

ADI FINECHEM LIMITED

ANNUAL REPORT 2014 - 2015



ADI FINECHEM

30th Annual Report

Board of Directors :	Shri Utkarsh B. Shah	<i>Chairman</i>
	Shri Nahoosh J. Jariwala	<i>Managing Director</i>
	Shri Bimal D. Parikh	<i>Executive Director</i>
	Shri Hemant N. Shah	<i>Whole time Director</i>
	Shri Jayesh K. Shah	<i>Director</i>
	Shri Kalpesh A. Patel	<i>Director</i>
	Shri Nitin R. Patel	<i>Director</i>
	Shri Ganapatraj Chowdhary	<i>Director</i>
	Shri Bhavin A. Shah	<i>Director</i>
	Ms. Sonal V. Ambani	<i>Director (w.e.f. 31.03.2015)</i>
Chief Financial Officer & Company Secretary	Rajen N. Jhaveri	
Bankers	HDFC Bank Limited	
Auditors	M/s. Jhaveri Shah & Co., Chartered Accountants, AHMEDABAD.	
Registered Office	1st Floor, 2-Sigma Corporates, B/h. HOF Living, Sindhu Bhavan Road, Off. S. G. Road, Ahmedabad - 380 059. INDIA. Phone : (079) 32908752 / 29701675	
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E-Mail Ids	cs@adifinechem.com rajenjhaveri@adifinechem.com	
Share Transfer Agent	Sharepro Services (India) Pvt. Ltd., 13 AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka, Tele. Exchange Lane, Andheri (East), MUMBAI – 400 072.	
Website	www.adifinechem.com	

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COMPANY OVERVIEW

Incorporated in 1985, Adi Finechem Limited (AFL), formerly known as H. K. Finechem Limited, is engaged in the business of manufacturing of speciality chemicals viz. Oleo Chemicals and Intermediate Nutraceuticals. The Company has unique in-house developed technical expertise in processing by-products or waste products of the Vegetable Oil Refineries, namely (a) Vegetable Oil based Fatty Acid Distillate and (b) Acid Oil. These by-products are generated during the processing of soft vegetable oils of Soya, Sunflower, Corn and Cotton (SSCC). From these raw materials, AFL manufactures value added products like Linoleic Acid, Dimer Acid and Monomer Acid and also Nutraceutical intermediate like (Natural) Mixed Tocopherol Concentrate .

The Company has a state-of-the-art manufacturing unit at Taluka Sanand in Ahmedabad district of Gujarat, which was set up in 1995. The company acquired critical equipments from Germany and Switzerland for its operations.

The company's oleo chemicals find applications in high growth industries like Paints, Inks, Soaps, Amines, Adhesives, etc. The company's nutraceutical or vegetable oil distillate derivative product Natural Mixed Topocherol concentrate is the only source for manufacturing Natural Vitamin E which finds application in Cosmetic, dietary supplement, pharmaceuticals etc. Some of our key clients for the Oleo Chemicals products are companies like Asian Paints, Micro Inks, Arkema, etc. and for its nutraceutical products are global Multinational Corporations like BASF (US), ADM (US), CARGILL INC. (US), RIKEN (Japan).

Your company's manufacturing facility is one of its kind in India that uses by-products of vegetable oil refineries, giving it a distinct cost advantage. The company has staff strength of more than 175 employees. More than 25% of the employees have been with the company for more than 8 years and around 2/3rd of the employees are employed in the Production related area of the company.

Over the last few years, the company has undertaken several initiatives in improving and revamping the manufacturing facilities by adding heat exchangers, vacuum systems and additional equipment like fat splitting, fractional distillation and other balancing equipments, all of which has resulted in improved efficiencies and debottlenecking of the existing manufacturing facilities. The company has also gradually increased its plant capacity over the last few years from a raw material throughput capacity of 8,000 MT p.a. in Financial Year 2009-2010 to 24,000 M.Tons. The company is further increasing this installed capacity to 45,000 MT p.a. which is expected to be operational by end of the second quarter of current financial year.

KEY MILESTONES

- 1985 Adi Finechem Limited, formerly known as H K Finechem Ltd., was incorporated as H K Agro Oil Limited on May 25th, 1985. The company was promoted by Shri Rajan Harivallabhdas and Shri Nahoosh J Jariwala.
- 1994 The name of the Company was changed to H. K. Agrochem Limited
- 1996 The Company started producing Mixed Tocopherol Concentrate (feed for making Natural Vitamin E) in India and supplied to Henkel Corporation, U.S.A.
- 2000 The Company changed its name from H K Agrochem Ltd. to H. K. Finechem Ltd. The company had successfully commissioned 'Fat Splitting Plant' to increase the availability of high value fatty acids for sale in domestic market.
- 2001 The Company started making Dimer Acid and Monobasic Acid by using one of its product stream.
- 2010 There was a partial change in the management with three new Promoters – Shri Utkarsh Shah, Shri Bimal Parikh and Shri Hemant Shah taking over equity stake of Shri Rajan Harivallabhdas. Shri Utkarsh Shah became Chairman of the company taking over from Shri Rajan Harivallabhdas. The name of The Company was changed to Adi Finechem Limited.
- 2011 The company focused more on reduction of manufacturing cost per ton. It went through a complete re-engineering of its Energy Consumption System and Installation of new balancing equipments. The raw material throughput capacity was increased from 8,000 M.Tons to 12,000 M.Tons during the year.
- 2012 The Company issued bonus equity shares in the ratio of 1 bonus share for every 5 equity shares.
- 2013 Increased manufacturing Capacity further to 18,000 MT p.a. The Company again issued bonus shares in ratio of 1 bonus share for every 10 equity shares.
- 2014 AFL increased its capacity to 24,000 MT p.a. and is undergoing a CAPEX to increase this capacity to 45,000 MT p.a. For the 3rd consecutive year, the company issued bonus shares this time again in the ratio of 1 share for every 10 equity shares.

KEY MANAGEMENT TEAM

Shri Utkarsh Shah, *Chairman*

He is the Chairman of Adi-Heritage Group involved in diversified activities like Global coal trade, real estate development and manufacturing. He is a Science graduate with Chemistry as principal subject. He has headed various businesses & International trade bodies and heads various charitable initiatives in field of health, education, Senior Citizen, rural development & economic empowerment. He is President of JITO (Jain International Trade Organization) – All India.

Shri Nahoosh Jariwala, *Managing Director*

He is associated with the company since more than 20 years. He holds a Commerce Degree. He has more than 25 years of experience in chemical manufacturing and trading of various textile products.

Shri Bimal Parikh, *Executive Director*

He holds a Degree in Chemical Engineering and engaged in manufacture of dyes & chemicals since last 30 years. In 2001, he was the President of Gujarat Dyestuff Manufacturers' Association. He was Honorary Secretary of the Gujarat Chamber of Commerce & Industry.

Shri Hemant Shah, *Whole time Director*

He is a Commerce Graduate and involved in business of logistics, garments, trading of minerals, and retailing since 25 years. He is a Member of numerous trade organizations like Gujarat Chamber of Commerce & Industry, Confederation of Indian Industry, Ahmedabad Management Association etc.. He is President of JITO (Jain International Trade Organization) – Ahmedabad Chapter

BOARD OF DIRECTORS

Shri Bhavin Shah

He is currently working with Equirus Securities Private Limited, Merchant Banker, as a Managing Director and Chief Executive Officer and has set up Institutional equities business. He was also associated with JP Morgan, Hong Kong and India as head of Asia-Pacific Technology Research and Global Sector Leader. He has also worked in Credit Suisse First Boston, Hong Kong as a Director (Head, Asia-Pacific Technology Research)

Shri Ganpatraj Chaudhary

He is the Managing Director and overall in charge of operations in M/s. Riddhi Siddhi Gluco Biols Limited, a Company listed on Bombay Stock Exchange, promoted by him and his family.

Shri Jayesh Shah

He is a Commerce Graduate and Chartered Accountant and holding the position of Director and Chief Financial Officer of Arvind Limited. He is associated with Arvind Limited since July, 1993. He has distinguished academic career and has extensive administrative, financial, regulatory and managerial expertise.

Shri Kalpesh Patel

He is Executive Director of Nirma Limited having annual turnover of more than Rs. 7,000 crores. He has rich all round experience of independently handling a large manufacturing unit and is a known figure amongst the business community.

Shri Nitin Patel

He is the Chairman of M/s. Shree Bhagwati Flour and Foods Private Limited and is also associated with M/s. Shri Bhagwati Flour Mills Private Limited. He is associated with the Food Industry since last 35 years

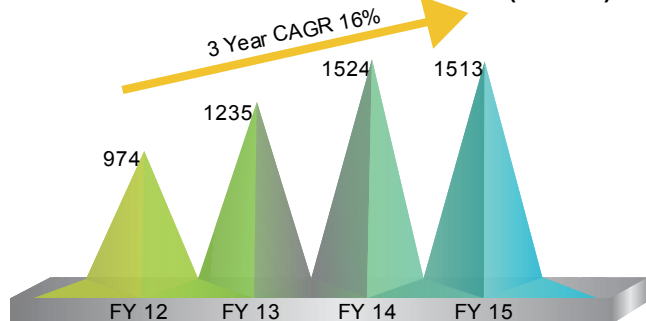
Ms. Sonal Vimal Ambani

She is having a Bachelors Degree in Chemistry, an MBA in Marketing & Finance and a Ph.D in Business Management. She holds two patents granted in the US namely, "Systems and Method for Providing Financial Services to Children and Teenagers" and "Purchase Management System and Electronic Receipts". She is the founder of (a) Samara Art Gallery, (b) World Peace 2040, (c) Cancer Screening and Research Trust and (d) Founder member and first Chairperson of FICCI Ladies Organisation, Ahmedabad

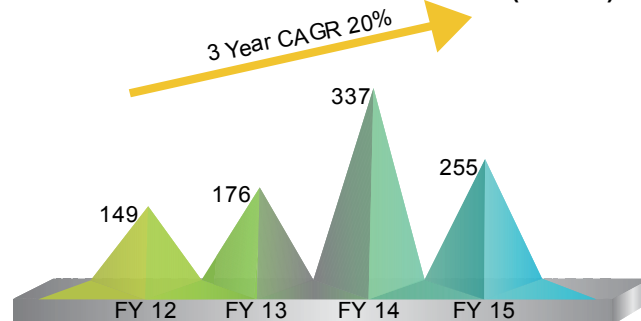


Financial Performance

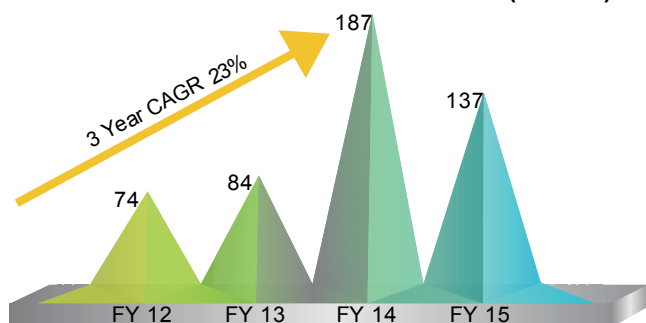
Revenue (Rs. Mn)



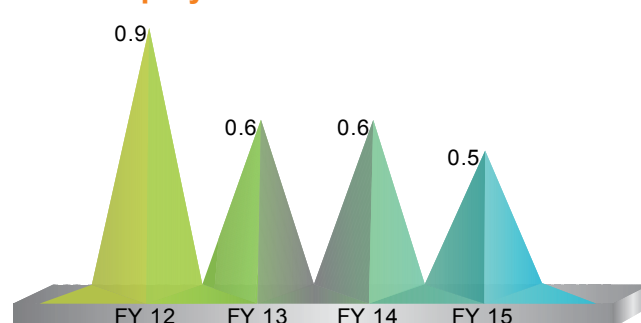
EBITDA (Rs. Mn)



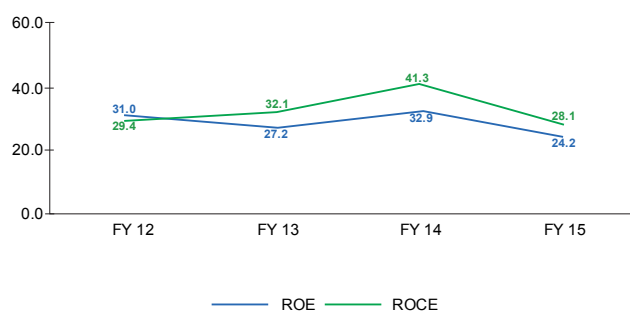
Net Profit (Rs. Mn)



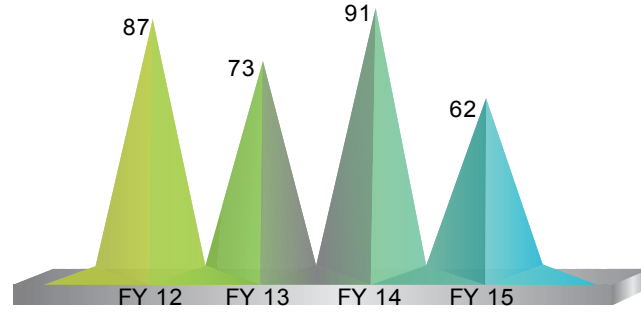
Debt / Equity



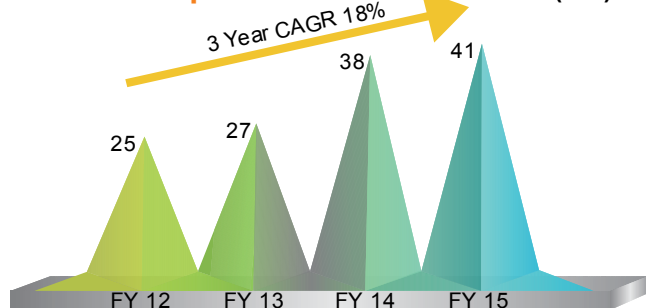
Efficiency Ratio



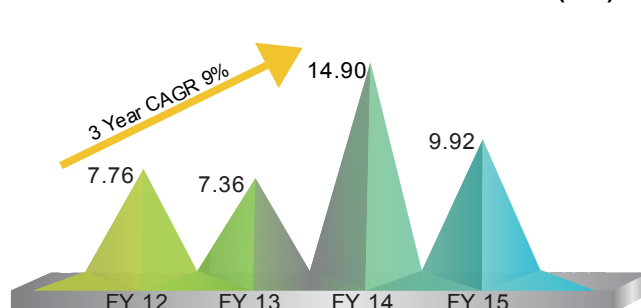
Working Capital Days



Book Value per Share (Rs.)

