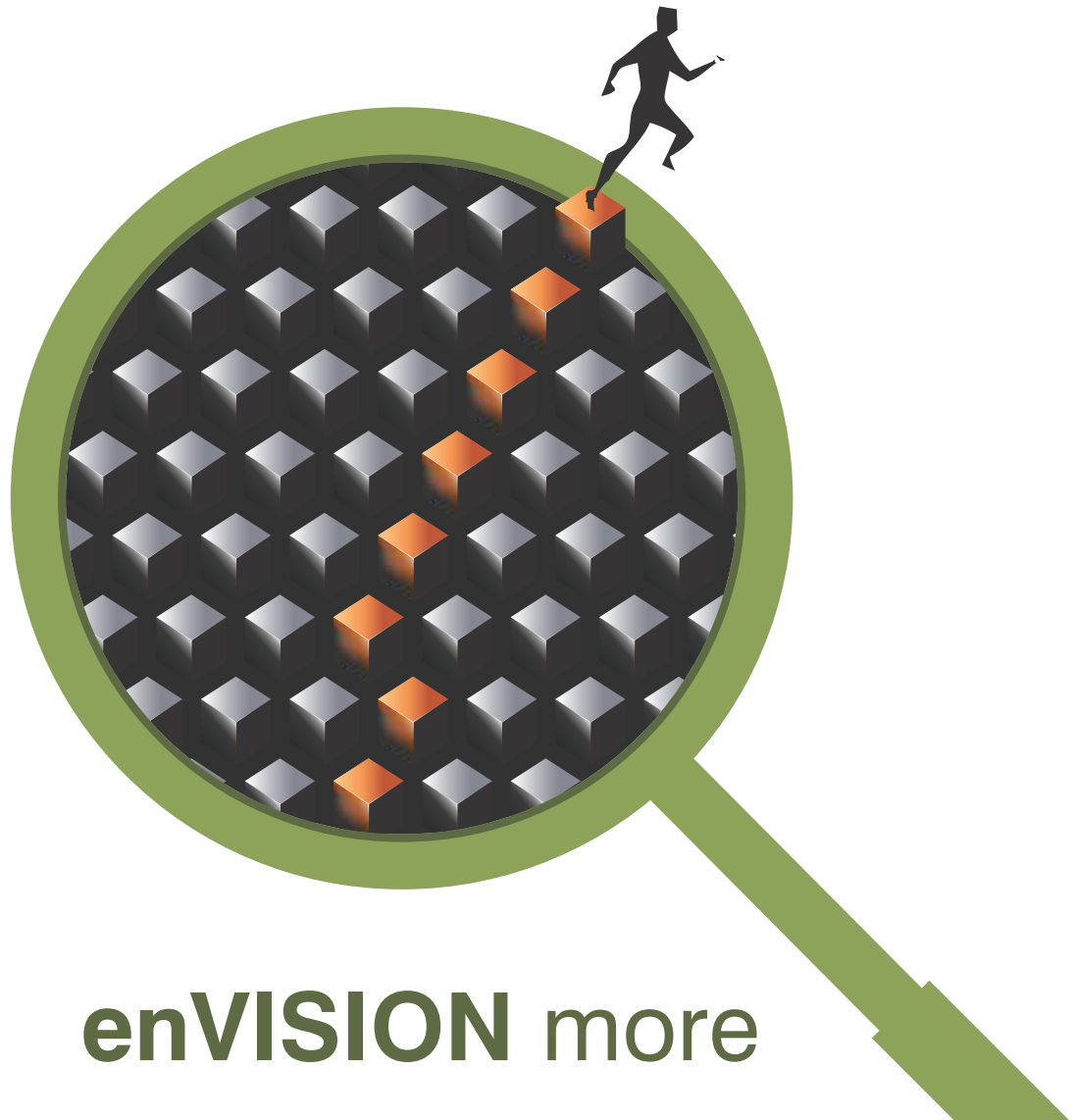




ARFIN INDIA LIMITED



enVISION more

ANNUAL REPORT 2021-22



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







CORPORATE OFFICE



#ARFIN






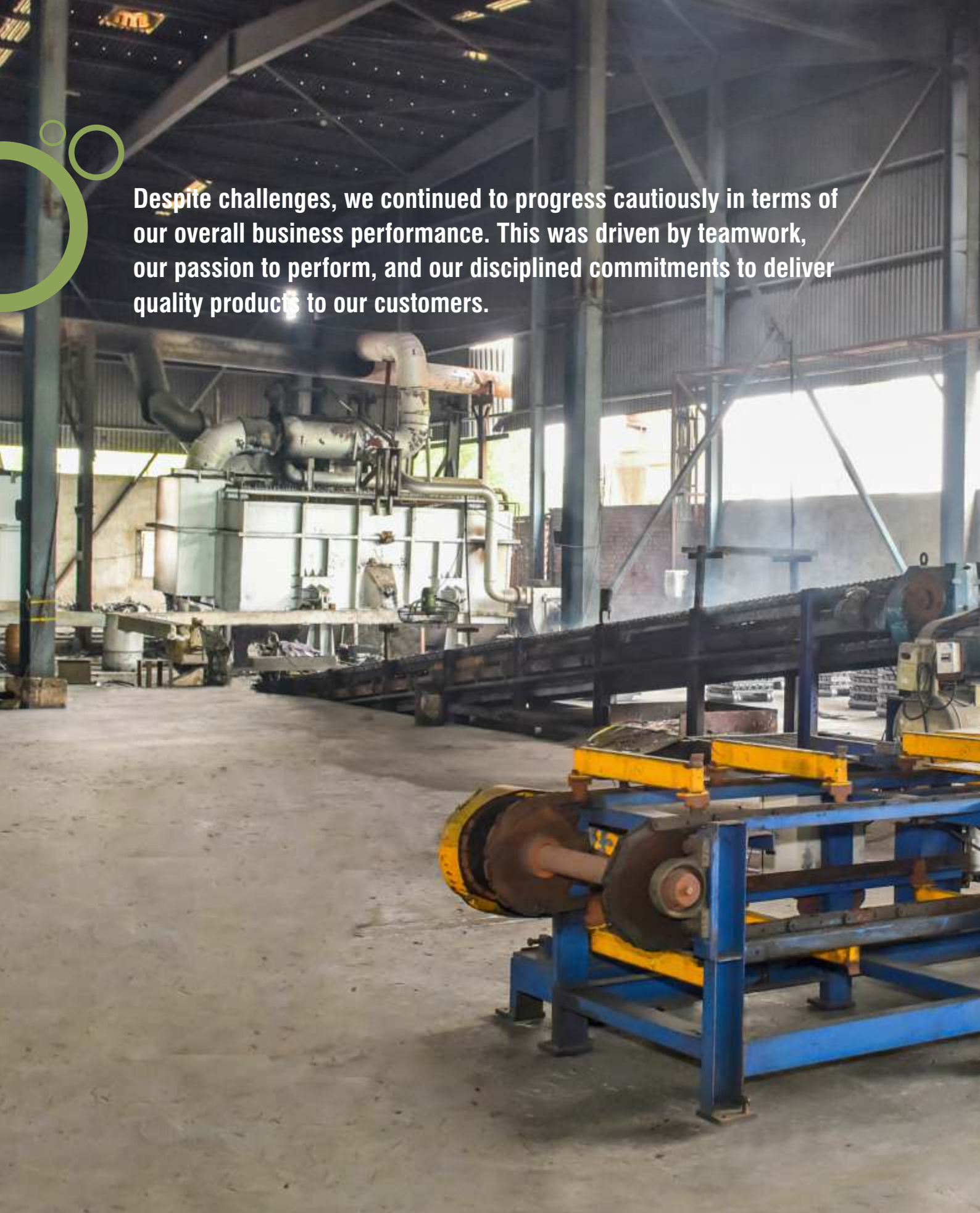
Having begun operations in non-ferrous metals in the year 2011-12, ours has been a rich legacy of ethical governance, strong sense of values and business practices that have helped us earn the trust and goodwill of our investors and stakeholders. Our brand value relates to creating relationships with our stakeholders by prioritising sustainability, innovation and inclusivity in the way we operate.







Despite challenges, we continued to progress cautiously in terms of our overall business performance. This was driven by teamwork, our passion to perform, and our disciplined commitments to deliver quality products to our customers.







Our governance framework and philosophy are inspired by our ethics, values and culture of professionalism. We emulate the best practices that are adhered to in the realm of corporate governance globally, and these practices are integrated into our growth strategy.





ARFIN INDIA LIMITED



en**VISION** more

What we envision today, becomes our tomorrow, so let us begin with Hope..!

We are hopeful and looking the future with endless exciting opportunities to grow further. Arfin is growing persistently, achieving new milestones in business, creating new records every year, developing new product lines, expanding its customer base and it is the result of that **Arfin always Envision More...!** Envision more is the mantra on which we mapped our future growth philosophy to stay one step ahead, every step of the way.

Company's main products line includes Aluminium Wire Rod, Aluminium Deox, Cored Wire, Aluminium Alloy Ingots, Ferro Titanium, and Conductor & Cables. Arfin covers supply to the Steel Sector, Automobile Sector and Power Sector. We focus on diversifying our product offerings, widen global reach, enhance capabilities and strengthen capacity for creating a competitive edge in the industry. Revenue of the Company has been growing at a healthy pace. EBITDA has also witnessed healthy growth in tandem with the top-line. Profit after tax has also grown. The Company has been able to achieve highest ever export sales of ₹ 10,914 lakhs during the year, registering year on year growth of 88%.

As we look ahead, we are confident that our learnings and experiences from the past years and the trust we have built with all our stakeholders will help us power a stronger tomorrow. With an unwavering commitment to act to achieve, we will continue to focus aggressively on growing our product portfolio, customer base, sectoral and geographical footprint.



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CORPORATE INFORMATION





BOARD OF DIRECTORS

MAHENDRA R. SHAH
Chairman

JATIN M. SHAH
Managing Director

PUSHPA M. SHAH
Executive Director

MUKESH KUMAR CHOWDHARY
Independent Director

HARDIK S. HUNDIA
Independent Director

JITENDRA S. SHAH
Independent Director

CHIEF FINANCIAL OFFICER
Pawan Kumar Lohiya

COMPANY SECRETARY
Hetal Koradia

STATUTORY AUDITORS
Sanjay Bajoria & Associates,
Ahmedabad

SECRETARIAL AUDITORS
Kamlesh M. Shah & Co.,
Ahmedabad

COST AUDITORS
Ashish Bhavsar & Associates,
Ahmedabad



BANKERS

State Bank of India
Axis Bank
Bank of Baroda
IDBI Bank

REGISTRAR & SHARE TRANSFER AGENT

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

REGISTERED & CORPORATE OFFICE

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

WORKS LOCATION - I

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

WORKS LOCATION - II

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

WORKS LOCATION - III

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





OUR VISION



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





OUR GROWING FOOTPRINTS

“
We strive to deliver customized products with speed and quality service across our areas of operation in India and in global markets.
 ”

Servicing Global Markets

- 1 Japan
- 2 Saudi Arabia
- 3 China
- 4 Vietnam
- 5 Oman
- 6 South America
- 7 Middle East

Our stakeholders



Our Capitals





Corporate and Manufacturing Presence of Arfin

4 ■

Manufacturing Plants located at Chhatral, Gandhinagar

1 ★

Registered Office at Ahmedabad

1 ▲

Corporate Office at Chhatral, Gandhinagar

1 ●

Warehouses



Financial Performance

5 Year Financial Summary

Key Highlights of Financial Position

₹ In Lakhs

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Share Capital	1,324.37	1,589.24	1,589.24	1,589.24	1,589.24
Reserves and Surplus	6,939.05	7,033.29	4,898.76	5,247.15	6,175.22
Net Worth	8,263.41	8,622.53	6,488.00	6,836.39	7,764.46
Total Borrowings	9,527.88	11,371.81	10,939.25	10,885.25	11,165.59
Capital Employed	17,791.30	19,994.34	17,427.25	17,721.64	18,930.05
Trade Payables	2,167.93	1,864.20	1,843.44	4,776.48	5,296.14
Net Block	3,047.44	3,821.35	4,599.51	6,147.44	6,163.42
Inventories	8,032.66	10,295.09	9,623.48	11,139.58	10,110.16
Trade Receivables	7,594.23	4,987.00	3,104.35	4,257.39	7,361.71

Key Highlights of Financial Results

₹ In Lakhs

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Net Sales and Operating Income	46,620.73	41,288.05	35,857.27	30,344.58	52,610.72
Total Income	46,696.90	41,344.49	36,029.26	30,542.31	52,761.72
Cost of Goods Sold	37,611.59	33,457.09	29,625.63	24,666.93	44,481.78
PBDIT	4,537.31	2,376.87	(423.01)	1,839.39	2,547.38
Finance Cost	1,014.22	1,178.52	1,361.51	1,103.16	1,235.57
PBDT	3,523.10	1,198.35	(1,784.52)	736.24	1,311.81
Depreciation	156.13	203.86	265.72	280.79	331.54
Profit Before Tax	3,366.96	994.49	(2,050.24)	455.45	980.27
Profit After Tax	2,170.06	656.16	(2,157.18)	401.51	918.73
Cash Profit	2,326.19	860.02	(1,891.46)	682.30	1,250.27

Financial Performance

Ratios

Financial Performance	2017-18	2018-19	2019-20	2020-21	2021-22
Cost of Goods Sold / Net Sales	80.68%	81.03%	82.62%	81.29%	84.55%
Manpower Cost / Net Sales	1.30%	1.87%	1.39%	1.81%	1.41%
Manufacturing Expenses / Net Sales	6.38%	8.80%	7.78%	8.16%	7.17%
Finance Cost / Net Sales	2.18%	2.85%	3.80%	3.64%	2.35%
PBDIT / Interest (Debt-Service Coverage Ratio)	4.47	2.02	(0.31)	1.67	2.06

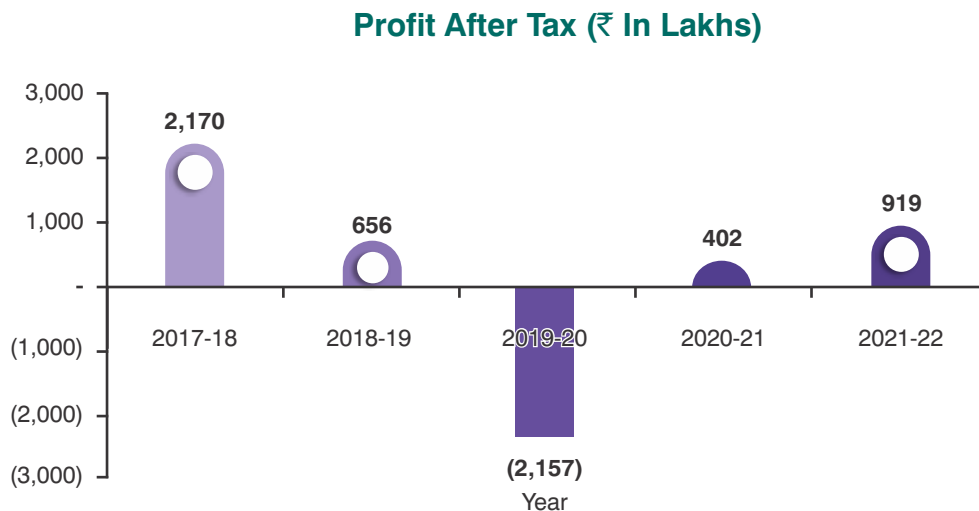
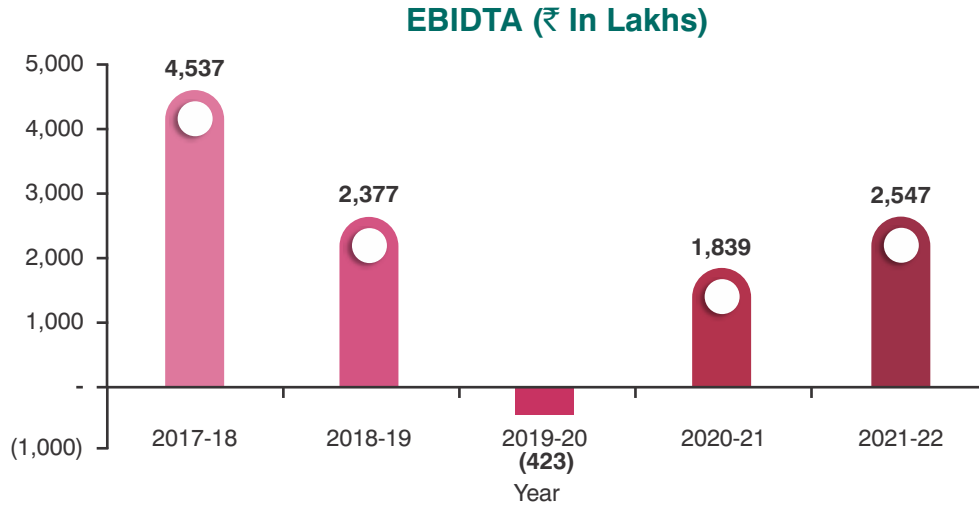
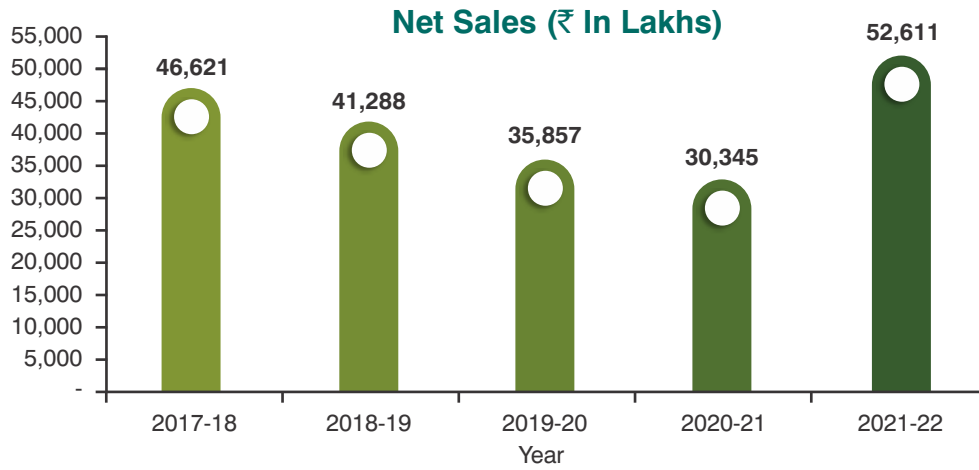
Profitability	2017-18	2018-19	2019-20	2020-21	2021-22
PBDIT / Net Sales	9.73%	5.76%	(1.18%)	6.06%	4.84%
PBDT / Net Sales	7.56%	2.90%	(4.98%)	2.43%	2.49%
Net Profit / Net Sales	4.65%	1.59%	(6.02%)	1.32%	1.75%
RONW (PAT / Average Net Worth)	31.56%	7.77%	(28.55%)	6.03%	11.83%
ROCE (PBDIT / Average Capital Employed)	30.82%	12.58%	(2.26%)	10.47%	13.46%

Balance Sheet	2017-18	2018-19	2019-20	2020-21	2021-22
Debt-Equity Ratio	1.15	1.32	1.69	1.59	1.44
Debtors Turnover (Days)	51	38	28	45	44
Inventory Turnover (Days)	63	91	98	134	70
Current Ratio	1.43	1.34	1.19	1.37	1.43
Quick Ratio	0.74	0.51	0.36	0.45	0.64
Asset Turnover (Total Income / Total Assets)	2.22	1.87	1.85	1.35	2.16

Key Financial Parameters (₹ In Lakhs)	2017-18	2018-19	2019-20	2020-21	2021-22
Net Sales	46,620.73	41,288.05	35,857.27	30,344.58	52,610.72
Profit Before Depreciation, Interest and Tax	4,537.31	2,376.87	(423.01)	1,839.39	2,547.38
Profit Before Tax	3,366.97	994.49	(2,050.24)	455.45	980.27
Profit After Tax	2,170.06	656.16	(2,157.18)	401.51	918.73
Cash Profit	2,326.19	860.02	(1,891.46)	682.30	1,311.81

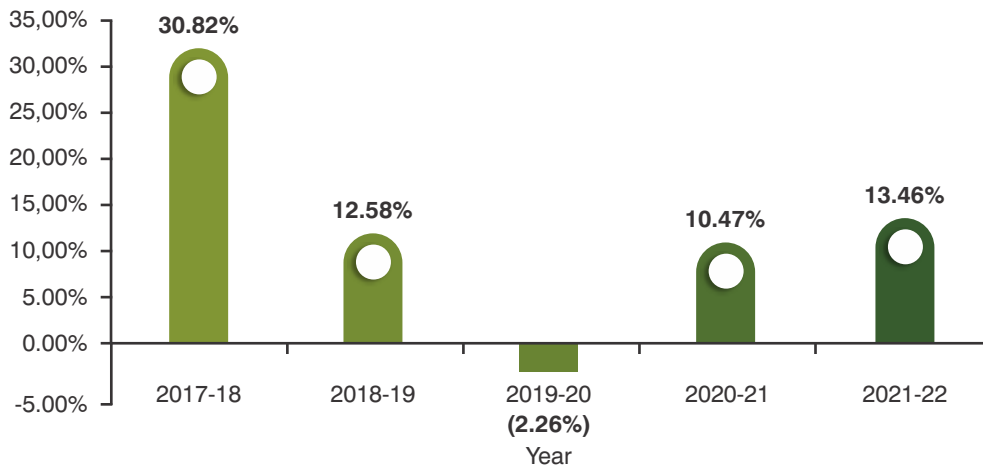
Per Share Data	2017-18	2018-19	2019-20	2020-21	2021-22
Basic Earnings Per Equity Share (₹)	29.98	4.61	(13.57)	2.53	5.78
Cash Earnings Per Equity Share (₹)	32.14	6.04	(11.90)	4.29	8.25
Book Value Per Equity Share (₹)	62.40	54.26	40.82	43.02	48.86

Financial Performance

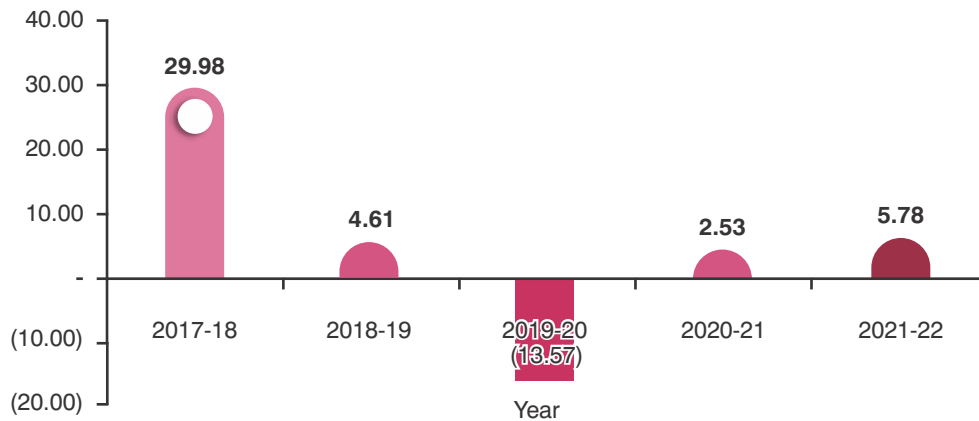


Financial Performance

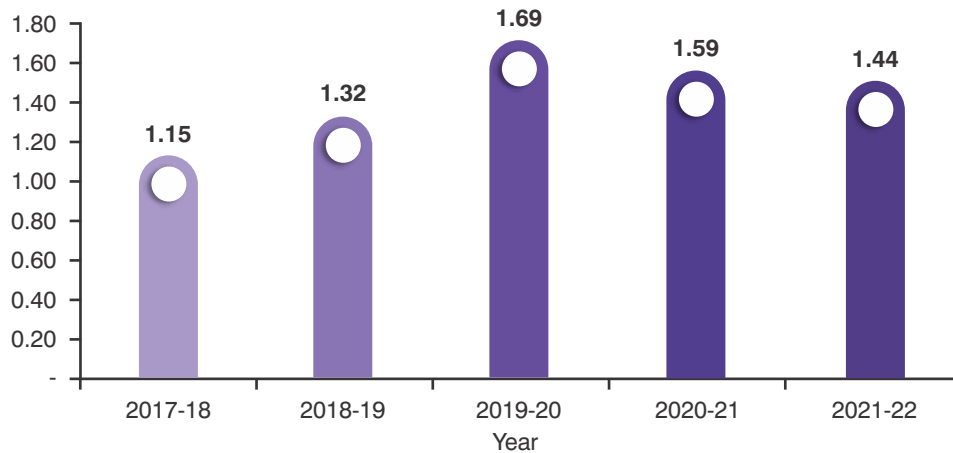
ROCE (%)



Earnings Per Share (₹)



Debt Equity Ratio (x)





“

We have been able to bring down the curtains on the financial year 2021-22 with a robust set of numbers. We reported a turnover of ₹ 52,611 Lakhs, growing by 73% and Net Profit of ₹ 919 Lakhs, growing by 129%.

”

Mahendra R. Shah
Chairman

Chairman's Message

Dear Stakeholders,

The year 2021-22 was yet another challenging year for all of us. We have witnessed global pandemic, geopolitical tensions, Russia-Ukraine war, supply chain disruptions, the rise of cryptocurrency, changes in market trends and many other public and private upheavals. We live in a volatile world. It tested the resilience of our business, character of our people, agility of our operations and the depth of our financial strength. It has made us a more resilient business that is better prepared for the vagaries of the fast-changing world. Our strategy is constantly evolving to adapt to the trends and forces shaping our markets and impacting our stakeholders. Good governance is an essential part of our business. Our governance framework and philosophy are inspired by our ethics, values and culture of professionalism.

