitoring of above two parameters reduced the fuel cost of production. Temperature regulation improved the quality of cast bar which reduced rejections.
3.	In case of imported technology (imported during the last 5 year reckoned from the beginning of the financial year)	a. Details of technology imported NIL b. Year of Import Not Applicable c. Has technology been fully absorbed? Not Applicable d. If not fully absorbed, areas where it has not taken place and reasons therefore. Also give future plan of actions for technology absorption Not Applicable.

Earnings In Foreign Currency

₹ in Lacs

Particulars	2013-14	2012-13
(a) FOB Value of Export	175.88	272.9

Expenditure in Foreign Currency

₹ in Lacs

Particulars	2013-14	2012-13
(a) EXPENDITURE IN FOREIGN CURRENCY		
Import of Raw Materials	2,187.35	3,748.39
Import of Capital Goods	-	-
Payment Towards Technical Fees etc.	-	-
Payment of Dividend	-	-
Travelling Expenses Foreign	9.19	2.58

By order of the Board of Directors

For, Arfin India Limited

Date: May 27, 2014

Place: Ahmedabad

Sd/-**Mahendra R. Shah – Chairman**

5 Year Financial Summary - Balance Sheet

₹ in Lacs

	31-Mar-10	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14
Equity and Liabilities					
Shareholders Funds					
Share Capital	186.77	186.77	186.77	186.77	290.21
Reserves And Surplus	100.51	101.26	112.99	421.84	988.53
Money Received Against Share Warrants	-	-	-	-	-
	287.28	288.04	299.77	608.61	1,278.74
Non-Current Liabilities					
Long Term Borrowings	-	98.20	472.61	811.05	969.78
Deferred Tax Liabilities (Net)	-	18.53	21.65	49.27	76.22
Other Long Term Liabilities	-	-	-	-	-
Long Term Provisions	-	-	-	-	-
	-	116.73	494.25	860.32	1,045.99
Current Liabilities					
Short Term Borrowings	-	0.39	103.48	1,737.35	2,349.75
Trade Payables	-	0.51	589.32	2,101.11	2,676.64
Other Current Liabilities	20.48	-	42.85	81.98	78.41
Short Term Provisions	3.09	1.28	1.87	60.94	49.97
	23.57	2.17	737.52	3,981.38	5,154.77
Total	310.85	406.94	1,531.54	5,450.31	7,479.50
Assets					
Non-Current Assets					
Fixed Assets					
Tangible Assets (Net Block)	99.13	210.60	394.56	821.80	925.61
Intangible Assets	-	-	-	-	-
Capital Work-In-Progress	-	-	-	13.45	-
Non Current Investments	172.11	172.11	172.11	-	-
Long Term Loans And Advances	-	4.50	17.93	20.22	23.17
Other Non Current Assets	-	-	-	-	-
	271.24	387.21	584.59	855.46	948.78
Current Assets					
Current Investments	-	-	-	-	-
Inventories	1.96	1.96	543.60	1,269.87	2,705.65
Trade Receivables	-	2.42	227.04	2,774.54	3,512.62
Cash And Cash Equivalents	2.36	1.34	42.40	399.42	233.42
Short Term Loans And Advances	35.29	14.01	133.91	151.01	79.03
Other Current Assets	-	-	-	-	-
	39.61	19.73	946.95	4,594.85	6,530.72
Total	310.85	406.94	1,531.54	5,450.31	7,479.50

5 Year Financial Summary - Statement of Profit and Loss

₹ in Lacs

Particulars	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14
Domestic Sales	-	-	1,692.42	18,333.59	21,143.55
Export Sales	-	-	-	272.90	175.88
Total Gross Sales	-	-	1,692.42	18,606.49	21,319.43
Less: Excise Duty	-	-	145.02	1,719.81	2,282.00
Revenue From Operation (Net)	-	-	1,547.40	16,886.68	19,037.43
Other Operating Income	-	-	66.87	4.42	-
Income From Operations	-	-	1,614.27	16,891.10	19,037.43
Cost of Goods Sold	-	-	1,456.59	15,421.69	17,026.21
Gross Margin	-	-	157.68	1,469.41	2,011.22
Other Income	3.33	3.77	4.06	66.00	18.43
Total Income	3.33	3.77	161.74	1,535.41	2,029.65
Expenses					
Manufacturing Expenses	-	-	102.27	692.51	982.19
Selling & Distribution Expense	-	0.04	0.04	102.68	200.42
Employee Benefit Expense	2.40	1.20	19.05	77.74	105.84
Administrative Expenses	2.18	1.77	6.26	84.27	112.43
Total Operating Expenses	4.58	3.01	127.61	957.20	1,400.87
PBDIT	(1.25)	0.76	34.12	578.22	628.79
Finance Cost	0.03	-	13.25	113.45	185.16
PBDT	(1.28)	0.76	20.87	464.76	443.62
Depreciation	-	-	2.56	23.29	42.17
PBT	(1.28)	0.76	18.31	441.47	401.45
Current Tax	-	-	3.47	105.00	110.00
Deferred Tax	-	-	3.11	27.62	26.95
PAT	(1.28)	0.76	11.73	308.84	264.51

Ratios

Financial Performance	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14
Cost of Goods Sold / Net Sales	0.00%	0.00%	90.23%	91.30%	89.44%
Manpower Costs / Net Sales	0.00%	0.00%	1.18%	0.46%	0.56%
Manufacturing Expenses / Net Sales	0.00%	0.00%	6.34%	4.10%	5.16%
Finance Cost / Total Income	0.00%	0.00%	0.82%	0.67%	0.97%
PBDIT/Interest (Debt-Service Ratio)	-39.85	0.00	2.58	5.10	3.40

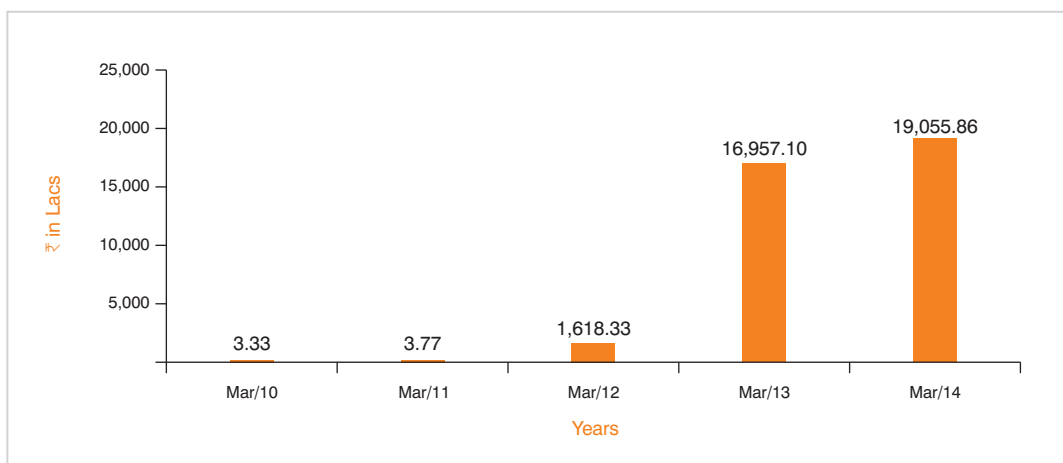
Profitability	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14
PBDIT / Total Income	0.00%	0.00%	2.11%	3.42%	3.30%
PBDT / Total Income	0.00%	0.00%	1.29%	2.75%	2.33%
Net profit / Total Income	0.00%	0.00%	0.73%	1.83%	1.39%
RONW (PAT / Average Net Worth)	-0.44%	0.26%	3.99%	68.00%	28.03%
ROCE (PBDIT / Average Capital Employed)	-0.43%	0.22%	5.24%	27.88%	15.90%