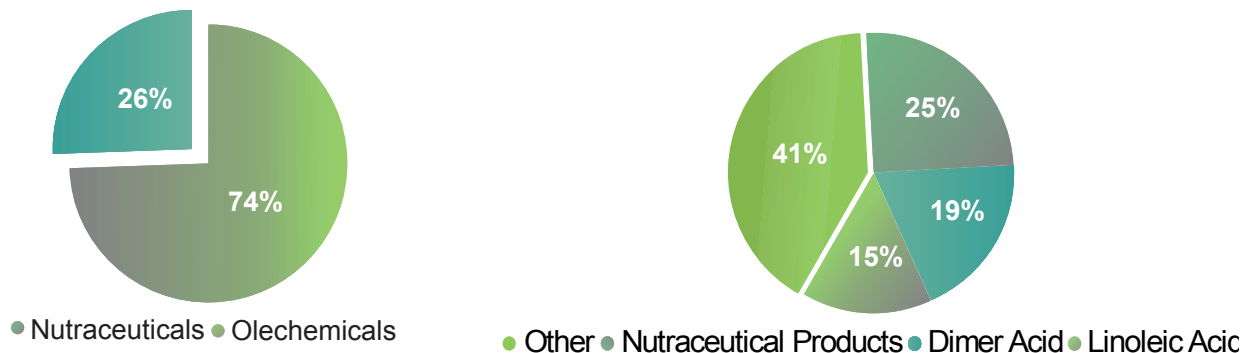


EPS (Rs.)



BUSINESS OVERVIEW

REVENUE BREAK UP FY 2015



Sales breakup (INR Mn)

	FY12	FY13	FY14	FY15
Nutraceutical Products :	276	331	549	383
Dimer Acid	171	194	259	283
Linoleic Acid / Soya Fatty Acid	100	145	219	220
Others	418	552	478	610
Total	965	1,222	1,505	1,497

Oleo Chemicals

Oleo Chemicals are organic compounds derived from natural vegetable oils or animal fats. They are analogous to petrochemicals which are chemicals derived from petroleum. These basic Oleo Chemicals substances like Fatty Acids, Fatty Acid Methyl Esters (FAME), Fatty Alcohols, Fatty Amines and Glycerol are formed by various chemical and enzymatic reactions.

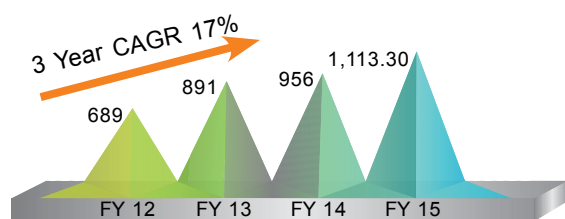
Oleo Chemicals are versatile products and are utilized in multiple industries, like personal care, flavors & fragrance and industrial markets for variety of applications, including manufacturing of paints, inks, detergents, surfactants, shampoos, soaps, cosmetics and plastics. The company offers a diverse range of product portfolio used across various such industries.

Adi Finechem is a leading producer of Oleo Chemicals from natural raw materials such as natural oils and fats derived from oils of Soya, Sun Flower, Corn and Cotton. The choice of raw material is done considering the fact that they are rich in carbon chain required for finished products manufactured by the Company.

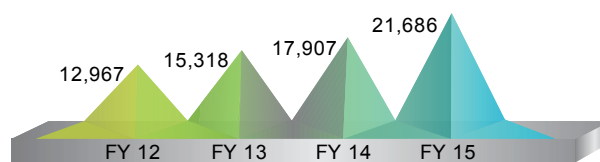
The company has over the years developed the expertise and mastered the process of manufacturing its entire product range from waste/by-product streams of natural vegetable oils by utilizing state of the art equipment of acceptable local and international quality.



Oleo Chemicals Revenue Contribution (Rs. Mn.)



Production Oleo Chemicals (M.Tons)



Some of our Products:

Dimer Acid:

Dimer acids, or dimerized fatty acids, are dicarboxylic acids prepared by dimerizing unsaturated fatty acids using clay catalysts. Dimer acids are used primarily for synthesis of polyamide resins and polyamide hot melt adhesives. They are mainly used in paints, inks, textiles, alkyd resins, adhesives, surfactants, fuel oil additives, lubricants, etc. It is a light yellow or yellow viscous transparent liquid. It is non-toxic. AFL is the only company in India to manufacture this product.

Linoleic Acid:

Linoleic acid is an unsaturated fatty acid. It is a light colour material which is liquid at room temperature. Linoleic acid belongs to one of the two families of essential fatty acids. It is designed especially to produce fast drying protective coating having lighter color. Applications that require both wetting and drying properties, such as paints and printing ink vehicles.

Other fatty Acids:

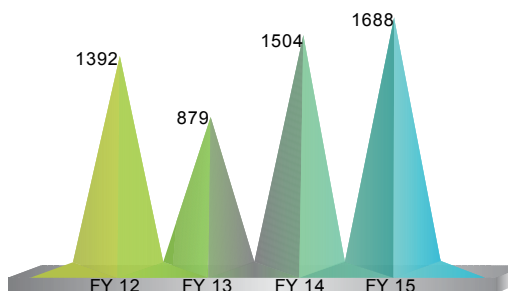
Monomer Acids are non-petroleum, non-animal based products that can be used as substitutes for various vegetable and tallow-based fatty acid derivative products.

Distilled fatty acids have a wide range of applications in consumer and industrial markets. They are generally liquids or soft solids, and contain a mixed composition of acids reflecting the parent oil or fat. Distilled fatty acids are important raw materials for the production of soaps, detergents, surfactants, lubricants, paints, textiles, etc.

Nutraceuticals

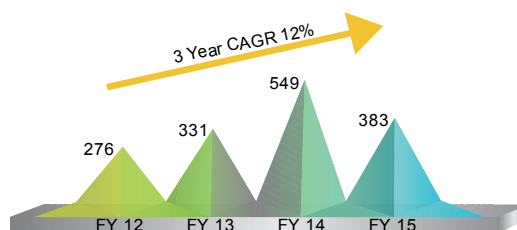
Production Nutraceuticals

(M. Tons)



Nutraceuticals Revenue Contribution

(Rs. Mn)



Nutraceuticals is a broad term that is used to describe any product derived to supplement food sources with extra health benefits in addition to the basic nutritional value found in foods. They can be used to promote general well-being, control symptoms and prevent malignant processes.

The term “nutraceutical” combines two words – “nutrient” (a nourishing food component) and “pharmaceutical” (a medical drug). It is applied to products that range from isolated nutrients, dietary supplements and herbal products, specific diets, genetically modified food, and processed foods such as cereals, soups, and beverages.

Adi Finechem is perhaps one of the only companies in India to process Vegetable Oil Distillate, a waste product generated while refining of edible oils and manufacture natural mixed Tocopherol concentrate. As a result, Adi has a distinct raw material sourcing and technical advantage, making it a low cost producer of this product.

Tocopherol is a naturally occurring chemical element found in a variety of foods. Tocopherol in the form of vitamin E is a regular part of the average diet. AFL is the dominant manufacturer of Mixed Tocopherol Concentrate in India.

Natural Tocopherols are isolated from the deodorised distillate produced during refining of vegetable oil. Most of the vegetable oil distillate used to produce Natural Vitamin E comes from soybean oil. Other oils such as sunflower, corn and cottonseed may also be used but their usage is relatively less.

Advantages of Natural Vegetable Tocopherol vs. Synthetic:

- Both natural-source vitamin E and synthetic vitamin E are absorbed well in the body. The efficacy of natural vitamin E is almost three times more as compared to synthetic vitamin E. However, after absorption, a protein in the liver recognizes only the naturally occurring forms, such as d-alpha-tocopherol. As a result, the unrecognized forms of synthetic vitamin E are preferentially excreted.
- When taking some synthetic vitamins, there is a possibility of allergic reactions. Since some synthetic vitamins are largely made up of chemicals, including nicotine and coal tars, some individuals may experience allergic reactions when taking them.
- Pregnant women transfer natural-source vitamin E to their babies approximately three times more efficiently than synthetic vitamin E.



Applications:

It is used in industries like:- Food products, pharmaceuticals, FMCG product, pet foods, cosmetics, etc.

Minimizing Risks – Maximising Returns:

1. Raw material sourcing

Adi Finechem's raw materials are primarily waste or by-products of the vegetable oil refining industry of Soya, sunflower, corn and cotton. The vegetable oil refiners are fragmented all across the country. It is very essential to Adi's manufacturing process to source the appropriate quality raw materials on a regular basis.

Your company mitigates this risk by following a sensible inventory and procurement policy. Most of the company's raw material needs are met by suppliers with which the company has long standing relations. Moreover, India is one of the largest consumers of Soya & Sunflower in the world, hence giving good access to raw materials required by AFL. Historically, about 12-14% of the world's vegetable oil production has been used for Oleo Chemicals production. India is the world's largest importer of crude vegetable oils, hence AFL does not see sourcing of raw material as a major risk in the current market scenario.

2. Volatility of raw material prices

The two key raw materials for the company are Acid Oil and Vegetable Oil Distillate (also known as Fatty Acid). The prices of these raw materials are related to prices of respective oils as well as the supply and demand scenario of the final products in which these chemicals are used. Adi Finechem produces Oleo Chemicals using waste products of vegetable oil refineries, while majority of others produce these products using virgin or tall vegetable oil which naturally is more costlier than AFL's manufacturing process, hence AFL has a higher threshold than that of its peers to sustain volatilities in raw material prices.

3. New Competition

There is always a risk of new entrants in any industry, although AFL has very strategically entered into manufacturing of those niche products where there is minimal competition considering the demand scenario.

Additionally, AFL is one of the few companies in India to manufacture these products using Acid Oil and Fatty Acids which are waste products of the vegetable oil refining industry, thereby becoming one of the lowest cost producers. There is no technology readily available for such a manufacturing process. Hence any new competitor would not only have to develop this technological knowhow, but also develop a raw material supplier network from the vegetable oil refineries which are fragmented across India.

4. Global Economic downturn

Any global economic crisis and general economic fluctuations naturally affect the demand for the Company's products and thus its financial position. The Company earns around one fourth of its revenue from exports which provides good exposure to global markets, but also a balanced focus on the high growth consumer segment products in India. Furthermore, the Company aims to be flexible and adaptable to changes to the prevailing market situations. The Company invests in understanding the needs of its customers and it carefully studies the requirements posed by different markets on products in order to ensure that the products comply with the specific requirements of each region and are competitive.

Management Discussion and Analysis

GLOBAL ECONOMY OVERVIEW

Global Economic growth in 2014 was little subdued, continuing a pattern of disappointing growth over the past several years. Growth picked up only marginally in 2014, to 2.6 percent, from 2.5 percent in 2013. Geographical break-down of these headline numbers show increasingly divergent trends in major economies.

While activity in the United States and the United Kingdom has gathered momentum due to the revival in labour market condition along with the fact that monetary policy remains extremely accommodative, the recovery has been muted in the Euro Area and Japan as legacies of the financial crisis linger, intertwined with structural bottlenecks.

China is expected to see a growth slowdown as a result of structural reforms, sustained housing crisis and increasing man power cost. Disappointing growth in other developing countries in 2014 clearly shows the weak external demand.

Several major forces are driving the global outlook. Soft commodity prices, persistently low interest rates, increasingly divergent monetary policies across major economies, and weak world trade. In particular, the sharp decline in oil prices since mid-2014 will support global activity and help offset some of the headwinds to growth in oil-importing developing economies. However, it will dampen growth prospects for oil-exporting countries, with significant regional repercussions.

Overall, global growth is expected to rise moderately. High-income countries are likely to grow, on the back of gradually recovering labour markets, subsiding fiscal consolidation, and still-low financing costs. In developing countries, as the domestic headwinds that held back growth in 2014 ease and the recovery in high-income countries slowly strengthens, growth is projected to gradually accelerate. Lower oil prices will contribute to diverging prospects for oil exporting and importing countries, particularly in 2015.

Source: (International Monetary Fund, World Economic Outlook— Recovery Strengthens, Research & Markets, Business Wire.)

INDIAN ECONOMY OVERVIEW

India has become one of the most attractive destinations for investment owing to favourable government policies and reforms in the past few months. The approval of foreign direct investment (FDI) in several sectors has allowed investments to pour into the economy. According to the data provided by Department of Industrial Policy and Promotion (DIPP), the cumulative amount of FDI inflows in the country in the period April 2000-September 2014 was US\$ 345,073 million.