We are pleased to share with you the Annual Report of your Company for the financial year 2021-22. Your Company has achieved Gross Sales of ₹ 60,664 Lakhs and Profit After Tax of ₹ 919 Lakhs. During the year, your Company has sold 26,327 metric tons of goods in compare to 20,596 metric tons of goods sold during the financial year 2020-21. The Company has reported EBIDTA of ₹ 2,547 Lakhs for the financial year 2021-22 in compare to EBIDTA of ₹ 1,839 Lakhs during the previous financial year 2020-21, with a year on year growth of 38%.

Your Company has sold goods worth ₹ 109 Crores to overseas customers during the year in compare to ₹ 58 Crores during the previous financial year 2020-21. The Company expects to grow further in export markets. The Company has added more quality export customers to its portfolio. Your Company's major chunk of purchases through imports from international markets. Increase in export sales will also benefit the Company on account of natural hedging of import payments against export remittances.

During the year, the Company has recorded volume growth of 15% in Alloy Ingots, 8% in Aluminium Wire Rods, 145% in Conductor & Cables businesses in compare to previous financial year 2020-21. The benefits of volume growth from invested capital yet to reach their full potential, coupled with favourable demand-supply dynamics, we believe that the Company has a potential to deliver better. Our production facilities set up during earlier years continue to give us strength and confidence in our ability to fulfill our customer demands in Indian as well as overseas markets.

At Arfin, responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles which are reinforced at all levels within the Company. The responsibility for the governance of the Company lies with the Board, Key Managerial

“

“We look to the future with confidence backed by our passion for what we do and knowing that we have established differentiated strengths that enable us to better innovate, solve complex problems creatively, deliver for our customers and seize new opportunities.”

”

Chairman's Message

Personnel oversee crucial processes. Our teams have consistently worked beyond their comfort zone to improve the performance and achieve vision. We look to the future with confidence backed by our passion for what we do and knowing that we have established differentiated strengths that enable us to better innovate, solve complex problems creatively, deliver for our customers and seize new opportunities.

We are committed to doing things the right way, which includes taking business decisions and acting in ways that are ethical and in compliance with applicable legislation. This is our road to consistent, competitive, profitable, and responsible growth and to creating long-term value for our shareholders, our people, and our business partners.

I would like to take this opportunity to thank all our people who have been tirelessly working to ensure that we continue to be the India's strongest Non-Ferrous Metal Company in an extremely challenging environment. Most importantly, I would like to thank you, our shareholders, for your overwhelming trust, support, and confidence in Arfin India Ltd.

With Regards,
Yours Sincerely,



Mahendra R. Shah
(Chairman)

Highlights 2021-22

CONSISTENTLY AND STRONGLY INVESTING IN PRODUCTS AND TECHNOLOGIES THAT WOULD MAKE SURE POWERFUL AS WELL AS RAPID GROWTH OF THE COMPANY.



RETURN ON NET WORTH

12%

CONDUCTORS, CORED WIRE AND ALUMINIUM WIRE ROAD BUSINESSES OUT PERFORMED DURING THE YEAR.

HIGHEST EVER EXPORT SALES OF ₹ 10,914 LAKHS, YEAR ON YEAR GROWTH OF 88%.



RETURN ON CAPITAL EMPLOYED

14%

PROFIT AFTER TAX HAS INCREASED TO ₹ 919 LAKHS DURING 2021-22 IN COMPARE TO ₹ 402 LAKHS DURING 2020-21.



VOLUME GROWTH

28%

Arfin at a Glance

Arfin India Limited forayed itself as a prominent name in Aluminium Recycling and Ferro Alloys in the year 2011-12 with Aluminium Deox and followed by Aluminium Wire Rod Plant during 2012-13. In 2014-15, Arfin expanded its reach into the Steel Sector by extending its manufacturing strength to produce Cored Wire Products which was followed by set up of Alloy Ingots Plant during 2015-16 and Ferro Alloys Plant during 2016-17.

During 2017-18, the Company started supplying to Power Sector through its Conductor Plant. Arfin's manufacturing facilities are located at Chhatral industrial area within the vicinity of Ahmedabad. The Company has Registered Office at Ahmedabad and Corporate Office at Chhatral, Gandhinagar. The Company has in built production capacity of 71,000 metric tons per annum. Main product line includes Aluminium Wire Rod, Aluminium Deox, Cored Wire, Aluminium Alloy Ingots, Ferro Alloys and Conductor & Cables. Arfin covers supply to the Steel, Automobile and Power Sectors through its existing portfolio of products. Arfin covers supply to customers in India as well as overseas markets.



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





“

We remain committed to make an even bigger difference by reimagining and improving our work, investing in our people and welding a sustainable future.

”

Jatin M. Shah
Managing Director

Management Discussion and Analysis Report

Industry Structure and Developments

India is one of the fastest growing economies globally, in addition to also being one of the fastest emerging markets. Indian non-ferrous metals have performed very well in the past years and have provided the much-needed impetus to the domestic economy. The industry has led to the growth in business opportunities and development in major sectors such as infrastructure, power, manufacturing, automobile, environment, defence, industrial & other end user industries, among others.

The domestic industry is struggling to revive itself over the last two years due to the unprecedented COVID pandemic and its other Omicron-Delta variant, the subsequent lockdowns, Russia-Ukraine global crisis, geopolitical tensions, that have resulted in a depressed global demand and global meltdown with crashing prices. Now with the gradual resumption of industrial activity, rise in global demand and the sharp uptick in metal prices, the business environment would have been ideal for reviving growth. The higher and sustained prices augur well for earnings prospects of Indian non-ferrous companies. The year 2022 experienced demand recovery for aluminium products in most major markets across the world. **Gradually, as demand started coming back from the second quarter of FY22, the company swiftly shifted gear, significantly ratcheted up capacities, moved fast to serve customer demand and ended the year on a strong note.**

The Company is involved primarily in segment of manufacturing and trading of non-ferrous metals although major part of the business is covered by aluminium products. The Company is operating in multiple products of aluminium and this multiplicity of operations minimizes the operating eventualities. A considerably wide geographical presence and reach, both domestic and international, have helped the Company to attempt de-risking its business and meet the risks with suitable precaution.

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

Opportunities

Non-Ferrous Metal Industry plays a vital role in the nation's economy and the country's vision for Aatmanirbhar Bharat. Aluminium serves many areas of application in the economy and is likewise vital to both the industrial and consumer sectors. Aluminium is regarded as a strategic sector for India to move forward. It would support India to boost fuel and cost efficiency, especially in transportation, electrical & electronics, building & construction sector. The Indian market for aluminium is booming and is forecasting further growth in the coming years.

In FY 2021-22, the Company delivered a resilient and strong performance, despite macroeconomic challenges, tough market conditions on account of the COVID-19 pandemic and global uncertainties. The Company has achieved sales of 26,327 metric tons worth ₹ 60,664 Lakhs. The Company has inbuilt production capacity of 71,000 metric tons per annum. Considering the installed capacity of 71,000 metric tons, the Company has significant spare capacity to increase its production and sales level. Accordingly, the Company has geared-up its marketing and production activities. The Company has increased its export sales through addition of more overseas customers post lockdown and thus the Company has been able to achieve Gross Export Sales of ₹ 10,914 Lakhs during the financial year ended March 31, 2022, which is higher by 88% in compare to Export Sales of ₹ 5,800 Lakhs during previous financial year ended March 31, 2021. This performance was mainly driven by higher volumes and better product mix, lower input costs, stability in operations and cost-saving actions. We remain committed to make an even bigger difference by reimagining and improving our work, investing in our people and welding a sustainable future. We recognise the value of a diverse workforce. We are

Management Discussion and Analysis Report

committed to providing equal opportunities in employment and creating an inclusive work culture in which all employees are treated with respect, dignity and are able reach their full potential.

Threats

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

- Highly Competitive Environment and Changes in Government Policies
- Forex and Raw Material Price Volatility / Fluctuation
- Global Economy growth or recession
- Higher Interest rate
- Highly Competitive Market / Overseas Competition
- Regulatory Risks
- Imposition of high import tariffs & customs duties
- Technological Change / Obsolescence

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

Product / Plant Wise Performance

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

Aluminium Wire Rod

The Company has installed capacity of 15,000 metric tons per annum in the business of aluminium wire rod. The Company has sold 4,104 metric tons of aluminium wire rod worth ₹ 11,225 Lakhs in compare to 3,807 metric tons worth ₹ 6,652 Lakhs during previous year 2020-21. It reflects year on year increase in sales volume at the rate of 8% in terms of quantity and 69% in terms of sales amount. The Company expects aluminium wire rod product sales volume to increase by around 5 to 10% during FY23.

Aluminium Deox

The Company is having installed capacity of 20,000

metric tons per annum in aluminium deox. The sales during the financial year under report was 4,231 metric tons amounting to ₹ 9,517 Lakhs in compare to 4427 metric tons worth ₹ 7,012 Lakhs during previous year 2020-21. It reflects year on year decrease in sales volume at the rate of 4% in terms of quantity and increase of 36% in terms of sales amount. The Company expects to grow this business at 5 to 10% during FY23.

Cored Wire

The Company is having cored wire plant with capacity of 3,500 metric tons per annum. The sales quantity during the financial year under report was 1,296 metric tons worth ₹ 7,960 Lakhs in compare to 1,612 metric tons of goods worth ₹ 4,812 Lakhs during previous financial year 2020-21. It reflects year on year decrease in sales volume at the rate of 20% in terms of quantity and increase of 65% in terms of sales amount. The Company expects to grow this business by 5 to 8% during FY23.

Aluminium Alloy Ingots

The Company is having installed capacity of 18,000 metric tons per annum of aluminium alloy plant. The sales during the financial year under report stood at 7,460 metric tons amounting to ₹ 14,801 Lakhs in compare to 6,480 metric tons of goods worth ₹ 9,458 Lakhs during previous financial year 2020-21. It reflects year on year increase in sales volume at the rate of 15% in terms of quantity and 56% in terms of sales amount.

Conductor and Cables

The Company is having installed capacity of 12,000 metric tons per annum of conductor and cables plant. The sales during the financial year under report stood at 2,642 metric tons amounting to ₹ 5,689 Lakhs in compare to 1,077 metric tons of goods worth ₹ 2,016 Lakhs during previous financial year 2020-21. It reflects year on year increase in sales volume at the rate of 145% in terms of quantity and 182% in terms of sales amount. The Company has set up one additional aluminium alloy wire rod plant,

Management Discussion and Analysis Report

which had become operational and production of the same is being captively used for manufacturing of conductors. It is a backward integration of the conductor plant which will result in improved margins in business.

Ferro Alloys

The Company is having installed capacity of 2,500 metric tons per annum of Ferro Alloys plant. The sales during the financial year under report stood at 725 metric tons amounting to ₹ 2,882 Lakhs in compare to 727 metric tons of goods worth ₹ 1,883 Lakhs during previous financial year 2020-21. It reflects year on year increase in sales amount at the rate of 53%. The Company expects to grow this business also at 5 to 10% during FY23.

Outlook

Global Outlook

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022-23 and add to inflation.

As per World Economic Outlook Report, Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023.

Domestic Outlook

According to the World Bank report, growth in India slowed in the first half of 2022 as activity was disrupted both by a surge in COVID-19 cases, accompanied by more-targeted mobility restrictions and by the war in Ukraine. The recovery is facing headwinds from rising inflation. Growth is forecast to edge down to 7.5 percent in the fiscal year 2022-23, with headwinds from rising inflation, supply chain disruptions, and geopolitical tensions offsetting buoyancy in the recovery of services consumption from the pandemic.

India's economy is estimated to grow by 8.2% in the current financial year 2022-23, sharply slower than the IMF's earlier forecast of 9% as the impact of

Russia's invasion of Ukraine weighs heavily on prices and disruption of supply chains. Rating agency ICRA has revised its non-ferrous metals sector outlook to positive from stable on the back of robust prices and improving demand despite a near-term concern of coal availability and increased cost of production for the non-ferrous metal companies. Post-a sharp improvement in FY2022, the credit profile of the domestic non-ferrous metal players is expected to remain healthy in FY2023 driven by supportive base metal prices.

Awareness of the utility of aluminium in various industrial sectors is growing and it provides a lower cost option as compared to various metals in different sectors. The growth outlook is favourable for the coming years.

Business Highlights

Aluminium Wire Road, Aluminium Deox and Aluminium Alloy business has contributed significantly along with Cored Wire, Ferro Alloys and Conductor verticals during the year.

The salient points for the business overview of the Company during the financial year 2021-22 are as follows:

- Total net revenue from operations of ₹ 52,611 Lakhs in compare to ₹ 30,345 Lakhs during the previous financial year ended March 31, 2021.
- EBIDTA of ₹ 2,547.38 Lakhs
- EBIDTA Margins of 4.84% of Net Sales
- PAT of ₹ 919 Lakhs
- Basic and diluted earnings per equity share for the year was ₹ 5.78 per share

Risks and Concerns

The Company recognizes that risk is an integral part of business and it is committed to manage the risks in a proactive and efficient manner. Risk evaluation and management is an ongoing process within the Organization. The state of external environment, including factors like interest rates, inflation, and growth in economic activity, rationalization of tax structure, job creation & retention of manpower and consumer sentiment continues to be the biggest

Management Discussion and Analysis Report

source of threat as well as opportunity for the Company. Any slowdown in the economic activity in the Country, significant job losses or high rates of inflation can severely impact the consumption and therefore growth of the Company.

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

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

- Strategic risk
- Operational risk
- Financial risk
- Hazardous risk

Other risks include employment risk, industry risk, raw material risk, regulatory risks, cyber security risk, economic uncertainty and price volatility resulting from demand uncertainty etc. Although the Board recognizes presence of these risks, but there are no risks which in the opinion of the Board threaten the existence of the Company.

Internal Control Systems and its Adequacy

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations and are in line with requirements of the Companies Act, 2013. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

The Audit Committee reviews adequacy and effectiveness of the Company's internal control

environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's Risk Management Policies and Systems.

The Audit Committee of the Board keeps a close eye on business operations and functioning of the internal audit function. The findings of the audit function are reviewed by the Committee at regular intervals. Appropriate actions, as deemed necessary to ensure sustainability and future growth prospects of the Company, are taken in a timely fashion. The internal controls facilitate prompt detection and redressal of any deviations in business operations.

The Company's Internal Control System has been designed to provide for:

- (a) Compliance with applicable Statutes, Policies & Procedures, Rules & Regulations and delegated authority.
- (b) Adherence to applicable Accounting Standards and Policies.
- (c) Proper recording of transactions & timely reporting.
- (d) Effective use of resources and efficient operations.
- (e) Safeguarding of assets.

The Company has well designed policies, procedures & guidelines in place to ensure control of its different areas of business operations and reporting. This includes delegation of powers, various manuals, rules, policies and guidelines formulated by the Company from time to time. The approved policies, procedures & guidelines are effectively and responsibly being used while executing business of the Company. The Company has developed & implemented an Internal Financial Control framework duly approved by the Audit Committee which includes internally entity level policies / processes and operating level standard operating procedures primarily aiming at bringing awareness amongst the officials dealing with affairs of the Company so as to ensure adherence of the policies, procedures, guidelines designed and put in place for effective control. This provides the Directors with

Management Discussion and Analysis Report

reasonable assurance regarding the adequacy and operating effectiveness of controls with regard to reporting, operational and compliance risks.

Financial Statements are prepared in compliance with applicable Accounting Standards & on the basis of the Significant Accounting Policies as adopted by the Company and duly approved by the Audit Committee and the Board. These Policies apply uniformly across the Company. The Accounting Policies supported by standard operating procedures are reviewed and updated from time to time. The Company uses ERP Systems as a business enabler and also to maintain its books of account. The Standard Operating Procedures and transactional controls built into the ERP Systems ensure proper recording, approval mechanisms and maintenance of records. The systems, standard operating procedures and controls are reviewed by the management from time to time.

During the year, controls were tested and no reportable material weakness in design and effectiveness was observed as certified by Internal Auditors and as opined by Statutory Auditors in their report.

Financial Performance vis-à-vis Operational Performance

Details with respect to financial performance vis-à-vis operational performance are given at the end of this Management Discussion and Analysis Report.

Human Relations / Industrial Relations

Manpower strength of the Company as on March 31, 2022 was 286 as against 201 at the last day of the previous financial year. People are at the centre of driving excellence at Arfin. The Company considers human capital to be a key pillar of growth. Its skilled and professional management team is a strong driving force. They have always been part of success stories experienced by the organizations.

The HR policies are based on fair practices, which continually strive towards attracting, retaining, and developing the best talent required for the business

to grow and accelerate the journey in the next normal scenario. All employees exhibit unparalleled commitment, competence and dedication towards this journey. The Company boasts of well-defined HR policies which take care of both personal and professional growth of its employees.



Policies nurture a culture that leads to alignment of employee goals with that of the Company. The HR initiatives strive to groom future leaders. The Company ensures a safe, conducive and productive work environment for the employees through following steps:

- Providing workplace Health & Safety Training to workers
- Employee incentive programs
- Weekly review meeting and feedback system
- Vaccination Awareness Sessions / Workplace COVID-19 Vaccination Program

Management Discussion and Analysis Report

Sustainable, profitable growth can only be achieved in an organisation which focuses on a performance culture and where employees are engaged and empowered to be the best they can be. The Company focuses on four aspects of well-being – physical, Mental, Emotional and purposeful.

A safe work environment is non-negotiable, for which the Company being a responsible corporate citizen always gives utmost importance to Safety, Occupational Health and Environment and is committed to maintain sustainable work environment across all its manufacturing units. The Company places high importance on the development of its human resources.

Key Financial Ratios

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

Particulars	2021-22	2020-21
Debtors Turnover (Days)	44	45
Inventory Turnover (Days)	70	134
Interest Coverage Ratio (PBIT / Finance Cost)	1.79	1.41
Debt-Service Ratio (PBDIT / Finance Cost)	2.06	1.67
Cost of Goods Sold / Net Sales (%)	84.55	81.29
Current Ratio (Current Assets / Current Liabilities)	1.43	1.37
Debt Equity Ratio (x)	1.44	1.59
Operating Profit Margin (PBDIT / Net Sales)	4.84%	6.06%
Net Profit Margin (Net Profit / Net Sales)	1.75%	1.32%

Return on Net Worth

The detail of return on net worth is given below:

Particulars	2021-22	2020-21
Return on Net Worth (Net Profit / Average Net Worth)	12.58%	6.03%

Return on Net worth (RONW) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing Net profit by average capital employed during the year. Net profit has increased from ₹ 401.51 Lakhs to ₹ 918.73 Lakhs for the reasons of increase in operating profit.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations which may be forward-looking statements. These statements are made within the meaning of applicable securities laws, and regulations are based

on informed judgements and estimates. Past performance of the Company is not necessarily indicative of its future results, and actual results could materially differ from those expressed or implied. Important factors that could make a difference to its operations may include but are not limited to economic conditions affecting demand / supply, price conditions in the domestic and international markets in which it operates, changes in Government regulations, tax laws and other statutes. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements based on any subsequent development, information or events.

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

Sales

The Company has reported Net Income from Operations of ₹ 52,610.72 Lakhs during the year in compare to ₹ 30,344.58 Lakhs during the previous financial year 2020-21 registering year on year growth of 73%. This growth was on account of increased volume, change in product mix, improved operational efficiencies and performance by the business.

Profit Before Tax

Profit before Tax of the Company for financial year 2021-22 stood at ₹ 980.27 Lakhs as compared to ₹ 455.45 Lakhs during the previous financial year registering year on year growth of 115%. Operating gains on the back of enhanced efficiencies, aided by various strategic initiatives for value maximization enabled the business to register strong operating performance.

Interest

Financial cost outflow has increased from ₹ 1,103.16 Lakhs during the previous year 2020-21 to ₹ 1,235.57 Lakhs in 2021-22. The interest and financial charges cover for financial year ended March 31, 2022 under review is 2.06 times as compared to 1.67 times in the previous financial year.

Net Profit

Net profit for the financial year under report stood at ₹ 918.73 Lakhs as compared to ₹ 401.51 Lakhs in the previous financial year 2020-21 registering a strong year on year growth of 129%.

Dividend

The Board of Directors of the Company has decided not to recommend any dividend for the financial year ended March 31, 2022, to conserve profit for its future operations.

Capital Employed

The capital employed in the business was increased by ₹ 1,208.41 Lakhs for financial year ended March 31, 2022. This is reflected in the liabilities side of the balance sheet through increase in shareholder's fund by ₹ 928.07 Lakhs and increase in total borrowings by ₹ 280.34 Lakhs. Return on capital employed for the year was 14%.

Surplus Management

The Company generated a cash profit of ₹ 1,311.81 Lakhs for the financial year ended March 31, 2022 as compared to ₹ 736.24 Lakhs during the previous financial year.

The cash profit is ploughed back into the business to fund the growth. Growth of the Company has partly been funded by the cash generated from the business and partly by the additional funds borrowed.

Equity Share Capital

As at March 31, 2022, the Company's issued, subscribed and paid-up equity share capital stood at 1,58,92,405 equity shares of ₹ 10/- each amounting to total paid up equity share capital of ₹ 15,89,24,050/-.

During the financial year under report, the Company has not issued any further share capital.

Debt Equity

Debt equity ratio of the Company was 1.44 as at March 31, 2022 in compare to 1.59 as at March 31, 2021.

Earnings Per Share

The Company's basic and diluted earnings per equity share for the financial year ended March 31, 2022 remains at ₹ 5.78 in compare to ₹ 2.53 for the

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

previous year 2020-21.

Cash Earnings Per Share

The Company's cash earnings per equity share during for the financial year ended March 31, 2022 stood at ₹ 8.25 in compare to ₹ 4.63 in the previous financial year 2020-21.

Notice

NOTICE is hereby given that the **30th Annual General Meeting** of the members of the Company, **Arfin India Limited** is scheduled to be held on Saturday, September 24, 2022 at 11:30 a.m. (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following businesses:

Ordinary Businesses

1. Adoption of Financial Statements

To receive, consider and adopt the audited financial statements of the Company for the financial year ended on March 31, 2022 and the Reports of the Board of Directors and Auditors thereon.

2. Appointment of Director(s) Retiring by Rotation

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

3. Appointment of M/s. Raman M. Jain & Co., Chartered Accountants, as Statutory Auditors of the Company

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

RESOLVED THAT pursuant to the provisions of Section 139(8) of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, pursuant to recommendation of Audit Committee and the Board of Directors of the Company, M/s. Raman M. Jain & Co., Chartered Accountants, Ahmedabad (FRN: 113290W) be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused due to the resignation of M/s. Sanjay Bajoria &

Associates., Chartered Accountants, Ahmedabad (FRN: 117443W)) at a remuneration as may be mutually agreed to, between Mr. Mahendra R. Shah, Chairman & Wholetime Director and the said firm of auditors, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them, to hold office of Statutory Auditor till the conclusion of the 35th annual general meeting.

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

Special Businesses

4. Re-appointment of Mr. Mukesh Chowdhary as an Independent Director

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee, and that of the Board, Mr. Mukesh Chowdhary (DIN: 00025877), who holds office as an independent director up to November 09, 2022 be and is hereby reappointed as an independent director, not liable to retire by rotation, for a second term of five years with effect from November 10, 2022 up to November 11, 2027.

RESOLVED FURTHER THAT the Board be and

Notice

is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

5. Ratification of Remuneration Payable to Cost Auditors

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

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if

any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 including any amendment, modification or variation thereof, the Company hereby ratifies the remuneration of ₹ 50,000 (Rupees Fifty Thousand Only) plus GST and out of pocket expenses payable to M/s. Ashish Bhavsar & Associates, Cost Accountants (FRN: 000387) who have been appointed by the Board of Directors as Cost Auditors of the Company, to conduct audit of cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules 2014, for the financial year ending on March 31, 2023.

Registered Office

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

CIN: L65990GJ1992PLC017460

Tel. No.: +91 79 26583791, 92

Email: investors@arfin.co.in

Website: www.arfin.co.in

For and on Behalf of Board of Directors

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

Place: Ahmedabad
Date: July 18, 2022

Notes

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. Further, the relevant details with respect to Item No. 2 and 4 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed.
 2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19", General Circular no. 20/2020 dated May 5, 2020, General Circular nos. 02/2021 dated January 13, 2021, General Circular nos. 21/2021 dated December 14, 2021, General Circular nos. 03/2022 dated May 05, 2022, Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as "the Circulars"), in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM. The facility of casting votes by a member using remote e-Voting system as well as venue e-Voting during the AGM will be provided by National Securities Depository Limited (NSDL).
 3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the members is not available for this AGM and hence, the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
 4. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, on email id of the Scrutinizer kshahcs@yahoo.co.in and the email id of Company at cs@arfin.co.in with a copy marked to evoting@nsdl.co.in.
 5. The Register of Members and Share Transfer Books of the Company will be closed from Sunday, September 18, 2022 to Saturday, September 24, 2022 (both days inclusive) for the purpose of Annual General Meeting.
- ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:**
6. In accordance with SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to members whose e-mail address is registered with the Company or the Depository Participant(s).

Notes

7. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the RTA of the Company on the email id mcsstaahmd@gmail.com along with the copy of the signed request letter mentioning the name and address of the member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the member. Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, members may write to RTA of the Company on the email id mcsstaahmd@gmail.com.