Balance Sheet	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14
Debt-Equity Ratio	-	0.34	2.05	4.31	2.66
Debtors Turnover (Days)	-	-	49	54	60
Inventory Turnover (Days)	-	-	117	25	46
Current Ratio	1.68	9.08	1.28	1.15	1.27
Quick Ratio	1.60	8.18	0.55	0.84	0.74
Asset Turnover (Total Income / Total Assets)	0.01	0.01	1.07	3.14	2.57

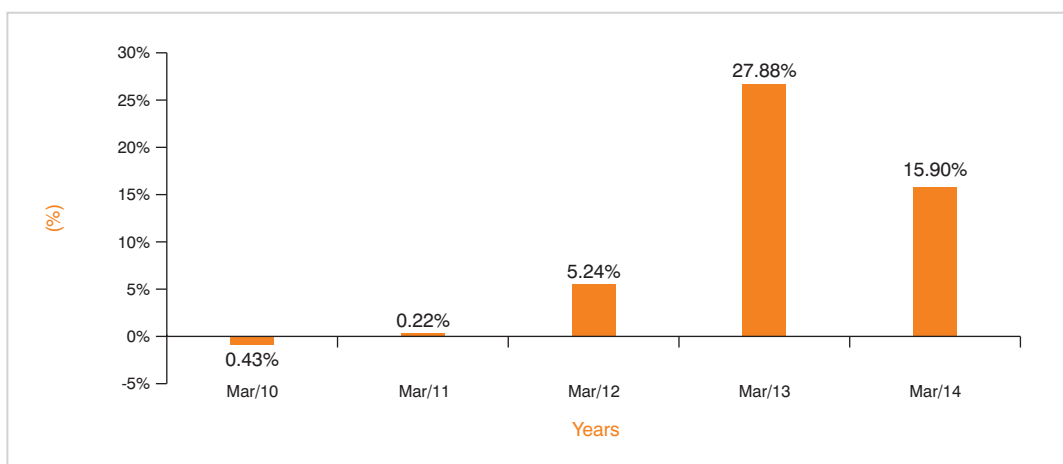
Key Financial Parameters (₹ in Lacs)	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14
Total Revenue	3.33	3.77	1,618.33	16,957.10	19,055.86
Profit Before Interest, Tax and Depreciation	(1.25)	0.76	34.12	578.22	628.79
Profit After Tax	(1.28)	0.76	11.73	308.84	264.51
Cash Profit	(1.28)	0.76	14.29	332.14	306.68

Per Share Data	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14
Basic Earnings Per Share (₹)	-0.04	0.03	0.39	10.23	9.24
Basic Cash Earnings (₹)	-0.04	0.03	0.47	11.00	10.71
Book Value (₹)	9.52	9.54	9.93	20.16	44.66

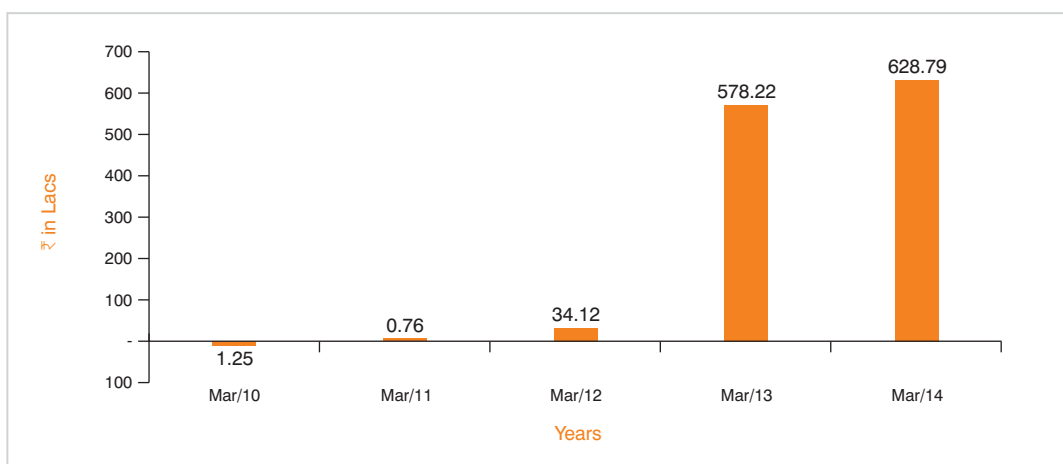
Growth in Total Income (₹ in Lacs)



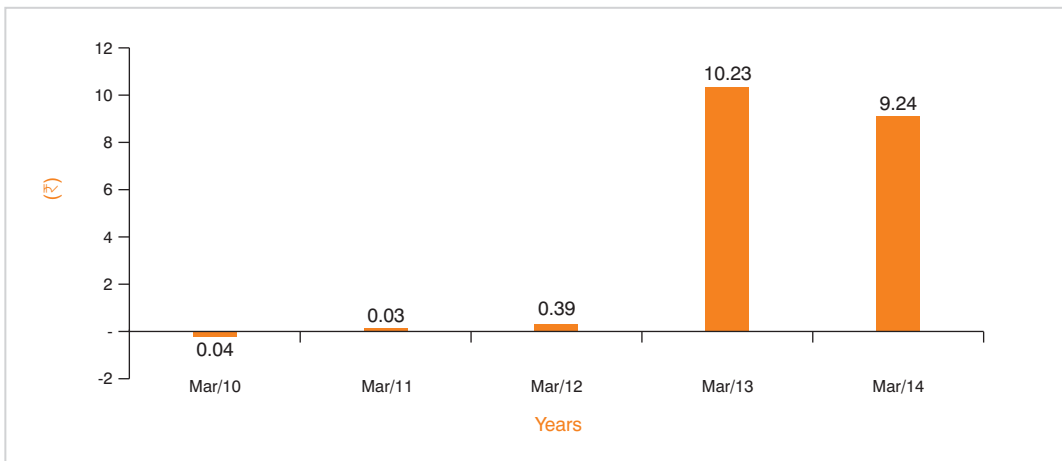
Roce (%)