The International Monetary Fund (IMF) estimated that the country's economy is likely grow at 7.2% in FY15 and will exceed combined total of Japan and Germany by 2019. Using India's new GDP series, the IMF expects growth to pick up to 7.2% this fiscal year and accelerate further to 7.5% next year, making India the fastest growing large economy in the world.

Sectors projected to do well in the coming years include automotive, technology, life sciences and consumer products. Engineering and research and development (ER&D) export revenue from India is expected to reach US\$ 37-45 billion by 2020, from an estimated US\$ 12.4 billion in FY14, according to Nasscom.

Furthermore, the US\$ 1.2 trillion investment that the government has planned for the infrastructure sector in the



12th Five-Year Plan is set to help in further improving the export performance of Indian companies and the Indian growth story which will consequently improve the overall Indian economy.

According to the renowned rating agency Fitch, India is the only BRIC country, where growth will accelerate, to 8% in FY16 and 8.3% in FY17, based on revised data series. The agency's earlier forecasts were 6.5% for 2015-16 and 6.8% for 2016-17, based on the old series.

A plenty of policy initiatives taken by the new Government will likely to have a positive effect on real GDP growth, including structural reforms and some fiscal and monetary policy loosening. However, the impact of such measures takes time to show up in higher growth.

Source: (IBEF, International Monetary Fund, World Economic Outlook Recovery Strengthens, Fitch rating Agency)

Oleo Chemicals INDUSTRY

Oleo Chemicals refer to chemicals derived from natural oils and fats of both plant and animal origin. They are analogous to petrochemicals derived from petroleum. Oleo Chemicals are greener alternatives to petrochemicals which are obtained from exhaustible or non-renewable fossil fuels. The formation of basic Oleo Chemicals substances like Fatty Acids, Fatty Acid Methyl Esters (FAME), Fatty Alcohols, Fatty Amines and Glycerol are by various chemical and enzymatic reactions. First used in the fabrication of soaps, oleochemistry is now part of our daily lives where it is found in a wide variety of sectors: personal care, food, cosmetics, pharmaceutical, lubricants, textiles, paper, industrials, etc.

The Oleo Chemicals market is projected to register a CAGR of 4.20% between 2014 and 2019 to reach U.S.\$25,917.57 million by 2019. Asia-Pacific held the largest share in 2013 with China being the leading country. In the more saturated markets of North America and Europe, low growth is expected while the developing regions of Asia-Pacific are predicted to show high growth which is expected to grow at CAGR of 8.2% from 2013 to 2018. Growth in the North American region is expected to be low because of the saturation in current market and no new applications being developed for the product.

Growing demand for biodegradable and sustainable products on account of reducing reliance on petrochemicals is expected to remain a key driving factor for global Oleo Chemicals market. Volatile price of petrochemical derived products on account of supply-demand imbalances raise concerns for global chemical industry which has prompted this shift towards bio-based chemicals.

Consumers' growing inclination towards environment-friendly products, green chemicals, availability of raw material is stimulating growth in the Oleo Chemicals market to a significant degree.

Oleo Chemicals market assumes importance in the backdrop of an increasing demand for these substances in industries such as personal care, soaps, detergents, lubricants, plastics, rubbers, coatings, and paper.

Many companies, offering Oleo Chemicals, are actively trying to increase their product portfolio and regional presence to cater to different regional markets. They are primarily focused on entering the less explored markets in the developing regions.

Asia Pacific was the largest regional Oleo Chemicals market and accounted for 41.9 per cent of total market volume in 2013. Rapidly expanding end-use industries such as food & beverages, personal care, paints, inks and pharmaceuticals in the region is expected to drive the regional Oleo Chemicals demand.

Availability of key raw material in abundance particularly in Malaysia, China, Indonesia and Thailand is also expected to have a positive influence on the market growth. Asia Pacific is also expected to be the most lucrative regional market for Oleo Chemicals over the foreseeable future. Asia Pacific, along with largest consumer, is also the largest producer of Oleo Chemicals. European Oleo Chemicals demand is expected to grow at an estimated CAGR of 4.1 per cent from 2014 to 2020.

India is one of the largest consumers of soya and sunflower edible oils. Hence your company is strategically positioned in a niche segment of manufacturing linoleic acid, dimer acid, monomer acid, and has become a leading producer of Fatty Acids from natural oils and fats derived from renewable raw materials such as Soya, Sun Flower, Corn and Cotton. Your company is the sole manufacture of Dimer Fatty Acid in India as well. AFL has over the years developed and mastered the process of manufacturing its entire product range from waste/by product streams of natural vegetable oils by utilizing state of the art equipments of acceptable local and international quality.

(Source – Grandview Research, Report Linker, Transparency Market Research, Market Publishers)

NUTRACEUTICAL INDUSTRY

Nutraceutical, a portmanteau of the words “nutrition” and “pharmaceutical”. Vitamin E is a significant antioxidant which helps against free-radicals and it can be conserved longer by the tissues in the body as compared to man-made vitamin E. During the processing and refining of crude vegetable oils, the oil is heated to more than 240 degrees Celsius and sprayed into the aerator where dissolved air and moisture are removed with the aid of vacuum. This process creates a waste product called Deodorizer Distillate to be formed. AFL produces Natural Mixed Tocopherol Concentrate from the same.

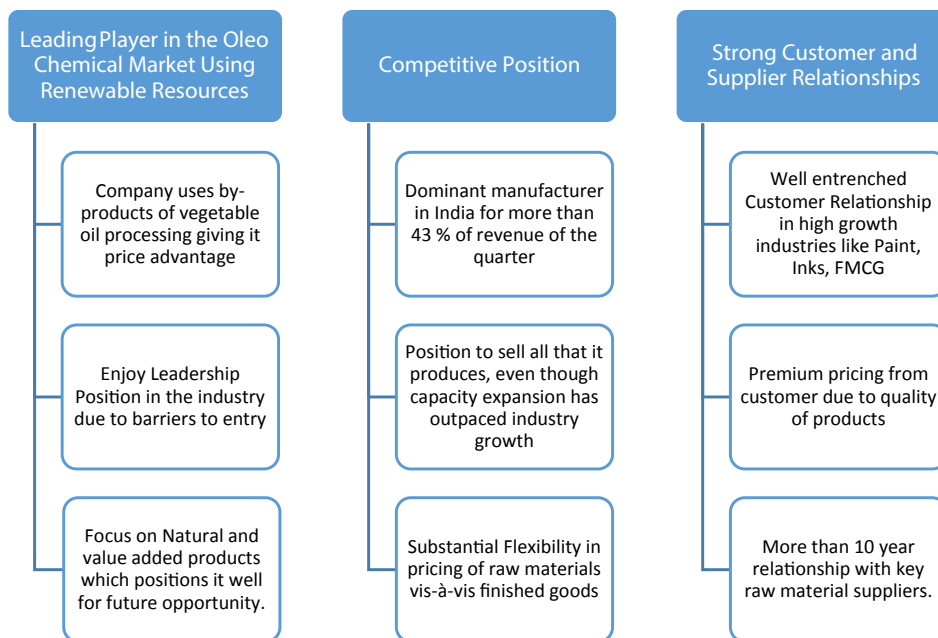
The demand for Natural source vitamin E includes tocopherols and tocotrienols has continued to gradually increase over the years for their apparent benefits versus synthetic chemicals. Apprehensions related to toxic chemicals in products such as food products, beverages, pharmaceuticals and personal care have driven the rapid growth in sales of natural vitamin E. Supplements for nutrition and food & beverage enrichment are the present primary markets for natural vitamin E, while personal care and animal nutrition are anticipated to be potential markets in the near future.

Regionally, North America, especially U.S. is the largest market for natural source vitamin E. Europe also has a large market for natural source vitamin E, especially Germany, France, Italy, Spain and UK. Asia Pacific constitutes the fastest growing market led by China, India & Japan. The drivers for this market can be enlisted as the growing awareness among people about the benefits of natural source vitamins and different companies offering different range of healthy products which contain vitamins. Some companies (PepsiCo, Sunmagic, Aptitude Life Ltd.) have launched health drinks containing vitamin E and a few have launched biscuits containing vitamins.

(Source – Grandview Research, Report Linker, Transparency Market Research, Industry experts, Tata Strategic Management Group)



STRENGTHS AND OPPORTUNITIES



Your company uses waste or by-products of vegetable oil refineries for its raw materials, like acid oils and vegetable oil distillate which gives it a distinct price advantage vis-à-vis its peers, who usually manufacture these products by processing crude vegetable oils. The company has gained good experience for the past 10 years in sourcing the raw materials for their requirement from all the large soya / sunflower oil manufacturing plants across the country. Your company has a long lasting relationship with all its raw material suppliers as well as its clientele. The company has opportunistically positioned itself to manufacture niche products where there is no direct competition and hence it is the sole / dominant manufacturer in India for its two major products, giving it the natural ability to sell whatever it manufactures and also pass on any increase in raw material prices to its customers.

With continued global focus on natural and value added products, your company is in a good position for future growth. Your company has a Well Entrenched customer relationship in high growth industries like Paint, Inks, FMCG, and Chemicals etc. The company has huge opportunities to explore by-products of other vegetable oils as its raw material as well as in increasing its product portfolio by manufacturing other value added Oleo Chemicals and nutraceuticals. Additionally, with the current upgradation and expansion activities at the company's existing facilities, further economies of scale and improvement in efficiencies are also a strong possibility.

HUMAN RESOURCES MANAGEMENT

Adi Finechem Limited HRM policy states that human capital is of immense importance for the overall growth of the company. Employee motivation, development and engagement are the key aspects of good human resource management. AFL would not have been where it is today without its people and their commitment, innovation, dedication, belongingness to the organisation. It focuses more on enriching the life of its employees and boosting their productivity. AFL is equal opportunity provider and strives to attract the best available talent and ensures diversity in its workforce. Industrial Relations at the plant location remained harmonious. AFL emphasizes more on employee safety at the work location. The total workforce of the company comprises of 178 employees.

AWARDS & RECOGNITION

- “Asia’s Best under a Billion (USD) Company” for the year 2014 - Forbes Magazine
- SME Business Excellence Award 2014 by Shri Jayant Sinha, Honourable Minister of State, Ministry of Finance, Government of India at a function held in New Delhi on November 24, 2014. The award was hosted by Dun & Bradstreet, Federal Bank and Times Group.
- CARE (Rating Agency) upgraded and assigned CARE A – (Single A Minus) and ‘CARE A1 (A One)’ ratings respectively to the Long / Short term Bank facilities of the Company.’
- Star Export House status under Foreign Trade Policy granted by Government in December, 2014.

OUTLOOK

The outlook appears to be promising as the Company has now become more cost competitive with its continued focus on (a) process optimization, (b) energy saving and (c) ideal product mix with in-built flexibility upto an extent. Over a period, Company has acquired skills which are required in procuring raw materials and selling premium products in domestic market. The technical specifications of raw materials procured from different vegetable oil refineries will vary based on process parameters followed by each one of them and the kind of crude vegetable oil (which is a natural agricultural commodity) used by them. At the same time, our raw materials are by-products of such vegetable oil refineries and so it gets relatively less importance at their end as far as quality and keeping separate streams of different oils are concerned. Thus by its very nature, this business is quite demanding.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

There are adequate Internal Control Systems for financial reporting and time bound compliance of applicable laws and regulations. An independent firm of Chartered Accountants is carrying out internal audit of the books of accounts of the Company on a monthly basis. The Audit Committee also reviews on a quarterly basis, adequacy and effectiveness of these internal control systems.

TRANSPARENCY IN SHARING INFORMATION

Transparency refers to sharing information and acting in an open manner. Processes and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them. Your Company believes in total transparency in sharing information about the business operations with all its stakeholders. Your Company strives to provide maximum possible information about its business operations to all its stakeholders. Your Company strives to provide maximum possible information in this report to keep stakeholders updated about the business performance.

CAUTIONARY STATEMENT

The projections, estimated data and graphs etc. used in this Report are taken from documents available on the internet / websites and we don’t confirm their correctness. Further, some of the statements (expressed or implied) or inference drawn from statements in Management Discussion and Analysis Report or elsewhere in this Annual Report may be ‘forward looking statements’ and made for the limited context of the respective subject/ topic. These may be categorized as such within the applicable laws and regulations. As these are based on certain subjective factors, assumptions and expectations of future events hence may differ materially from actual results. The company assumes no responsibility to publicly amend, modify or revise any forward-looking statement. Readers are cautioned that the Company is in no way responsible for any loss / adverse result caused to the readers attributable to these statements. The risks outlined here are not exhaustive. Readers are requested to exercise their own judgment in assessing the risk associated with the company.



NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of **ADI FINECHEM LIMITED** will be held at **Memories Hall, 2nd Floor, TGB Banquets & Hotel Ltd., (The Grand Bhagwati), S. G. Road, Bodakdev, Ahmedabad- 380 054 on Monday, 27th July, 2015 at 5.00 p.m.** to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2015, the Statement of Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To Declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Utkarsh B. Shah (DIN 00101663) who retires by rotation in terms of Article 103 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of thirty fifth Annual General meeting and to fix their remuneration. The following resolution is proposed to be passed with or without modification as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, M/s. Jhaveri Shah & Co., Chartered Accountants, (Reg. No. 127390W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the thirty fifth Annual General Meeting of the Company, subject to ratification at each and every intervening annual general meeting by way of Ordinary Resolution.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix their remuneration and reimbursement of out of pocket expenses.”