8. The Notice of AGM along with Annual Report for the financial year 2021-22, is available on the website of the Company at www.arfin.co.in, on the website of BSE Limited and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM

9. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned below in Point No. 20 for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General Meeting" menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu.

The link for VC / OAVM will be available in Shareholder / Member login, where the

EVEN i.e. 121604 of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

10. The Members can join the AGM in the VC / OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

11. Members who need assistance before or during the AGM can contact NSDL on evoting@nsdl.co.in / 1800-1020-990 / 1800-224-430.

12. Members are encouraged to join the Meeting through Laptops for better experience.

13. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

14. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Notes

15. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
16. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 14, 2021 and May 05, 2022 and in terms of SEBI vide Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 in relation to e-Voting facility provided by listed entities, the members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the resolutions set forth in this Notice.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

17. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at investors@arfin.co.in. Questions / queries received by the Company till 5.00 p.m. IST on September 17, 2022 shall only be considered and the same will be replied by the Company suitably.
18. Members who would like to express their views or ask questions during the AGM may use chat facility to raise questions to moderator. The moderator then will ask one by one question

during the meeting. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker shareholder and may send their request mentioning their name, demat account number / folio number, email id, mobile number at investor@arfin.co.in. Those shareholders who have registered themselves as a speaker shareholder will only be allowed to express their views / ask questions during the meeting.

19. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
20. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

The remote e-Voting period begins on Wednesday, September 21, 2022 at 9:00 AM (IST) and ends on Friday, September 23, 2022 at 5:00 PM (IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter.

During this period, Members holding shares either in physical form or in dematerialized form, as on **Saturday, September 17, 2022 i.e. cut-off date**, may cast their vote electronically. Those members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM. Any recipient of the Notice, who has no voting rights as on cut-off date, shall treat this notice as information only. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

How do I vote electronically using NSDL e-Voting system?

Notes

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

STEP 1: ACCESS TO NSDL E-VOTING SYSTEM





A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>A. NSDL IDeAS Facility</p> <p>If you are already registered for NSDL IDeAS Facility, follow the below steps:</p> <ol style="list-style-type: none">1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a personal computer or on a mobile.2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section.3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.4. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page.5. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none">a. Option to register is available at https://eservices.nsdl.com/.b. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jspc. Please follow steps given in points 1-5. <p>B. e-voting website of NSDL</p> <ol style="list-style-type: none">1. Visit the e-Voting website of NSDL. Open web browser by typing the following

Notes

Type of shareholders	Login Method
	<p>URL: https://www.evoting.nSDL.com/ either on a personal computer or on a mobile.</p> <ol style="list-style-type: none"> Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digits demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. <p>C. Shareholders / Members can also download NSDL mobile app “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

Notes

Type of shareholders	Login Method
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. 2. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login Type	Helpdesk Details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800-1020-990 and 1800-22-44-30.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43.

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open

web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section.

Notes

3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at
5. Your User ID details are given below :

<https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Manner of Holding Shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 121604 then user ID is - 121604001***.

6. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i). If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to

you on your email ID. Trace the email sent to you from NSDL from your mailbox.

Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii). If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered (i.e point no. 21)**.

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7. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details / Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
9. Now, you will have to click on “Login” button.
10. After you click on the “Login” button, Home page of e-Voting will open.

STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM.

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active

status.

2. Select **EVEN 121604** of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC / OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details / Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

In case of any queries related to e-Voting, you

Notes

may refer the Frequently Asked Questions (“FAQs”) for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsd.com>. For any grievances connected with facility for e-voting, please contact

Ms. Pallavi Mhatre, Manager, NSDL,

4th Floor, ‘A’ Wing, Trade World,

Kamala Mills Compound, Senapati

Bapat Marg, Lower Parel,

Mumbai 400 013,

E-mail: evoting@nsdl.co.in,

Toll free no: 1800-1020-990/1800-224-430

Contact no: 022-24994545.

21. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-Voting for the resolutions set out in this notice:

- (i) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), and AADHAR (self-attested scanned copy of Aadhar Card), and Communication details by email to investors@arfin.co.in. Members may write to RTA of the Company on the email id mcsstaahmd@gmail.com.
- (ii) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN Card), AADHAR (self-attested scanned copy of Aadhar Card) to investors@arfin.co.in.

If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

- (iii) Alternatively shareholders / members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing above mentioned documents.
- (iv) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

22. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- (ii) Only those members / shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- (iii) Members who have voted through Remote

Notes

e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

- (iv) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

GENERAL INFORMATION

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

Sr. No.	Financial Year	Type of Dividend	Unclaimed / Unpaid Dividend (₹)	Corresponding Equity Shares	Due Date of Transfer
1	2014-15	Final Dividend	84,350	84,350	03/11/2022
2	2015-16	Final Dividend	1,84,812	1,23,208	17/10/2023
3	2016-17	Final Dividend	1,28,360	64,180	17/10/2024
4	2017-18	Final Dividend	2,29,330	1,14,665	31/10/2025

The members are also requested to note that all shares on which dividend remains unclaimed for seven consecutive years or more shall be transferred to the IEPF account in compliance with Section 124 of the Companies Act, 2013 and the applicable Rules. In view of this, members are requested to claim their dividends from the Company, within the stipulated timeline. The members, whose unclaimed dividends have been transferred to IEPF, may claim the same by making an application to the IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

24. The relevant details, pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in respect of the directors seeking Re-appointment at the AGM, forms integral part of the Notice. Other details as required under Secretarial Standard – 2 are included in the Corporate Governance Report, which forms part of the Annual Report. The directors have furnished the requisite consents / declarations for their Re-appointment.

25. Members may please note that SEBI vide its

23. Members are requested to note that pursuant to the provisions of Section 124 of the Companies Act, 2013, the amount of dividend unclaimed or unpaid for a period of 7 years from the date of transfer to Unpaid Dividend Account, shall be transferred to the Investor Education & Protection Fund (IEPF) set up by Government of India and no claim shall lie against the Company after the transfer of Unpaid or Unclaimed Dividend amount to the Government.

Circular No. SEBI/HO/MIRSD/MIRSD/RTAMB/P/ CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4,

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the format of which is available on the website of the Company's Registrar and Transfer Agents, MCS Share Transfer Agent Limited at <https://www.mcsregistrars.com/>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

26. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

27. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to the RTA of the Company on the email id mcsstaahmd@gmail.com, if the shares are held by them in physical form.

28. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit these details to their DP in case the shares are held by them in electronic form and to the RTA "MCS Share Transfer Agent Limited" at mcsstaahmd@gmail.com in case the shares are held in physical form.

29. The Company has appointed Mr. Kamlesh M. Shah, proprietor of M/s. Kamlesh M. Shah & Co., Practicing Company Secretary, Ahmedabad (ICSI membership number: ACS 8356, certificate of practice number: 2072), who in the opinion of the Board is a duly qualified person as a scrutinizer to scrutinize the voting processes in a fair and transparent manner.

30. The scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, count votes cast at the meeting, thereafter unblock votes cast through remote e-Voting in presence of at least two witnesses not in employment of the Company and present a consolidated scrutinizers' report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

31. The results declared along with the scrutinizer's report shall be placed on the Company's website www.arfin.co.in and on the website of NSDL and shall be communicated to the stock exchange within the time prescribed by the law.

32. The resolution shall be deemed to be passed on the date of the annual general meeting, subject to the same being with requisite majority.

PROCEDURE FOR INSPECTION OF DOCUMENTS

33. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, for which the request required to be sent on and before September 17, 2022.

34. The Register of Directors and Key Managerial Personnel and their shareholding, maintained

Notes

under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the

Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to September 17, 2022. Members seeking to inspect such documents can send an email to investors@arfin.co.in.

Registered Office

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

CIN: L65990GJ1992PLC017460

Tel. No.: +91 79 26583791, 92

Email: investors@arfin.co.in

Website: www.arfin.co.in

For and on Behalf of Board of Directors

Mahendra R. Shah

(Chairman)

(DIN: 00182746)

Place: Ahmedabad

Date: July 18, 2022

Explanatory Statement

Pursuant to Section 102 of the Companies Act, 2013 (Including Additional Information on Director(s) Recommended for Appointment / Re-Appointment as Required Under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Under the Secretarial Standards on General Meetings

In Respect of Item No. 2

Mr. Mahendra R. Shah

Brief Resume and Nature of Expertise

Mr. Mahendra R. Shah aged about 59 years, born on March 09, 1963 falls under the category of promoters of the Company and is a science graduate from the Gujarat University. Ms. Shah is Chairman and Wholtime Director of the Company appointed w.e.f. September 30, 1998. He has over 30 years of rich industrial experience in metal business. Mr. Shah is also actively involved in corporate finance, strategic planning, corporate governance, business management and process implementation at Arfin.

Disclosure of Relationships between Directors Inter-se

Mr. Mahendra R. Shah is related to Mr. Jatin M. Shah and Mrs. Pushpa M. Shah as being their father and spouse respectively.

Details of other Directorships, Membership / Chairmanships of Committees of other Board as on March 31, 2022

- i. Directorships: Director in Krish Ferro Industries Private Limited
- ii. Membership / Chairmanships of Committee(s) of other Board: Nil

(Only Statutory Committees of Board of Directors have been taken into consideration)
- iii. Shareholding in the Company as on March 31, 2022: 25,65,825 equity shares of ₹ 10/- (rupees ten only) each representing 16.14% of total share capital of the Company.

No. of Board Meetings Attended during the Financial Year 2021-22

Mr. Mahendra R. Shah has attended all the 4 board meetings held during the financial year 2021-22, more details on which have been provided in the corporate governance report forming part of this annual report.

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

The board recommends the shareholders to approve re-appointment of Mr. Mahendra R. Shah as a director of the company in terms of provisions of Section 152(6) of the Companies Act, 2013.

In Respect of Item No. 3

The Board of Directors at its meeting held on Monday, July 18, 2022 appointed M/s. Raman M. Jain & Co., Chartered Accountants, Ahmedabad (FRN: 113290W) to fill the casual vacancy caused due to resignation of M/s. Sanjay Bajoria & Associates, Chartered Accountants, Ahmedabad (FRN: 117443W). As per the provisions of Companies Act, 2013 read with rules made thereunder, a casual vacancy caused due to resignation of Statutory Auditor needs to be approved by the members in a general meeting within three months. Accordingly, the Board of Directors has recommended the appointment of M/s. Raman M. Jain & Co., Chartered Accountants, to the members of the Company for their approval at the ensuing annual general meeting by way of passing an ordinary resolution, to hold office from the date of their appointment in the aforementioned board meeting till the conclusion of the 35th annual general meeting of the Company.

Explanatory Statement

M/s. Raman M. Jain & Co., Chartered Accountants, have accorded their consent to be appointed as Statutory Auditors of the Company along with the confirmation that, their appointment, if approved by the shareholders, would be within the limits prescribed under the Act. Your directors recommend the resolution for approval of members.

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

In Respect of Item No. 4

Mr. Mukesh Chowdhary was appointed as an Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, by the members at the AGM held on September 24, 2018 to hold office up to November 09, 2022. He is due for retirement from the first term as an Independent Director on November 09, 2022. The Nomination and Remuneration Committee, at its meeting held on Friday, July 15, 2022, after taking into account the performance evaluation of Mr. Mukesh Chowdhary during his first term of five years and considering his knowledge, acumen, expertise, experience and substantial contribution and time commitment, has recommended to the Board his reappointment for a second term of five years. The Nomination and Remuneration Committee has considered his diverse skills, leadership capabilities, expertise in governance and Advisory and risk management among others, as being key requirements for this role. In view of the above, the Nomination and Remuneration Committee and the Board are of the view that Mr. Mukesh Chowdhary possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to reappoint him as an Independent Director.

Based on the recommendation of the Nomination and Remuneration Committee, the Board, at its meeting held on Friday, July 15, 2022, has recommended the reappointment of Mr. Mukesh Chowdhary as an Independent Director, not liable to retire by rotation, for a second term of five years effective November 10, 2022 to November 10, 2027. In accordance with the provisions of Section 149 of the Companies Act, 2013, an Independent Director may hold office for two terms up to five consecutive years each.

Mr. Mukesh Chowdhary fulfills the requirements of an Independent Director as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 16 of the LODR Regulations. The Company has received all statutory disclosures / declarations from Mukesh Chowdhary, including (i) consent in writing to act as Director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (“the Appointment Rules”), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the reappointment of Mukesh Chowdhary as an Independent Director of the Company effective November 10, 2022 up to November 10, 2027, pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall not be liable to retire by rotation.

No Director, Key Managerial Personnel or their relatives except Mukesh Chowdhary, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no. 4. The Board

Explanatory Statement

recommends the resolution set forth in item no. 4 for the approval of members.

Additional information as required under Regulation 36 of the LODR Regulations and applicable Secretarial Standards

Date of Birth: April 11, 1974

Director Identification No: 00025877

Nationality: Indian

Date of First Appointment on Board and at Current Designation: November 09, 2017

Brief Resume of the Director including Nature of Expertise in Specific Functional Areas: Mr. Mukesh Chowdhary, aged about 48 years has completed his graduation from Chennai University and also cleared ICWAI inter and System management diploma from NIIT. Mr. Chowdhary started his career in the year 1994 by joining family business. He has vast experience in operation and management department.

No. of Shares held in the Company as on March 31, 2022: 480 Equity Shares

Directorship and Committee Memberships in Other Companies:

Directorship:-

1. DITI RESOURCES PRIVATE LIMITED

Registered Office

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

CIN: L65990GJ1992PLC017460

Tel. No.: +91 79 26583791, 92

Email: investors@arfin.co.in

Website: www.arfin.co.in

2. DIYA PACKAGING PRIVATE LIMITED

Committee Membership:- Nil

Inter-se Relationships between Director:
Independent to the Company and its Directors

In Respect of Item No. 7

The Board, on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of M/s. Ashish Bhavsar & Associates, Cost Accountants, Ahmedabad, (FRN.: 000387) as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2023. In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be subsequently ratified by the members of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out in this item of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2023.

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

For and on Behalf of Board of Directors

Mahendra R. Shah

(Chairman)

(DIN: 00182746)

Place: Ahmedabad

Date: July 18, 2022

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 30th Annual Report on the Businesses and Operations of the Company together with Audited Accounts for the financial year ended on March 31, 2022.

1. Financial Summary

₹ In Lakhs

Particulars	2021-22	2020-21	YoY Growth (%)
Revenue From Operations	52,610.72	30,344.58	73.38
Other Income	151.00	197.73	(23.63)
Total Income	52,761.72	30,542.31	72.75
Total Expenses	51,781.45	30,086.86	72.11
Profit / (Loss) Before Tax	980.27	455.45	115.23
Provisions for Income Tax Including Deferred Tax	61.54	53.94	14.09
Profit / (Loss) After Tax	918.73	401.51	128.82
Other Comprehensive Income	9.34	6.36	46.86
Total Comprehensive Income for the Period	928.07	407.87	127.54
Earnings Per Equity Share			
Basic	5.78	2.53	128.46
Diluted	5.78	2.53	128.46
Proposed Dividend	-	-	-
Transfer to General Reserves	-	-	-
Profit Carried to Balance Sheet	918.73	401.51	-
Accumulated Balance of Profit	3,038.54	2,119.82	-

Financial Highlights and State of Company's Affairs

The revenue from operation for the financial year 2021-22 stands at ₹ 52,610.72 Lakhs in compare to ₹ 30,344.58 Lakhs for previous financial year 2020-21. Total net profit for the year stood at ₹ 918.73 Lakhs in compare to ₹ 401.51 Lakhs for the previous financial year 2020-21.

2. Transfer to Reserve

The closing balance of the retained earnings of the Company for FY 2021-22, after all appropriation and adjustments was ₹ 3,038.54 Lakhs. The Board of Directors of the Company has not proposed any amount to be transferred to the General Reserve.

3. Dividend

In order to conserve the profits for future operations, the Board of Directors of the

Company has decided not to recommend any final dividend on equity shares for the financial year ended on March 31, 2022.

4. Listing on Stock Exchanges

As on March 31, 2022, the equity shares of the Company was listed on BSE Limited. The Company has paid the annual listing fees for the financial year ending on March 31, 2022 within time.

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

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

For the year ended on March 31, 2022, the Board is of the opinion that the Company has adequate

Directors' Report

internal control systems commensurate with the size, scale and complexity of its business operations. The internal control systems comprising of policies and procedures are designed to ensure sound management of your Company's operations, safe keeping of its assets, optimal utilization of resources, reliability of its financial information and compliances. The internal financial control operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved internal controls whenever the effect of such gaps would have a material effect on the Company's operations.

The Board of Directors at the recommendations of the Audit Committee appointed Mr. Anant Patel, Cost Accountant, as Internal Auditor of the Company for the financial year 2022-23. Other details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

6. Details of Subsidiary / Joint Venture / Associate Companies

The Company doesn't have any subsidiary, joint venture or associate Company. Group Companies to the Arfin India Limited includes Krish Ferro Industries Private Limited.

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

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the closure of financial year on March 31, 2022 to which the financial statements relate and on the date of this report.

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

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

9. Deposits

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

10. Statutory Auditors

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

Due to substantial increase in scalability of operations of the Company, the Auditors have expressed their unwillingness to continue as Statutory Auditors of the Company by way of resignation. Therefore, the Board of Directors of the Company in its meeting held on Monday, July 18, 2022 appointed M/s. Raman M. Jain & Co., Chartered Accountants, Ahmedabad (FRN: 113290W) as Statutory Auditors upto the conclusion of this annual general meeting of the Company to fill the casual vacancy caused due to resignation of the Existing Auditors.

Directors' Report

Pursuant to the provisions of section 139 of the Companies Act, 2013, the appointment of M/s. Raman M. Jain & Co. has been put forth before the members at this ensuing 30th annual general meeting for their appointment till the conclusion of the 35th annual general meeting. M/s. Raman M. Jain & Co., Chartered Accountants have furnished a certificate that their appointment, if made, will be within the limits prescribed under the said section of the Act. The Auditors' Report issued by M/s. Sanjay Bajoria & Associates, for the financial year ended on March 31, 2022 forms part of this annual report and there is no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditors in their report.

11. Compliance with Secretarial Standards

The Company complies with all applicable mandatory secretarial standard issued by the Institute of Company Secretaries of India.

12. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company has re-appointed M/s. Kamlesh M. Shah & Co., Practicing Company Secretary, Ahmedabad as Secretarial Auditors to conduct an audit of secretarial records and compliances of the Company, for the financial year ending on March 31, 2022.

The Secretarial Audit Report for the financial year ended on March 31, 2022 is annexed herewith as **Annexure – 4** and the same is unmodified i.e. does not contain any qualification, reservation, adverse remark or disclaimer.

13. Reporting of Frauds by Auditors

During the year under report, neither the

Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.

14. Cost Auditors

The Board has on the recommendation of the Audit Committee, appointed M/s. Ashish Bhavsar & Associates, Cost Accountant (FRN: 000387), as a Cost Auditor for conducting the audit of cost records of the Company for the financial year 2021-22 as well as for financial year 2022-23.

M/s. Ashish Bhavsar & Associates, have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013. The Audit Committee has also received a certificate from Cost Auditors certifying their independence and arm's length relationship with the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to Cost Auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to M/s. Ashish Bhavsar & Associates, Cost Auditor is included in the notice convening the ensuing annual general meeting.

15. Share Capital

During the financial year under report, the Company has not issued any further share capital. The detail of the capital structure of the Company is tabulated as below:

Directors' Report

The detail of the capital structure of the Company is tabulated as below:

Event Date	Particulars	Authorised Share Capital		Issued, Subscribed and Paid-up Share Capital	
		No. of Equity Shares	Amount in ₹	No. of Equity Shares	Amount in ₹
April 1, 2021	Share capital at the beginning of the financial year	3,15,00,000	31,50,00,000	1,58,92,405	15,89,24,050
	Changes during the year	NA	NA	NA	NA
March 31, 2022	Resultant share capital / capital at the end of the financial year	3,15,00,000	31,50,00,000	1,58,92,405	15,89,24,050

16. Directors & Key Managerial Personnel

I. Details of KMPs and Appointments

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

- Mr. Mahendra R. Shah – Chairman & Wholetime Director
- Mr. Jatin M. Shah – Managing Director
- Mr. Vijay Lathi¹ – Chief Financial Officer
- Ms. Hetal Koradia – Company Secretary

¹Resigned w.e.f. April 15, 2022

There is a no change in the composition of Board of Directors of the Company during the financial year ending on March 31, 2022.

Chief Financial Officer

Mr. Vijay Lathi has resigned and thus ceases to be Chief Financial Officer of the Company w.e.f. April 15, 2022. Mr. Pawan Lohiya, a member of Institute of Chartered Accountant (ICAI) was appointed in his place as Chief Financial Officer of the Company at the meeting of Board of Directors held on July 18, 2022.

Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Act, all the Independent Directors have submitted declarations under Section 149(7) of the Companies Act, 2013 that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances affecting their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

II. Retirement by Rotation

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and the articles of association of the Company, Mr. Mahendra Shah (DIN: 00182746) will retire by rotation at this annual general meeting and

Directors' Report

being eligible, he offers himself for re-appointment. The Board recommends his appointment.

III. Evaluation of the Board's Performance

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

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

The evaluation of the Independent Directors was carried out by the entire board excluding Independent Directors and that of the Chairman and the performance evaluation of the Non-Independent Director and the board as a whole was carried out by the Independent Directors. The performance evaluation of the Executive Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Managing Director and other Non-Executive Director(s).

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the board and its committees with the Company. This may be considered as

a statement under provisions of Section 134(3)(p) of the Companies Act, 2013 and Rule 8(4) of the Companies (Accounts) Rules, 2014. As at closure of the financial year, the Board of your Company is composed with proper number of Executive and Non-Executive Director(s).

IV. Remuneration Policy

The Company follows a Policy on Remuneration of Directors and Senior Management Employees. The policy has been approved by the Nomination & Remuneration Committee and the Board. More details on the same have been given in the corporate governance report.

The Policy on Remuneration of Directors, Key Managerial Personnel and Senior Employees can be accessed on website of the Company at the following web link: <http://arfin.co.in/pdf/policies/remuneration-of-Directors-key-managerial-personnel-and-senior-employees-policy.pdf>

17. Number of Meetings of Board of Directors

The Board of Directors met 4 times during the financial year ended on March 31, 2022. The details of the board meetings and the attendance of the directors are provided in the corporate governance report, which is a part of this report.

18. Audit Committee

The Audit Committee of the Company is constituted with Mr. Hardik Shantilal Hundia as Chairman and Mr. Mukesh Shankerlal Chowdhary, Mr. Mahendra R. Shah and Mr. Jitendra S. Shah as members of the committee. All the recommendations, if any, made by the Audit Committee were accepted by the Board of Directors during the period under report. More details on the Audit Committee have been provided in the corporate governance report.

Directors' Report

19. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted unanimously by the Non-Executive Directors of the Company. Mr. Mukesh Shankerlal Chowdhary holds position of Chairman of the committee and Mr. Hardik Shantilal Hundia and Mr. Jitendra Shankerlal Shah are members of the committee.

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

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

20. Stakeholder Relationship Committee

In order to redress the grievances of stakeholders timely and in efficient manner and as statutorily required, the Company has formulated a committee named Stakeholder Relationship Committee which is headed by Mr. Mukesh Shankerlal Chowdhary as Chairman and is further constituted with Mr. Mahendra R. Shah, Mrs. Pushpa M. Shah and Ms. Hetal Koradia as members of the committee.

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

21. Internal Complaints Committee (ICC)

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

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

During the financial year ended on March 31, 2022, the Company did not receive any complaint pertaining to sexual harassment.

22. Related Party Transactions

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

Your directors further confirm that there were no materially significant Related Party Transactions made by the Company with promoters, directors or key managerial personnel etc. which may have potential conflict with the interest of the Company at large.

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

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

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

Directors' Report

report illegal or unethical behavior, improper practice, wrongful conduct taking place, actual or suspected fraud or violation of the Company's code of conduct or corporate governance policies or any improper activity to the Chairman of the Audit Committee of the Company or to the Chairman of the board. The Whistle Blower Policy has been duly communicated within the Company.

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

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

The Company did not provide any guarantee in respect of loans availed by any other person, under the provisions of Section 186 of the Companies Act, 2013 and Rules framed thereunder during the financial year under report. Details of loans and investments covered under the provisions of Section 186 are given in the notes forming part of the financial statements which form part of this annual report.

25. Managerial Remuneration

The Company follows a Policy on Remuneration of Directors, KMP and Senior Management Employees. The Company has paid remuneration to the Executive as well as sitting fees to the Non-Executive Directors during the financial year under report. More details on the managerial remuneration have been given in the extract of annual return and in the corporate governance report.

26. Management Discussion and Analysis Report

A detailed analysis of the Company's performance is made in the management discussion and analysis report, which forms part of this annual report.

27. Corporate Governance Report

The Company has a rich legacy of ethical governance practices many of which were implemented by the Company, even before they were mandated by Law.

The Company is committed to transparency in all its dealings and places high emphasis on business ethics. A report on corporate governance as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this annual report.

28. Code of Conduct

The Board of Directors has laid down a Code of Conduct ("Code") for the board members, managerial personnel and for senior management employees of the Company. This Code has been posted on the Company's website at <http://arfin.co.in/code-conduct.html>.

All the board members and senior management personnel have affirmed compliance with this code. A declaration signed by the Managing Director to this effect forms part of the corporate governance report.