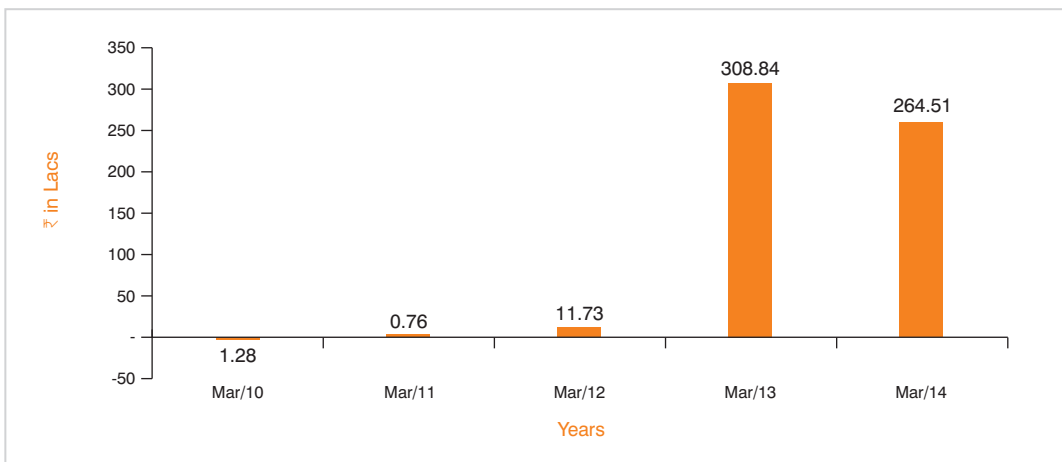
Growth in PBDIT (₹ in Lacs)



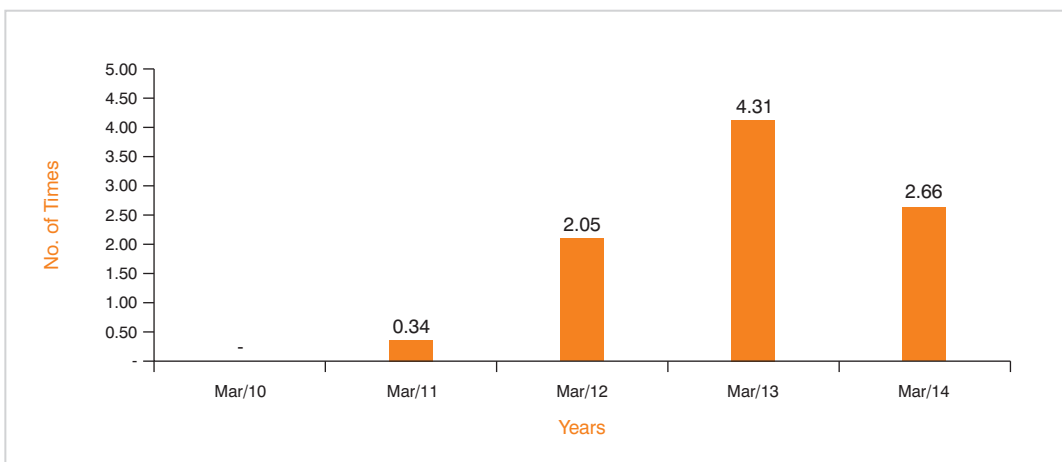
Earnings Per Share (₹)



Growth In Profit After Tax (₹ in Lacs)



Debt-Equity Ratio (X)



Auditors' Report

To,
The Members of
Arfin India Limited

Reports on financial statements

We have audited the accompanying financial statements of **ARFIN INDIA LIMITED (the Company)**, which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view

and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as

well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014.
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:

- a) We have 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 appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e) On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1) (g) of the Act.

For, Raman M. Jain & Co.

Chartered Accountants

Firm Registration No.: 113290W

Raman M. Jain

Partner

Membership No.: 45790

Date: May 27, 2014

Place: Ahmedabad

Annexure To The Auditors' Report

Referred to in Paragraph 1 of our Report of even date on the Account of **Arfin India Limited** for the year ended on **March 31, 2014**

(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 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 ₹947 Lacs.

- (c) As per information and explanation given to us, the rate of interest and other terms and conditions of the loans taken or received by the Company, if any, are not prima facie prejudicial to the interest of the Company.
- (d) As per information and explanation and records produced before us, there is no overdue amount payable, hence this clause is not applicable.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weakness in the internal control system.
- (5) In respect to contracts or arrangements entered in the register under section 301 of Companies 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 ₹ 5,00,000/- (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 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 March 31, 2014 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.

(16) The Company has not raised new term loans during the year. In our opinion and according to information and explanation given to us, the term loans raised earlier 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

Firm Registration No.: 113290W

Raman M. Jain

Partner

Membership No-045790





Balance sheet as at March 31, 2014

₹ in Lacs

	Note	As at March 31, 2014	As at March 31, 2013
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2	290.21	186.77
Reserves And Surplus	3	988.53	421.84
Money Received Against Share Warrants		0.00	0.00
		1,278.74	608.61
Non-Current Liabilities			
Long Term Borrowings	4	969.78	811.05
Deferred Tax Liabilities (Net)	5	76.22	49.27
Other Long Term Liabilities	6	0.00	0.00
Long Term Provisions	7	0.00	0.00
		1,045.99	860.32
Current Liabilities			
Short Term Borrowings	8	2,349.75	1,737.35
Trade Payables	9	2,676.64	2,101.11
Other Current Liabilities	10	78.41	81.98
Short Term Provisions	11	49.97	60.94
		5,154.77	3,981.38
Total		7,479.50	5,450.31
Assets			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		925.61	821.80
Intangible Assets		0.00	0.00
Capital Work-In-Progress		0.00	13.45
Non Current Investments	13	0.00	0.00
Long Term Loans And Advances	14	23.17	20.22
Other Non Current Assets	15	0.00	0.00
		948.78	855.46
Current Assets			
Current Investments	16	0.00	0.00
Inventories	17	2,705.65	1,269.87
Trade Receivables	18	3,512.62	2,774.54
Cash And Cash Equivalents	19	233.42	399.42
Short Term Loans And Advances	20	79.03	151.01
Other Current Assets	21	0.00	0.00
		6,530.72	4,594.85
Total		7,479.50	5,450.31

The accompanying notes are integral part of these financial statements 1 to 31

As Per Our Report of Even Date Attached

For Raman M. Jain & Co.

Chartered Accountants

Firm's Registration Number: 113290W

Raman M. Jain

Partner

Membership Number: 045790

Place : Ahmedabad

Date: May 27, 2014

For & on Behalf of Board of Directors

Mahendra R. Shah

Director

Place : Ahmedabad

Date: May 27, 2014

Jatin M. Shah

Director

Statement of Profit & Loss for the year ended March 31, 2014

₹ in Lacs

	Note	As at March 31, 2014	As at March 31, 2013
Revenue			
Revenue From Operations	22	21,319.43	18,610.91
Less: Central Excise Duty		2,282.00	1,719.81
Revenue From Operations (Net)		19,037.43	16,891.10
Other Income	23	18.43	66.00
Total Revenue		19,055.86	16,957.10
Expenses			
Cost of Materials Consumed	24	16,207.93	13,068.95
Purchases of Stock-In-Trade		967.40	2,815.56
Changes In Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	25	(149.12)	(462.82)
Employee Benefits Expense	26	105.84	77.74
Finance Costs	27	185.16	113.45
Depreciation And Amortization Expense	12	42.17	23.29
Other Expenses	28	1,295.03	879.46
Total Expenses		18,654.41	16,515.63
Profit Before Tax		401.45	441.47
Tax Expense			
Current Tax	29	110.00	105.00
Deferred Tax		26.95	27.62
Profit/(Loss) For The Period		264.51	308.84
Earnings Per Equity Share: (Face Value of ₹ 10/- Each)			
Basic and Diluted	30	9.24	10.23

The accompanying notes are integral part of these financial statements 1 to 31

As Per Our Report of Even Date Attached

For Raman M. Jain & Co.