Special Business:

5. To change the designation of Shri Bimal D. Parikh (DIN 00375335) from Whole time Director to Executive Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :

“RESOLVED THAT designation of Shri Bimal D. Parikh who was re-appointed as Whole time Director for a further period of three years w.e.f. 15th May, 2012 by Ordinary Resolution passed at the 27th Annual General Meeting of the Members of the Company held on 6th August, 2012 and in partial modification of the said resolution whose tenure as Whole time Director was extended upto May 31, 2016 and whose remuneration was revised w.e.f. April 1, 2013 by a Special Resolution passed at the 28th Annual General Meeting of the Members of the Company held on 24th June, 2013 be and is hereby re-designated as, EXECUTIVE DIRECTOR w.e.f. April 01, 2015 for the rest of his tenure on the same terms of remuneration, including those pertaining to Minimum Remuneration, as approved at the 28th Annual General Meeting of the Members of the Company.

FURTHER RESOLVED THAT the Board of Directors on the recommendation of the Nomination and Remuneration Committee be and is hereby authorised to alter, amend, vary or modify the scope and terms of appointment of Shri Bimal D. Parikh as it deems proper from time to time considering the nature and scope of his activities as is permissible and in conformity with applicable provisions of the Companies Act, 2013 and / or Rules made thereunder.”

6. To appoint Shri Hemant N. Shah (DIN 0309632) as Whole time Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

“RESOLVED THAT pursuant to the provisions of Section 196 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 consent of the members of Company be and is hereby accorded, for appointment of Shri Hemant N. Shah (DIN 00309632) Director of the Company, as the Whole Time Director of the Company, w.e.f. 1st April, 2015 till he retires by rotation.

FURTHER RESOLVED THAT Shri Hemant N. Shah will not be entitled to any remuneration/perquisites/ commission on profit of the Company during first year of his tenure as Whole time Director.”

RESOLVED FURTHER THAT the Board of Directors on the recommendation of the Nomination and Remuneration Committee be and is hereby authorised to alter, amend, vary or modify the scope and terms of appointment of Shri Hemant N. Shah as it deems proper from time to time considering the nature and scope of his activities as is permissible and in conformity with applicable provisions of the Companies Act, 2013 and / or Rules made thereunder.”

7. To appoint Ms. Sonal V. Ambani (DIN: 02404841) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Sonal V. Ambani (DIN: 02404841), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term up to 30th March, 2020.”

8. To ratify the remuneration of Cost Auditors for the financial years ended / ending 31st March, 2015 and 31st March, 2016 and in this regard, to consider and if thought fit, to pass, with or without modification the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 148 and any other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force), M/s. Rajendra Patel and Associates, Cost Accountants, Ahmedabad, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of cost records of the company for the financial years ended / ending 31st March, 2015 and 31st March, 2016 be paid the remuneration of Rs. 60,000 (Rupees Sixty Thousand) for each year plus service tax and reimbursement of travelling and other incidental expenses, be and is here by ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

May 04, 2015

**By Order of the Board,
For ADI FINECHEM LIMITED,**

Registered Office:

1st Floor, 2, Sigma Corporates,
B/H HOF Living, Sindhu Bhavan Road,
Off S.G. Road, Ahmedabad – 380 059.

C.I.N. : L15140GJ1985PLC007845

Rajen Jhaveri
Chief Financial Officer & Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, June 23, 2015 to Friday, June 26, 2015 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend.
3. An Explanatory statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of item Nos. 5 to 8 of the Notice as set out above is annexed hereto.



4. If Dividend on Equity shares as recommended by the Board of Directors is passed at the meeting, payment of such dividend will be made within 30 days on or after July 27, 2015 to those members whose names are on the company's Register of Members on June 22, 2015. In respect of Equity shares held in dematerialized / electronic form, the dividend will be payable to the beneficial owners of shares as at the end of business hours on June 22, 2015, as per the details furnished by the Depositories for this purpose.
5. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
6. Members are requested to bring their duly filled in attendance slip along with their copy of the Annual Report to the meeting.
7. Only registered members of the Company or any proxy appointed by such registered member may attend the Annual General Meeting as provided under the provisions of the Companies Act, 2013.
8. Electronic copy of the Annual Report for 2015 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s). For members who have not registered their email address, physical copy of the Annual Report is being sent in the permitted mode.
9. Members desiring to seek information on Annual Accounts to be explained at the meeting are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
10. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, between 03.00 pm. and 5.00 p.m upto the date of the Annual General Meeting of the Company.
11. Corporate members intending to send their authorized representatives to attend the Annual General Meeting are requested to send the Company a certified true copy of their board resolution authorizing their representatives to attend and vote on their behalf at the AGM.
12. Pursuant to the provisions of Section 205C of the Companies Act, 1956, (which are still applicable as the relevant section under the Companies Act, 2013 is yet to be notified.) the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the company, is required to be transferred to the Investor Education and Protection fund, set up by the Government of India and no payment shall be made in respect of any such claims by the Fund.
13. Voting through electronic means
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on 23rd July, 2015 (9:00 am) and ends on 26th July, 2015 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th July, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The instructions for remote e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
- (i) Open email and open PDF file viz; "AFL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Adi Finechem Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to evoting@parikhdave.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) User Id and initial password: These are given in separate letter sent with this Annual Report.
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsd.com
- V. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- VI. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VII. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th July, 2015.
- VIII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 20th July, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or evoting@parikhdave.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsd.com.

- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- X. Mr. Uday G. Dave, Company Secretary (Membership No. FCS 6545), Partner, M/s. Parikh Dave & Associates has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- XI. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizers' report of the total votes cast in favour or against, if any, to the Chairman.
- XII. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.adifinechem.com and on the website of NSDL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange Limited and Ahmedabad Stock Exchange Limited.
14. This notice has been updated with the instructions for voting through electronic means as per the amended Rules, 2015.
15. Information required under clause 49 of Listing Agreement with respect to the Director retiring by rotation and being eligible, seeking reappointment.

Name of the Director	Shri Utkarsh B. Shah
Director Identification Number (DIN)	00101663
Date of Appointment	01.04.2010
Brief resume of the Director including nature of expertise in specific functional areas	Shri Utkarsh Shah is the Chairman of Adi- Heritage group involved in diversified activities like global coal trade, real estate development and manufacturing. He is a science graduate and has headed various business & international trade bodies and head various charitable initiatives in field of health, education senior citizens, rural development etc..
No. of shares held in the Company	18,44,316 Equity shares of Rs. 10/- each fully paid.
Directorships and Committee memberships held in other companies (Excluding alternate directorship, directorships in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013. Membership and Chairmanship of Audit Committee and Stakeholders Relationship Committee have been included).	Nil
Inter-se relationships between Directors	No Relationship

ANNEXURE TO NOTICE

Explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013

ITEM NO. 5 :

The Board of Directors at their meeting held on February 12, 2015 had, on the recommendation of the Nomination and Remuneration Committee, approved, subject to approval by the Members of the Company at the ensuing Annual General Meeting, re-designation of Shri Bimal D. Parikh, w.e.f. April 1, 2015 from Whole time Director to Executive Director on the same terms and conditions as far as remuneration is concerned.

The Board of Directors propose the change in designation of Shri Bimal D. Parikh from Whole time Director to Executive Director of the Company w.e.f. April 1, 2015 and recommend the Special Resolution set out at Item No. 5 of the Notice for the approval of the members at the ensuing Annual General Meeting.

Other than Shri Bimal D. Parikh himself, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Special Resolution as set out in Item No. 5 of the Notice, except to the extent of their shareholding, if any, in the Company.

ITEM NO. 6 :

The Board of Directors at their meeting held on February 12, 2015 had, on the recommendation of the Nomination and Remuneration Committee, approved, subject to approval by the Members of the Company at the ensuing Annual General Meeting, appointment of Shri Hemant Shah, Non-executive - Promoter Director of the Company as Whole time Director, w.e.f. April 1, 2015 without any entitlement of remuneration, perquisites, commission on profit during first year of the tenure as Whole time Director.

The Board of Directors propose the change in designation of Shri Hemant N. Shah as Whole time Director of the Company w.e.f. April 1, 2015 and recommend the Ordinary Resolution set out at Item No. 6 of the Notice for the approval of the members at the ensuing Annual General Meeting.

Other than Shri Hemant N. Shah himself, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item No. 6 of the Notice, except to the extent of their shareholding, if any, in the Company.

ITEM NO. 7 :

The Board of Directors has appointed, by Circular Resolution, Ms. Sonal V. Ambani (DIN: 02404841) as an Additional Director of the Company with effect from 31st March, 2015 u/s 161 of the Companies Act, 2013. She will hold office up to the date of the ensuing Annual General Meeting. She is aged about 56 years, holds a Bachelor's Degree in Chemistry, an MBA in Marketing & Finance and a Ph. D. in Business Management. She has worked as an Assistant Vice President in Morgan Stanley Dean Witter. She has devoted her life to charity and non-profit initiatives. She is a sculptor at an art aficionado and act as a Director and Curator of Samara Art Gallery.

She does not hold any equity shares of the Company.

The Company has received a declaration from Ms. Sonal V. Ambani that she meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Ms. Sonal V. Ambani fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Copy of the draft letter for appointment of Ms. Sonal V. Ambani, as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

A notice has been received from a member proposing Ms. Sonal V. Ambani as a candidate for the office of Independent Director of the Company.

The Board consider that the appointment of Ms. Sonal V. Ambani would be of immense benefit to the Company and it is desirable to avail her services as an Independent Director. Your Directors recommend the passing of the proposed Ordinary Resolution.



Except Ms. Sonal V. Ambani, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Names of the Companies in which Ms. Sonal V. Ambani holds the Directorship and the Membership of Committees of the Board.

Sr. No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
1	Elecon Engineering Company Limited	–	–
2	Anjali Fiscal Pvt. Ltd.	–	–

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

ITEM NO. 8 :

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records maintained by the company for the products covered under Chapters 2917 and 3823 of Sr. No. 18 of table mentioned under Rule 3 (B) – Non-regulated Sectors for the financial year ending 31st March, 2016.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly consent of the shareholders is sought for passing an Ordinary Resolution for ratification of the remuneration paid / payable to the Cost Auditors for the financial years ended / ending 31st March, 2015 and 31st March, 2016.

None of the Directors / Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 8 of the Notice for approval by the Members.

May 04, 2015

By Order of the Board,
For ADI FINECHEM LIMITED,

Registered Office:

1st Floor, 2, Sigma Corporates,
B/H HOF Living, SindhuBhavan Road,
Off S.G. Road, Ahmedabad – 380 059.

C.I.N. : L15140GJ1985PLC007845

Rajen Jhaveri
Chief Financial Officer & Company Secretary

DIRECTORS' REPORT

To,

The Members,

Your Directors are indeed pleased to present the Thirtieth Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2015.

FINANCIAL RESULTS :

Rs. in Crores

		Year ended on		
		31-03-2015	31-03-2014	
(1)	Income		151.27	152.38
(2)	Profit before Interest, Depreciation & Taxation		25.51	33.69
	Less : Interest		2.74	2.66
(3)	Profit before Depreciation and Taxation		22.77	31.03
	Less : Depreciation		2.22	2.64
(4)	Profit before Tax for the year		20.55	28.39
	Less : Provision for Taxation :			
	(a) Current Tax	4.84		9.31
	(b) Deferred Tax	2.08		0.40
	(c) Excess Provision of earlier years (Net)	(0.06)		Nil
	Sub-total		6.86	9.71
(5)	Net profit after Tax for the year		13.69	18.68
	Add : Balance B/f from previous year's a/c.		33.74	19.40
	Sub-total		47.43	38.08
(6)	Less : (a) Utilised for issue of bonus shares	1.26		1.14
	(b) Adjustment relating to Fixed Assets	0.01		0.00
	(c) Transferred to General Reserve	1.00		1.00
	(d) Proposed Dividend	3.45		1.88
	(e) Dividend Distribution Tax	0.70		0.32
	Sub-total		6.42	4.34
(7)	Balance C/f to next year's account		41.01	33.74

OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS :

(A) Sales and Profit:

The sales and other income of the Company during 2014-15 were flat at Rs. 151.27 crores compared to Rs. 152.38 crores of the previous year mainly because the prices of prime products were lower, partly reflecting lower international prices of crude soya oil. There was, however, 22.88% of volume growth in sales of the Company and that is a positive sign that Company was able to sell a much higher quantity corresponding to higher production during the year. The company has made Profit before tax of Rs.20.55 crores compared to previous year's Rs.28.39 crores. This is mainly due to relatively lesser realization in nutraceutical product which is exclusively exported. The previous financial year 2013-14 was exceptionally good for nutraceutical products

due to sudden surge of demand for said products accompanied by fall in Indian Rupee vs. U.S. Dollar. Both these factors regained normalcy subsequently. In fact, market for Tocopherols went into reverse swing and prices remained low throughout the financial year 2014-15.

(B) Raw Material:

Required quantities of both the Raw materials were available from within India.

(C) Export:

Company was able to procure the required orders for its export products. Company made export of Rs. 38.57 crores during the year.

(D) The Capital expenditure incurred during the year was mainly for ongoing raw material throughput capacity expansion. During the third quarter, the Company successfully commissioned its new High Pressure Fat Splitting plant and in the last fortnight of the financial year, new Fractionation column was commissioned.

No material changes and commitments, affecting the financial position of the Company, have occurred between March 31, 2015 and the date of this Report.