The Board of Directors has also laid down a Code of Conduct for the Independent Directors pursuant to the provisions of Section 149(8) and Schedule IV to the Companies Act, 2013 via terms and conditions for appointment of Independent Directors, which is a guide to the professional conduct for Independent Directors and has been uploaded on the website of the Company at the following weblink: <http://arfin.co.in/pdf/disclosures/terms-and-conditions-of-appointment-of-independent-Directors.pdf>

Directors' Report

29. Risk Management Policy

The Company has a well-defined risk management framework in place, which provides an integrated approach for identifying, assessing, mitigating, monitoring and reporting of risks associated with the business of the Company. The Company has developed Risk Management Policy in accordance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("SEBI Listing Regulations"). It establishes various levels of accountability and overview within the Company, while vesting identified officials with responsibility for each significant risk.

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

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

A Risk Management Policy adopted by the board in this regard includes identification of elements of risks which mainly covers strategic risk, operational risk, financial risk and hazardous risks which can be accessed from the website of the Company at the following web

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

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

30. Corporate Social Responsibility

Pursuant to the provisions of Section 135 of the Companies Act, 2013 including Rules framed thereunder, during the financial year under report the Company attracted the criteria for applicability of corporate social responsibility. Accordingly, it has constituted a Corporate Social Responsibility Committee which comprises of:

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

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure – 6** of this report in the format prescribed in the Companies (CSR Policy) Rules, 2014. The Policy is available on Company's website of the Company at the following web link: <http://arfin.co.in/pdf/policies/corporate-social-responsibility-policy.pdf>

31. Directors' Responsibility Statement

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

- that in the preparation of the annual financial statements for the year ended on March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

Directors' Report

- b. that such accounting policies as mentioned in notes to the financial statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2022 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements for the year ended on March 31, 2022 have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f. that the system to ensure the compliances with the provisions of all applicable laws was in place and were adequate and operating effectively.

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

On the basis of the written representations received from the Directors as on March 31, 2022 and taken on record by the Board of Directors, none of Directors is disqualified as on March 31, 2022 from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

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

Section 124 of the Companies Act, 2013

mandates that companies shall transfer dividend(s) that remain unpaid or unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund.

In this respect, the stakeholders are requested to take note that Company has not yet completed seven years from its first dividend paying financial year and thus there were no dividend amounts or corresponding equity shares, which were required to be transferred to the Investor Education and Protection Fund by the Company.

Information about unclaimed / unpaid dividends and unclaimed shares to be transferred to IEPF is provided in the notes to the Notice of AGM.

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

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

35. Extract of Annual Return

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as at March 31, 2022 on its website at <http://www.arfin.co.in/annual-return.html>. By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's Report.

36. Form AOC-2

Form AOC - 2 pursuant to clause (h) of sub Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 for disclosure of

Directors' Report

particulars of contracts / arrangements, if any, entered into by the Company with the related parties as referred in Section 188(1) of the Companies Act, 2013 for financial year ended March 31, 2022 is enclosed herewith as **Annexure – 2**.

37. Particulars of Employees and Remuneration

As required by the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the particulars are set out in **Annexure – 3**.

38. Secretarial Audit Report

The Secretarial Audit Report given by Mr. Kamlesh M. Shah, proprietor of M/s. Kamlesh M. Shah & Co., Practicing Company Secretary, Ahmedabad, for the financial year ended on March 31, 2022 is enclosed herewith as **Annexure – 4**.

39. Auditors Certificate on Corporate Governance

A certificate from Statutory Auditors of the Company regarding compliance of conditions of corporate governance as stipulated under the provisions of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 is annexed herewith as **Annexure – 5**.

40. Other Disclosures

There are no proceedings, either filed by Arfin or filed against Arfin, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the financial year 2021-22.

There was no instance of onetime settlement with any Bank or Financial Institution.

41. Acknowledgments

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

The Directors would also like to thank the Shareholders, Customers, Dealers, Suppliers, Bankers, Government, Regulatory Authorities and all other Business Associates for their continuous support to the Company and their confidence in its management. Finally, the Directors thank you all for your continued trust and support.

For and on Behalf of Board of Directors

Registered Office

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

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

Place: Ahmedabad
Date: July 18, 2022

Annexure 1 to the Directors' Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Pursuant to the Provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

(A) Conservation of Energy

(i) steps taken or impact on conservation of energy	Nil
(ii) steps taken by the Company for utilizing alternate sources of energy	Nil
(iii) capital investment on energy conservation equipments	Nil

(B) Technology Absorption

(i) efforts made towards technology absorption	Nil
(ii) benefits derived like product improvement, cost reduction, product development or import substitution	Nil
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
(a) details of technology imported	Nil
(b) year of import	Not Applicable
(c) whether the technology been fully absorbed	Not Applicable
(d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof	Not Applicable
(iv) expenditure incurred on research and development	Nil

(C) Foreign Exchange Earnings and Outgo

Description	₹ In Lakhs
Foreign Exchange Earned (Actual Inflow)	
Sale of Finished Goods	10,269.87
Others	-
Total	10,269.87
Foreign Exchange Used (Actual Outflow)	
Import of Raw Material	22,249.28
Import of Capital Goods	0.00
Consultancy Expenses	0.00
Business Promotion Expenses	0.00
Commission	11.98
Foreign Travelling Expenses	3.91
Clearing and Forwarding Charges	0.00
Interest Expenses	13.78
Total	22,278.95

For and on Behalf of the Board of Directors

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

Place: Ahmedabad
Date: July 18, 2022

Annexure 2 to the Directors' Report

Form No. AOC - 2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

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

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

For and on Behalf of the Board of Directors

Place: Ahmedabad
Date: July 18, 2022

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

Annexure 3 to the Directors' Report

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

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended on March 31, 2022 and
- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name	Designation	Ratio to Median Employee	% Increase in Remuneration in the Financial Year 2021-22
Mahendra R. Shah	Chairman & Wholetime Director	28.41:1	19.21%
Jatin M. Shah	Managing Director	28.41:1	19.21%
Pushpa M. Shah	Executive Director	11.36:1	(16.28%)
Mukesh Shankerlal Chowdhary	Independent Director	Being Non-Executive Directors, only sitting fees was paid and ratio of remuneration to the remuneration of median employee is not being given.	
Hardik Shantilal Hundia	Independent Director		
Jitendra Shankerlal Shah	Independent Director		
Vijay Lathi ¹	Chief Financial Officer	7.58:1	-
Hetal Koradia	Company Secretary	1.43:1	70.88%

¹Resigned w.e.f. April 15, 2022

- iii. The percentage increase in the median remuneration of employees in the financial year ended on March 31, 2022: Nil
- iv. The number of permanent employees on the rolls of Company: 286 employees (Previous year 201 employees)
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration:
Average increase in remuneration of employees excluding KMPs: (9.19%)
Average increase in remuneration of KMPs: 40.14%
- vi. The Company affirms that the remuneration is as per the remuneration policy of the Company.
- vii. The Statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary of the Company.

For and on Behalf of the Board of Directors

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

Place: Ahmedabad
Date: July 18, 2022

Annexure 4 to the Directors' Report

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

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

To,
The Members,
Arfin India Limited
CIN: L65990GJ1992PLC017460

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

Based on my verification of the records of **Arfin India Limited**, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliances mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and record maintained by **Arfin India Limited** (CIN: L65990GJ1992PLC017460) for the financial year ended on March 31, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: **Not applicable for the year under Report;**
- v. The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;

Annexure 4 to the Directors' Report

- b. The Securities and Exchange Board of India (Prohibition of Insider Training) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: **Not Applicable as the Company has not issued any further share capital during the period under report;**
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: **Not Applicable for the year under report;**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: **Not Applicable as the Company has not issued and listed any debt securities during the financial year under report;**
- f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable for the year under report;**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: **Not Applicable as there was no reportable event during the period under review;**
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- j. As stated in the **Annexure – A** - all the laws, rules, regulations are applicable specifically to the company.

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

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India or any amendment, substitution, if any, are adopted by the Company and are complied with; and
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

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

I further report that

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non – Executives Directors, Independent Directors including Woman Director. The changes in the composition of the Board of Directors that took place during the period under report were carried out in compliance with the provisions of the act and with intimation to stock exchanges(s).

Adequate notice is given to all directors to schedule the meetings of Board and Committees of the Board, agenda and detailed notes on agenda were sent at least seven days in advance or with consent of directors at a shorter notice, and a system exists for seeking and obtaining further information and clarification on the

Annexure 4 to the Directors' Report

agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

I further report that during the audit period, the Company has not incurred any specific event / action that can have a bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guideline, standards, etc.

I further report that during the audit period, the Company has filed all the relevant forms for Creation, Modification, and Satisfaction of Charges with Registrar of Companies in time and has also updated its Register of Charge.

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

Place: Ahmedabad
Date: April 14, 2022
UDIN: A008356D000115892

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

Note: This report is to be read with my letter of even date which is annexed as Annexure – B and forms an integral part of this report.

Annexure 4 to the Directors' Report

ANNEXURE-A

Securities Laws

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

Labour Laws

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

Environmental Laws

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

Taxation Laws

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

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

Place: Ahmedabad
Date: April 14, 2022
UDIN: A008356D000115892

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

Annexure 4 to the Directors' Report

ANNEXURE-B

To
The Members,
ARFIN INDIA LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Ahmedabad
Date: April 14, 2022
UDIN: A008356D000115892

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

Annexure 5 to the Directors' Report

Auditors' Certificate on Corporate Governance

To
The Members,
Arfin India Limited

We have examined the compliance of conditions of Corporate Governance by Arfin India Limited for the financial year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2022.

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

For Sanjay Bajoria & Associates,
Chartered Accountants
Firm Registration Number: 117443W

Place: Ahmedabad
Date: April 27, 2022
UDIN: 21103301AHWJWD2259

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

Annexure 6 to the Directors' Report

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company

Arfin's Vision is to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

Arfin believes that Corporate Social Responsibility ("CSR") extends beyond the ambit of business and should focus on a broad portfolio of assets viz. human, physical, environmental and social. The CSR Policy of the Company inter-alia includes CSR Activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013. The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013.

Focus areas

- Promoting healthcare including preventive healthcare
- Eradicating hunger, poverty and sanitation programs
- Destitute care and rehabilitation
- Environmental sustainability and ecological balance
- Promoting education, enhancing vocational skills
- Rural development
- Protection of national heritage, restoration of historical sites, promotion of art and culture

2. Composition of the CSR committee:

Sr. No	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee Held During the Year	Number of Meetings of CSR Committee Attended During the Year
1	Mr. Mahendra R. Shah	Chairman & WTD	-	NA
2	Mrs. Pushpa M. Shah	Executive Director	-	NA
3	Mr. Mukesh S. Chowdhary	Non-Executive Independent Director	-	NA

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company

- Composition of the CSR Committee shared above and is available on the Company's website at <http://www.arfin.co.in/pdf/disclosures/composition-of-committee-of-board-of-directors.pdf>
- CSR policy – <http://www.arfin.co.in/pdf/policies/corporate-social-responsibility-policy.pdf>
- CSR projects - <http://www.arfin.co.in/pdf/policies/corporate-social-responsibility-policy.pdf>

4. Provide the Details of Impact Assessment of CSR Projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable for the financial year under review

Annexure 6 to the Directors' Report

4. Provide the Details of Impact Assessment of CSR Projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). : Not Applicable for the financial year under review
5. Details of the Amount Available for Set-off in pursuance of Sub-Rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:

Sr. No	Financial Year	Amount Available for Set-off from Preceding Financial Years (₹ in Lakhs)	Amount Required to be Set-off for the Financial Year, if any (₹ in Lakhs)
1	2020-21	0.22	-

6. Average net profit of the Company as per Section 135(5): ₹ (155.20) Lakhs
7. (a) Two percent of average net profit of the Company as per Section 135(5): Not applicable in view of loss.
- (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Not applicable in view of loss.
- (c) Amount required to be set-off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c): Nil
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount Transferred to Unspent CSR Account as per Section 135(6)		Amount Transferred to any Fund Specified under Schedule VII as per Second Proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Nil	Nil	-	-	Nil	-

Annexure 6 to the Directors' Report

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of The Project	Item from the List of Activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of The Project		Project Duration	Amount Allocated for the Project	Amount Spent in the Current Financial Year (₹)	Amount Transferred to Unspent CSR Account for the Project as per Section 135(6) (₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration Number
-	-	-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Nil

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of The Project	Item from the List of Activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of The Project		Amount Spent for The Project (₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation- Through Implementing Agency	
				State	District			Name	CSR Registration Number
-	-	-	-	-	-	-	-	-	-

(d) Amount spent in administrative overheads: Nil

(e) Amount spent on impact assessment, if applicable: Not applicable

(f) Total amount spent for the financial year (8b + 8c + 8d + 8e): Nil

Annexure 6 to the Directors' Report

(g) Excess amount for set-off, if any

Sr. No	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	Not Applicable
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.22
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.22

9. (a) Details of unspent CSR amount for the preceding three financial years:

Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹)	Amount spent in the Reporting Financial Year (₹)	Amount transferred to any fund specified Under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹)
				Name of the Fund	Amount (₹)	Date of Transfer	
1				Nil			

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

(a) Date of creation or acquisition of the capital asset(s): None

(b) Amount of CSR spent for creation or acquisition of capital asset: NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) : Not Applicable

For Arfin India Limited

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

Place: Ahmedabad
Date: July 18, 2022

For Arfin India Limited

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

Place: Ahmedabad
Date: July 18, 2022

Corporate Governance Report

1. Company's Philosophy on Code of Corporate Governance

Our corporate governance is a reflection of our value system, encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices and performance, and ensure that we gain and retain the trust of our stakeholders at all times. We are committed to defining, following and practicing the highest level of corporate governance across all our business functions.

At Arfin, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation.

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

Governance Structure of Arfin India Limited

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

The responsibility of the Board is to determine the overall corporate objectives and give directions and freedom to the management to

achieve those objectives within a given framework. The organisational and governance structure enables an environment for value creation through sustainable and profitable growth. The governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibilities.

The primary role of the Board is to protect the interest and enhance the value for all the stakeholders. It conducts the overall strategic supervision and control by setting policies, reporting mechanism and accountability and decision making process to be followed.

The Chairman and the Managing Director are in overall control and responsible for the overall working of the Company. They give strategic directions, lay down the policy guidelines and ensure the implementation of the decisions of the Board and its Committees. The governance system encourages the entrepreneurship, risk taking and growth orientation with an objective to lead full accountability enabled by appropriate empowerment.

2. Board of Directors

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

a. Composition and Category of the Board

Arfin believes that our Board needs to have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain its independence, and separate its

Corporate Governance Report

functions of governance and management.

The Board of Directors at Arfin is headed by Mr. Mahendra R. Shah, Chairman and Wholetime Director of the Company, who is also a promoter Director. As on March 31, 2022, the Company's Board comprised of Six Directors, which include three Executive Directors and three Non-Executive Independent Directors. The Independent

Directors on the Board are experienced, competent and highly reputed persons from their respective fields. The Independent Directors take active part at the board and committee meetings, which adds vision, strategic direction and value in the decision making process of the Board of Directors. A detail of Directors on the Board of the Company during the financial year under report is given below:

Sr. No.	Name	Category and Designation
1	Mr. Mahendra R. Shah	Promoter Chairman & Wholetime Director
2	Mr. Jatin M. Shah	Promoter Managing Director
3	Mrs. Pushpa M. Shah	Promoter Executive Woman Director
4	Mr. Hardik Shantilal Hundia	Non Promoter Non-Executive Independent Director
5	Mr. Mukesh Shankerlal Chowdhary	Non Promoter Non-Executive Independent Director
6	Mr. Jitendra Shankerlal Shah	Non Promoter Non-Executive Independent Director

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

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

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

During the financial year ended on March 31, 2022, 4 (Four) board meetings were held on the following dates:

1. May 18, 2021
2. July 30, 2021
3. October 20, 2021
4. January 17, 2022

Corporate Governance Report

Attendance of each director at board meetings and at last annual general meeting (AGM) held on September 22, 2021 is as under:

Sr. No.	Name of Director	Serial Number of Meetings Stated Above				Attendance at last AGM
		1	2	3	4	
1	Mr. Mahendra R. Shah	✓	✓	✓	✓	Yes
2	Mr. Jatin M. Shah	✓	✓	✓	✓	Yes
3	Mrs. Pushpa M. Shah	✓	✓	✓	✓	Yes
4	Mr. Mukesh Shankerlal Chowdhary	✓	x	✓	✓	Yes
5	Mr. Hardik Shantilal Hundia	✓	✓	✓	✓	Yes
6	Mr. Jitendra Shankerlal Shah	✓	✓	✓	✓	Yes

c. The Number of Directorships on the Board and Board Committees of other Companies, of which the Directors are Members / Chairman, as on March 31, 2022, including skill sets / expertise / competencies / practical knowledge and list of category of Directorship in other Listed Companies are as follows:

Sr. No.	Name of Director	Relationship Inter-Se Directors	No. of Other Directorships (Other than Arfin India Limited)	No. of Board Committees (Other than Arfin India Limited)	
				Chairman	Member
1	Mr. Mahendra R. Shah	Related to Mr. Jatin M. Shah & Mrs. Pushpa M. Shah	1	-	-
2	Mr. Jatin M. Shah	Related to Mr. Mahendra R. Shah & Mrs. Pushpa M. Shah	1	-	-
3	Mrs. Pushpa M. Shah	Related to Mr. Mahendra R. Shah & Mr. Jatin M. Shah	-	-	-
4	Mr. Mukesh Shankerlal Chowdhary	-	2	-	-
5	Mr. Hardik Shantilal Hundia	-	-	-	-
6	Mr. Jitendra Shankerlal Shah	-	-	-	-

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

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

Corporate Governance Report

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

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

d. Number and Dates of Meetings of the Board of Directors

Please refer point (b.) above.

e. Relationship Between Directors Inter-se

Please refer point (c.) above.

f. No. of Shares and Convertible Instruments held by the Non-Executive Directors

Sr. No.	Name of the Non-Executive Director	No. of Equity Shares Held as on March 31, 2022	No. of Convertible Instruments Held as on March 31, 2022
1	Mr. Mukesh Shankerlal Chowdhary	480	NA
2	Mr. Hardik Shantilal Hundia	-	
3	Mr. Jitendra Shankerlal Shah	4,699	

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

At the time of appointment of an Independent Director, a formal letter of appointment is offered to him / her, which *inter alia* explains the role, functions, duties and responsibilities expected from him / her as a Director of the Company.

Corporate Governance Report

All our Directors are aware and also updated, whenever required, of their role, responsibilities, liabilities and obligations under the provisions of the Companies Act, 2013 and Rules made thereunder and Regulation 25 of the Listing Regulations. Independent Director's Familiarisation Programme is posted on the website of the Company at following web link: <http://www.arfin.co.in/policies-disclosures.html>

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

The Board also hereby confirms that all the Independent Directors of Company fulfill all the conditions specified in the Companies Act, 2013, LODR Regulations, 2015 and are Independent of the Management.

i. Independent Director Databank Registration

The Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Sr. No.	Name of Independent Director	Status of Online Proficiency Self-Assessment Test	Score Obtained
1	Mr. Mukesh Shankerlal Chowdhary	Exempted from the Test	N.A.
2	Mr. Hardik Shantilal Hundia	Cleared the Test	70%
3	Mr. Jitendra Shankerlal Shah	Yet to be Cleared the Test	-

j. Meeting of Independent Directors

The Company's Independent Directors met on February 16, 2022 during the financial year 2021-22. Such meeting was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views.

Board of Directors of the Company. It is authorized to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss and deliberate their suggestions, findings and other related matters. Further, it is empowered to make necessary discussion with Internal Auditors regarding internal control weakness and any other significant findings and follow up thereon.

Apart from having access to all the required information from within the Company, the Committee can also obtain outside professional advice whenever required. The Committee is authorized to oversee the functioning of the Whistle Blower Policy / Vigil Mechanism. The Committee is also empowered to review, inter alia, the

3. Audit Committee

a. Brief Description of Terms of Reference

The terms of reference of the Audit Committee are very extensive. The Audit Committee analyses the matters falling in its terms of reference and also addresses higher issues and inspects those facts that could be of significant concerns to the Company.

The Committee acts as a bridge between the Statutory and the Internal Auditors and the

Corporate Governance Report

remuneration payable to the Internal Auditors and Statutory Auditors, fees paid / payable for other services and to recommend changes in the Auditors, if thought proper.

Further, the Committee is authorized to, inter alia, monitor, review and evaluate the auditor's independence, performance and effectiveness of the audit process, oversight of the Company's financial reporting process and the disclosure of its financial information, reviewing with the management the quarterly and annual financial statements before submission to the Board for approval, examination of the financial statements and the Auditors' Report thereon, approval of transactions of the Company with related parties including consequent modifications thereof, analysis of inter-corporate loans and investments, grant omnibus approvals subject to fulfillment of certain conditions, valuation of undertakings or assets of the Company wherever it is necessary, evaluation of internal financial controls and risk management systems.

Further, it is also empowered to review the management discussion and analysis of the financial conditions and results of operations and statement of significant related party transactions. It also looks into any other matters as referred to it by the Board of Directors from time to time. Generally all the items stated in Section 177(4) of the Companies Act, 2013 and Point A of Part C of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are covered under the roles of the Audit Committee.

The Audit Committee has been granted powers as prescribed under provisions of

the Regulation 18(2)(c) of the aforesaid Regulations and reviews all the information as prescribed in Point B of the Part C of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Composition of Audit Committee

As at March 31, 2022, the following directors were members of the Audit Committee:

Sr. No.	Name of the Member	Designation	Committee Position
1	Mr. Hardik Shantilal Hundia	Independent Director	Chairman
2	Mr. Mukesh Shankerlal Chowdhary	Independent Director	Member
3	Mr. Jitendra Shankerlal Shah	Independent Director	Member
4	Mr. Mahendra R. Shah	Chairman & WTD	Member

All members of the Audit Committee have the requisite qualification for appointment on the committee and possess sound knowledge of finance, accounting practices and internal controls. Ms. Hetal Koradia, Company Secretary and Compliance Officer acts as Secretary of the Committee.

c. Meetings and Attendance

During the financial year ended on March 31, 2022, the Committee met four times on (i) May 18, 2021, (ii) July 30, 2021 (iii) October 20, 2021 and (iv) January 17, 2022.

The details of attendance of Committee members are given in this Report.

Corporate Governance Report

Sr. No.	Name of the Member	Serial Number of Meetings Stated Above			
		i	ii	iii	iv
1	Mr. Mahendra R. Shah	√	√	√	√
2	Mr. Mukesh S. Chowdhary	√	x	x	x
3	Mr. Hardik S. Hundia	√	√	√	√
4	Mr. Jitendra S. Shah	√	√	√	√

d. Invitees at the Audit Committee Meetings

The Managing Director, Chief Financial Officer is also invited alongwith members of the Committee to attend and participate in these meetings. The Company continues to derive benefits from the deliberations of the Audit Committee meetings as the members are experienced in the areas of finance, accounts, taxation, corporate laws and industry. It ensures accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

4. Nomination and Remuneration Committee

a. Brief Description of Terms of Reference

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Board has constituted a Nomination and Remuneration Committee (NRC). The Terms of reference of the NRC are specified in Clause A of Part D of Schedule II of the Listing Regulations which are being followed by the committee as well.

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

- To identify the persons, who are qualified to become directors of the Company or who may be appointed in Senior Management in accordance with criteria laid down.
- To recommend to the Board, appointment

and removal of the director(s) wherever required necessary and evaluation of each director's performance.

- To formulate criteria for determining qualifications, positive attributes and independence of directors.
- To review on annual basis the compensation to the Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel and recommend to the board the remuneration and incentive payable to each of them.
- Ensure that level and composition of remuneration is reasonable and sufficient, its relationship with performance is clear and meets appropriate performance benchmarks; and
- To develop and review the succession plan for the Board.

b. Composition of the Committee

As at March 31, 2022, the following directors were members of the Nomination and Remuneration Committee:

Sr. No.	Name of the Member	Designation	Committee Position
1	Mr. Mukesh Shankerlal Chowdhary	Independent Director	Chairman
2	Mr. Hardik Shantilal Hundia	Independent Director	Member
3	Mr. Jitendra S. Shah	Independent Director	Member

Ms. Hetal Koradia, Company Secretary and Compliance Officer acts as Secretary of the Committee.

c. Meetings and Attendance

During the financial year ended on March 31, 2022, NRC Committee meeting was held on May 17, 2021. All the Committee members attended the said meeting.

Corporate Governance Report

d. Performance Evaluation Criteria of Independent Directors

The performance evaluation criteria of the Independent Directors are determined by the Nomination and Remuneration Committee.

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

5. Remuneration of Directors

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

c. Disclosure of Remuneration

The amount of remuneration paid to the Directors of the Company during the financial year ended on March 31, 2022 is as follows:

₹ In Lakhs

Particulars of Remuneration	Whole time Director	Managing Director	Executive Director
	Mr. Mahendra R. Shah	Mr. Jatin M. Shah	Mrs. Pushpa M. Shah
Gross Salary	12.00	12.00	6.00
Ad-hoc Allowance	61.56	61.56	23.28
Contribution of Employer to the Provident Fund	1.44	1.44	0.72
Total	75.00	75.00	30.00

₹ In Lakhs

Non- Executive Directors	Mr. Mukesh Shankerlal Chowdhary	Mr. Hardik Shantilal Hundia	Mr. Jitendra Shankerlal Shah	Total
Sitting Fee Paid	0.12	0.24	0.24	0.60

Company

Apart from receiving sitting fees for attending board and eligible committee meetings, there were no other pecuniary relationships or transactions made with Non-Executive Directors vis-à-vis your Company.