Chartered Accountants
Firm's Registration Number: 113290W

Raman M. Jain

Partner
Membership Number: 045790

Place : Ahmedabad
Date: May 27, 2014

For & on Behalf of Board of Directors

Mahendra R. Shah
Director

Jatin M. Shah
Director

Place : Ahmedabad
Date: May 27, 2014

Notes Forming Part of the Financial Statements

Note-1 Significant Accounting policies

a) Basis of Preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and provisions of the Companies Act, 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) 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.

c) Revenue Recognition

- Revenue / Income and Cost / Expenditure are generally accounted on accrual basis as they are earned / incurred, except those with significant uncertainties.
- Dividend Income from investment is recognized as and when received.
- Other Incomes are accounted for on accrual basis except when the recovery is uncertain, it is accounted for on receipt basis.
- Claims made against the company 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 applicable.

d) 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

Notes Forming Part of the Financial Statements

directly attributable to assets to bring it to the office and in the working condition for its intended use.

e) 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.

f) Investments

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

g) Inventories

Inventories at year-end are valued at the Lower of the Cost Price or Net Realizable Value. Cost of inventories comprises of cost of purchase, cost of conversion and costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

h) Miscellaneous Expenditure

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

i) Retirement Benefits

- i) Short term employee benefits are recognized as expenses at the undiscounted amount in the statement of profit and loss of the year which the related service is rendered.
- ii) **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.
- iii) **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 Statement of

Notes Forming Part of the Financial Statements

Profit & Loss. Any shortfalls in case of premature resignation or termination to the extent not reimbursed by LIC is being absorbed in the year of payment.

iv) Termination benefits are charged to Statement of Profit & Loss in the year of accrual.

j) Taxes on Income

- i) Current Tax is determined on the basis of amount of tax payable on taxable income for the year.
- ii) In accordance with Accounting Standard 22 "Accounting For Taxes on Income" issued by The Institute of Chartered Accountants of India, amount of the deferred tax for timing difference between the book and tax profits for the year is accounted for using the tax rate and laws that have been enacted or substantively enacted as of the Balance Sheet date. Deferred Tax Assets arising from temporary timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future.

k) Expenses

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

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

l) Transaction in Foreign Currency

Foreign currency transactions are recorded at the exchange rate prevailing on the date of such 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 Statement of Profit and Loss.

m) Borrowing Cost

Borrowing costs 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

Notes Forming Part of the Financial Statements

intended use. The amount of interest capitalized for the period is determined by applying the interest rate applicable to appropriate borrowings.

n) Earnings Per Share

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

o) 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.

p) 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.

q) Cash Flow Statement

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

Cash and Cash Equivalent presented in the Cash Flow Statement consist of Cash on Hand, Bank Balances and Demand Deposits with Banks

Notes Forming Part of the Financial Statements

2 Share Capital

₹ in Lacs

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
1	Authorized Share Capital 35,00,000 (Previous Year 35,00,000) Equity Shares of ₹ 10/- each	350.00	350.00
		350.00	350.00
2	Issued , Subscribed & Paid Up Capital At The Beginning Period	301.83	301.83
	Add: Issued During The Period	0.00	0.00
	Add: Issued on Account of Merger / Conversion / Bonus / Split	0.00	0.00
	Less : Deduction on Forfeiture of Shares	15.50	0.00
	Issued Capital At The End of The Period	286.33	301.83
	Less: Calls Unpaid (Showing Aggregate Value of Calls Unpaid by Directors And Members)	0.00	115.06
	At The End of Reporting Period	286.33	186.77
	Add : Equity Shares Forfeited	3.88	0.00
	Total	290.21	186.77

2.1 The Reconciliation of The Number of Shares Outstanding as at March 31,2014 and March 31, 2013 is Set Out Below

Equity Shares	As at March 31, 2014		As at March 31, 2013	
	No of Shares	₹ In Lacs	No of Shares	₹ In Lacs
Shares Outstanding At The Beginning of The Year	3,018,300	301.83	3,018,300	301.83
Add: Shares Issued During The Year	0	0.00	0	0.00
Less: Buy Back / Forfeited Shares	155,000	15.50	0	0.00
Shares Outstanding At The End of The Year	2,863,300	286.33	3,018,300	301.83

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

S.N.	Name of The Shareholder	As at March 31, 2014		As at March 31, 2013	
		No of Shares	% of Holding	No of Shares	% of Holding
1	Mahendra R Shah	508,400	17.76%	308,400	10.22%
2	Jatin M Shah	448,900	15.68%	179,200	5.94%
3	Rani J Shah	403,400	14.09%	0	0%
4	Pushpaben M Shah	323,500	11.30%	0	0%
5	Jatin M Shah-HUF	177,200	6.19%	0	0%

Notes Forming Part of the Financial Statements

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

3 Reserves & Surplus

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
I	Capital Reserve		
	As Per Last Balance Sheet	0.00	0.00
	Add: Created During The Year	22.50	0.00
	Less: Transfer to General Reserve	0.00	0.00
		22.50	0.00
II	Securities Premium Reserve		
	As Per Last Balance Sheet	117.96	150.12
	Add: Amount Received on Conversion of FCCB/From Proceeds of Right Issue/on Account of Merger/ Re-Issue of Forfeited Shares etc.	270.00	0.00
	Add/ (Less) : Call in Arrears Received	32.16	0.00
	Less: Right Share Issue Expenses Written Off	0.00	0.00
	Less : Deduction on Forfeiture of Shares	22.47	0.00
	Less : Call in Arrears	0.00	32.16
	Less: Bonus Shares Issued by Capitalization of Share Premium	0.00	0.00
		397.65	117.96
III	General Reserve		
	As Per Last Balance Sheet	0.00	0.00
	Add: Transferred During The Year From Profit & Loss Account	0.00	0.00
	Add: Any Others	0.00	0.00
	Less: Utilization During The Year	0.00	0.00
		0.00	0.00
IV	Surplus In Statement Of Profit And Loss		
	Balance As Per Last Financial Year	303.88	(4.97)
	Add: Profit For The Year	264.51	308.84
	Add: Addition During The Year (Including Transfer From Reserve)	0.00	0.00
	Less: Appropriations	0.00	0.00
	Proposed Dividend on Equity Shares	0.00	0.00
	Tax on Dividend	0.00	0.00
	Transferred to General Reserve	0.00	0.00
		568.39	303.88
	Total	988.53	421.84