TRANSFER TO RESERVES :

Your Directors recommend appropriation of Rs. 1.00 crore to General Reserve.

DIVIDEND:

Your Directors are pleased to recommend a dividend of Rs. 2.50 (i.e. 25 %) per equity share (Previous Year Rs. 1.50/- per equity share) on the increased Equity Share Capital for the financial year ended March 31, 2015, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

MEETINGS OF THE BOARD :

During the Financial Year 2014-15, 5 (five) meetings of the Board of Directors took place. For further details, please refer Report on Corporate Governance.

PARTICULARS OF LOANS GUARANTEES AND INVESTMENTS :

The Company has not given any loan, made investment, given any guarantee or provided any security – covered u/s. 186 of The Companies Act, 2013 – to any one.

CORPORATE GOVERNANCE/MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A Report on the Corporate Governance Code alongwith a certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreements as also the Management Discussion and Analysis Report are annexed to this Report.

FIXED DEPOSITS:

During the year Company has not accepted any Fixed Deposits.

CREDIT RATING :

CARE has assigned 'CARE A-' (Single A Minus) to Long Term Bank facilities (considered to be good for our size of manufacturing companies) and 'CARE A1' (A One) to Short Term Bank facilities.

TECHNICAL ACHIEVEMENT:

The Company keeps on exploring the possibility of technical improvement and process optimization for better yields / product mix / energy efficiency.

DIRECTORS:

Shri Utkarsh B. Shah shall retire at the forthcoming Annual General Meeting of the Company and being eligible, offer himself for reappointment.

During the year under review, Ms. Sonal Vimal Ambani was appointed as Additional Independent Director u/s. 161 (1) of The Companies Act, 2013. She will hold the Office of Director upto the date of forthcoming Annual General

Meeting. Notice u/s. 160 of The Companies Act is received for her appointment as an Independent Director of the Company.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS :

The Company has received declarations from all the Independent Directors of the Company, inter alia, confirming that they meet the criteria of Independence as prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR ETC. :

Pursuant to the provisions of Section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Clause 49 of the Listing Agreement, the Board of Directors at their Meeting held on 11.08.2014 approved the Remuneration and Nomination Policy as recommended by the Nomination and Remuneration Committee. The salient features of the said policy covering the policy on appointment and remuneration and other matters have been explained in the Corporate Governance Report.

BOARD EVALUATION :

Based on the criteria for evaluation of Independent Directors and the Board as recommended by the Nomination and Remuneration Committee and as adopted by the Board, Board carried out evaluation of its own performance and that of the individual Directors.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 of the Companies Act, 2013 with respect to Directors' Responsibility Statement, the Directors hereby confirm:

- (i) that in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III of the Companies Act have been followed and there are no material departures from the same;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz. March 31, 2015 and of the profit of the Company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a 'Going Concern' basis;
- (v) that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- (vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PERSONNEL:

All the employees have worked with zeal and enthusiasm and your Directors wish to express their sincere appreciation to all the employees for their support, co-operation and dedicated services.

PARTICULARS OF EMPLOYEES :

There was no employee drawing an annual salary of Rs. 60.00 lacs or more where employed for full year or monthly salary of Rs. 5,00,000/- or more where employed for part of the year and therefore, no information pursuant to the provisions of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is required to be given.

LISTING

Company's Securities are listed with the Stock Exchanges at Mumbai & Ahmedabad. The Company has already paid the listing fees to these 2 Stock Exchanges.



CORPORATE GOVERNANCE :

The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Statutory Auditors of the Company confirming the compliance with the conditions of Corporate Governance is attached to the Report on Corporate Governance.

BUSINESS RESPONSIBILITY REPORT :

The Business Responsibility Reporting, as required under clause 55 of the Listing Agreement is not applicable to the Company.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES :

All contracts / arrangements / transactions with related parties entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with related party transactions.

CORPORATE SOCIAL RESPONSIBILITY :

The Corporate Social Responsibility Committee comprises of the following Directors :

Name	Category
Shri Nahoosh Jariwala, Managing Director	Promoter - Executive
Shri Bimal D. Parikh, Executive Director	Promoter - Executive
Shri Hemant N. Shah, Whole time Director	Promoter - Executive
Shri Nitin R. Patel, Director	Non Executive – Independent

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility (CSR) Policy which has been approved by the Board. The CSR policy is available at the Company's website viz. www.adifinechem.com

The Company proposes to focus in the following core areas.

- (1) Addressing the needs of people / community with extreme hunger and poverty
- (2) Organising / sponsoring need based programmes for Health, inter alia, addressing health care concerns of different age groups, particularly of weaker economic strata
- (3) Providing financial support to non-profit making entities involved in preventive health care
- (4) Providing direct financial assistance to marginalized / under privileged sections of the society for medical treatment in hospitals / nursing homes.
- (5) Providing financial support to campaigns meant for creating public awareness in the area of eradication of diseases.
- (6) Initiatives relating to better hygiene and sanitation
- (7) Protecting environment through maintenance of soil, air and water.
- (8) Organising / sponsoring programmes for promotion of education
- (9) Granting educational scholarships to deserving students, particularly from weaker economic strata.
- (10) Organising / sponsoring rural development projects
- (11) Promoting gender equality, empowerment of women, setting up homes and hostels for women and orphans, setting up old age homes and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (12) Slum area development

- (13) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women

During the year, the Company has spent only Rs. 31,991/- on CSR activity. The Company, could not spend full amount of 2% of average net profits of last three financial years as the formation of the Committee itself was delayed. The CSR Committee, however, is now working on few things and will shortly come out with final plan to proceed with CSR activities. The Company is committed to spending upto 2% of average net profits of last three financial years during the current financial year.

RISK MANAGEMENT POLICY :

The Company has put in place Risk Management Plan. The Company has identified following elements of risk which in the opinion of the Board may threaten the existence of the Company :

- (1) Severe simultaneous drought in those Soya producing countries of the world on which Indian Crude Soya Oil refining is dependent.
- (2) Development of new and substantially cheaper manufacturing technologies using altogether new inputs for making various kinds of resins which are required for making paints, printing ink, hardners
- (3) New research on the benefits of Natural Vitamin E versus Synthetic one.

The Company has identified other hard vegetable oils such as Palm to which it can switch over to in the extreme event of non-availability of soya based raw materials throughout the year.

AUDITORS:

The auditors M/s Jhaveri Shah & Co., Chartered Accountants, Ahmedabad retire at the conclusion of the ensuing Annual General Meeting and they have confirmed their eligibility pursuant to the provision of the Section 139 of The Companies Act, 2013 and willingness to be re- reappointed.

The Report of the Statutory Auditors for the financial year 2014-15 does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT REPORT

As required by Section 204 of The Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Parikh Dave & Associates, Company Secretaries, Ahmedabad, a firm of Company Secretaries in Practice to conduct Secretarial Audit for the Financial Year 2014-15. The Report of the Secretarial Audit for the financial year ended on March 31, 2015 is annexed as Annexure to this Report. The said report does not contain any qualification, reservation or adverse remark.

COST AUDITOR:

As per the Companies (Cost Records and Audit) Rules, 2014 as amended by Companies (Cost Records and Audit) Amendment Rules, 2014, issued by the Central Government, the Company is required to get its cost records maintained for the products covered under Chapters 2917 and 3823 of Sr. No. 18 of table mentioned under Rule 3 (B) – Non-regulated Sectors audited by a Cost Auditor. Accordingly, the Board of Directors had, on the recommendation of the Audit Committee, appointed, subject to ratification by the members of the Company at the ensuing Annual General Meeting, M/s. Rajendra Patel & Associates, Cost Accountants as Cost Auditors for the financial year 2014-15. The Company proposes to appoint the said firm as Cost Auditors for financial year 2015-16 also.



CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUT GO:

A. Conservation of Energy

- (a) Energy Conservation measures taken:

Energy Conservation is an ongoing feature at Adi Finechem Ltd..The Company had commissioned energy efficient last generation boiler / steam generation / thermic fluid heaters towards the end of second quarter of the financial year.

- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of Energy.
- (c) Impact of measures listed in (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods:

Despite an increase in the production volume and increase in effective electricity tariff rate for the Company, the above mentioned energy saving initiatives have helped / will help the company to contain its Power and Fuel costs.

- (d) Total energy consumption per unit of production as per prescribed Form 'A' :

As per annexure attached.

B. Technology Absorption

The Company has an ongoing program for up gradation of existing products, improvement in manufacturing processes, reduction in product costs and increase in yield of prime intermediate / finished products. The Company was able to achieve higher yield of its prime intermediate / finished products on commissioning of its Fat Splitting / Fractional Column equipments. This is done through constant interaction with employees, customers and vendors.

Company continued its experiment with process routes.

C. Foreign Exchange Earnings and outgo

Foreign Exchange Earnings Rs. 38,34,78,144/-

Foreign Exchange Utilised Rs. 1,68,23,214/-

Extract of Annual Return :

The details forming part of the extract of Annual Return in Form MGT-9 in accordance with section 92(3) of the Companies Act 2013 read with Companies (Management & Administration) Rules, 2014 is annexed herewith as Annexure to this Report.

ACKNOWLEDGMENTS:

Your Board of Directors wishes to place on record its appreciation to the contribution made by the employees of the company. The company has achieved impressive growth through the competence, hard work, solidarity cooperation and support of employees at all levels. The Directors also wish to thank the Government authorities, financial institutions and shareholders for their cooperation and assistance extended to the company.

For and on behalf of the Board of Directors,

Place : Ahmedabad
Date : 4th May, 2015

Utkarsh B. Shah
Chairman

ANNEXURE

Disclosure of Particulars with respect to Conservation of Energy.

A. POWER AND FUEL CONSUMPTION		2014-15	2013-14
1.	ELECTRICITY		
	a) Purchased	Units	5815265
		Total Amount (Rs.)	42032719
		Rate / Unit (Rs.)	7.23
	b) Own Generation	Units	163304
		Units per Litre of Diesel	3.20
		Average Cost / Unit (Rs.)	20.1
2.	FURNACE OIL		
		Quantity (in KL)	251.390
		Total Cost (Rs.)	10713307
		Average rate per litre (Rs.)	42.61
3	LIGNITE / COAL		
		Quantity (in M.Tons)	11178
		Total Cost (Rs.)	51033176
		Average rate per Kg. (Rs.)	4.57
4.	OTHERS (IF ANY)		

B. Consumption per unit of Production		Production (M.Tons)	Standards, if any	Per M.Ton
1.	ELECTRICITY			KWH
	Deodorizer Distillate (Mixed Tocopherol Concentrate)	1,648.017 (715.270)	–	525 (550)
	Linoleic Acid / Oleic Acid	1858.455 (1824.670)	–	342 (295)
	Dimer Acid	2550.397 (2150.340)	–	340 (350)
2	FURNACE OIL			LITRES
	Deodorizer Distillate (Mixed Tocopherol Concentrate)	1648.017 (715.270)	–	24.00 (30.00)
	Linoleic Acid / Oleic Acid	1858.455 (1824.670)	–	10.50 (25.00)
	Dimer Acid	2550.397 (2150.340)	–	32.00 (37.00)
3	LIGNITE / COAL			KGS.
	Deodorizer Distillate (Mixed Tocopherol Concentrate)	1648.017 (715.270)	–	1050 (1070)
	Linoleic Acid / Oleic Acid	1858.455 (1824.670)	–	499 (950)
	Dimer Acid	2550.397 (2150.340)	–	1275 (1280)

Note: Figures in brackets are in respect of previous year.

Bold Figures indicate Production and Consumption for the year 2014-15.



ANNEXURE TO DIRECTORS' REPORT - DISCLOSURES ON MANAGERIAL REMUNERATION

Details of remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided below:

- (A) No of permanent employees on the rolls of the Company : 178
- (B) The percentage increase in the median remuneration of employees in FY 2015 stood at 25.75% .
- (C) Relationship between the average increase in remuneration and the Company's performance:

Given below are the key financial parameters reflecting Company's performance.

		March 31, 2014	March 31, 2013	Growth
		Rs. in Crores		(In%)
1	Total Revenue	152.38	123.46	23.42%
2	Profit before Depreciation, Finance Costs and Tax expense	33.69	17.62	91.16%
3	Profit before Tax	28.39	12.88	120.44%
4	Profit after Tax	18.68	8.39	122.77%
5	Earning per share (As per annual reports for respective years) (Rs.)	14.90	7.36	102.52%
6	Market Capitalisation	473.41	171.30	176.36%
7	Return on Capital Employed	41.30%	32.10%	28.66%

- (D) Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in managerial remuneration.

The average increase in the remuneration of all employees was 23.96% for the FY 2014-15. There was no increase in remuneration of Managing Director and Whole time Director. The increase in the remuneration of CFO and Company Secretary was 10.85% .

The average increase in the remuneration of both, the managerial and non-managerial personnel was determined based on the overall performance of the Company. Further, the criteria for remuneration of non-managerial personnel is based on an internal evaluation of key performance areas (KPAs), while the remuneration of the managerial personnel is based on the remuneration policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

There were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company.

- (E) Percentage increase in the remuneration of each director and key managerial personnel in FY 2015 is given below. Further details are given in MGT-9.