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

The Non-Executive Directors of the Company have been paid remuneration of ₹ 5,000*/- for attending each of the Board Meetings and ₹ 5,000*/- for attending each of the Audit Committee meetings during the financial year 2021-22 *(₹ 1,000 w.e.f. October 01, 2021).

Corporate Governance Report

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

a. Brief Description of Terms of Reference

The Stakeholder Relationship Committee is constituted in line with the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Act.

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

- Consider and resolve the grievances of the Stakeholders including complaints related to transfer / transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, general meeting notices etc. and issue of New / Duplicate certificates.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Take a note of the unclaimed dividend and equity shares transferred to the Investor Education and Protection Fund (IEPF) pursuant to IEPF Rules.

b. Composition

As on March 31, 2022, followings were the members of the Stakeholder's Relationship Committee / Shareholders' / Investors' Grievance Committee:

Sr. No.	Name of the Member	Designation	Committee Position
1	Mr. Mukesh S. Chowdhary	Non-Executive Independent Director	Chairman
2	Mr. Mahendra R. Shah	Chairman and Wholetime Director	Member
3	Ms. Hetal Koradia	Company Secretary and Compliance Officer	Member
4	Mrs. Pushpa M. Shah	Executive Director	Member

c. Meetings and Attendance

During the financial year ended on March 31, 2022, one committee meeting was held on March 31, 2022. All the committee members attended the said meeting.

d. Status of Complaints

There were no pending investor's complaints at the beginning of the financial year. However, no investor's complaints received during the quarter ended on June 30, 2021, September 30, 2021, December 31, 2021 and for the quarter ended March 31, 2022. Accordingly, there remains no investor complaint unresolved as on March 31, 2022.

Corporate Governance Report

7. General Body Meetings

a. Dates, time and places of last three Annual General Meetings (AGMs) held are given below:

AGM	Place	Date	Time	No. of Special Resolution(s) set out at AGM
2020-21 29 th AGM	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM) at the Registered office	Monday, September 22, 2021	11:30 a.m. (IST)	3
2019-20 28 th AGM	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM) at the Registered office	Monday, September 28, 2020	11:00 a.m. (IST)	-
2018-19 27 th AGM	Gujarat Chamber of Commerce Hall, Opp. H. K. College, Ashram Road, Ahmedabad – 380009, Gujarat, India.	Sunday, September 29, 2019	10:00 a.m.	3

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

Yes, details as per point (a.) above

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

No resolution had been passed through postal ballot during the year under report.

d. Person who conducted the postal ballot exercise: Not Applicable

e. Whether any special resolution is proposed to be conducted through postal ballot:

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

f. Procedure for Postal Ballot

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

8. Means of Communication

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

Further, financial results, shareholding pattern, quarterly corporate governance report, corporate announcements etc. are also being uploaded on the website of the Bombay Stock Exchange, where the equity shares of the Company are listed. Official news releases, as and when required are displayed at the website of the Company at www.arfin.co.in. Quarterly presentations in the form of investor updates are also being uploaded on the website of the Company.

Corporate Governance Report

Designated exclusive email-ids:

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

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

9. General Shareholders Information

a. Annual General Meeting

Date : Saturday, September 24, 2022
Time : 11:30 a.m
Venue : Video Conference / Other Audio Visual Means
Book Closure Date : Sunday, September 18, 2022 to Saturday, September 24, 2022 (both days inclusive).

b. Financial Year / Calendar

(a)	First Quarter Results	Within 45 days from the closure of quarter ended on June 30, 2021
(b)	Second Quarter Results	Within 45 days from the closure of quarter and half year ending on September 30, 2021
(c)	Third Quarter Results	Within 45 days from the closure of quarter and nine months ending on December 31, 2021
(d)	Results for the Financial Year	Within 60 days from the closure of quarter / financial year ending on March 31, 2022

c. Dividend Payment Date

The Board of Directors of the Company has not recommended any dividend for the financial year ended on March 31, 2022.

d. Listing on Stock Exchanges

Sr. No.	Name of the Exchange	Address	Script Code
1	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India.	539151

ISIN: INE784R01015

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

e. Stock (Scrip) Code

Please refer Point (d.) above

Corporate Governance Report

f. Market Price Data

Month(s)	Price of Equity Shares of the Company at BSE		
	High (₹)	Low (₹)	Volume (No. of Shares)
April 2021	76.00	52.50	64,009
May 2021	82.85	54.25	75,539
June 2021	85.70	63.60	91,385
July 2021	75.95	65.35	50,223
August 2021	72.00	54.05	38,898
September 2021	67.85	58.15	58,261
October 2021	101.60	59.35	2,60,467
November 2021	76.10	62.55	76,308
December 2021	123.10	63.55	4,58,662
January 2021	152.80	122.80	2,30,114
February 2021	137.40	104.00	69,654
March 2022	168.55	111.40	1,73,301

(Source: Bombay Stock Exchange Portal)

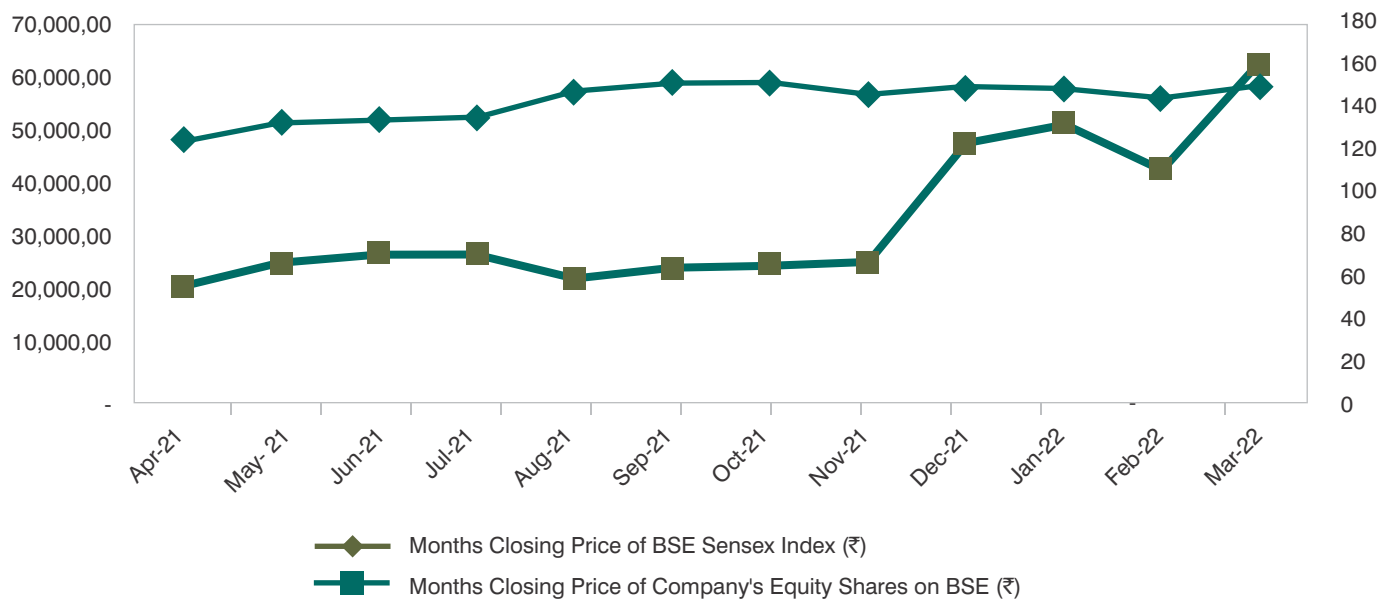
g. Performance in Comparison to Broad - Based Indices

Month(s)	Months Closing Price of BSE Sensex Index (₹)	% Increase / (Decrease) in Compare to Previous Month	Month Closing Prices of Company's Equity Shares on BSE (₹)	% Increase / (Decrease) in Compare to Previous Month
April 2021	48,782.36	(1.47)	57.10	8.97
May 2021	51,937.44	6.47	68.00	19.09
June 2021	52,482.71	1.05	72.50	6.62
July 2021	52,586.84	0.20	71.95	(0.76)
August 2021	57,552.39	9.44	60.35	(16.12)
September 2021	59,126.36	2.73	65.20	8.04
October 2021	59,306.93	0.31	68.00	4.29
November 2021	57,064.87	(3.78)	67.95	(0.07)
December 2021	58,253.82	2.08	123.10	81.16
January 2021	58,014.17	(0.41)	133.00	8.04
February 2021	56,247.28	(3.05)	111.90	(15.86)
March 2022	58,568.51	4.13	160.25	43.21

(Source: Bombay Stock Exchange Portal)

Corporate Governance Report

Performance in Comparison to Broad - Based Indices



h. Suspension of Securities

During the financial year under report and during any of the previous financial years, the securities of the Company were never suspended from trading on any of the stock exchange(s).

i. Registrar and Share Transfer Agent

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

Registered Office

MCS Share Transfer Agent Limited
383, Lake Gardens, 1st Floor,
Kolkata – 700045, West Bengal, India.
Tel. No: +91 33 40724051 / 52 / 53 / 54
Email: helpdeskkol@mcsregistrars.com
Website: www.mcsregistrars.com

Ahmedabad Office

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

Corporate Governance Report

j. Share Transfer System

All works related to Share Registry, both in physical form and electronic form is being handled by the Company's Registrar and Share Transfer Agent i.e. MCS Share Transfer Agent Limited and their contact details are given above.

k. Dematerialization of Shares

Arfin's shares are tradable in the electronic form only. As on March 31, 2022, 99.44% of our shares were held in dematerialized form and the rest in physical form.

The SEBI, effective April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form.

We request shareholders whose shares are in physical mode to dematerialize their shares and update their bank accounts and email IDs with the respective depository participants to enable us to provide better service.

l. Distribution of Shareholding as at March 31, 2022

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Equity Shares Held	% of Shareholding
Upto 500	2,019	85.12	1,69,091	1.06
501 To 1,000	114	4.81	84,882	0.53
1,001 To 2,000	77	3.25	1,13,692	0.72
2,001 To 3,000	32	1.35	80,883	0.51
3,001 To 4,000	25	1.05	89,600	0.56
4,001 To 5,000	11	0.46	50,862	0.32
5,001 To 10,000	32	1.35	2,42,805	1.53
10,001 To 50,000	27	1.14	6,10,470	3.84
50,001 To 1,00,000	15	0.63	11,31,543	7.12
1,00,001 above	18	0.84	1,33,18,577	83.80
Total	2,370	100	1,58,92,405	100

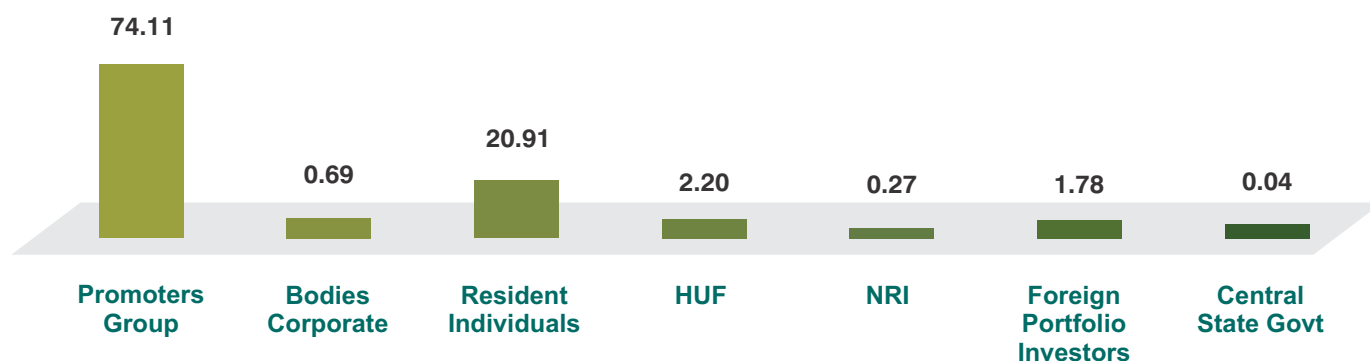
Category of Shareholders as at March 31, 2022

Category	No. of Shareholders	% of Shareholders	No. of Equity Shares Held	% of Shareholding
A. Promoter & Promoter Group	10	0.42	1,17,77,702	74.11
B. Public Shareholding				
(a) Bodies Corporate	43	1.81	1,09,806	0.69
(b) Resident Individuals	2,216	93.50	33,22,380	20.91
(c) HUF	78	3.29	3,50,023	2.20
(d) NRI	21	0.89	43,374	0.27
(e) Foreign Portfolio Investors	1	0.04	2,83,000	1.78
(f) Central / State Govt	1	0.04	6,120	0.04
Total	2,370	100.00	1,58,92,405	100.00

Corporate Governance Report

Shareholding Pattern as on March 31, 2022

■ Shareholding Pattern (%)



m. Break up of Shares in Physical and Demat Form as at March 31, 2022

Particulars	No. of Equity Shares	% of Shares
Physical Segment	89,380	0.56
Demat Segment		
• CDSL	1,36,03,927	85.60
• NSDL	21,99,098	13.84
Total	1,58,92,405	100

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

n. Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, Conversion Date and Impact on Equity

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

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

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

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

Corporate Governance Report

and Commodity prices risks are being governed in accordance with the measures as approved by the Board of Directors of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with the no material residual risk.

p. Plant Location

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

q. Address of Correspondence

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

r. Credit Rating

The Company has CARE BBB-; Stable (Triple B Minus; Outlook: Stable) and CARE BBB-; Stable / CARE A3 (Triple B Minus; Outlook: Stable / A Three) rating for the long-term and short-term bank facilities as at March 31, 2022 respectively.

Corporate Governance Report

10. Others Disclosures

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

All transaction entered into by the Company with Related Parties during the Financial Year 2021-22 are in ordinary course of business and on arm's length basis. The Company had not entered any materially significant Related Party Transactions i.e. transaction of the Company of material nature with its Promoters / Director / Senior Employees or relatives etc., which could have a potential conflict with the interest of Company at large. The Audit Committee reviews at least on a quarterly basis, the details of related party transactions entered into by the Company.

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

Financial Year	Penalty Paid / Imposed (₹ in Lakhs)	Nature of Non-Compliance / Non-Compliance Under Which Regulations
2018-19	-	Not Applicable
2019-20 ¹	1.53	(a) Non-Compliance under Regulation 17(1)(c) of SEBI (LODR) Regulations, 2015 with regard to requirement of minimum six directors on the Board for the Quarter ended March 31, 2020.
2020-21	-	Not Applicable

¹(a) Revision of Fines by BSE on basis of submission given by the Company, and matter is yet pending with BSE for waiver.

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

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

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

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

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

Corporate Governance Report

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

- 1. Shareholder's Right:** As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
 - 2. Modified Opinion in Auditors Report:** The Company's financial statement for the financial year 2021-22 does not contain any modified audit opinion.
 - 3. Separate posts of Chairman and Managing Director:** The position of the Chairman is held by Mr. Mahendra R. Shah and of the Managing Director is held by Mr. Jatin M. Shah.
 - 4. Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.
- e. The Company doesn't have any subsidiaries and thus it has not adopted any policy for determination of material subsidiaries.**
- f. Web link of the policy on dealing with related party transactions is as follow:**
<http://arfin.co.in/pdf/policies/related-party-transactions-policy.pdf>
- g. Disclosure of commodity price risks and commodity hedging activities:**
Please refer point 9(o.) above.
- h. During the year under review, there was no preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of the Listing Regulations.**
- i. Certificate from Company Secretary in Practice:** M/s. Kamlesh M. Shah & Co, Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by the SEBI / Ministry of Corporate Affairs or such other statutory authority. The certificate is enclosed with this Section as **Annexure – A**.
- j. All the recommendations, if any, of the various committees were accepted by the Board.**

Corporate Governance Report

- k. During the year, details of fees paid / payable to the Statutory Auditors and all entities in the network firm / network entity of which the Statutory Auditor is a part, by the Company and its subsidiaries, are given below:

Particulars	₹ In Lakhs*
Statutory Audit Fees	1.50
Tax Audit Fees	0.25
Other Services	0.10
Total Payment	1.85

*The above fees are exclusive of applicable tax.

- l. Disclosure in relation to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC). The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same is available on the Company's website at following web link: <http://arfin.co.in/pdf/policies/prevention-of-sexual-harassment-policy.pdf>

Status of Complaints as on March 31, 2022:

Sr. No.	Particulars	Number of Complaints
1	Number of Complaints Filed During the Financial Year	NIL
2	Number of Complaints Disposed off During the Financial Year	N.A.
3	Number of Complaints Pending at the End of the Financial Year	N.A.

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

The Company has complied with all the provisions of corporate governance related to the matters enumerated in the point 2 to 10 above to the extent applicable. Further, the Company has not complied with the provisions of Listing Regulations as provided in point no. 10(b.) above.

12. Compliance with Discretionary Requirements under Listing Regulations

Please refer point 10(d.) above.

13. Disclosures of Requirements of Corporate Governance specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46

The Company is in compliance with the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-Regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations) for the financial year ended on March 31, 2022, to the extent applicable. Further, the Company has not complied with the provisions of Listing Regulations as provided in point no. 10(b.) above.

Corporate Governance Report

14. Declaration signed by the Managing Director stating that the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management

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

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

"I hereby confirm that the Company has obtained from all the members of the board and senior management personnel of the Company, affirmation(s) that they have complied with the Code of Ethics and Business Conduct framed for Directors and senior management personnel in respect to the financial year ended on March 31, 2022."

For Arfin India Limited

Jatin M. Shah

(Managing Director)

(DIN: 00182683)

Place: Ahmedabad

Date: July 18, 2022

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

A certificate from Statutory Auditors of the Company regarding compliance of conditions of corporate governance has been attached as an **Annexure – 6** to the Directors' report.

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

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

For and on Behalf of the Board of Directors

Mahendra R. Shah

(Chairman)

(DIN: 00182746)

Place: Ahmedabad

Date: July 18, 2022

Corporate Governance Report

ANNEXURE-A

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V, Para C, Clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Disqualified Under Section 164 of Companies Act, 2013	Deactivation of DIN Due to Non Filing of DIR-3 KYC
1	Mr. Mahendra R. Shah	00182746	N.A.	N.A.
2	Mr. Jatin M. Shah	00182683	N.A.	N.A.
3	Mrs. Pushpaben M. Shah	00182754	N.A.	N.A.
4	Mr. Mukesh S. Chowdhary	00025877	N.A.	N.A.
5	Mr. Hardik S. Hundia	02022246	N.A.	N.A.
6	Mr. Jitendra S. Shah	08781998	N.A.	N.A.

Note: List of Directors as on March 31, 2022 as on portal of Ministry of Corporate Affairs.

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

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

Place: Ahmedabad
Date: April 27, 2022
UDIN: A008356D000220361

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

Corporate Governance Report

CERTIFICATE BY MD & CFO

To,
The Board of Directors,
Arfin India Limited

We, Mr. Jatin M. Shah, Managing Director and Mr. Vijay Lathi, Chief Financial officer of the Company, do hereby certify that on the basis of the review of the financial statements and the cash flow statement of Arfin India Limited for the financial year ended on March 31, 2022 and that to the best of our knowledge and belief, we state that:

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

For and on Behalf of the Board of Directors

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

Place: Ahmedabad
Date: April 15, 2022

¹Resigned w.e.f April 15, 2022

Vijay Lathi¹
(Chief Financial Officer)

Independent Auditors' Report

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

Opinion

We have audited the accompanying Ind AS financial statements of Arfin India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and Statement of Cash flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

Information other than the Financial Statements and Auditors Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Ind AS Financial Statements and our Auditor's Report thereon.

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

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

Emphasis of Matter

We draw attention to Note 54 of the financial statements, as regards the management's evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Independent Auditors' Report

provide a separate opinion on these matters.

Management's Responsibility for the Financial Statements

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

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

are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditors' Report

the operating effectiveness of such controls;

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the "**Annexure-1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income and the Cash Flow Statement and

Independent Auditors' Report

Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of written representations received from the Directors as on March 31, 2022, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022, from being appointed as a Director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure-2” to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

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

amended, in our opinion and to the best of our information and according to the explanations given to us;

- (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 35 to the financial statements.
- (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses, if any.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) a) No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entities, including foreign entities (“Intermediaries”), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
b) No funds have been received by the Company from any person(s) or entities including foreign entities (“Funding Parties”) with the understanding that such Company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

Independent Auditors' Report

- c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- (v) During the year, no dividend paid or declared by the board of directors of the Company. So, Compliance of Section 123 of the Act with respect to dividend declared/paid during the year not applicable.

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

Kalpesh R. Shah
(Partner)
(Membership No.: 103301)
UDIN: 22103301AIYDRN5869

Place: Ahmedabad
Date: April 27, 2022

Independent Auditors' Report

Annexure – 1 to the Independent Auditor's Report

Referred to in Paragraph 1 of report on Legal and regulatory requirements of our report of even date to the members of **Arfin India Limited** on the Financial Statements for the year ended on **March 31, 2022**

1 In respect of Fixed Assets:

- a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of Property, plant & equipment's. The Company has maintained proper records showing full particulars of intangible assets, if any;
- b) As explained to us, the property, plant and equipment have been physically verified by the management during the year according to a phased program designed by the Company to cover all the items, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, property, plant and equipment have been physically verified by the management during the year and according to the information and explanations given to us, no material discrepancies have been noticed on such verification; and
- c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of immovable properties other than self-constructed immovable properties, as disclosed in property, plant and equipment and investment property note to the Financial Statements, are held in the name of Company.
- d) According to the information and explanations given to us and on the basis of our examinations of the records of the Company, The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

- e) According to the information and explanations given to us and on the basis of our examinations of the records of the Company, there are No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

2 In Respect of Inventory:

- a) In our opinion and according to the information and explanations given to us, physical verification of inventories has been conducted at reasonable intervals by the management during the year and the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising (stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors / other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the audited books of account of the Company, of the respective quarters, except for the following:

Independent Auditors' Report

₹ In Lakhs

For the Quarter Ended	Sanctioned Amount to Which Discrepancies Relates	Details of Discrepancies					Remarks (Including Subsequent Rectification, if any)
		Nature of Current Assets	Nature of Discrepancy	Amount			
				As Per Qtr. Returns	As Per Books	Difference	
Sept-21	7,270	Stock & Debtors	Diff. in Valuation	12,320.06	12,393.43	73.37	There is no material difference. It is due to change in cost valuation in some products during audit, difference arises.
Mar-22	7,270	Stock & Debtors	Diff. in Valuation	10,054.88	10,110.06	55.18	There is no material difference. It is due to change in cost valuation in some products during audit, difference arises.

3 According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to companies, firms, limited liability partnerships or any other parties during the year.

The Company has provided guarantees, granted loans and advances in the nature of loans during the year to companies firms or limited liability partnerships and other parties.

- a) (1) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any subsidiaries entity during the year.
- (2) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has provided guarantees and granted advances in the nature of loans to other parties as below;

Particulars	Guarantees	Advances in the Nature of Loans-Employee Advances
Aggregate Amount During the Year - Other Parties	-	2.71 Lakhs
Balance Outstanding as on the Balance Sheet Date - Other Parties	-	2.71 Lakhs

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the

Independent Auditors' Report

Company, in our opinion, in the case of loans and advances in the nature of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
 - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans or advances in the nature of loans given to same parties.
 - f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- 4 According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act") and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.
- 5 In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits, from the public and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and Rules framed thereunder, with regard to the deposits accepted from the public are not applicable to the Company.
 - 6 We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules prescribed by the Central Government for maintenance of cost records under Sub-Section (1) of Section 148 of the Companies Act, 2013 for the business activities carried out by the Company, and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination for the same with a view to determine whether they are accurate or complete.
 - 7 **In respect of Statutory Dues:**
 - (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, GST, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues, if any. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty etc. were outstanding as at March 31, 2022 for a

Independent Auditors' Report

period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, GST, service tax, VAT, wealth tax, excise duty and cess which have not been deposited on account of any dispute except given below:

Name of the Department:-	Income Tax
Nature of Dues:-	Demand under Scrutiny Assessment
Amount:-	₹ 62.25 Lakhs
Period for which it relates:-	FY 2011-12
Forum where dispute is pending:-	CIT-Appeal, Ahmedabad

- 8 According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- 9 (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended March 31, 2022.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

- 10 (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible

Independent Auditors' Report

debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

11 (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

12 According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

13 In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section disclosed in the standalone financial statements as required by the applicable accounting standards.

14 (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period

under audit.

15 In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

16 (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(c) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.