Notes Forming Part of the Financial Statements

4 Long Term Borrowings

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
I	Term Loans		
	(a) Secured		
	(i) From Banks		
	- HDFC Bank (Car Loan)	14.60	45.82
	i) Tenor of Loan is 36 Months & Repayable in Equal Monthly Installments		
	i) Nature of Security: Loan is Secured by Pledge of Cars.		
	ii) Loan is Guaranteed by Directors of Company.		
	- Axis Bank (Hydra Machine & Toyota Forklift Loan)	4.36	12.44
	i) Tenor of Loan is 36 Months & Repayable in Equal Monthly Installments		
	i) Nature of Security: Secured by Pledge of Hydra Machine & Forklift.		
	ii) Loan is Guaranteed by Directors of Company.		
	- Axis Bank Ltd. - (Term Loan)	3.88	54.53
	i) Tenor of Loan is 48 Months & Repayable in Equal Monthly Installments and at Present Rate of Interest is (Bank's Base Rate + 3.75%) i.e. 13.75% p.a.		
	ii) Nature of Security:		
	(1) Secured by Hypothecation of Fixed Asset Including Plant & Machinery Purchased Out of Bank Finance.		
	(2) Mortgaged of Factory Land & Building at "118/1, Ravi Industrial Estate" Situated at Billeshwarpura Village, Chhatral, Gandhinagar.		
	iii) Loan is Guaranteed by Following Directors:		
	(1) Jatin M Shah (2) Mahendra R Shah (3) Pushpaben M Shah		
	(ii) From Other Parties	0.00	0.00
		22.85	112.79

Notes Forming Part of the Financial Statements

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
	(b) Unsecured		
	(i) From Bank	0.00	0.00
	(ii) From Other Parties	0.00	0.00
		0.00	0.00
II	Loans And Advances From Related Parties		
	(a) Secured	0.00	0.00
	(b) Unsecured		
	- Krish Ferro Industries Limited (Formerly Known as Arfin Capital Limited)	218.41	200.29
	- Jatin M Shah	0.00	50.00
	- Jatin M Shah- HUF	0.00	25.00
	- Mahendra Corporation	728.52	228.52
	- Mahendra R Shah	0.00	71.26
	- Pooja M Shah	0.00	10.00
	- Pushpaben M Shah	0.00	63.20
	- Rani J Shah	0.00	50.00
		946.93	698.27

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.

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
III	Deferred Payment Liabilities		
	(a) Secured	0.00	0.00
	(b) Unsecured	0.00	0.00
		0.00	0.00
IV	Other Loans and Advances		
	(a) Secured	0.00	0.00
	(b) Unsecured	0.00	0.00
		0.00	0.00
	Total	969.78	811.05

Notes Forming Part of the Financial Statements

5 Deferred Tax Liability (Net)

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
I	Deferred Tax Liabilities		
	- Related to Fixed Assets	76.22	49.27
	- Related to Others	0.00	0.00
		76.22	49.27
II	Less: Deferred Tax Assets		
	- Related to Fixed Assets	0.00	0.00
	- Related to Others	0.00	0.00
		0.00	0.00
	Total	76.22	49.27

6 Other Long Term Liabilities

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
	(a) Trade Payables	0.00	0.00
	(b) Others	0.00	0.00
	Total	0.00	0.00

7 Long Term Provisions

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
	Provisions For Employee Benefits		
	(a) Provision For Leave Encashment	0.00	0.00
	(b) Others	0.00	0.00
	Total	0.00	0.00

8 Short Term Borrowings

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
I	Loan Repayable On Demand		
	(a) Secured		
	(i) From banks		

Notes Forming Part of the Financial Statements

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
	(a) Secured		
	(i) From banks		
	- Axis Bank Ltd. – Cash Credit Account	1,262.23	1,295.09
	- Axis Bank Ltd. - Adhoc Limit Account	0.00	302.50
	- Axis Bank Ltd. - Buyer's Credit Account	0.00	139.75
	- State Bank of India - Cash Credit Account	1,087.52	0.00
	i) Nature of Security:		
	(1) Secured by Hypothecation of Entire Current Assets Including Book Debts and Stock at Present and in Future.		
	ii) Collateral Security:		
	(1) Mortgage of Factory Land & Building at "118/1, Ravi Industrial Estate" Situated at Billeshwarpura Village, Chhatral, Gandhinagar.		
	iii) Loan is Guaranteed by Following Directors:		
	(1) Jatin M Shah (2) Mahendra R Shah (3) Pushpaben M Shah		
	(ii) From Other Parties	0.00	0.00
		2,349.75	1,737.35
	(b) Unsecured		
	(i) From Banks	0.00	0.00
	(ii) From Other Parties	0.00	0.00
		0.00	0.00
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	2,349.75	1,737.35

Notes Forming Part of the Financial Statements

9 Trade Payables

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
1	Due to Micro, Small and Medium Enterprises	0.00	0.00
2	Due to Others	2,676.64	2,101.11
	Total	2,676.64	2,101.11

10 Other Current Liabilities

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
1	Current Maturities of Long Term Debt- Bank Term Loan	78.41	74.87
2	Unpaid Dividends	0.00	0.00
3	Creditors For Capital Goods	0.00	3.98
4	Other Payables	0.00	3.12
	Total	78.41	81.98

11 Short Term Provisions

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
I	Provision for Employee Benefits		
	- Provision For Bonus	0.00	0.00
	- Provision For Gratuity / Leave Encashment	0.00	0.00
		0.00	0.00
II	Others		
	- Provision for Income Tax (Net of Advance tax & TDS)	42.50	51.57
	- Proposed Dividend	0.00	0.00
	- Provision For Corporate Tax on Dividend	0.00	0.00
	- Service Tax Payable	0.82	0.21
	- Audit Fees Payable	1.23	0.00
	- Provident Fund & ESIC Payable	0.00	0.14
	- VAT Payable	0.00	4.71

Notes Forming Part of the Financial Statements

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
	- Professional Tax Payable	1.05	0.50
	- TDS Payable	3.10	2.54
	- Listing Fees Payable	1.28	1.28
		49.97	60.94
	Total	49.97	60.94

13 Non Current Investments

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
I	Trade Investment		
	(a) Investment In Property	0.00	0.00
	(b) Investment in Equity Instruments	0.00	0.00
	(c) Other Non-Current Investments (Specify Nature)	0.00	0.00
II	Other Investments		
	(a) Investment In Property	0.00	0.00
	(b) Investment In Equity Instruments		
	In Equity Shares of Associate Company - (Unquoted, Fully Paid up)	0.00	0.00
	(c) Investment In Government And Trust Securities	0.00	0.00
	(d) Investment In Partnership Firms	0.00	0.00
	(e) Other Non-Current Investments (Specify Nature)	0.00	0.00
	(Previous Year)		
	AGGREGATE		
	NIL		
	QUOTED		
	NIL		
	UNQUOTED		
	NIL		
	Total	0.00	0.00

Notes Forming Part of the Financial Statements

14 Long Term Loans and Advances

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
	Unsecured, Considered Good Unless Otherwise Stated		
I	Capital Advances		
	Advance Against Fixed Assets	4.98	1.82
		4.98	1.82
II	Other Loans & Advances		
	Sundry Deposits And Advances	18.19	18.39
		18.19	18.39
	Total	23.17	20.22