Name	Designation / Category	Increase / (Decrease) in Remuneration (%)
Shri Utkarsh B. Shah	Chairman / Non-Executive	No remuneration
Shri Nahoosh J. Jariwala	Managing Director / Executive	(13.22 %)
Shri Bimal D. Parikh	Whole time Director / Executive	(11.47 %)
Shri Hemant N. Shah	Director / Executive	No remuneration
Shri Jayesh K. Shah	Director / Non-Executive	(6.38 %)
Shri Kalpesh A. Patel	Director / Non-Executive	(35.14 %)
Shri Nitin R. Patel	Director / Non-Executive	(27.03 %)
Shri Ganpatraj Chowdhary	Director / Non-Executive	(242.86 %)
Shri Bhavin A. Shah	Director / Non-Executive	NIL
Ms. Sonal V. Ambani	Director / Non-Executive	*Not applicable
Mr. Rajen N. Jhaveri	C.F.O. and Company Secretary	10.85 %

- Ms. Sonal V. Ambani was appointed as Additional Director w.e.f. March 31, 2015 and so had not attended any Meetings of the Board during F.Y. 2014-15. As a result, she had not received any remuneration (sitting fees) during the year.
- (F) Remuneration of each director to the median employees' remuneration (times) for FY 2015 :

Names	Designation / Category	Remuneration of Directors to median Employee's remuneration (times)
Shri Utkarsh B. Shah	Chairman / Non-Executive	Not Applicable
Shri Nahoosh J. Jariwala	Managing Director / Executive	29.21
Shri Bimal D. Parikh	Whole time Director / Executive	12.94
Shri Hemant N. Shah	Director / Executive	Not Applicable
Shri Jayesh K. Shah	Director / Non-Executive	0.14
Shri Kalpesh A. Patel	Director / Non-Executive	0.14
Shri Nitin R. Patel	Director / Non-Executive	0.13
Shri Ganpatraj Chowdhary	Director / Non-Executive	0.07
Shri Bhavin A. Shah	Director / Non-Executive	0.10
Ms. Sonal V. Ambani	Director / Non-Executive	Not Applicable

- (G) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year

The market capitalisation of the Company increased by 176% , from Rs. 171.30 crores as at March 31, 2014 to Rs. 473.41 crores as at March 31, 2015. The price to earnings ratio increased by 277 % , from 9.17 times as at March 31, 2014 to 34.60 times as at March 31, 2015.

1995, the Company (then known as H. K. Agrochem Limited) came out with an issue of 20,00,000 fully paid equity shares of Rs. 10/- each at par for cash for an aggregate amount of Rs. 2.00 crores. The Company had three back to back bonus issue of equity shares as follows :

- (a) Year 2012 – Two bonus equity shares of Rs. 10/- each fully paid up for every 10/- equity shares of Rs. 10/- each fully paid up.
- (b) Year 2013 – One bonus equity share of Rs. 10/- each fully paid up for every 10/- equity shares of Rs. 10/- each fully paid up.
- (c) Year 2014 - One bonus equity share of Rs. 10/- each fully paid up for every 10/- equity shares of Rs. 10/- each fully paid up

The equity shares of the Company closed at Rs. 343.20 on Bombay Stock Exchange of India Limited on March 31, 2015, representing an increase of 4883% since the date of Public Issue (after adjustment for 3 bonus issues).

(H) Key Parameters for Variable Component of remuneration availed by the Directors

There was no variable component in form of Commission payment to Non-Executive Directors during F.Y. 2014-15. The Managing Director and Whole time Director are eligible for variable component in the form of Commission on Profits @ 0.75% and 0.30% respectively as approved by the Members at the 28th Annual General Meeting held on 24th June, 2013.

- (I) There were no employees (who are not directors) who received remuneration in excess of the highest paid Director of the Company during the year.

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

Form No. MGT-9

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- L15140GJ1985PLC007845
- ii) Registration Date: 25.05.1985
- iii) Name of the Company: ADI FINECHEM LIMITED
- iv) Category / Sub-Category of the Company: Public Company / Limited by Shares
- v) Address of the registered office and contact details:
1st Floor, 2 Sigma Corporates, Behind HOF Living,
Sindhu Bhavan Road, off S.G. Road, Ahmedabad -380059.
Phone: (079)29701675,
Email: cs@adifinechem.com, Website: www.adifinechem.com
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
Sharepro Services (India) Pvt. Ltd., 13AB,
Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane,
Off. Andheri-Kurla Road, Sakinaka, Andheri – (East), Mumbai – 400 072.
Phone: (022) - 022 67720354/300/400.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Deodorizer Distillate (Mixed Tocopherol Concentrate)	3004	25.22 %
2	Dimer Acid	3009	18.92 %
3	Fatty Oil	3004	11.10 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section.
			N.A.		



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares Held at the beginning of the year (as on April 1,2014 i.e., on the basis of SHP of March 31,2014)				No. of Shares held at the end of the year (as on March 31,2015 i.e., on the basis of SHP of March 31,2015)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	5956746	Nil	5956746	47.50	6480380	Nil	6480380	46.98	-0.52
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corp.	1927698	Nil	1927698	15.37	2139703	Nil	2139703	15.51	0.14
e) Banks/Fl									
f) Any other...									
Sub-Total (A)(1)	7884444	Nil	7884444	62.87	8620083	Nil	8620083	62.49	-0.38
(2) Foreign	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) NRIs- Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other-individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks/Fl	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Share holding Promoter(s) A=A(1)+A(2)	7884444	Nil	7884444	62.87%	8620083	Nil	8620083	62.49%	-0.38%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	90000	Nil	90000	0.718	279940	Nil	279940	2.029	1.311
b) Banks/Fl	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) Flls	50602	Nil	50602	0.404	24000	Nil	24000	0.174	-0.23
h) Foreign venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify Foreign Portfolio Investor (Corporate))	Nil	Nil	Nil	Nil	358043	Nil	358043	2.60	2.60
Sub-total (B) (1)	140602	Nil	140602	1.121%	661983	Nil	661983	4.799%	3.678%
2. Non-Institutions									
a) Bodies Corp.	670385	4752	675137	5.38	422232	5227	427459	3.10	-2.28
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individual									
i) Shareholders holding nominal share capital upto Rs. 1 lakh	1084566	239230	1323796	10.56	1438379	226353	1664732	12.07	1.51
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2310915	Nil	2310915	18.43	2214611	10454	2225065	16.13	-2.30

C) Others (specify Non Residents)	144668	Nil	144668	1.15	181559	-	181559	1.32	0.17
d) Other (Clearing Members)	60438	Nil	60438	0.48	13119	Nil	13119	0.10	- 0.38
Sub total (B)(2)	4270972	243982	4514954	36.00%	426990	242034	4511934	32.71%	- 3.29%
Total public shareholding (B)=(B)(1)+(B)(2)	4411574	243982	4655556	37.13%	4931883	242034	5173917	37.51%	0.38%
C. Shares held by custodian for GDRs & ADRs									
Grand Total (A+B+C)	12296018	243982	12540000	100.00%	13551966	242034	13794000	100.00%	0

(ii) Shareholding of Promoters/Promoters Group

Sl. No.	Shareholders' name	Shareholding at the beginning of the year (as on April 1,2014 i.e., on the basis of SHP of March 31,2014)			Shareholding at the end of the year (as on March 31,2015 i.e., on the basis of SHP of March 31,2015)			% of change in share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total share	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total share	
1	Shri Utkarsh B.Shah	1633332	13.02	0	1844316	13.37	0	0.35
2	Shri Hemant N. Shah	1144978	9.13	0	1279687	9.28	0	0.15
3	Shri Raj B. Shah	818098	6.52	0	923775	6.70	0	0.18
4	Shri Bimalbhai D. Parikh	777839	6.20	0	879388	6.38	0	0.18
5	Harihar Mfg. & Trading Pvt. Ltd.	697456	5.56	0	767201	5.56	0	0
6	PCD Investment Pvt. Ltd.	594001	4.74	0	663019	4.81	0	0.07
7	UKM Investment Pvt. Ltd.	594001	4.74	0	663019	4.81	0	0.07
8	Shri Sukoon V. Shah	565297	4.51	0	638319	4.63	0	0.12
9	Bimal Dashrathbhai Parikh - HUF	276828	2.21	0	303123	2.20	0	-0.01
10	Shri Rohan Hemant Shah	269266	2.15	0	304856	2.21	0	0.06
11	Smt. Mamtaben Bimalbhai Parikh	269148	2.15	0	302560	2.19	0	0.04
12	Dashrath Jagmohandas Investments Pvt. Ltd.	39600	0.32	0	43560	0.32	0	0
13	Shri Priyam B Parikh	3960	0.03	0	4356	0.03	0	0
14	Ashmak Investments Private Ltd.	2640	0.02	0	2904	0.02	0	0
15	Erstwhile Promoter (A.P. Patel) *	198000	1.58	0	0	0	0	-1.58

The term encumbrance has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011.



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	7884444	62.87 %		7884444
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	#		#	#
	At the end of the year	8620083	62.49 %		8620083

Inter-se Transfer among Promoters

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014) end of the year (31.03.2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Shri Utkarsh B. Shah	1633332	13.02	01.04.2014	43319	Transfer (inter se transfer)		
				31.03.2015	167665	Bonus issue	1844316	13.37
2	Shri Hemant N. Shah	1144978	9.13	01.04.2014	27119	Transfer (inter se transfer)		
					(9618)	Transfer (inter se transfer)		
				31.03.2015	117208	Bonus issue	1279687	9.28
3	Shri Raj B. Shah	818098	6.52	01.04.2014	21698	Transfer (inter se transfer)		
					83979	Bonus issue	923775	6.70
4	Shri Bimalbhai D. Parikh	777839	6.20	01.04.2014	21606	Transfer (inter se transfer)		
				31.03.2015	79943	Bonus issue	879388	6.38
5	PCD Investment Pvt. Ltd.	594001	4.74	01.04.2014	59400	Bonus issue		
				31.03.2015	9618	Transfer (inter se transfer)	663019	4.81

6	UKM Investment Pvt. Ltd.	594001	4.74	01.04.2014	59400	Bonus issue		
				31.03.2015	9618	Transfer (inter se transfer)	663019	4.81
7	Shri Sukoon V. Shah	565297	4.51	01.04.2014	14993	Transfer (inter se transfer)		
				31.03.2015	58029	Bonus issue	638319	4.63
8	Bimal Dashrathbhai Parikh - HUF	276828	2.21	01.04.2014	7482	Transfer (inter se transfer)		
					(9618)	Transfer (inter se transfer)		
				31.03.2015	28431	Bonus issue	303123	2.20
9	Shri Rohan Hemant Shah	269266	2.15	01.04.2014	7876	Transfer (inter se transfer)		
				31.03.2015	27714	Bonus issue	304856	2.21
10	Smt. Mamtaben Bimalbhai Parikh	269148	2.15	01.04.2014	5907	Transfer (inter se transfer)		
				31.03.2015	27505	Bonus issue	302560	2.19
11	Erstwhile Promoter (A.P. Patel) *	198000	1.58	01.04.2014	150000	Transfer (inter se transfer)		
				31.03.2015	48000	Sale	0	0

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name Of Shareholder	Shareholding at the beginning of the year		Change in Shareholding (no. of shares)		Cumulative Shareholding during the year	
		No. of Shares	% of total shared of the Company	Increase	Decrease	No. of Shares	% of total shared of the Company
1	Malabar India Fun Limited	0	0	358043	0	358043	2.60
2	SBI Small and Midcap Fund	90000	0.72	189940	0	279940	2.03
3	Vanaja Sundar	0	0	170933	0	170933	1.24
4	Rohinton Soli Screwvala	0	0	145742	0	145742	1.06
5	Dhirendra B Shah	132000	1.05	4281	0	136281	0.99
6	Vanaja Sundar Iyer	0	0	132000	0	132000	0.96
7	Monarch Reserarch & Brokerage Pvt. Ltd.	13028	0.10	81258	0	94286	0.68



8	Dhiren Shevantilal Shah	125000	0.99	0	39338	85662	0.62
9	El Dorado Biotech Pvt. Ltd.	75892	0.61	7589	0	83481	0.61
10	Dipti D. Shah	45000	0.36	29520	0	74520	0.54

Note: Top ten shareholders of the Company as on March 31, 2015 has been considered for the above disclosure.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014) end of the year (31.03.2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
	Directors							
1	Shri Utkarsh B. Shah (Promoter – Non-Executive)	1633332	13.02	01.04.2014	43319	Transfer (inter se transfer)		
				31.03.2015	167665	Bonus issue	1844316	13.37
2	Shri Hemant N. Shah *(Promoter – Executive)	927209	7.39	01.04.2014	27119	Transfer (inter se transfer)		
					(9618)	Transfer (inter se transfer)		
				31.03.2015	95432	Bonus issue	1040142	7.54
3	Shri Bimalbhai D. Parikh (Promoter – Executive)	777839	6.20	01.04.2014	21606	Transfer (inter se transfer)		
				31.03.2015	799943	Bonus issue	879388	6.38
4	Shri Bhavin A. Shah (Independent – Non-Executive)	10000	0.80	01.04.2014				
				31.03.2015	1000	Bonus Issue	11000	0.080
	Key Managerial Personnel(KMP's)							
1	Mr. Rajen Jhaveri	5280	0.04	01.04.2014				
				31.03.2015	528	Bonus Issue	5808	0.04

* Change in Designation / Category w.e.f. 01.04.2015

V. INDEBTEDNESS

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

(Amount in Rs.)