17 The Company has not incurred cash losses in the current and in the immediately preceding financial year.

18 There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

19 According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to

Independent Auditors' Report

believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20 In our opinion and according to the information and explanations given to us, there is no

unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Kalpesh R. Shah
(Partner)
(Membership No.: 103301)
UDIN: 22103301AIYDRN5869

Place: Ahmedabad
Date: April 27, 2022

Independent Auditors' Report

Annexure – 2 to the Independent Auditor's Report

Referred to in paragraph 2 of report on Legal and Regulatory requirements of our report of even date to the members of **Arfin India Limited** on the Financial Statements for the year ended on **March 31, 2022**

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

We have audited the Internal Financial Controls over financial reporting of Arfin India Limited ("the Company") as on March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

Our audit involves performing procedure to obtain audit evidences about the adequacy of the Internal Financial Control Systems over financial reporting and their operating effectiveness. Our audit of Internal Financial Control Systems over financial reporting includes obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement, if any, of the Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Control Systems over Financial Reporting

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

Independent Auditors' Report

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

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

Inherent Limitations of Internal Financial Control Systems over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate Internal Financial Control System over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Control Systems over financial reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

For, Sanjay Bajoria & Associates,

Chartered accountants

Firm Registration No. 117443W

Kalpesh R. Shah

(Partner)

(Membership No.: 103301)

UDIN: 22103301AIYDRN5869

Place: Ahmedabad

Date: April 27, 2022



FINANCIAL

Statements and Notes



Balance Sheet As At March 31, 2022

₹ In Lakhs

Particulars	Note No.	As At March 31, 2022	As At March 31, 2021
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant, Equipments And Intangible Assets			
(i) Property, Plant and Equipment	3	6,163.42	6,147.44
(ii) Capital Work-In-Progress	3	0.00	0.00
(iii) Intangible Assets		0.00	0.00
(b) Financial Assets			
(i) Investments	4	0.00	0.00
(ii) Loans	5	0.00	0.00
(iii) Others	6	88.51	118.44
(c) Other Non-Current Assets	7	61.40	86.91
		6,313.33	6,352.79
CURRENT ASSETS			
(a) Inventories	8	10,110.16	11,139.58
(b) Financial Assets			
(i) Investments	9	0.00	0.00
(ii) Trade Receivables	10	7,361.71	4,257.39
(iii) Cash and Cash Equivalents	11	8.49	7.31
(iv) Bank Balances other than (iii) above	12	130.74	124.18
(v) Loans	13	123.99	439.84
(vi) Others Current Financial Assets	14	2.65	1.95
(c) Other Current Assets	15	639.70	650.54
		18,377.45	16,620.79
		24,690.78	22,973.58
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	1,589.24	1,589.24
(b) Other Equity	17	6,175.22	5,247.15
		7,764.46	6,836.39
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	18	3,751.14	3,547.22
(ii) Other Financial Liabilities		0.00	0.00
(b) Provisions	19	44.43	42.77
(c) Deferred Tax Liabilities (Net)	20	297.98	400.17
		4,093.55	3,990.16
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	21	7,414.45	7,338.03
(ii) Trade Payables	22	5,296.14	4,776.48
(iii) Other Financial Liabilities	23	21.86	16.86
(b) Other Current Liabilities	24	71.61	15.66
(c) Provisions	25	28.71	0.00
		12,832.77	12,147.03
		24,690.78	22,973.58
TOTAL EQUITY AND LIABILITIES			

Balance Sheet As At March 31, 2022

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

The accompanying notes 1 to 56 are integral parts of the Financial Statements.
As per our Report of even date attached

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

Kalpesh R. Shah
(Partner)
(Membership No.: 103301)
UDIN: 22103301AIYDRN5869

Place: Ahmedabad
Date: April 27, 2022

For and on Behalf of Board of Directors

Mahendra R. Shah
(Chairman & Whole
Time Director)

Pushpa M. Shah
(Executive Director)

Jatin M. Shah
(Managing Director)

Hetal Koradia
(Company Secretary)

Statement of Profit and Loss for the Year Ended March 31, 2022

₹ In Lakhs

Particulars		Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
I	Revenue From Operations	26	52,610.72	30,344.58
II	Other Income	27	151.00	197.73
III	Total Income (I+II)		52,761.72	30,542.31
IV	Expenses			
	Cost of Materials Consumed	28	43,459.33	22,069.03
	Purchases of Stock-in-Trade		0.00	0.00
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	29	1,022.45	2,597.90
	Employee Benefits Expense	30	740.80	549.16
	Finance Costs	31	1,235.57	1,103.16
	Depreciation and Amortization Expense	3	331.54	280.79
	Other Expenses	32	4,991.76	3,486.82
	Total Expenses (IV)		51,781.45	30,086.86
V	Profit / (Loss) Before Exceptional Items and Tax (III-IV)		980.27	455.45
VI	Exceptional Items		0.00	0.00
VII	Profit / (Loss) Before Tax (V-VI)		980.27	455.45
VIII	Tax Expense:			
	(1) Current Tax	33	0.00	0.00
	(2) Deferred Tax	20	61.54	53.94
IX	Profit / (Loss) For the Period (VII-VIII)		918.73	401.51
X	Other Comprehensive Income			
	A (i) Items that will not be Reclassified to Profit or Loss		14.02	9.55
	(ii) Income tax relating to Items that will not be Reclassified to Profit or Loss		(4.68)	(3.19)
	B (i) Items that will be Reclassified to Profit or Loss		0.00	0.00
	(ii) Income tax relating to items that will be Reclassified to Profit or Loss		0.00	0.00
XI	Total Comprehensive Income for the Period (IX+X) (Comprising Profit / (Loss) and Other Comprehensive Income for the Period)		928.07	407.87
XII	Earnings per Equity Share	34		
	(1) Basic (₹)		5.78	2.53
	(2) Diluted (₹)		5.78	2.53

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

The accompanying notes 1 to 56 are integral parts of the Financial Statements.

As per our Report of even date attached

For Sanjay Bajoria & Associates,

Chartered Accountants

Firm Registration No.: 117443W

Kalpesh R. Shah

(Partner)

(Membership No.: 103301)

UDIN: 22103301AIYDRN5869

Place: Ahmedabad

Date: April 27, 2022

For and on Behalf of Board of Directors

Mahendra R. Shah

(Chairman & Whole Time Director)

Pushpa M. Shah

(Executive Director)

Jatin M. Shah

(Managing Director)

Hetal Koradia

(Company Secretary)

Statement of Changes in Equity for the Period Ended March 31, 2022

A. EQUITY SHARE CAPITAL

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

₹ In Lakhs

Particulars	As At March 31, 2022	As At March 31, 2021
Balance at the Beginning of the Reporting Period	1,589.24	1,589.24
Add: Shares Issued During the Year NIL (Previous Year NIL)	0.00	0.00
Balance at the End of the Reporting Period	1,589.24	1,589.24

B. OTHER EQUITY

₹ In Lakhs

Particulars	Capital Reserve	Securities Premium Reserve	General Reserves	Surplus in Profit & Loss Statem- ent	Other Compreh- ensive Income	Total
Balance at the Beginning of the Reporting Period April 01, 2021	603.11	2,148.36	365.00	2,119.82	10.86	5,247.15
Changes in Accounting Policy or Prior Period Errors	0.00	0.00	0.00	0.00	0.00	0.00
Restated Balance at the Beginning of the Current Reporting Period	603.11	2,148.36	365.00	2,119.82	10.86	5,247.15
Profit for the Year	0.00	0.00	0.00	918.73	0.00	918.73
Fair Valuation of Debt Instrument	0.00	0.00	0.00	0.00	0.00	0.00
Re-measurement Gains / (Losses) on Employee Benefits	0.00	0.00	0.00	0.00	9.34	9.34
Dividend Payment	0.00	0.00	0.00	0.00	0.00	0.00
Tax on Dividend Payment	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to General Reserve	0.00	0.00	0.00	0.00	0.00	0.00
Transfer from Retained Earnings	0.00	0.00	0.00	0.00	0.00	0.00
Used for Issue of Bonus Shares	0.00	0.00	0.00	0.00	0.00	0.00
Balance at the End of the Reporting Period March 31, 2022	603.11	2,148.36	365.00	3,038.54	20.20	6,175.22

Statement of Changes in Equity for the Period Ended March 31, 2022

OTHER EQUITY

₹ In Lakhs

Particulars	Capital Reserve	Securities Premium Reserve	General Reserves	Surplus in Profit & Loss Statement	Other Comprehensive Income	Total
Balance at the Beginning of the Reporting Period April 01, 2020	603.11	2,148.36	365.00	1,718.31	63.98	4,898.76
Changes in Accounting Policy or Prior Period Errors	0.00	0.00	0.00	0.00	0.00	0.00
Restated Balance at the Beginning of the Current Reporting Period	603.11	2,148.36	365.00	1,718.31	63.98	4,898.76
Profit for the Year	0.00	0.00	0.00	401.51	0.00	401.51
Fair Valuation of Debt Instrument	0.00	0.00	0.00	0.00	(59.48)	(59.48)
Re-measurement Gains / (Losses) on Employee Benefits	0.00	0.00	0.00	0.00	6.36	6.36
Dividend Payment	0.00	0.00	0.00	0.00	0.00	0.00
Tax on Dividend Payment	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to General Reserve	0.00	0.00	0.00	0.00	0.00	0.00
Transfer from Retained Earnings	0.00	0.00	0.00	0.00	0.00	0.00
Used for Issue of Bonus Shares	0.00	0.00	0.00	0.00	0.00	0.00
Balance at the End of the Reporting Period March 31, 2021	603.11	2,148.36	365.00	2,119.82	10.86	5,247.15

As per our Report of even date attached

For Sanjay Bajoria & Associates,

Chartered Accountants

Firm Registration No.: 117443W

Kalpesh R. Shah

(Partner)

(Membership No.: 103301)

UDIN: 22103301AIYDRN5869

Place: Ahmedabad

Date: April 27, 2022

For and on Behalf of Board of Directors

Mahendra R. Shah

(Chairman & Whole Time Director)

Pushpa M. Shah

(Executive Director)

Jatin M. Shah

(Managing Director)

Hetal Koradia

(Company Secretary)

Cash Flow Statement for the Year Ended March 31, 2022

₹ In Lakhs

Particulars	As At March 31, 2022	As At March 31, 2021
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	980.27	455.45
Adjustments for:		
Depreciation and Amortization	331.54	280.79
Interest and Finance Charges	1,235.57	1,103.16
Interest Income	(6.41)	(8.89)
(Gain) / Loss on Fixed Assets Sold / Discarded (Net)	0.00	(16.00)
Others	0.00	0.00
Operating Profit Before Working Capital Changes	2,540.97	1,814.51
Adjustments for Changes in Working Capital:		
(Increase) / Decrease in Trade Receivables, Loans & Advances and Other Assets	(2,778.33)	(1,939.01)
(Increase) / Decrease in Inventories	1,029.42	(1,516.10)
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	418.93	2,787.17
(Increase) / Decrease Other Non-Current Assets	(112.98)	(49.99)
Increase / (Decrease) Other Non-Current Liabilities	1.66	4.81
Cash Generated From Operations	1,099.67	1,101.39
Income Taxes Paid	(28.71)	0.00
Net Cash Flow From Operating Activities	1,128.38	1,101.39
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(347.50)	(1,996.47)
Additions in Capital Work-In-Progress	0.00	1,264.66
Proceeds From Sale of Fixed Assets	0.00	183.75
Sale / (Purchase) of Non-Current Investments	0.00	412.00
Investments in Bank Deposits (with Original Maturity over 3 Months)	(6.57)	171.12
Interest Received	6.41	8.89
Net Cash Flow From Investing Activities	(347.66)	43.95
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Share Capital And Capital Reserve	0.00	0.00
Proceeds / (Repayment) from Long Term Borrowings	379.61	2,444.20
Proceeds / (Repayment) from Short Term Borrowings	76.42	(2,498.20)
Payment of Dividend And Dividend Tax thereon	0.00	0.00
Interest and Finance Charges	(1,235.57)	(1,103.16)
Net Cash Flow from Financing Activities	(779.54)	(1,157.16)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	1.18	(11.82)
Cash and Bank Balances at the Beginning of the Year	7.31	19.13
Cash and Bank Balances at the End of the Year	8.49	7.31

Cash Flow Statement for the Year Ended March 31, 2022

Notes:

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

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

DETAIL OF CASH AND CASH EQUIVALENTS

₹ In Lakhs

Particulars	As At March 31, 2022	As At March 31, 2021
Balances with Banks		
In Current Accounts	0.00	0.27
In Deposits with Original Maturity of Less than 3 Months	0.00	0.00
Cash on Hand	8.49	7.04
Cheques on Hand	0.00	0.00
Total	8.49	7.31

As per our Report of even date attached

For Sanjay Bajoria & Associates,

Chartered Accountants

Firm Registration No.: 117443W

Kalpesh R. Shah

(Partner)

(Membership No.: 103301)

UDIN: 22103301AIYDRN5869

Place: Ahmedabad

Date: April 27, 2022

For and on Behalf of Board of Directors

Mahendra R. Shah

(Chairman & Whole Time Director)

Pushpa M. Shah

(Executive Director)

Jatin M. Shah

(Managing Director)

Hetal Koradia

(Company Secretary)

Notes Forming Part of Financial Statements

Note 1 Company Overview and Significant Accounting Policies

1.1 Corporate Information

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

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

2.1 Basis of Preparation of Financial Statements

Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (‘Act’) read with the Companies (Indian Accounting Standards) Rules, 2021 as amended and other relevant provisions of the Act.

The financial statements for the financial year ended March 31, 2022 have been approved by the Board of Directors of the Company in its meeting held on April 27, 2022.

Historical Cost Convention

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

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

Current and Non-Current Classification

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

Rounding of Amounts

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

2.2 Use of Estimates

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

Notes Forming Part of the Financial Statements

2.3 Estimation of Uncertainties Relating to the Global Health Pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and other intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and, based on the current estimates, expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

2.4 Property, Plant and Equipments

Property, plant and equipments are stated at cost, net of recoverable taxes, less depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and other cost directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation Methods, Estimated Useful Lives and Residual Value

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

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

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

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

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

Notes Forming Part of the Financial Statements

Capital Work-in-Progress and Capital Advances

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

2.5 Intangible Assets

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

Amortization Method and Useful Life

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

2.6 Inventories

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

2.7 Financial Instruments

(i) Initial Recognition and Measurement

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

(ii) Subsequent Measurement

A. Non-Derivative Financial Instrument

(a) Financial Assets Carried at Amortized Cost

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

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

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

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

Notes Forming Part of the Financial Statements

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

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

(d) Financial Liabilities

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

B. Derivative Financial Instruments

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

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

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

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

C. De-recognition of Financial Instruments

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

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

2.8 Current versus Non-Current Classification

An asset is considered as current when it is:

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

All other assets are classified as non-current.

Notes Forming Part of the Financial Statements

A liability is considered as current when it is:

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

All other liabilities are classified as non-current.

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

2.9 Measurement of Fair Value

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic interest.

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

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

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

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

2.10 Investments and Other Financial Assets

Classification

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

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

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

Notes Forming Part of the Financial Statements

Measurement

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

Impairment of Financial Assets

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

2.11 Revenue Recognition

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts, GST and amounts collected on behalf of third parties.

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

Sale of Goods

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

Other Operating Revenue

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

Other Revenue

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

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

Dividend

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

2.12 Foreign Currency Transactions

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

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

Notes Forming Part of the Financial Statements

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

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

2.13 Income Tax

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

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.14 Provisions and Contingent Liabilities

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value

Notes Forming Part of the Financial Statements

of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

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

2.15 Employee Benefits

Short Term Obligations

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

Post-Employment Obligations

The Company operates the following post-employment schemes:

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

Gratuity Obligations

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

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Gratuity liability of employees is not funded.

Defined Contribution Plans

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

2.16 Borrowing Costs

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

Notes Forming Part of the Financial Statements

2.17 Earnings per Equity Share

Basic Earnings per Equity Share

Basic earnings per equity share is calculated by dividing:

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

Diluted Earnings per Equity Share

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

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

2.18 Impairment of Assets

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

2.19 Leases

As a Lessee

The Company's lease asset classes primarily consist of leases for buildings taken on lease for operating its branch offices, if any. The Company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments, if any. During the year, Company has only short-term and low value leases, therefore the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a Lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature, if any. During the year, Company has only short-term and low value leases receipt, therefore the Company recognizes the lease receipts as an operating income in profit & loss account.

2.20 Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy / rebates are credited to the Statement of Profit and Loss under "Other Income" or deducted from the related expenses for the period to which

Notes Forming Part of the Financial Statements

these are related. Grants which are meant for purchase, construction or otherwise acquired through non-current assets are recognized as deferred income and disclosed under non-current liabilities and transferred to the Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets are transferred to the Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

2.21 Business Combinations

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

2.22 Cash and Cash Equivalents

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

2.23 Cash Flow Statement

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

2.24 Share Capital

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

2.25 Cash Dividend

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

Notes Forming Part of the Financial Statements

3 PROPERTY, PLANT, EQUIPMENT, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS ₹ In Lakhs

Particulars	Factory Land	Factory Buildings	Plant & Equipment	Computer	Furniture & Fixtures	Vehicles	Office Equipment	Office Building	Total	Capital Work-in-Progress
COST OF ASSETS										
As at April 01, 2020	574.99	1,491.79	2,790.10	20.30	51.03	281.90	41.10	305.25	5,556.46	1,264.66
Addition	0.00	1,005.08	184.24	0.73	26.18	6.69	32.98	740.58	1,996.48	0.00
Disposal / Adjustments	0.00	0.00	196.09	0.00	0.00	0.00	0.00	0.00	196.09	1,264.66
As at March 31, 2021	574.99	2,496.86	2,778.25	21.02	77.21	288.59	74.09	1,045.83	7,356.85	0.00
Addition	0.00	85.96	71.53	3.10	0.00	175.14	2.07	9.71	347.50	0.00
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at March 31, 2022	574.99	2,582.82	2,849.78	24.13	77.21	463.73	76.15	1,055.54	7,704.35	0.00
DEPRECIATION										
As at April 01, 2020	0.00	175.14	579.23	17.41	32.36	95.00	31.57	26.24	956.95	0.00
Charge For The Year	0.00	50.90	180.44	1.49	4.92	33.47	3.75	5.83	280.79	0.00
Disposal / Adjustments	0.00	0.00	28.35	0.00	0.00	0.00	0.00	0.00	28.35	0.00
As at March 31, 2021	0.00	226.04	731.32	18.90	37.28	128.47	35.32	32.07	1,209.39	0.00
Charge For The Year	0.00	80.95	182.92	1.11	7.03	34.16	8.67	16.68	331.54	0.00
Disposal / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at March 31, 2022	0.00	306.99	914.24	20.01	44.31	162.63	44.00	48.75	1,540.93	0.00
NET BLOCK										
As at March 31, 2022	574.99	2,275.83	1,935.54	4.12	32.90	301.09	32.16	1,006.79	6,163.42	0.00
As at March 31, 2021	574.99	2,270.82	2,046.93	2.12	39.93	160.12	38.76	1,013.76	6,147.44	0.00

Notes Forming Part of the Financial Statements

4. NON - CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
I	TRADE INVESTMENT (AT COST)		
	Investment in Equity Instruments	0.00	0.00
		0.00	0.00
II	NON-TRADE INVESTMENT		
	Investment	0.00	0.00
	Total	0.00	0.00

5. NON - CURRENT FINANCIAL ASSETS - LOANS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
I	UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED		
	(i) Security Deposits	0.00	0.00
II	Loans to Employees	0.00	0.00
	Total	0.00	0.00

6. NON - CURRENT FINANCIAL ASSETS - OTHERS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
I	Bank Deposits with Original Maturity Greater than 12 Months	0.00	0.00
II	Balance with Statutory / Government Authority (Refer Note 6.1)	41.30	41.30
III	Security Deposits	47.20	77.14
	Total	88.51	118.44

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

7. NON - CURRENT ASSETS - OTHERS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
I	CAPITAL ADVANCES		
	(i) Considered Good	0.00	0.00
	(ii) Considered Doubtful	0.00	0.00
II	Less: Provision for Doubtful Advances	0.00	0.00
		0.00	0.00
III	Preliminary / Unamortized Expense to the Extent Not Written Off	61.40	86.91
	Total	61.40	86.91

Notes Forming Part of the Financial Statements

8. INVENTORIES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
	(Valued at Lower of Cost or Net Realizable Value)		
I	Raw Materials	8,647.99	8,688.91
II	Work-In-Progress	0.00	0.00
III	Stores and Spares	77.02	43.07
IV	Finished Goods	1,385.15	2,407.60
V	Stock-In-Trade	0.00	0.00
	Total	10,110.16	11,139.58

As per inventory taken and valued by the management.

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

9. CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
I	TRADE INVESTMENT (AT COST)		
	Investment in Equity Instruments	0.00	0.00
		0.00	0.00
II	NON-TRADE INVESTMENT		
	Investment in Others	0.00	0.00
	Total	0.00	0.00

10. TRADE RECEIVABLES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
I	UNDISPUTED		
	(i) Considered Good	7,361.71	4,257.39
	(ii) Considered Doubtful	0.00	0.00
		7,361.71	4,257.39
II	DISPUTED		
	(i) Considered Good	0.00	0.00
	(ii) Considered Doubtful	0.00	0.00
		0.00	0.00
	Total	7,361.71	4,257.39

Notes Forming Part of the Financial Statements

10.1 AGEING OF TRADE RECEIVABLES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
	UNDISPUTED		
I	Less than Six Months	7,361.71	4,251.13
II	Six Months to One Year	0.00	6.26
III	One to Two Years	0.00	0.00
IV	Two to Three Years	0.00	0.00
V	More Than Three Years	0.00	0.00
	Total	7,361.71	4,257.39
	DISPUTED		
I	Less than Six Months	0.00	0.00
II	Six Months to One Year	0.00	0.00
III	One to Two Years	0.00	0.00
IV	Two to Three Years	0.00	0.00
V	More Than Three Years	0.00	0.00
	Total	0.00	0.00

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

11. CASH AND CASH EQUIVALENTS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
I	Balances with Scheduled Banks		
	(i) In Current Accounts	0.00	0.27
	(ii) In Deposit Accounts (Maturity Less than 3 Months)	0.00	0.00
II	Cash in Hand	8.49	7.04
III	Cheques in Hand	0.00	0.00
	Total	8.49	7.31

12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
I	Other Balances	0.00	0.00
II	Earmarked Balances with Banks for:		
	(i) Unpaid Dividends (Refer Note No. 12.1 below)	6.27	6.30
	(ii) Bank Fixed Deposits*	124.47	117.88
	Total	130.74	124.18

12.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2022.

*Includes FDR of ₹ 124.47 Lakhs against various Bank Guarantees issued as at March 31, 2022.

*Includes FDR of ₹ 117.88 Lakhs against various Bank Guarantees issued as at March 31, 2021.