15 Other Non Current Assets

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
I	Long Term Trade Receivables		
	Unsecured, Considered Good	0.00	0.00
II	Others		
	Bank Fixed Deposit For More Than 12 Months (Transferred From Cash & Bank Balances)	0.00	0.00
	Total	0.00	0.00

16 Current Investments

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
1	Investment In Mutual Fund	0.00	0.00
2	Investment In Equity Shares	0.00	0.00
3	Investment In Others	0.00	0.00
	AGGREGATE		
	NIL		
	QUOTED		
	NIL		
	UNQUOTED		
	NIL		
	Total	0.00	0.00

Notes Forming Part of the Financial Statements

17 Inventories (At Lower of Cost or Net Realizable Value)

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
1	Raw Material	2,037.80	751.14
2	Raw Materials In Transit	0.00	0.00
3	Work In Process	0.00	0.00
4	Stores & Spares	0.00	0.00
5	Finished Goods	665.90	516.77
6	Stock-In-Trade	1.96	1.96
	Total	2,705.65	1,269.87

18 Trade Receivables

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
I	Outstanding for Not More Than Six Months		
	(a) Secured, Considered Good	3,452.89	2,774.54
	(b) Unsecured, Considered Good	0.00	0.00
	(c) Others Considered Doubtful	0.00	0.00
	Less : (d) Allowance For Bad And Doubtful Debts	0.00	0.00
		3,452.89	2,774.54
II	Outstanding for More Than Six Months		
	(a) Secured, Considered Good	59.73	0.00
	(b) Unsecured, Considered Good	0.00	0.00
	(c) Others Considered Doubtful	0.00	0.00
	Less : (d) Allowance For Bad And Doubtful Debts	0.00	0.00
		59.73	0.00
	Total	3,512.62	2,774.54

Notes Forming Part of the Financial Statements

19 Cash & Cash Equivalents

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
I	Cash & Bank Balances		
	(a) Balances With Schedule Banks	0.65	214.76
	(b) Cash in Hand	14.55	2.58
	(c) Others		
	- In Fixed Deposits For Less Than 3 Months	0.00	0.00
	Sub Total (A)	15.19	217.34
II	Other Bank Balances		
	(a) Fixed Deposits With Banks		
	- Bank Fixed Deposit For Less Than 12 Months	218.22	182.08
	- Bank Fixed Deposit For More Than 12 Months	0.00	0.00
	(b) Earmarked Balances With Banks (Unpaid Dividend)	0.00	0.00
		218.22	182.08
	Less : Bank Fixed Deposit For More Than 12 Months Transferred to Non Current Assets	0.00	0.00
	Sub Total (B)	218.22	182.08
	Total	233.42	399.42

20 Short Term Loans and Advances

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
I	Unsecured, Considered Good		
	Loans & Advances to Related Parties	0.00	0.00
		0.00	0.00
II	Others		
	Advance Recoverable in Cash or in Kind or For Value to be Received	0.31	52.13
	Advance Tax & TDS/ TCS Receivable (Net of Provision)	0.00	0.00
	Loans And Advances to Staff	0.80	0.05
	Balance With Statutory / Government Authority	0.00	0.00

Notes Forming Part of the Financial Statements

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
	Cenvat Credit & Deferred Cenvat Receivable	5.42	36.75
	SED- 4% Claim Receivable	3.92	29.20
	Interest Receivable - (Uttar Gujarat Vij Company Limited)	1.24	0.00
	Service Tax Receivable on Export of Sale	0.11	0.00
	Excise Duty Claim Receivable	20.02	30.02
	Cenvat (Excise Duty) Receivable	41.12	0.00
	Vat Receivable	5.75	0.00
	Pre Paid Expenses	0.33	1.88
	TDS Receivables	0.00	0.98
		79.03	151.01
	Total	79.03	151.01

21 Other Current Assets

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
1	Interest Accrued on Investments	0.00	0.00
2	Advance Premium on Forward Contracts	0.00	0.00
	Total	0.00	0.00

22 Revenue From Operations

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
I	Revenue from Operations		
	Sale of Products		
	Domestic Sales	21,143.55	18,333.59
	Export Sales (*)	175.88	272.90
		21,319.43	18,606.49
	(*) Earning in Foreign Exchange		

Notes Forming Part of the Financial Statements

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
II	Other Operating Revenue		
	Job Work Charges	0.00	4.42
	Revenue From Operations (Gross)	21,319.43	18,610.91
	Less : Central Excise Duty	2,282.00	1,719.81
	Revenue from Operations (Net)	19,037.43	16,891.10
	Total	19,037.43	16,891.10

23 Other Income

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
1	Interest Income	7.57	3.11
2	Dividend Income	0.00	0.00
3	Profit on Sale of Shares	0.00	0.00
4	Other Non Operating Income		
	- Gain on Exchange Rate Fluctuation	7.10	8.01
	- Profit on Sale of Assets	0.51	50.21
	- Rent Income	2.70	0.00
	- Duty Drawback Income	0.56	4.23
	- Miscellaneous Receipts	0.00	0.44
	- Discount / Sundry Balances Written Back	0.00	0.00
		10.87	62.89
	Total	18.43	66.00

24 Cost of Materials Consumed

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
I	Raw Material		
	Opening Stock	751.14	487.68
	Add : Purchases	17,323.25	13,243.19
		18,074.39	13,730.88

Notes Forming Part of the Financial Statements

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
	Less: Closing Stock	2,030.26	751.14
II	Packing Material & Consumable Stores	16,044.13	12,979.73
	Opening Stock	0.00	0.00
	Add : Purchases	171.34	89.22
		171.34	89.22
	Less: Closing Stock	7.54	0.00
		163.80	89.22
	Total	16,207.93	13,068.95

25 Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
I	Finished Goods		
	Opening Stock	516.77	53.95
	Less : Closing Stock	665.90	516.77
		(149.12)	(462.82)
II	Stock-in-Trade		
	Opening Stock	1.96	1.96
	Less : Closing Stock	1.96	1.96
		0.00	0.00
	Total	(149.12)	(462.82)

26 Employee Benefits Expense

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
1	Salaries, Wages and Bonus	85.62	59.95
2	Directors Remuneration Expense	16.80	14.40
3	Contribution to Provident Fund / ESIC / Gratuity	3.27	2.51
4	Staff Welfare Expenses	0.14	0.87
	Total	105.84	77.74

Notes Forming Part of the Financial Statements

27 Finance Cost

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
I	Interest Expense		
	For Short Term Borrowings		
	To Bank	153.59	67.38
	To Others	13.77	13.07
	For Others (Term Loan)	10.35	22.80
		177.71	103.25
II	Other Borrowing Costs		
	Bank Charges & Commission	6.24	6.41
	Interest from Customer on Delay in Payment	(145.41)	(35.68)
	ROD & Processing Charges	116.10	28.83
	Bank Loan Processing & Documentation Charges	30.52	10.64
		7.45	10.21
	Total	185.16	113.45