	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	24,51,85,227	4,55,00,000		29,06,85,227
ii) Interest due but not paid	87,336			87,336
iii) Interest accrued but not due	3,07,201			3,07,201
Total (i+ii+iii)	24,55,79,764	4,55,00,000		29,10,79,764
Change in indebtedness during the financial year				
• Addition	9,43,40,562			9,43,40,562
• Reduction	9,70,14,565			9,70,14,565
Net Change	26,74,003	NIL		26,74,003
Indebtedness at the end of the financial year				
Principal Amount	24,21,70,199	4,55,00,000		28,76,70,199
Interest due but not paid	87,045			87,045
Interest accrued but not due	6,48,517			6,48,517
Total (i+ii+iii)	24,29,05,761	4,55,00,000		28,84,05,761

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / EX.Dir / Manager		Total
		Shri Nahoosh Jariwala	Shri Bimal Parikh	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	31,20,000	15,00,000	46,20,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	39,600	---	39,600
	(c) Profit in lieu of Salary under section 17(3) Income tax Act, 1961.			
2	Stock Option			
3	Sweat Equity			
4	Commission - As% of Profit - Others Specify	15,78,181	6,31,272	22,09,453
5	Others, Please Specify			
	Total(A)	47,37,781	21,31,272	68,69,053
	Ceiling as per Act			



B. Remuneration to other Directors:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount (in Rs.)
		Shri Utkarsh B. Shah	Shri Jayesh K. Shah	Shri Kalpesh A. Patel	Shri Ganpatraj L. Chowdhary	Shri Nitin R. Patel	Shri Bhavin A. Shah	Shri Hemant N. Shah	
1.	Independent Directors								
	• Fee for attending board, committee meetings	--	23,500	18,500	3,500	18,500	17,500	---	81,500
	• Commission	--	--	--	--	--	--	--	--
	Others, Please Specify								
	Total (1)	--	23,500	18,500	3,500	18,500	17,500	--	81,500
2.	Other Non-Executive Directors								
	• Fee for attending board, committee meetings	--	--	--	--	--	--	--	--
	• Commission	--	--	--	--	--	--	--	--
	Others, Please Specify	--	--	--	--	--	--	--	--
	Total (2)	0	0	0	0	0	0	0	0
	Total B = (1+2)	0	23,500	18,500	3,500	18,500	17,500	0	81,500
	Total Managerial Remuneration								69,50,553 #
	Overall ceiling as per Act.								

Total remuneration to Managing Director, Whole time Director and other Directors (being the total of A &B)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	C.F.O. & Company Secretary	Total	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961		28,12,475		28,12,475
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961		28,800		28,800
	(c) Profit in lieu of Salary under section 17(3) Income tax Act, 1961.				
2	Stock Option				
3	Sweat Equity				
4	Commission - As% of Profit - Others Specify				
5	Others, Please Specify				
	Total(A)		28,41,275		28,41,275
	Ceiling as per Act				

VII. Penalties/Punishment/Compounding of Offences: Not Applicable

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCTL/ Court)	Appeal made if any, (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ADI Finechem Limited.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit; we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) 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 Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014 (Effective from 28th October,2014);
Not applicable as the Company has not issued any options/ shares under the said Regulations during the year under review.
 - (e) The Securities and Exchange Board of India(Issue and Listing of Debt Securities) Regulations,2008;

Not applicable as Company has not issued any Debt Securities during the year under review.

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

Not applicable as the Company has not delisted any of its shares from any Stock Exchange during the year under review.

(h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2008

Not applicable as the Company has not bought back any of its securities during the year under review.

6) Factories Act, 1948

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (not applicable as not notified during the year under review.)

(ii) The Listing Agreement entered into by the Company with BSE Limited and Ahmedabad Stock Exchange Limited.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board took place during the year under review were carried out in compliance of the provisions of Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and during the year under review and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of Board of Directors/ Committees of the Company were carried through on the basis of majority. There were no dissenting views by any member of Board / Committee in the meetings held during the year under review.

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

We further report that

The Company has obtained necessary approval of members to mortgage its properties and to borrow money in excess of paid up share capital and free Reserves of the Company in compliance with the provisions of section 180 (1) (a) and 180(1) (c) of the Companies Act, 2013 respectively during the audit period under review.

For **Parikh Dave & Associates**

Company Secretaries

Uday G. Dave

Partner

FCS No. 6545 C P No.: 7158

Place : Ahmedabad

Date : May 03, 2015



To,
The Members,

ADI Finechem Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process 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. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we 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 the management. Our examination was limited to the verification of procedure 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 **Parikh Dave & Associates**
Company Secretaries
Uday G. Dave
Partner
FCS No. 6545 C P No.: 7158

Place: Ahmedabad
Date: May 03, 2015

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

1. Company's Philosophy on the Code of Governance

The company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the company believes in adopting the best practices that are followed in the area of Corporate Governance across geographies. The company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interest of its stakeholders. The Board considers itself as a Trustee of company's shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

2. Board of Directors

• Composition of the Board of Directors (Board)

The composition of the Board of Directors of the company is in conformity with the requirement of Clause 49 of the Listing Agreement.

In compliance with the Corporate Governance norms in terms of constitution of the Board, headed by Non-executive Chairman, the Board currently has Three Executive Directors and seven Non-executive Directors, including one woman Director, representing optimum combination of professionalism, knowledge and experience to ensure the independence of the Board and to separate the Board functions of governance and management.

Attendance of each Director at the Board Meetings and last Annual General Meeting (AGM) and the number of companies and committees where he is Chairman / Member:

Directors	Category	Attendance Particulars		Directorships in other Public Ltd. Companies incorporated in India.	Committee Memberships*	
		Board Meeting	Last AGM		Member	Chairman
Shri Utkarsh B. Shah (Chairman)	Promoter - Non Executive	5	Yes	Nil	Nil	Nil
Shri Nahoosh J. Jariwala (Managing Director)	Promoter, Executive	5	Yes	Nil	Nil	Nil
**Shri Bimal D. Parikh (Executive Director)	Promoter, Executive	5	Yes	Nil	Nil	Nil
**Shri Hemant N. Shah (Whole Time Director)	Promoter, Executive	5	Yes	Nil	Nil	Nil
Shri Jayesh K. Shah	Independent, Non-Executive	5	Yes	9	1	Nil
Shri Kalpesh A. Patel	Independent, Non-Executive	4	Yes	1	Nil	Nil
Shri Ganpatraj L. Chowdhary	Independent, Non Executive	1	No	1	Nil	Nil
Shri Nitin R. Patel	Independent, Non-Executive	4	Yes	Nil	Nil	Nil
Shri Bhavin A. Shah	Independent, Non-Executive	5	Yes	Nil	Nil	Nil
#Ms.. Sonal Vimal Ambani	Additional Director – Independent and Non-executive	-	No	1	Nil	Nil

* Includes only Audit Committee and Stakeholders' Relationship in other Public Limited Companies – whether listed or not.

** Change in Designation w.e.f. 01.04.2015. Category changed from 'Non-executive' to 'Executive' w.e.f. 01-04-2015.

Appointed as Additional Director w.e.f. 31.03.2015.



During the year, there have been no materially significant related party transactions, pecuniary relationships or transactions between the company and its non-executive Directors that may have potential conflict with the interests of the Company at large.

- **Board Meetings and Attendance**

The Meeting of the Board of Directors is scheduled in advance. The Board meets at least once in a quarter *inter-alia* to review the performance of the Company and consideration of quarterly financial results. Each time, a detailed agenda is prepared in consultation with the Managing Director & Whole time Director. Five Board meetings were held in the year 2014-15 and the gap between two Board meetings has not exceeded four months. The dates on which meetings were held are as follows:

No.	Date of Meeting	No. of Directors Present	No.	Date of Meeting	No. of Directors Present
1	May 19, 2014	8	5	February 12, 2015	8
2	June 30, 2014	8			
3	August 11, 2014	8			
4	November 10, 2014	7			

- **Appointment of Independent Directors**

Firstly, the Nomination and Remuneration Committee identifies, based on Company's policy for such position, suitable person having expert knowledge and skill in his / her profession / area of business and who can effectively participate in Board proceedings and recommends the same to the Board. The Board after evaluating the said Committee's recommendation takes the decision which according to the Board is in the best interest of the Company.

- **Meeting of Independent Directors**

The Independent Directors meet at least once in a financial year without the presence of Promoter Directors and management personnel. They discuss the matters pertaining to the business and other related affairs of the Company. The views expressed at such meeting are brought to the knowledge of the Chairman.

During the year, one such meeting took place.

- **Code of Conduct**

The Company has in place separate texts of Code of Conduct – one for all the Directors and the other for all Senior Management Personnel. It seeks to achieve, among others, higher standards of personal and professional integrity. A copy of the code has been placed on the Company's website (www.adifinechem.com). The code has been circulated to all the Directors and Senior Management Personnel and they affirm its compliance every year.

3. **Audit Committee**

Composition :

The composition of Audit Committee is in line with Provisions of Section 177 of the Companies Act, 2013 and Clause 49 of Listing Agreement. The members of Audit Committee consists of following Directors, viz. Shri Jayesh K. Shah as Chairman of the Committee, Shri Hemant N. Shah, Shri Kalpesh A. Patel and Shri Nitin R. Patel as members.

Audit Committee comprises of three Independent Directors and one Non-independent (Promoter) Director. All the members of the Committee are financially literate and have adequate accounting knowledge. The Audit Committee met four times during the financial year 2014-15 - on May 19, 2014, August 11, 2014, November 10, 2014 and February 12, 2015.

The details of composition of the Committee and attendance at Meetings are as follows:

Name	Designation	No. of Committee Meetings attended
Shri Jayesh K. Shah (Chairman)	Non Executive – Independent	4
Shri Hemant N Shah	*Whole time Director, Promoter	4
Shri Kalpesh A. Patel	Non Executive – Independent	3
Shri Nitin R. Patel	Non Executive – Independent	3

* Change in Designation from Director to Whole time Director w.e.f. 01.04.2015

The scope of the Audit Committee includes:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (2) Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of statutory auditor and fixation of audit fees.
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (4) Reviewing with management the annual financial statements before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of Section 134 of the Companies Act, 2013,
 - (b) Changes, if any, in accounting policies and practices and reasons for the same,
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management,
 - (d) Significant adjustments made in the financial statements arising out of audit findings,
 - (e) Compliance with listing and other legal requirements relating to financial statements,
 - (f) Disclosure of any related party transactions,
 - (g) Qualification in the draft audit report
- (5) Reviewing with the management, the quarterly financial statements before its submission to the Board for approval.
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- (7) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- (8) Approval of any subsequent modification of transactions of the Company with related parties
- (9) Scrutiny of inter-corporate loans and investments.
- (10) Valuation of undertakings or assets of the Company, wherever it is necessary.
- (11) Evaluation of internal financial controls and risk management systems.
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (13) Reviewing the adequacy of internal audit function, if any, including the structure if the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (14) Discussion with internal auditors, any significant findings and follow up thereon.
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is



suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- (16) Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (18) To review the functioning of the whistle Blower mechanism.
- (19) Approval of appointment of CFO (i.e., the Whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- (20) Appointment of Cost Auditor.
- (21) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the areas noted above, Audit Committee looks into controls and security of the Company's internal control systems and internal audit reports.

The Committee Meetings were also attended by Managing Director, Whole time Director, Internal Auditors, Statutory Auditors and Company Secretary who also acted as Secretary of the Committee.

The Board has laid down a Code of Conduct for all Directors and senior Management staff of the Company, which is also available on the website of the Company. All Directors and members of the senior Management have affirmed their compliance with the said Code. A declaration signed by the Managing Director to this effect is appended at the end of this Report.

A certificate from the Managing Director on the financial statements and other matters of the Company for the financial year ended March 31, 2015 is also appended at the end of this Report.

The Chairman of the Audit Committee was present in the last Annual General Meeting to answer the shareholders' queries.

4. Nomination and Remuneration Committee

During the year, there was a change in nomenclature of 'Remuneration Committee' to 'Nomination and Remuneration Committee'. Pursuant to the provisions of Section 178 of the Companies Act, 2013, Board is required to constitute 'Nomination and Remuneration Committee' consisting of 3 or more Non-executive Directors out of which not less than one half shall be Independent Directors.

The details of composition of the Nomination and Remuneration Committee and attendance at Meeting the are as follows :

Name	Designation	No. of Committee Meeting attended
Shri Kalpesh A. Patel (Chairman)	Non Executive – Independent	1
Shri Jayesh K. Shah	Non Executive – Independent	1
Shri Ganpatraj L. Chowdhary	Non Executive – Independent	1

Terms of Reference :

- (1) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal.
- (2) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees.
- (3) To formulate the criteria for evaluation of Independent Directors and the Board.
- (4) To devise a policy on Board Diversity
- (5) To carry out evaluation of every Director's performance

- (6) To recommend / review remuneration of the Managing Director, Executive Director and Whole time Director based on their performance and defined assessment criteria
- (7) To perform such other functions as may be necessary for the performance of its duties or as is mandated by the Board or any law.

Remuneration Policy :

The Company's Remuneration Policy for Directors is given here below. The Company's remuneration policy is to review the reward based on performance of the Company, the individual Director and existing industry practice.

Remuneration Policy

The remuneration policy is recommended by the Nomination & Remuneration Committee and approved by the Board. The key objective of the remuneration policy is to ensure that it is aligned to the overall performance of the Company. The policy ensures that it is fair and reasonable and is linked to financial performance. For Directors in Executive category, it comprises of fixed and variable components. The remuneration policy is placed on the website of the Company. The remuneration paid to the Directors is in line with the remuneration policy of the Company.

Remuneration to Directors

Non-Executive Directors

The remuneration for non-executive directors consists of sitting fees. No other payment is made to the non-executive directors.