Notes Forming Part of the Financial Statements

13. CURRENT FINANCIAL ASSETS - LOANS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
	UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED		
I	Security Deposits	0.00	0.00
II	Others:		
	(i) Advances Recoverable in Cash or Kind	121.28	439.37
	(ii) Advances to Staff	2.71	0.47
	Total	123.99	439.84

14. CURRENT FINANCIAL ASSETS - OTHERS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
I	Interest Accrued on Deposits	2.65	1.95
	Total	2.65	1.95

15. OTHER CURRENT ASSETS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
	UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED		
I	Capital Advances		
	(i) Considered Good	23.00	36.53
	(ii) Considered Doubtful	0.00	0.00
II	Others		
	(i) Prepaid Expenses	23.76	20.86
	(ii) Balance with Statutory Authorities	592.94	593.15
	Total	639.70	650.54

Notes Forming Part of the Financial Statements

16. EQUITY SHARE CAPITAL

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
I	AUTHORIZED 3,15,00,000 Equity Shares of ₹ 10/- Each (March 31, 2021 - 3,15,00,000 Equity Shares)	3,150.00	3,150.00
II	ISSUED, SUBSCRIBED AND PAID UP 1,58,92,405 Equity Shares of ₹ 10/- Each (As At March 31, 2021 - 1,58,92,405 Equity Shares of ₹ 10/- Each)	1,589.24	1,589.24

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

16.2 The Reconciliation of the Number of Shares Outstanding as at March 31, 2022 and March 31, 2021 is set out below

Sr. No.	Particulars	As At March 31, 2022		As At March 31, 2021	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
I	EQUITY SHARES				
	Shares Outstanding at the Beginning of the Year	1,58,92,405	1,589.24	1,58,92,405	1,589.24
	Add: Shares Issued During the Year:	0	0.00	0	0.00
	NIL (Previous Year: NIL)				
	Shares Outstanding at the End of the Year	1,58,92,405	1,589.24	1,58,92,405	1,589.24

16.3 List of All Promoters And Other Shareholders Holding More than 5% Shares is Set Out Below

Sr. No.	Name of the Shareholder	As At March 31, 2022		As At March 31, 2021	
		No. of Shares	% of Holding	No. of Shares	% of Holding
(i)	Mr. Mahendra R. Shah	25,65,825	16.14%	25,65,825	16.14%
(ii)	Mr. Jatin M. Shah	25,15,953	15.83%	25,15,953	15.83%
(iii)	Mrs. Pushpa M. Shah	21,60,110	13.59%	21,60,110	13.59%
(iv)	Mrs. Rani J. Shah	21,33,316	13.42%	21,33,316	13.42%
(v)	Ms. Pooja M. Shah	8,02,440	5.05%	8,02,440	5.05%
(vi)	Jatin Mahendra Shah HUF	6,49,800	4.09%	6,49,800	4.09%
(vii)	Krish Jatin Shah	3,60,000	2.27%	3,60,000	2.27%
(viii)	Mahendra R. Shah HUF	3,25,353	2.05%	3,25,353	2.05%
(ix)	Khushbu M. Shah	1,74,905	1.10%	1,74,905	1.10%
(x)	Khwaish Jatin Shah	90,000	0.57%	90,000	0.57%

Notes Forming Part of the Financial Statements

17. OTHER EQUITY

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
I	CAPITAL RESERVE		
	Opening Balance	603.11	603.11
	Addition During the Financial Year	0.00	0.00
	Deductions During the Financial Year	0.00	0.00
	Closing Balance	603.11	603.11
II	SECURITIES PREMIUM RESERVE		
	Opening Balance	2,148.36	2,148.36
	Additions During the Financial Year	0.00	0.00
	Deductions During the Financial Year	0.00	0.00
	Closing Balance	2,148.36	2,148.36
III	GENERAL RESERVE		
	Opening Balance	365.00	365.00
	Additions During the Financial Year	0.00	0.00
	Closing Balance	365.00	365.00
IV	RETAINED EARNINGS		
	Opening Balance	2,119.82	1,718.31
	Profit / (Loss) During the Financial Year	918.73	401.51
	Add: Addition During the Year (Including Transferred From Reserves)	0.00	0.00
	Less: Appropriations		
	Dividend Paid	0.00	0.00
	Tax on Dividend Paid	0.00	0.00
	Residual Value of Fixed Assets Transferred	0.00	0.00
	Used for Issue of Bonus Shares	0.00	0.00
	Transferred to General Reserve	0.00	0.00
	Closing Balance	3,038.54	2,119.82
V	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME [FVTOCI] RESERVE		
	Opening Balance	10.86	63.98
	Fair Valuation of Debt Instrument	0.00	0.00
	Adjusted from Surplus in Statement of Profit and Loss		
	Re-measurement Gains / (Losses) on Employee Benefits	9.34	6.36
	Deductions During the Financial Year	0.00	(59.48)
	Closing Balance	20.20	10.86
	Total Other Equity	6,175.22	5,247.15

17.1 NATURE AND PURPOSE OF RESERVES

a) SECURITIES PREMIUM RESERVE

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

Notes Forming Part of the Financial Statements

b) CAPITAL RESERVE

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

c) GENERAL RESERVE

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

d) RETAINED EARNINGS

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

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

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

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

18. NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
A	SECURED TERM LOANS		
(1)	FROM BANKS		
	Demand Loans		
	State Bank of India - CECL Limit	0.00	82.21
	Bank of Baroda - CECL Limit	0.00	48.89
	State Bank of India - GECL Limit	659.25	879.00
	Bank of Baroda - GECL Limit	330.00	440.00
	Axis Bank - GECL Limit	240.63	330.00
	IDBI Bank - GECL Limit	170.00	240.00
	State Bank of India - GECL 2.0 Limit	435.00	0.00
	Bank of Baroda - GECL 2.0 Limit	220.00	0.00
	Axis Bank - GECL 2.0 Limit	172.00	0.00
	IDBI Bank - GECL 2.0 Limit	128.00	0.00
	All Above Demand Loans under Consortium Arrangements are Secured by:		
	a) Nature of Primary Security: (i) Secured by Hypothecation of Entire Current Assets Including Book Debts and Stock at Present and in Future.		
	b) Collateral Security: (i) Equitable Mortgage of Factory Land and Building at Plot No. 118/1,2,3,4, Plot No. 117/P-3,6,7, Ravi Industrial Estate situated at Bileshwarpura Village, Chhatral, Gandhinagar - 382729, Gujarat, India.		
	(ii) Equitable Mortgage over Block No. 132/P, Near Mesco Weldmesh Industries, Ahmedabad - Mehasana Highway, Dhanot, Taluka, Kalol, Dist. - Gandhinagar - 382729, Gujarat, India.		

Notes Forming Part of the Financial Statements

18. NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
	(iii) Equitable Mortgage Over Office No. B-302, 3 rd Floor and Office No. A-601 & B-602, 6 th Floor located at Pelican House, Near Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad - 380009, Gujarat, India.		
	c) Rate of Interest on CECL Limit is in the range of 7.40% to 8.00% per annum.		
	d) Rate of Interest on GECL and GECL 2.0 Limits is in the range of 7.95% to 8.80% per annum.		
	e) CECL Limits are repayable in 18 equal instalments after initial moratorium period of 6 months.		
	f) GECL Limits are repayable in 48 equal instalments after initial moratorium period of 12 months.		
	g) GECL 2.0 Limits are repayable in 48 equal instalments after initial moratorium period of 24 months.		
	h) CECL and GECL Limits are Guaranteed by following Directors: (1) Mr. Mahendra R. Shah (2) Mr. Jatin M. Shah (3) Mrs. Pushpa M. Shah		
(2)	For Acquisition of Vehicles		
	HDFC Bank Limited - (Vehicles And JCB Loan)	13.68	23.31
	Tenure of Loan is 36 Months and Repayable in Equal Monthly Installments. Present Fixed Rate of Interest is 8.76% per annum.		
	Bank of Baroda - (Vehicles Loan)	131.31	0.00
	Tenure of Loan is 60 Months and Repayable in Equal Monthly Installments. Present Fixed Rate of Interest is 6.75% per annum.		
	a) Nature of Security: Loan is Secured by Pledge of Vehicle.		
	b) Loan is Guaranteed by following Directors: (1) Mr. Mahendra R. Shah (2) Mr. Jatin M. Shah		
		2,499.86	2,043.42
	Less: Adjustment of Transaction Costs as per Ind AS 109	0.00	0.10
		2,499.86	2,043.32
B.	FROM OTHERS (UNSECURED)		
	Inter Corporate Deposits*	484.82	562.84
	Directors*	766.46	941.06
	Total	3,751.14	3,547.22

* As per the Management's explanation, the above loans are for long term and repayable over a period of three to five years from the date of Balance Sheet.

19. NON - CURRENT PROVISIONS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
I	Provision for Employee Benefit		
	(i) Gratuity Payable	44.43	42.77
	Total	44.43	42.77

Notes Forming Part of the Financial Statements

20. NON - CURRENT DEFERRED TAX LIABILITIES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
I	Deferred Tax Liabilities	515.24	448.46
II	Deferred Tax Assets	217.27	48.29
III	Total (I - II)	297.98	400.17

20.1. COMPONENTS OF DEFERRED TAX ASSETS AS AT MARCH 31, 2022

₹ In Lakhs

Sr. No.	Particulars	As At April 01, 2021	Charge / (Credit) Recognized in Profit / Loss	Charge / (Credit) Recognized in Other Comprehensive Income	MAT Credit	As At March 31, 2022
I	DEFERRED TAX ASSETS					
	Fair Valuation of (Gain) / Loss on Debt Instrument	0.00	0.00	0.00	0.00	0.00
	Provision for Post Retirement and Other Employee Benefits	19.50	5.24	0.00	0.00	24.74
	Remeasurement of Defined Benefit Obligations	(5.44)	0.00	(4.68)	0.00	(10.12)
	MAT Credit Availment	34.23	0.00	0.00	168.42	202.65
	Total Deferred Tax Assets	48.29	5.24	(4.68)	168.42	217.27

COMPONENTS OF DEFERRED TAX LIABILITIES AS AT MARCH 31, 2022

₹ In Lakhs

Sr. No.	Particulars	As At April 01, 2021	Charge / (Credit) Recognized in Profit / Loss	Charge / (Credit) Recognized in Other Comprehensive Income	MAT Credit	As At March 31, 2022
I	DEFERRED TAX LIABILITIES					
	Fair Valuation of (Gain) / Loss on Debt Instrument	0.00	0.00	0.00	0.00	0.00
	Timing Difference with respect to Property, Plant & Equipments	448.46	66.78	0.00	0.00	515.24
	Borrowings Designated at Amortized Cost	0.00	0.00	0.00	0.00	0.00
	Total Deferred Tax Liabilities	448.46	66.78	0.00	0.00	515.24

Notes Forming Part of the Financial Statements

20.2 COMPONENTS OF DEFERRED TAX ASSETS AS AT MARCH 31, 2021

₹ In Lakhs

Sr. No.	Particulars	As At April 01, 2020	Charge / (Credit) Recognized in Profit / Loss	Charge / (Credit) Recognized in Other Comprehensive Income	MAT Credit	As At March 31, 2021
I	DEFERRED TAX ASSETS					
	Fair Valuation of (Gain) / Loss on Debt Instrument	0.00	0.00	0.00	0.00	0.00
	Provision for Post Retirement and Other Employee Benefits	14.71	4.79	0.00	0.00	19.50
	Remeasurement of Defined Benefit Obligations	(2.25)	0.00	(3.19)	0.00	(5.44)
	MAT Credit Availment	0.00	0.00	0.00	34.23	34.23
	Total Deferred Tax Assets	12.45	4.79	(3.19)	34.23	48.29

COMPONENTS OF DEFERRED TAX LIABILITIES AS AT MARCH 31, 2021

₹ In Lakhs

Sr. No.	Particulars	As At April 01, 2019	Charge / (Credit) Recognized in Profit / Loss	Charge / (Credit) Recognized in Other Comprehensive Income	MAT Credit	As At March 31, 2022
I	DEFERRED TAX LIABILITIES					
	Fair Valuation of (Gain) / Loss on Debt Instrument	30.36	0.00	(30.36)	0.00	0.00
	Timing Difference with respect to Property, Plant & Equipments	389.73	58.73	0.00	0.00	448.46
	Borrowings Designated at Amortized Cost	0.00	0.00	0.00	0.00	0.00
	Total Deferred Tax Liabilities	420.09	58.73	(30.36)	0.00	448.46

21. CURRENT FINANCIAL LIABILITIES – BORROWINGS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
I	LOANS REPAYABLE ON DEMAND		
	(a) Secured		
	(i) From Banks		
	Axis Bank Limited - Cash Credit Limits	1,097.24	1,276.93
	IDBI Bank Limited - Cash Credit Limits	1,313.69	1,260.46
	State Bank of India - Cash Credit Limits	2,496.85	1,959.36

Notes Forming Part of the Financial Statements

21. CURRENT FINANCIAL LIABILITIES – BORROWINGS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
	Bank of Baroda - Cash Credit Limits	1,865.99	2,376.29
	All Above Working Capital Loans under Consortium Arrangements are Secured by:		
	a) Nature of Primary Security: (i) Secured by Hypothecation of Entire Current Assets Including Book Debts and Stock at Present and in Future.		
	b) Collateral Security: (i) Equitable Mortgage of Factory Land and Building at Plot No. 118/1,2,3,4, Plot No. 117/P-3,6,7, Ravi Industrial Estate situated at Bileshwarpura Village, Chhatral, Gandhinagar - 382729, Gujarat, India. (ii) Equitable Mortgage over Block No. 132/P, Near Mesco Weldmesh Industries, Ahmedabad - Mehasana Highway, Dhanot, Taluka, Kalol, Dist. - Gandhinagar - 382729, Gujarat, India. (iii) Equitable Mortgage Over Office No. B-302, 3 rd Floor and Office No. A-601 & B-602, 6 th Floor situated at Pelican House, Near Gujarat Chamber of Commerce Building, Ashram Road, Ahmedabad - 380009, Gujarat, India.		
	c) Rate of Interest on Cash Credit Loan is in the range of 9.45% to 9.90% per annum.		
	d) Cash Credit limits are renewable every year.		
	e) Loans are Guaranteed by following Directors: (1) Mr. Mahendra R. Shah (2) Mr. Jatin M. Shah (3) Mrs. Pushpa M. Shah		
	(ii) From Other Parties	0.00	0.00
		6,773.77	6,873.04
	(b)Unsecured		
	(i) From Banks	0.00	0.00
	(ii) From Other Parties	0.00	0.00
		0.00	0.00
		6,773.77	6,873.04
II	LOANS AND ADVANCES FROM RELATED PARTIES		
	(a) Secured	0.00	0.00
	(b) Unsecured	0.00	0.00
		0.00	0.00
III	CURRENT MATURITIES OF LONG TERM DEBT - TERM LOANS	640.68	464.99
IV	DEPOSITS		
	(a) Secured	0.00	0.00
	(b) Unsecured	0.00	0.00
		0.00	0.00
	Total	7,414.45	7,338.03

Notes Forming Part of the Financial Statements

22. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
(i)	Due to Micro and Small Enterprises (Refer Note No. 40)	1,986.80	565.26
(ii)	Due to other than Micro and Small Enterprises	3,309.35	4,211.22
	Total	5,296.14	4,776.48

22.1 AGEING OF TRADE PAYABLES-MSME

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
	UNDISPUTED		
I	Less than One Year	1,986.80	565.26
II	One to Two Years	0.00	0.00
III	Two to Three Years	0.00	0.00
IV	More Than 3 Years	0.00	0.00
	Total	1,986.80	565.26
	DISPUTED		
I	Less than One Year	0.00	0.00
II	One to Two Years	0.00	0.00
III	Two to Three Years	0.00	0.00
IV	More Than Three Years	0.00	0.00
	Total	0.00	0.00

22.2 AGEING OF TRADE PAYABLES-OTHERS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
	UNDISPUTED		
I	Less than One Year	3,309.35	4,211.22
II	One to Two Years	0.00	0.00
III	Two to Three Years	0.00	0.00
IV	More Than Three Years	0.00	0.00
	Total	3,309.35	4,211.22
	DISPUTED		
I	Less than One Year	0.00	0.00
II	One to Two Years	0.00	0.00
III	Two to Three Years	0.00	0.00
IV	More Than 3 Years	0.00	0.00
	Total	0.00	0.00

Notes Forming Part of the Financial Statements

23. CURRENT FINANCIAL LIABILITIES - OTHERS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
(i)	Payables for Capital Goods	15.59	10.56
(ii)	Unpaid / Unclaimed Dividend (Refer Note No. 23.1)	6.27	6.30
	Total	21.86	16.86

23.1 No Unpaid Dividend remains due for payment to the Investor Education and Protection Fund as at March 31, 2022.

24. OTHER CURRENT LIABILITIES

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
(i)	Salary Payable	45.42	0.27
(ii)	Statutory Liabilities	26.19	15.39
	Total	71.61	15.66

25. SHORT TERM PROVISIONS

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
(i)	Current Tax Provision (Net of Advance Tax and Tax Deducted at Source)	28.71	0.00
(ii)	Provision for Expenses	0.00	0.00
	Total	28.71	0.00

26. REVENUE FROM OPERATIONS

₹ In Lakhs

Sr. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
I	REVENUE FROM OPERATIONS		
	Sale of Products		
	Domestic Sales	45,562.21	26,141.93
	Export Sales (*)	10,914.27	5,800.23
	Sale of Services		
	Sale of Services	4,065.05	2,752.70
		60,541.53	34,694.86
II	OTHER OPERATING REVENUE		
	(*) Earning in Foreign Exchange		
	Export Incentives and Benefits	122.11	58.77
	Grants or Donations Received	0.00	0.00
	Job Work Income	0.00	0.00
	Revenue From Operations (Gross)	60,663.64	34,753.63
	Less: GST Recovered	8,052.92	4,409.05
	Revenue from Operations (Net)	52,610.72	30,344.58
	Net Income	52,610.72	30,344.58

Notes Forming Part of the Financial Statements

27. OTHER INCOME

₹ In Lakhs

Sr. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
I	Interest Income	6.41	8.89
II	Profit on Sale of Land / Fixed Assets	0.00	16.00
III	Capital Gain on Sale of SBI Corporate Bonds	0.00	93.55
IV	Other Non-Operating Income		
	Gain on Exchange Rate Fluctuation	138.88	76.88
	Rent Income	5.70	2.40
		144.58	79.28
	Total	151.00	197.73

28. COST OF MATERIALS CONSUMED

₹ In Lakhs

Sr. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
I	RAW MATERIAL		
	Opening Stock	8,688.91	4,566.88
	Add: Purchases	42,714.77	25,740.67
		51,403.67	30,307.55
	Less: Closing Stock	8,647.99	8,688.91
		42,755.68	21,618.64
II	PACKING MATERIAL AND CONSUMABLE STORES		
	Opening Stock	43.07	51.10
	Add: Purchases	737.60	442.35
		780.67	493.46
	Less: Closing Stock	77.02	43.07
		703.65	450.38
	Total	43,459.33	22,069.03

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

₹ In Lakhs

Sr. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
I	FINISHED GOODS		
	Opening Stock	2,407.60	5,005.50
	Less: Closing Stock	1,385.15	2,407.60
		1,022.45	2,597.90
II	STOCK-IN-TRADE		
	Opening Stock	0.00	0.00
	Less: Closing Stock	0.00	0.00
		0.00	0.00
	Total	1,022.45	2,597.90

Notes Forming Part of the Financial Statements

30. EMPLOYEE BENEFITS EXPENSE

₹ In Lakhs

Sr. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
I	Salaries, Wages and Bonus	532.75	366.94
II	Directors' Salary Expense	176.40	158.07
III	Contribution to Provident Fund / ESIC / Gratuity	27.08	23.82
IV	Staff Welfare Expenses	4.57	0.34
	Total	740.80	549.16

31. FINANCE COSTS

₹ In Lakhs

Sr. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
I	INTEREST EXPENSE		
	For Short Term Borrowings		
	To Bank	847.81	816.28
	To Others	193.33	106.80
	For Others (Term Loan)	3.35	22.86
		1,044.50	945.93
II	OTHER BORROWING COSTS		
	Bank Charges and Commission	112.33	71.30
	Bank Loan Processing and Documentation Charges	78.74	85.93
	Interest on Income Tax	0.00	0.00
		191.08	157.23
	Total	1,235.57	1,103.16

32. OTHER EXPENSES

₹ In Lakhs

Sr. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
I	MANUFACTURING EXPENSES		
	Electricity Expenses	187.50	171.65
	Gas and Fuel Expenses	1,261.60	694.12
	Freight Inward, Detention, Cartages and Others	99.79	125.04
	Repairs and Maintenance		
	To Buildings	7.64	27.20
	To Plant and Machineries	83.75	60.13
	To Other Assets	11.07	4.95
	CHA Agency Charges - Import	58.64	66.99
	Clearing and Forwarding Expenses	1,368.14	760.96
	Consultancy Expenses - Plant	20.77	14.44
	Job Work Charges	271.59	88.10
	Security Expenses	25.19	17.88

Notes Forming Part of the Financial Statements

32. OTHER EXPENSES

₹ In Lakhs

Sr. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
	Bhatthi Consumable Items and Maintenance Expenses	249.33	302.79
	Water Expenses	2.41	1.99
	VAT Expense and VAT Credit not available	0.00	0.43
	Other Manufacturing Expenses	122.80	138.82
		3,770.22	2,475.47
II	SELLING AND DISTRIBUTION EXPENSES		
	Freight Outward, Detention, Cartages and Others	882.63	714.42
	CHA Agency Charges - Export	7.41	4.41
	Clearing and Forwarding Expenses - Export	46.55	32.44
	Commission and Other Expenses	37.52	33.99
	Travelling Expenses		
	For Directors	22.03	8.12
	For Staff and Guests	12.90	4.00
	Business Promotion Expenses	3.79	0.21
	Advertisement Expenses	0.99	1.08
		1,013.80	798.67
III	ADMINISTRATIVE EXPENSES		
	Insurance Premium Expenses	25.91	22.67
	Rent Expenses	2.93	3.10
	Rates and Taxes	6.57	5.05
	Payments to Auditors		
	As Auditor		
	Statutory Audit Fees	1.50	1.50
	Tax Audit Fees	0.25	0.25
	For Other Services (Income Tax)	0.10	0.10
	Donation Expenses	1.51	0.25
	Electricity Expenses	1.26	1.78
	(Profit) / Loss on LME / Currency Hedging Account	0.00	0.00
	Income Tax Expenses	0.00	0.00
	CSR Expenses	0.00	85.50
	Directors' Sitting Fees	0.60	1.05
	Legal and Professional Fees	45.73	44.05
	License, Membership and Annual Subscription Fees	1.97	1.99
	Listing Fees Expenses	3.55	3.55
	Loss on Sale of Fixed Assets	0.00	0.00
	Office Expenses	0.02	0.28
	Penalty Expenses	0.20	0.43
	Petrol and Conveyance Expenses	12.06	7.00
	Postage and Courier Expenses	2.39	2.24
	Printing and Stationery Expenses	7.08	4.41
	ROC and Filling Fees	0.15	0.13

Notes Forming Part of the Financial Statements

32. OTHER EXPENSES

	Sundry Balances Written Off (Net Off)	56.42	6.79
	Telephone and Internet Expenses	1.50	2.04
	Other Expenses	36.03	18.54
		207.73	212.68
	Total	4,991.76	3,486.82

32.1 C. I. F. VALUE OF IMPORTS

Sr. No.	Particulars	Year Ended March 31, 2022		Year Ended March 31, 2021	
		M.T.	₹ in Lakhs	M.T.	₹ in Lakhs
I	Raw Materials	15,911.56	22,249.28	15,382.02	14,231.58
II	Stores	0.00	0.00	0.00	0.00
III	Capital Goods	0.00	0.00	0.00	2.69

32.2 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

₹ In Lakhs

Sr. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
I	Travelling Expenses	3.91	4.42
II	Commission	11.98	4.85
III	Interest Expenses	13.78	0.00
VI	Clearing & Forwarding Charges - Export	0.00	5.19
	Total	29.67	14.45

32.3 EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

₹ In Lakhs

Sr. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
I	Sale of Products (On FOB Basis)	10,269.87	5,749.52
	Total	10,269.87	5,749.52

33. CURRENT TAX

₹ In Lakhs

Sr. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
I	Current Tax	0.00	0.00
	Total	0.00	0.00

Notes Forming Part of the Financial Statements

33.1 RECONCILIATION OF INCOME TAX EXPENSE

₹ In Lakhs

Sr. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
	Accounting Profit Before Tax	980.27	455.45
	Set Off of Brought Forward Loss of Earlier Year	980.27	455.45
	Profit As Per Income Tax Act	0.00	0.00
	Enacted Income Tax Rate in India applicable to the Company	33.384%	33.384%
	Tax using the Company's Domestic Tax Rate	0.00	0.00
	Tax Effects of:		
	Exempt Income	0.00	0.00
	Deduction Under Chapter VIA	0.00	0.00
	Income Tax Allowances	0.00	0.00
	Non Deductible Expenses	0.00	0.00
	Payment of Income Tax of Earlier Years	0.00	0.00
	Effect of Other Adjustments	0.00	0.00
	Less: Others	0.00	0.00
	Total	0.00	0.00

34. EARNINGS PER SHARE

Sr. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
I	Profit Attributable to the Equity Shareholders (A) (₹ in Lakhs)	918.73	401.51
II	Basic Number of Equity Shares Outstanding During The Period	1,58,92,405	1,58,92,405
III	Weighted Average Number of Equity Shares Outstanding During The Period (B)	1,58,92,405	1,58,92,405
IV	Weighted Average Number of Equity Shares (Including Convertible Securities, if any) Outstanding During The Period (C)	1,58,92,405	1,58,92,405
V	Nominal Value of Equity Shares (₹)	10.00	10.00
VI	Basic Earnings Per Share [D=A/B] (₹)	5.78	2.53
VII	Diluted Earnings Per Share [E=A/C] (₹)	5.78	2.53

35. CONTINGENT LIABILITIES

₹ In Lakhs

Particulars	As At March 31, 2022	As At March 31, 2021
(a) Claims against the Company / Disputed Liabilities not acknowledged as debts*	41.30	41.30
(b) Guarantees issued by Bank to Custom Department*	105.79	105.79
(c) Claims against the Company / Disputed Liabilities not acknowledged as debt	0.00	8.82
(d) Guarantees issued by Bank to Customers and Vendors	506.24	487.02
(e) Sales bills discounted with Financial institution	0.00	0.00

*Litigation pertaining to Custom Tariff / Rate classification at Custom Department on interpretation of the respective law and rules thereunder. The Company has filed appeals before Commissioner of Custom Appeals, Ahmedabad, against the custom demand and according to lawyer's opinion, the Company has

Notes Forming Part of the Financial Statements

sufficient merit to succeed in due course of litigation. The Company has paid duty under protest for ₹ 41.30 Lakhs. The Company has not provided provision for the above since the company's management does not consider that there is any probable loss.

36. SEGMENT REPORTING

In the opinion of the management, the Company is mainly engaged in a single segment of manufacturing and trading of non-ferrous metals and all other activities revolve around the main activity, therefore there are no separate reportable segments as per Ind AS 108 "Segment Reporting".

37. POST RETIREMENT EMPLOYEE BENEFITS

The disclosures required under Indian Accounting Standard 19 on "Employee Benefits" are given below:

a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized for the year are as under: ₹ In Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Employers' Contribution to Provident Fund	9.23	7.72

b) Defined Benefit Plans

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan based on the following assumptions.

Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together. It is the difference or gap between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits / obligations works out to zero years. For the current valuation a discount rate of 7.25% p.a. (Previous Year 7.00% p.a.) compound has been used.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

Notes Forming Part of the Financial Statements

The assumptions used are summarized in the following table:

2.1 (a) Table Showing Changes in Present Value of Obligations

₹ In Lakhs

Period	From April 01, 2021 to March 31, 2022	From April 01, 2020 to March 31, 2021
Present value of the Obligation at the Beginning of the Period	42.77	37.95
Interest Cost	3.10	2.66
Current Service Cost	12.58	11.70
Past Service Cost	0.00	0.00
Benefits Paid (if any)	0.00	0.00
Actuarial (Gain) / Loss	(14.02)	(9.55)
Present Value of the Obligation at the End of the Period	44.43	42.77

2.1 (b) Bifurcation of Total Actuarial (Gain) / Loss on Liabilities

₹ In Lakhs

Period	From April 01, 2021 to March 31, 2022	From April 01, 2020 to March 31, 2021
Actuarial Gain / Losses from Changes in Demographics Assumptions (Mortality)	Not Applicable	Not Applicable
Actuarial (Gain) / Losses from Changes in Financial Assumptions	(0.85)	0.00
Experience Adjustment (Gain) / Loss for Plan Liabilities	(13.18)	(9.55)
Total amount Recognized in Other Comprehensive Income	(14.02)	(9.55)

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

₹ In Lakhs

Period	As At March 31, 2022	As At March 31, 2021
Present Value of the Obligation at the End of the Period	44.43	42.77
Fair Value of Plan Assets at End of Period	0.00	0.00
Net Liability / (Asset) Recognized in Balance Sheet and Related Analysis	44.43	42.77
Funded Status - Surplus / (Deficit)	(44.43)	(42.77)

2.3 (a) Expense Recognized in the Statement of Profit and Loss

₹ In Lakhs

Period	From April 01, 2021 to March 31, 2022	From April 01, 2020 to March 31, 2021
Interest Cost	3.10	2.66
Current Service Cost	12.58	11.70
Past Service Cost	0.00	0.00
Expected Return on Plan Asset	0.00	0.00
Expenses to be Recognized in P&L	15.68	14.36

Notes Forming Part of the Financial Statements

2.3 (b) Other Comprehensive (Income) / Expenses (Re-Measurement)

₹ In Lakhs

Period	From April 01, 2021 to March 31, 2022	From April 01, 2020 to March 31, 2021
Cumulative Unrecognized Actuarial (Gain) / Loss Opening - B/F	(15.38)	(5.83)
Actuarial (Gain) / Loss - Obligation	(14.02)	(9.55)
Actuarial (Gain) / Loss - Plan Assets	0.00	0.00
Total Actuarial (Gain) / Loss	(14.02)	(9.55)
Cumulative Total Actuarial (Gain) / Loss - C/F	(29.40)	(15.38)

2.3 (c) Net Interest Cost

₹ In Lakhs

Period	From April 01, 2021 to March 31, 2022	From April 01, 2020 to March 31, 2021
Interest Cost on Defined Benefit Obligation	3.10	2.66
Interest Income on Plan Assets	0.00	0.00
Net Interest Cost (Income)	3.10	2.66

2.4 Experience Adjustment

₹ In Lakhs

Period	From April 01, 2021 to March 31, 2022	From April 01, 2020 to March 31, 2021
Experience Adjustment (Gain) / Loss for Plan Liabilities	(13.18)	(9.55)
Experience Adjustment Gain / (Loss) for Plan Assets	0.00	0.00

3.1 Summary of Membership Data at the Date of Valuation and Statistics based thereon

Period	As At March 31, 2022	As At March 31, 2021
Number of Employees	286	201
Total Monthly Salary (₹ in Lakhs)	42.95	30.54
Average Past Service (Years)	1.90	2.50
Average Future Service (Years)	24.50	24.40
Average Age (Years)	33.50	33.60
Weighted Average Duration (based on Discounted Cash Flows) (in Years)	19.00	19.00
Average Monthly Salary (₹ in Lakhs)	0.15	0.15
Expected Future Service taking into account Decrements (Years)	14.00	-

3.2 The Assumptions Employed for the Calculations are tabulated

₹ In Lakhs

Period	From April 01, 2021 to March 31, 2022	From April 01, 2020 to March 31, 2021
Discount Rate	7.25 % per annum	7.00 % per annum
Salary Growth Rate	6.00 % per annum	6.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Expected Rate of Return (%)	0.00	0.00
Withdrawal Rate (Per Annum)	5.00% p.a.	5.00% p.a.

Notes Forming Part of the Financial Statements

3.3 Benefits Valued

Period	From April 01, 2021 to March 31, 2022	From April 01, 2020 to March 31, 2021
Normal Retirement Age	58 Years	58 Years
Salary	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period	5 Years of Service	5 Years of Service
Benefits on Normal Retirement	15/26 * Salary * Past Service (Years)	15/26 * Salary * Past Service (Years)
Benefit on Early Exit due to Death and Disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit (₹ in Lakhs)	20.00	20.00

3.4 Current Liability (*Expected Payout in Next Year as per Schedule III of the Companies Act, 2013)

Period	As At March 31, 2022	As At March 31, 2021
Current Liability (Short Term)*	7.29	7.16
Non Current Liability (Long Term)	37.13	35.61
Total Liability	44.43	42.77

* Current Liability: It is probable outlay in next 12 months as required by the Companies Act, 2013.

3.5 Effect of plan on Entity's Future Cash Flows

3.5 (a) Funding Arrangements and Funding Policy: Not Applicable

3.5 (b) Expected Contribution During the Next Annual Reporting Period

	₹ In Lakhs	
The Company's best Estimate of Contribution During the Next Year	20.30	16.09

3.5 (c) Maturity Profile of Defined Benefit Obligation

	₹ In Lakhs	
Weighted Average Duration (based on Discounted Cash Flows) (in Years)	19	19

3.5 (d) Maturity Profile of Defined Benefit Obligation - Maturity Analysis of Benefit Obligation

	₹ In Lakhs
April 01 2022 to March 31, 2023	7.29
April 01 2023 to March 31, 2024	0.57
April 01 2024 to March 31, 2025	2.28
April 01 2025 to March 31, 2026	0.50
April 01 2026 to March 31, 2027	0.52
April 01, 2027 Onwards	33.26

3.6 Projection for Next Period

	₹ In Lakhs
Best estimate for contribution during next Period	20.30

Notes Forming Part of the Financial Statements

3.7: Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As At March 31, 2022
Defined Benefit Obligation (Base)	44,42,521 @ Salary Increase Rate : 6%, and Discount Rate :7.25%
Liability with x% Increase in Discount Rate	40,53,489; x=1.00% [Change (9)%]
Liability with x% Decrease in Discount Rate	49,07,567; x=1.00% [Change 10%]
Liability with x% Increase in Salary Growth Rate	49,08,712; x=1.00% [Change 10%]
Liability with x% Decrease in Salary Growth Rate	40,45,820; x=1.00% [Change (9)%]
Liability with x% Increase in Withdrawal Rate	44,49,892; x=1.00% [Change 0%]
Liability with x% Decrease in Withdrawal Rate	44,27,366; x=1.00% [Change 0%]

3.8 Reconciliation of Liability in Balance Sheet

₹ In Lakhs

Period	From April 01, 2021 to March 31, 2022	From April 01, 2020 to March 31, 2021
Opening Gross Defined Benefit Liability / (Asset)	42.77	37.95
Expenses to be Recognized in P&L	15.68	14.36
OCI - Actuarial (Gain) / Loss - Total Current Period	(14.02)	(9.55)
Benefits Paid (If Any)	0.00	0.00
Closing Gross Defined Benefit Liability / (Asset)	44.43	42.77

38. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135(5) of the Companies Act, 2013 (the Act), the Company has formed its Corporate Social Responsibility (CSR) Committee. As per the relevant provisions of the Act read with Rule 2(1)(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to spend at least 2% of the average net profits (determined under Section 198 of the Companies Act, 2013) made during the immediately three preceding financial years. The Company has incurred the following expenditure on CSR activities during the Financial Year 2021-22:

₹ In Lakhs

Particulars	2021-22	2020-21
Prescribed CSR Expenditure (2% of Average Net Profit)	0.00	16.88
Add: CSR Expenses Pending up to March 31, 2022	(0.22)	68.41
Less: CSR Expenditure incurred during the Financial Year	0.00	85.50
Short / (Excess) Spent during the year	(0.22)	(0.22)

Notes Forming Part of the Financial Statements

39. DERIVATIVE INSTRUMENTS

(a) The amount of foreign currency exposures that are hedged by a derivative instrument or otherwise as at March 31, 2022 and March 31, 2021 are as under:

Particulars	As At March 31, 2022			As At March 31, 2021		
	No. of Contracts	In Lakhs	₹ In Lakhs	No. of Contracts	In Lakhs	₹ In Lakhs
Forward Contract (USD Sold) Purpose - Hedge of Highly Probable Foreign Currency	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00

(b) The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at March 31, 2022 and March 31, 2021 are as under:

Particulars	As At March 31, 2022		As At March 31, 2021	
	In Lakhs	₹ In Lakhs	In Lakhs	₹ in Lakhs
RECEIVABLES				
Loans and Advances Given (in USD)	0.68	51.82	6.12	447.96
Trade Receivables (in USD)	8.15	619.47	15.65	1,146.67
(in EURO)	0.00	0.00	0.00	0.00
PAYABLES				
Trade Payables (in USD)	16.97	1,288.75	21.10	1,545.77
(in EURO)	0.00	0.00	0.00	0.00
Payable for Capital Goods (in USD)	0.00	0.00	0.00	0.00
Total	25.80	1,960.04	42.87	3,140.40

40. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2022 is provided as under to the extent the Company has received information from the "Suppliers" regarding their status under the said Act.

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
I	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act):		
	Principal amount due to Micro, and Small Enterprises	1,986.80	565.26
	Interest due there on	0.00	0.00
II	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period.	0.00	0.00

Notes Forming Part of the Financial Statements

₹ In Lakhs

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
III	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	0.00	0.00
IV	The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.00	0.00
V	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprises.	0.00	0.00

Note: The Company had sought confirmation from its vendors on their status under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 02, 2006. Dues to the Micro and Small Enterprises have been determined to the extent confirmation received by the Company from its vendors. This has been relied upon by the Auditors.

41. RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24

(A) RELATED PARTIES

(a) KEY MANAGEMENT PERSONNEL (KMP)

Mr. Mahendra R. Shah – Chairman & Whole Time Director

Mr. Jatin M. Shah – Managing Director

Mrs. Pushpa M. Shah – Director

(b) RELATIVES OF KEY MANAGEMENT PERSONNEL

Mrs. Rani J. Shah - Wife of Managing Director

(c) ENTITIES CONTROLLED BY DIRECTORS OR THEIR RELATIVES

(with whom transactions entered into during the financial year)

Krish Ferro Industries Private Limited – Sister Concern

Mahendra Corporation – Sister Concern

Arfin Alucop Private Limited – Sister Concern*

*Arfin Alucop Private Limited is a related party upto December 11, 2020 only.

₹ In Lakhs

(B) TRANSACTIONS WITH RELATED PARTIES	KMP & their Relatives		Entities Controlled by Directors or their Relatives		Total	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
EXPENSES						
Purchase and Job work Charges	0.00	0.00	273.67	481.57	273.67	481.57
Remuneration	195.68	181.67	0.00	0.00	195.68	181.67
INCOME						
Sales and Job Work Income	0.00	0.00	0.00	101.50	0.00	101.50
Rent Income	0.00	0.00	1.95	2.40	1.95	2.40

Notes Forming Part of the Financial Statements

₹ In Lakhs

BALANCES OUTSTANDING	Payable		Receivable	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
Key Management Personnel and their Relatives	766.46	941.44	0.00	0.00
Entities Controlled by Directors or their Relatives	0.19	112.43	0.00	0.00

Note:

- (i) The above related party transactions have been reviewed periodically by the Board of Directors of the Company vis-à-vis the applicable provisions of the Companies Act, 2013, and justification of the rates being charged / terms thereof have also been approved.
- (ii) The details of guarantees and collaterals extended by the related parties in respect of borrowings of the Company have been given at the respective notes.

(C) DISCLOSURE IN RESPECT OF RELATED PARTY WISE TRANSACTIONS

₹ In Lakhs

Particulars	2021-22	2020-21
EXPENSES		
Purchase and Job Work Charges		
Arfin Alucop Private Limited	0.00	76.45
Krish Ferro Industries Private Limited	38.12	374.02
Mahendra Corporation	235.56	31.10
Total	273.67	481.57
Remuneration*		
Mr. Mahendra R. Shah	73.56	62.92
Mr. Jatin M. Shah	73.56	62.92
Mrs. Pushpa M. Shah	29.28	35.83
Mrs. Rani J. Shah	19.28	20.00
Total	195.68	181.67

*The remuneration to the key managerial personnel does not include the provisions made for gratuity, as it is determined on actuarial basis for the Company as a whole.

₹ In Lakhs

Particulars	2021-22	2020-21
INCOME		
Sales and Job Work Income		
Arfin Alucop Private Limited	0.00	0.00
Krish Ferro Industries Private Limited	0.00	101.50
Mahendra Corporation	0.00	0.00
Total	0.00	101.50
Rent Income		
Mahendra Corporation	0.15	0.60
Krish Ferro Industries Private Limited	1.80	1.80
Total	1.95	2.40

Notes Forming Part of the Financial Statements

₹ In Lakhs

PARTY WISE OUTSTANDING BALANCES	Payable		Receivable	
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
Particulars				
KMPs AND THEIR RELATIVES				
Mr. Mahendra R. Shah	246.78	494.71	0.00	0.00
Mr. Jatin M. Shah	450.17	261.47	0.00	0.00
Mrs. Pushpa M. Shah	69.51	185.25	0.00	0.00
Total	766.46	941.44	0.00	0.00
ENTITIES CONTROLLED BY DIRECTORS OR THEIR RELATIVES				
Arfin Alucop Private Limited	0.00	38.82	0.00	0.00
Krish Ferro Industries Private Limited	0.19	66.05	0.00	0.00
Mahendra Corporation	0.00	7.55	0.00	0.00
Total	0.19	112.43	0.00	0.00

42. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

Notes Forming Part of the Financial Statements

₹ In Lakhs

I. FIGURES AS AT MARCH 31, 2021

Particulars	Carrying Amount	Fair value		
	As at March 31, 2021	Level 1	Level 2	Level 3
Financial Assets at Amortized Cost				
Bank Deposits (Non-Current)	0.00	0.00	0.00	0.00
Other Non-Current Financial Assets	205.35	0.00	205.35	0.00
Trade Receivables	4,257.39	0.00	4,257.39	0.00
Cash and Cash Equivalents	7.31	0.00	7.31	0.00
Bank Balances Other than Cash and Cash Equivalents	124.18	0.00	124.18	0.00
Security Deposits (Current)	0.00	0.00	0.00	0.00
Other Current Financial Assets	652.48	0.00	652.48	0.00
Total	5,246.70	0.00	5,246.70	0.00
Financial Assets at Fair Value through Other Comprehensive Income				
Investments (Current)	0.00	0.00	0.00	0.00
Investments (Non-Current)	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
Financial Liabilities at Amortized Cost				
Borrowings (Non-Current)	3,547.22	0.00	3,547.22	0.00
Borrowings (Current)	7,338.03	0.00	7,338.03	0.00
Trade Payables	4,776.48	0.00	4,776.48	0.00
Security Deposits (Current)	0.00	0.00	0.00	0.00
Other Financial Liabilities (Current)	32.52	0.00	32.52	0.00
Total	15,694.24	0.00	15,694.24	0.00

II. FIGURES AS AT MARCH 31, 2022

Particulars	Carrying Amount	Fair value		
	As at March 31, 2022	Level 1	Level 2	Level 3
Financial Assets at Amortized Cost				
Bank Deposits (Non-Current)	0.00	0.00	0.00	0.00
Other Non-Current Financial Assets	149.90	0.00	149.90	0.00
Trade Receivables	7,361.71	0.00	7,361.71	0.00
Cash and Cash Equivalents	8.49	0.00	8.49	0.00
Bank Balances Other than Cash and Cash Equivalents	130.74	0.00	130.74	0.00
Security Deposits (Current)	0.00	0.00	0.00	0.00
Other Current Financial Assets	642.35	0.00	642.35	0.00
Total	8,293.20	0.00	8,293.20	0.00
Financial assets at fair value through Other Comprehensive Income				
Investments (Current)	0.00	0.00	0.00	0.00
Investments (Non-Current)	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
Financial Liabilities at Amortized Cost				
Borrowings (Non-Current)	3,751.14	0.00	3,751.14	0.00
Borrowings (Current)	7,414.45	0.00	7,414.45	0.00
Trade Payables	5,296.14	0.00	5,296.14	0.00
Security Deposits (Current)	0.00	0.00	0.00	0.00
Other Financial Liabilities (Current)	122.18	0.00	122.18	0.00
Total	16,583.91	0.00	16,583.91	0.00

Notes Forming Part of the Financial Statements

During the reporting periods ended March 31, 2022 and March 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

The carrying amounts of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

43. During the year, interest cost of ₹ NIL (Previous Year ₹ 139.81 Lakhs) has been capitalized by way of addition to Capital Work in Progress of Property, Plant and Equipments up to the date of put to use of assets.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities are exposed to variety of financial risks. The key financial risks include market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors reviews and approves policies for managing risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

MARKET RISK

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Company manages market risk through its treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by the Senior Management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

INTEREST RATE RISK

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Refer Note 18 and 21 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Notes Forming Part of the Financial Statements

Exposure to Interest Rate Risk

₹ In Lakhs

Particulars	As At	As At
	March 31, 2022	March 31, 2021
Borrowings Bearing Fixed Rate of Interest	3,625.36	3,071.15
Borrowings Bearing Variable Rate of Interest (In Rupees)	6,773.77	6,873.04
Borrowings Bearing Variable Rate of Interest (In USD)	0.00	0.00

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit Before Tax

₹ In Lakhs

Particulars	2021-22	2020-21
50 bps Increase-Decrease in Profits	(44.86)	(39.37)
50 bps Decrease-Increase in Profits	44.86	39.37

Market Risk - Foreign Currency

The Company operates locally, however, the nature of its operations requires it to transact in several currencies and consequently the Company is exposed to foreign exchange risk in various foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies.

I. Foreign Currency Exposure

Particulars	As At March 31, 2022		As At March 31, 2021	
	in Lakhs	₹ in Lakhs	in Lakhs	₹ in Lakhs
RECEIVABLES				
Loans and Advances Given (in USD)	0.68	51.82	6.12	447.96
Trade Receivables (in USD)	8.15	619.47	15.65	1,146.67
(in EURO)	0.00	0.00	0.00	0.00
Total Receivables	8.84	671.29	21.77	1,594.63
PAYABLES				
Trade Payables (in USD)	16.97	1,288.75	21.10	1,545.77
(in EURO)	0.00	0.00	0.00	0.00
Payable for Capital Goods (in USD)	0.00	0.00	0.00	0.00
Total Payables	16.97	1,288.75	21.10	1,545.77
Net Receivable / (Payable)	(8.13)	(617.46)	0.67	48.86

Notes Forming Part of the Financial Statements

II. Foreign Currency Sensitivity

5% increase or decrease in foreign exchange rates will have the following impact on the profit before tax:

Currency	2021-22		2020-21	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	(30.58)	30.58	2.44	(2.44)
EURO	0.00	0.00	0.00	0.00
Total	(30.58)	30.58	2.44	(2.44)

Other Price Risk

The Company is not exposed to any kind of price risk arising as at March 31, 2022.

CREDIT RISK

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable (Refer note no. 10.1). Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk, the company compares the risk of a default occurring on the asset at the reporting date with the risk of default on the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty,
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation.
- (iv) Significant increase in credit risk on other financial instruments of the same counterparty, and
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or rec date based on contractual undiscounted payments.eivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

LIQUIDITY RISK

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

Notes Forming Part of the Financial Statements

Maturity Profile of Financial Liabilities

The below table provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ In Lakhs

Particulars	As At March 31, 2022			As At March 31, 2021		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-Current Financial Liabilities - Borrowings	0.00	3,751.14	3,751.14	0.00	3,547.22	3,547.22
Non-Current Financial Liabilities - Others	0.00	0.00	0.00	0.00	0.00	0.00
Current Financial Liabilities - Borrowings	7,414.45	0.00	7,414.45	7,338.03	0.00	7,338.03
Current Financial Liabilities - Trade Payables	5,296.14	0.00	5,296.14	4,776.48	0.00	4,776.48
Current Financial Liabilities - Others	122.18	0.00	122.18	32.52	0.00	32.52
Total	12,832.78	3,751.14	16,583.91	12,147.02	3,547.22	15,694.24

Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders' value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

₹ In Lakhs

Particulars	As At March 31, 2022	As At March 31, 2021
Total Debt	11,165.59	10,885.25
Less: Cash and Cash Equivalent	8.49	7.31
Less: Bank Balances Other than Cash and Cash Equivalents	130.74	124.18
Net Debt	11,026.35	10,753.77
Equity	7,764.46	6,836.39
Capital and Net Debt	18,790.81	17,590.16
Gearing Ratio	0.59	0.61

45. In the opinion of the Board of Director, current assets, non-current loans and advances are realizable in the ordinary course of business, at the value at which they are stated. The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.

46. The Company has incurred premium expenses of ₹ 5.16 Lakhs during the year (₹ 5.11 Lakhs during previous year 2020-21) on Key Man Insurance Policy of Managing Director, which is included in Insurance Expenses.

Notes Forming Part of the Financial Statements

47. Sale of Services contains total management service of steel production on behalf of JSW Steel Limited, Dolvi Plant. This service covers the feeding of raw materials viz; CaFeAl, Pure Calcium and Boron products and manpower required for the same during production of liquid steel.
48. During the year, the Company has been sanctioned working capital limits at points of time during the year, from banks or financial institutions on the basis of security of current assets. The quarterly returns and statements comprising (stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors / other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the audited books of account of the Company, of the respective quarters, except for the following:

I. Foreign Currency Exposure

For the Quarter ended	Sanctioned amount to which discrepancies relates	Details of Discrepancies		Amount (₹ In Lakhs)			Remarks (Including subsequent rectification if any)
		Nature of current assets	Nature of discrepancy	As per Qtr. Returns	As per books	Difference	
Sep-21	7,270.00 Lakhs	Stock & Debtors	Diff. in valuation	12,320.06	12,393.43	73.37	There is no material difference. It is due to change in cost valuation in some products during audit, difference arises. There is no material difference. It is due to change in cost valuation in some products during audit, difference arises.
Mar-22	7,270.00 Lakhs	Stock & Debtors	Diff. in valuation	10,054.88	10,110.06	55.18	

49. The Company has neither made any investments nor has it given loans or provided guarantee to promoters, directors, KMPs and the related parties during the year.
50. During the year, borrowed term loans were applied for the purpose for which the loans were obtained. During the year, no funds raised on short-term basis have been used for long-term purposes by the Company.
51. The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
52. During the year, the Company has not made any transactions with companies struck off under section 248 of the Companies Act, 2013.

53. RATIOS

Key Financial Ratios	Numerator	Denominator	Mar-22	Mar-21	% Variance	Reason For Variance
	(₹ In Lakhs)					
Current Ratio Current Assets / (Current Liabilities)	18,377.45	12,832.77	1.43	1.37	4.37	Improved
Debt-Equity Ratio (x)	11,165.59	7,764.46	1.44	1.59	(9.43)	Improved

Notes Forming Part of the Financial Statements

Key Financial Ratios	Numerator	Denominator	Mar-22	Mar-21	% Variance	Reason For Variance
	(₹ In Lakhs)					
Debt-Service Ratio (PBDIT / Interest)	2,547.38	1,235.57	2.06	1.67	23.35	Improved on account of increase in Sales and PAT during the financial year 2021-22 in compare to previous years year 2020-21.
Return on Equity (PAT / Net Worth)	918.73	7,764.46	11.83%	5.87%	101.53	Improved on account of increase in Sales and PAT during the financial year 2021-22 in compare to previous years year 2020-21.
Inventory Turnove Ratio	10,110.16	52,610.72	19.22%	36.71%	(47.64)	Improved on account of increase in Sales during the financial year 2021-22 in compare to previous years year 2020-21.
Trade Receivable Turnover Ratio	7,361.71	52,610.72	13.99%	14.03%	(0.28)	Improved
Trade Payable Turnover Ratio	5,296.14	52,610.72	10.07%	15.74%	(36.02)	Improved on account of increase in Sales during the financial year 2021-22 in compare to previous years year 2020-21.
Net Capital Turnover Ratio	7,764.46	52,610.72	14.76%	22.53%	(34.49)	Improved on account of increase in Sales during the financial year 2021-22 in compare to previous years year 2020-21.
Net Profit / Net Sales	918.73	52,610.72	1.75%	1.32%	32.58	Improved on account of increase in Margins and Sales during the financial year 2021-22 in compare to previous years year 2020-21.

Notes Forming Part of the Financial Statements

Key Financial Ratios	Numerator	Denominator	Mar-22	Mar-21	% Variance	Reason For Variance
	(₹ In Lakhs)					
Return on Capital Employed (PBDIT / Capital Employed)	2,547.38	18,930.05	13.46%	10.38%	29.67	Improved on account of increase in Margins and Sales during the financial year 2021-22 in compare to previous years year 2020-21.
Return on Investment	NA	NA	NA	NA	NA	NA

54. Company's Response to COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of the financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the pandemic, the Company has, at the date of approval of the financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the financial statements may be different from that estimated as at the date of approval of these financial statements. The financial statements have been prepared accordingly.

55. Balance of Trade receivables, Trade payables, loans and advances are subject to confirmation from the respective parties.
56. Previous year's figures have been regrouped, reclassified and rearranged wherever considered necessary to confirm to current year presentation.

As per our Report of even date attached

For Sanjay Bajoria & Associates,

Chartered Accountants

Firm Registration No.: 11744

Kalpesh R. Shah

(Partner)

(Membership No.: 103301)

UDIN: 22103301AIYDRN5869

Place: Ahmedabad

Date: April 27, 2022

For and on Behalf of Board of Directors

Mahendra R. Shah

(Chairman & Whole Time Director)

Pushpa M. Shah

(Executive Director)

Jatin M. Shah

(Managing Director)

Hetal Koradia

(Company Secretary)

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

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





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