28 Other Expenses

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
I	Manufacturing Expenses		
	Electricity Expense	38.98	19.18
	Gas & Fuel Expense	469.71	296.55
	Freight Inward-Octroi-Coolies and Cartages	17.40	12.39
	Repairs and Maintenance		
	To Buildings	1.47	5.95
	To Plant and Machineries	1.07	8.57
	To Other Assets	2.47	1.18
	CHA Agency Charges	10.26	13.09
	Clearing & Forwarding Expense	71.13	85.39
	Custom Duty Expense	142.20	17.34

Notes Forming Part of the Financial Statements

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
	Job Work Charges	54.62	66.16
	Crane & Forklift Expense	0.56	6.87
	Demurrage & Detention Charges	50.55	86.01
	Bhatti Consumable Items & Maintenance Expense	42.43	66.18
	Water Expense	4.48	3.77
	VAT & CST Expense & VAT Credit Not Available	74.86	3.88
		982.19	692.51
II	Selling and Distribution Expenses		
	Freight Outward, Detention and Cartages	196.90	101.27
	Commission Expenses	0.70	0.74
	Traveling Expenses		
	For Directors	9.68	2.58
	For Staff and Guests	13.70	8.68
	Sales Promotion / Gift Expenses	0.00	0.00
	Advertisement Expenses	2.82	0.67
		223.80	113.95
III	Administrative Expenses		
	Insurance Premium Expenses	5.13	4.27
	Rent Expenses	1.04	0.36
	Rates and Taxes	2.82	0.63
	Payments to Auditors		
	As Auditor		
	Statutory Audit fees	1.10	0.56
	Tax Audit Fees	0.10	0.06
	For Other Services (Income Tax)	0.00	0.00
	Claims & Discount Expense	18.33	34.51
	Donation Expense	0.05	0.31
	Electricity Expense	0.68	1.21

Notes Forming Part of the Financial Statements

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
	Income Tax Expense	0.98	0.00
	Interest on VAT, Service Tax & Custom Duty	3.60	0.13
	Legal & Professional Fees	12.84	3.88
	License, Membership & Annual Subscription Fees	0.52	3.86
	Loss on Sale of Fixed Assets	9.57	2.54
	Miscellaneous Expenses	0.27	0.50
	Office Expense	1.98	0.28
	Penalty Expense	0.51	0.04
	Petrol & Conveyance Expense	2.25	2.35
	Postage & Courier Expense	0.35	0.32
	Printing & Stationery Expense	1.97	1.72
	Prior Period Expense	0.00	1.08
	Repairs & Maintenance Expense	7.75	4.82
	ROC & Filling Fees	0.01	0.26
	Security Expense	4.27	4.11
	Service Tax Expense	4.81	1.82
	Software Purchase Account	0.09	0.14
	Telephone Expense	4.43	1.44
	Testing, Inspection & Survey Charges	3.11	1.81
	Website Expense	0.50	0.00
		89.04	73.01
	Total	1,295.03	879.46

28.1 C. I. F. Value of Imports

S.N.	Particulars	As at March 31, 2014		As at March 31, 2013	
		M.T.	₹ In Lacs	M.T.	₹ In Lacs
1	Raw Materials	1,243.24	2,187.35	2,567.89	3,748.39
2	Stores	0.00	0.00	0.00	0.00
3	Capital Goods	0.00	0.00	0.00	0.00

Notes Forming Part of the Financial Statements

28.2 Expenditure in Foreign Currency

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
1	Travelling Expenses	9.19	2.58
2	Professional Fees	0.00	0.00
3	Subscription & Membership	0.00	0.00
4	Others	0.00	0.00
	Total	9.19	2.58

28.3 Value of Imported and Indigenous Raw Materials, Stores & Spares Consumed and Percentage Thereof

S.N.	Particulars	As at March 31, 2014		As at March 31, 2013	
		M.T.	₹ In Lacs	M.T.	₹ In Lacs
	a) Raw Materials				
1	Imported	1,243.24	2,187.35	2,567.89	3,748.39
	Percentage (%)	8.49	12.63	19.07	28.30
3	Indigenous	13,403.23	15,135.90	10,897.84	9,494.80
	Percentage (%)	91.51	87.35	80.93	71.70
	Total	14,646.47	17,323.25	13,465.72	13,243.19
	b) Stores & Spares				
1	Imported	0.00	0.00	0.00	0.00
	Percentage (%)	0.0%	0.0%	0.0%	0.0%
2	Indigenous	0.00	171.34	0.00	89.22
	Percentage (%)	0.0%	100.0%	0.0%	100.0%
	Total	0.00	171.34	0.00	89.22

29 Current Tax

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
1	Current Tax	110.00	105.00
	Total	110.00	105.00

Notes Forming Part of the Financial Statements

30 Earning Per Share

Sr. No	Particulars	As at March 31, 2014	As at March 31, 2013
1	Profit Attributable to The Equity Shareholders (A) (₹ in Lacs)	264.51	308.84
2	Basic / Weighted Average Number of Equity Shares Outstanding During The Period (B)	2,863,300	3,018,300
3	Nominal Value of Equity Shares (₹)	10.00	10.00
4	Basic/Diluted Earnings Per Share [C=A/B] (₹)	9.24	10.23



Notes Forming Part of the Financial Statements

12. Fixed Assets Tangible Assets

Particulars	Freehold Land	Factory Land	Factory Buildings	Plant & Machineries	Computer	Furniture and Fixtures	Vehicles	Office Building Madhupura	Office Equipment	Office Building Pelican House	Total
Cost of Assets											
As at April 01, 2012	2.51	78.02	138.22	70.32	0.34	4.72	11.80	9.48	2.49	101.00	418.91
Addition	0.00	0.00	48.61	346.54	5.79	4.90	101.27	0.00	5.79	1.07	513.98
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	12.65	9.48	0.00	50.50	72.62
As at March 31, 2013	2.51	78.02	186.83	416.86	6.13	9.62	100.43	0.00	8.28	51.57	860.26
Addition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposal / Adjustments	2.51	0.00	28.14	119.17	0.59	7.90	4.82	0.00	5.93	3.80	170.34
As at March 31, 2014	0.00	78.02	214.97	524.58	6.72	17.52	92.24	0.00	14.21	55.37	1,003.63
Depreciation											
As at April 01, 2012	0.00	0.00	1.18	1.54	0.02	3.66	0.08	1.96	1.67	14.23	24.35
Charge For The Year	0.00	0.00	5.66	10.01	0.54	0.46	5.43	0.11	0.24	0.84	23.29
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.06	0.00	7.12	9.18
As at March 31, 2013	0.00	0.00	6.85	11.55	0.56	4.12	5.51	0.00	1.91	7.96	38.47
Charge For The Year	0.00	0.00	6.52	22.65	1.04	0.74	8.96	0.00	0.48	1.78	42.17
Disposal / Adjustments	0.00	0.00	0.00	1.05	0.00	0.00	1.56	0.00	0.00	0.00	2.61
As at March 31, 2014	0.00	0.00	13.37	33.15	1.60	4.86	12.91	0.00	2.39	9.74	78.02
Net Block											
As at March 31, 2013	2.51	78.02	179.99	405.31	5.57	5.50	94.91	0.00	6.37	43.61	821.80
As at March 31, 2014	0.00	78.02	201.60	491.43	5.12	12.66	79.33	0.00	11.82	45.63	925.61

Notes Forming Part of the Financial Statements

Intangible Assets

Particulars	Goodwill	Software	Patents and copyrights	Total
Cost of Assets				
As at April 01, 2012	0.00	0.00	0.00	0.00
Addition	0.00	0.00	0.00	0.00
Disposal / Adjustments	0.00	0.00	0.00	0.00
As at March 31, 2013	0.00	0.00	0.00	0.00
Addition	0.00	0.00	0.00	0.00
Disposal / Adjustments	0.00	0.00	0.00	0.00
As at March 31, 2014	0.00	0.00	0.00	0.00
Depreciation				
As at April 01, 2012	0.00	0.00	0.00	0.00
Charge For The Year	0.00	0.00	0.00	0.00
Disposal / Adjustments	0.00	0.00	0.00	0.00
As at March 31, 2013	0.00	0.00	0.00	0.00
Charge For The Year	0.00	0.00	0.00	0.00
Disposal / Adjustments	0.00	0.00	0.00	0.00
As at March 31, 2014	0.00	0.00	0.00	0.00
Net Block				
As at March 31, 2013	0.00	0.00	0.00	0.00
As at March 31, 2014	0.00	0.00	0.00	0.00

Notes Forming Part of the Financial Statements

NOTE – 31

1. The balances in respect of Sundry Debtors, Current Liabilities and Loans and Advances are subject to confirmations and 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”):

- Mahendra R Shah - Director
- Jatin M Shah - Director
- Pushpaben M Shah - Director
- Shantilal Mehta - Additional Director

b) Relatives of “KMP”

- Pooja M Shah - Daughter of Mahendra R Shah
- Deepchand R Shah - Brother of Mahendra R. Shah
- Rani J Shah - Wife of Jatin M Shah

c) Enterprises significantly influenced by Directors and or Their relatives

Mahendra Aluminium Company Limited - Associate Companies
Krish Ferro Industries Limited
Mahendra Corporation
Sakar Industries Ltd

Notes Forming Part of the Financial Statements

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”:

Particulars	₹ in Lacs	
	2013-14	2012 – 13
Directors Remuneration	16.8	14.4

b) Details of Related Party Transaction with Relatives of “KMP” & Associates:

Nature of Transaction	₹ in Lacs	
	2013-14	2012 – 13
1. Expenses		
Purchase & Job work Charges	8,046.16	5,052.13
Interest Expense	12.57	12.27
2. Income		
Rent Income	2.7	NIL
Sales & Job Work	818.87	270.18
Sales of Fixed Assets	11.62	NIL
Balances as on 31-03-2014		
Unsecured Loans	946.93	698.27
Trade Receivables	4.62	9.6
Trade Payables	528.97	1,019.10

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 (Previous Year–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.

b) Defined Contribution Plan

The Company has recognized the following amount in Profit & Loss Account which is included under contribution to funds.

Particulars	₹ in Lacs	
	2013-14	2012 - 13
Contribution to Provident Fund	3.27	2.51

- The Company has not received information from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosure, if any relating to amount unpaid as at the Balance Sheet date together with interest paid or payable as per the requirement under the said act, have not been made.
- Investment of the company has 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 ₹24,00,000/- per year if employed throughout the year and ₹2,00,000/- per month if employed for a part of a month ₹ NIL

For Raman M. Jain & Co.

Chartered Accountants

Firm's Registration Number: 113290W

Raman M. Jain

Partner

Membership Number: 045790

Place : Ahmedabad

Date: May 27, 2014

For & on Behalf of Board of Directors

Arfin India Limited

Mahendra R. Shah

Director

Place : Ahmedabad

Date: May 27, 2014

Jatin M. Shah

Director

Cash Flow Statement for the Year Ended March 31, 2014

Particulars	As at March 31, 2014	As at March 31, 2013
A. Cash Flow From Operating Activities		
Net Profit/(Loss) Before Tax	401.45	441.47
Adjustments for :		
Depreciation	42.17	23.29
Interest, Dividend etc. Received	(10.27)	(3.11)
Profit on Sale of Assets	(0.51)	(50.21)
Loss on Sale of Assets	9.57	2.54
Miscellaneous Expenditure	0.00	0.00
	40.97	(27.48)
Operating Profit Before Working Capital Changes	442.42	413.99
Adjustments :		
Trade and Other Receivables	(669.05)	(2,671.90)
Inventories	(1,435.78)	(726.28)
Trade Payable	447.46	1,574.52
	(1,657.37)	(1,823.65)
Cash Generated From Operations	(1,214.95)	(1,409.66)
Interest and Finance Charges Received	0.00	0.00
Excess Provision Written Back	0.00	0.00
Income Tax & FBT Paid	0.00	0.00
	0.00	0.00
Net Cash from Operating Activities	(1,214.95)	(1,409.66)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(156.89)	(513.98)
Sale of Investment	0.00	172.11
Sale of Fixed Assets	15.29	111.10
Capital Expenditure on WIP	0.00	(13.45)

Particulars	As at March 31, 2014	As at March 31, 2013
Interest, Dividend etc. Received	10.27	3.11
	(131.33)	(241.09)
C. Cash Flow from Financing Activities		
Proceeds From Share Capital / Calls in Arrears Received	405.62	0.00
Net Increase in Borrowings	774.66	2,007.78
Share Issue Expenses	0.00	0.00
Dividend Paid	0.00	0.00
Net Cash from Financing Activities	1,180.28	2,007.78
Net Increase in Cash and Cash Equivalents (A+B+C)	(166.00)	357.02
Cash and Cash Equivalents-Opening Balance	399.42	42.40
Cash and Cash Equivalents-Closing Balance	233.42	399.42

For Raman M. Jain & Co.

Chartered Accountants

Firm's Registration Number: 113290W

Raman M. Jain

Partner

Membership Number: 045790

Place : Ahmedabad

Date: May 27, 2014

For & on Behalf of Board of Directors

Arfin India Limited

Mahendra R. Shah

Director

Jatin M. Shah

Director

Place : Ahmedabad

Date: May 27, 2014



Auditors' Certificate

We have examined the attached Cash Flow Statement of **Arfin India Limited** for the year ended on **March 31, 2014**. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreements with the Stock Exchanges and is based on in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For Raman M. Jain & Co.

Chartered Accountants

Firm's Registration Number: 113290W

Raman M. Jain

Partner

Membership Number: 045790

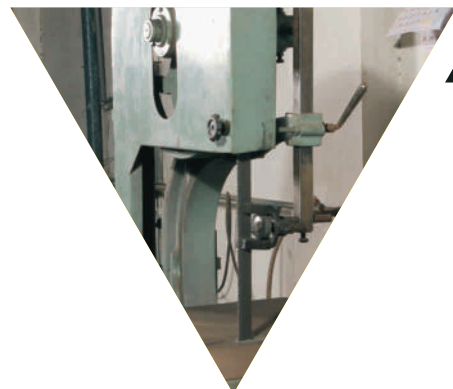
Place : Ahmedabad

Date: May 27, 2014

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 thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or event.





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