Details of the remuneration paid to and shareholding of Non-executive Directors is provided in MGT-9 which forms part of Directors' Report.

Executive Directors

The Executive Directors of the Company viz. Managing Director and Whole time Director have been appointed on a contractual basis, in terms of the resolutions passed by the shareholders at the annual general meetings. Elements of the remuneration package comprise of salary, perquisites and commission on profits as approved by the members at the annual general meeting.

Details of the remuneration paid to and shareholding of Executive Directors is provided in MGT-9 which forms part of Directors' Report.

Details of Remuneration :

The details relating to remuneration of Directors, as required under Clause 49 of the Listing Agreement are as follows :

Details of remuneration paid to Directors during the financial year 2014-15.

(Amounts in Rs.)

Directors	Salaries	Perquisites	Sitting Fees	Total
Shri Utkarsh B. Shah	Nil	Nil	Nil	Nil
Shri Nahoosh J. Jariwala	#46,98,181	39,600	Nil	47,37,781
Shri Bimal D. Parikh	##18,31,272	3,00,000	Nil	21,31,272
Shri Hemant N. Shah	Nil	Nil	Nil	Nil
Shri. Jayesh K. Shah	Nil	Nil	23,500	23,500
Shri Kalpesh A. Patel	Nil	Nil	18,500	18,500
Shri Nitin R. Patel	Nil	Nil	18,500	18,500
Shri Ganpatraj L. Chowdhary	Nil	Nil	3,500	3,500
Shri Bhavin A. Shah	Nil	Nil	17,500	17,500

includes Commission of Rs. 15,78,181

includes Commission of Rs. 6,31,272

The Company has not granted any stock options to its Directors.



5. Shareholders'/Investors' Grievance Committee

During the year, there was a change in nomenclature of 'Shareholders' / Investors' Grievance Committee' to 'Stakeholders Relationship Committee' to comply with the requirements of Section 178 of the Companies Act, 2013.

Stakeholders' Relationship Committee consists of Shri Ganpatraj L. Chowdhary, Independent, Non-Executive Director as Chairman of the committee, Shri Bimal D. Parikh, Executive Director and Shri Bhavin Shah, Independent Director as members of the committee. At present, Mr. Rajen Jhaveri is the Company Secretary and Compliance Officer of the Company.

During the year, the Stakeholders' Relationship Committee (formerly known as Shareholders' / Investors' Grievance committee) met as and when required and all the members attended the meetings. The said committee looks into the redressal of Grievances of security Holders, if any, like Transfer / Transmission / Demat of Shares, Non-receipt of Annual Report, Non-receipt of Declared Dividends, Loss of Share Certificates etc.

During the year, Nil complaints were received from the security holders as per the certificate of RTA. The Company had no transfers pending at the close of the financial year.

6. Management Committee

Management Committee comprises of 3 Members namely (1) Shri Nahoosh Jariwala, Managing Director (2) *Shri Bimal Parikh, Executive Director and (3) *Shri Hemant N. Shah, Whole time Director. The Committee looks after businesses which are administrative in nature and within the overall Board approved directions and framework. Two meetings of the Committee were held during the year. The Company Secretary acts as the Secretary to the Committee.

7. Corporate Social Responsibility Committee

Pursuant to the provisions of section 135 of the Companies Act, 2013, Company has formed Corporate Social Responsibility Committee w.e.f. 11.08.2014 consisting of 4 directors out of which one Director is an Independent Director. The CSR Committee consists of Shri Nahoosh Jariwala, Shri Bimal Parikh, Shri Hemant Shah and Shri Nitin Patel as members.

8. Disclosures

(a) The Company has no materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors, the management or their relatives etc. that may have potential conflict with the interests of the Company at large.

Details of related party transactions are elaborated in Note No. 27 to the financial statements. The Company has formulated a policy on materiality of Related party Transactions and also on dealing with Related party transactions and during the year, there were no material transactions with related parties. The policy is also available on the website of the Company. (www.adifinechem.com)

(b) There were no instances of non-compliance by the Company or Penalties imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

(c) The Company has put in place the Whistle Blower Policy and the same is available on the website of the Company. Under the said policy, the employees are encouraged to report genuine concerns about suspected misconduct without fear of punishment or unfair treatment. During the year under review, no employee was denied the access to the Audit Committee and / or its Chairman.

(d) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.

9. Code of Conduct

The Company's code of conduct has been complied with by all the members of the Board and select employees of the Company. The Company has in place a prevention of Insider Trading Code based on SEBI (Insider Trading) Regulation, 1992. This code is applicable to all Directors and designated employees. The code ensures prevention of dealing in shares by persons having access to the unpublished price sensitive information.

10. Means of Communication

During the year, quarterly Unaudited financial results and audited annual financial results of the Company were submitted to the stock exchanges soon after its approval by the Board of Directors at their Meeting and were also published in English and vernacular newspapers. Annual financial performance of the Company is also posted on the Company's website i.e. www.adifinechem.com.

The report on Management Discussion and Analysis is annexed and forms part of the annual report.

11. Details of General Meetings

Location, date and time of General Meetings held during the last 3 years:

Meeting	Year	Venue of General Meeting	Date & Time	No. of Special Resolutions
27th AGM	2011-2012	Aarohi Starz Club Pvt. Ltd., Aarohi Greens, Sanand Kadi Road, Chekhala, Ahmedabad- 382115.	August 6, 2012 at 5.00 p.m.	Nil
28th AGM	2012-2013	Aarohi Starz Club Pvt. Ltd., Aarohi Greens, Sanand Kadi Road, Chekhala, Ahmedabad- 382115.	June 24, 2013 at 5.00 p.m.	Two
29th AGM	2013-2014	Memories Hall, 2nd Floor, TGB Banquets & Hotels Limited (The Grand Bhagwati) S.G. Road, Bodakdev, Ahmedabad - 380054	June 30, 2014 at 5.00 p.m.	Two

General Shareholder Information

Date, time and venue of 30th Annual General Meeting

Monday, 27th July, 2015 at 5.00 p.m. at 'Memories Hall',

2nd Floor, TGB Banquets & Hotels Limited

(The Grand Bhagwati) S.G. Road, Bodakdev, Ahmedabad – 380054.

Book Closure Date :

From Tuesday, June 23, 2015 to Friday, June 26, 2015 (both days inclusive)

Dividend Payment Date (subject to approval of the shareholders)

On or before August 25, 2015

Financial Calendar (Tentative)

Financial reporting for the quarter ending June 30, 2015

First week of August, 2015

Financial reporting for the quarter/half year ending September 30, 2015

First week of November, 2015

Financial reporting for the quarter ending December 31, 2015

First week of February, 2016

Financial reporting for the year ending March 31, 2016

First week of May, 2016

Annual General Meeting for the year ending March 31, 2016

August, 2016



STOCK PRICE:

High/Low of monthly Market Price of Company's Equity Shares traded on the Mumbai Stock Exchange during the financial year 2014-15 is furnished below:

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2014	144.75	125.00	201336
May, 2014	180.00	130.25	658665
June, 2014	189.90	161.50	277160
July, 2014	252.45	194.10	582193
August, 2014	274.90	223.00	284940
September, 2014	360.00	262.30	723363
October, 2014	334.90	270.00	150435
November, 2014	319.95	243.10	380068
December, 2014	330.75	268.00	322922
January, 2015	395.00	310.50	251716
February, 2015	379.00	308.00	288898
March, 2015	355.00	324.10	119445

The year end price of the equity share of the Company at Stock Exchange, Mumbai was Rs. 343.20 No trading was reported on Ahmedabad Stock Exchange.

Share Price Performance in comparison to broad based indices such as BSE Sensex as on March 31, 2015 :

	BSE (% Change)	
	Adi Finechem Limited	Sensex
F.Y. 2014-15	151.24 %	24.89 %

Share Transfer System

Transfer of shares held in physical mode is processed by M/s. Sharepro Services (India) Pvt. Limited having registered office situated at 13 AB, Samhita Warehousing Complex, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E) Mumbai – 400 072, Share Transfer Agent and approved by the Stakeholders Relationship Committee. Valid Share transfers in physical form and complete in all respects were approved, registered and dispatched within stipulated period.

Reconciliation of Share Capital Audit & Certificate pursuant to Clause 47 (c) of the Listing Agreement:

A qualified Chartered Accountant carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.

Dematerialisation of Shares and Liquidity

As on March 31, 2015, 98.24% shares of the Company were held in dematerialised form and the rest in physical form. The shares are traded on Ahmedabad and Bombay Stock Exchanges.

Distribution of Shareholding as on March 31, 2015

Category (shares)	No. of Shareholders	Percentage	No. of Shares	Percentage
1-500	3,648	82.64	4,88,732	3.54
501-1000	286	6.48	2,07,110	1.50
1001-2000	169	3.83	2,47,435	1.79
2001-3000	83	1.88	2,08,405	1.51
3001-4000	36	0.82	1,26,862	0.92
4001-5000	27	0.61	1,24,707	0.91
5001-10000	66	1.50	4,60,580	3.34
10001 -20000	37	0.84	5,39,286	3.91
Above 20000	62	1.40	1,13,90,883	82.58
Total	4,414	100	1,37,94,000	100.00

Categories of Shareholders, Category-wise Shareholding as on March 31, 2015

Category	No. of Shares held	% to total shares held
Individual	42,49,959	30.81
Promoters		
- Indian Promoters	86,20,083	62.49
- Foreign Promoter	-	-
Other Corporate Bodies	4,27,459	3.10
Financial Institutions / Mutual Funds / Banks	2,79,940	2.03
Director & their relatives	11,000	0.08
Foreign Institutional Investors / Overseas Corporate Bodies	24,000	0.17
Non-Resident Indians	1,81,559	1.32
TOTAL	1,37,94,000	100 %

Listing on Stock Exchanges at:

Ahmedabad Stock Exchange Limited Kamdhenu Complex, Panjrapole, Opp. Sahjanand College, Ambavadi, Ahmedabad - 380 015.	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
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Listing fees for the year 2015-16 have been paid to both the Stock Exchanges.

Stock Codes	Ahmedabad Stock Exchange	24855
	Bombay Stock Exchange	530117
	Demat ISIN No. in NSDL & CDSL for Equity Shares	INE959A01019

Registered Office

1st Floor, 2, Sigma Corporates, Behind HOF Living,
 Sindhu Bhavan Road, Off. S.G.Road, Ahmedabad – 380059.
 Tele No. (079) 32908752/29701675

Contact Person	Mr. Rajen Jhaveri <i>Chief Financial Officer and Company Secretary</i>
E-mail	cs@adifinechem.com rajenjhaveri@adifinechem.com
Unclaimed Dividends	Rs. 1,73,865/- for the financial year 2010-11 Rs. 1,30,779/- for the financial year 2011-12 Rs. 1,20,070/- for the financial year 2012-13 Rs. 1,88,271/- for the financial year 2013-14
Plant Location	253/P and 312, Chekhala, Sanand-Kadi Highway, Ta. Sanand, Dist. Ahmedabad - 382 115
Registrar & Transfer Agent:	Sharepro Services (India) Pvt. Ltd. 13 AB, Samhita Warehousing Complex 2 nd Floor, Sakinaka, Telephone Exchange Lane, Andheri (East), Mumbai - 400 072

CEO AND CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report.

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2015.

For Adi Finechem Limited

Ahmedabad
4th May, 2015

Nahoosh J. Jariwala
Managing Director

CEO / CFO CERTIFICATION UNDER CLAUSE 49(IX) OF LISTING AGREEMENT

To,
The Board of Directors,
Adi Finechem Limited

- (1) We have reviewed financial statements and the cash flow statement of Adi Finechem Limited for the year ended March 31, 2015 and hereby certify that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (2) During the year, there are, to the best of our knowledge and belief, no transactions entered into by the Company which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (3) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- (4) We have indicated to the Auditors and the Audit Committee :
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year and
 - (iii) that there are no instances of significant fraud of which we have become aware.

(Rajen Jhaveri)
Chief Financial Officer

(Nahoosh Jariwala)
Managing Director

Place : Ahmedabad
Date : May 04, 2015.



Auditor's Certificate on Corporate Governance

To The Members of

Adi Finechem Limited

We have examined the compliance of the conditions of Corporate Governance by **Adi Finechem Limited** for the year ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the concerned Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the company for ensuring compliance with the condition of Corporate Governance. It is neither an audit nor an expression on financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

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 Jhaveri Shah & Co.
Chartered Accountants
FRN : 127390W

Place : Ahmedabad
Date : 04th May, 2015

Ronak Shah
Partner
M No : 102249

Independent Auditor's Report

To the Members of
Adi Finechem Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Adi Finechem Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India including Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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



- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), as amended, issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015, from being appointed as a Director in terms of section 164 (2) of the Act; and.
 - (f) 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, 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 financial statements – Refer Note 28 to the financial statement;
 - II The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - III There has not been an occasion in case of the company during the year under report to transfer any sum to the Investor Education and Protection Fund. The question of delay in transferring such does not arise.

For Jhaveri Shah & Co.
Chartered Accountants
FRN : 127390W

Place : Ahmedabad
Date : 4th May, 2015

Ronak Shah
Partner
M No : 102249

Annexure to Independent Auditors' Report

Annexure referred to in our Independent Auditors' Report to the members of Adi Finechem Limited (the company) on the financial statements for the year ended 31st March, 2015. We report that:

1. In respect of its Fixed Assets:
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification;
2. In respect of inventories:
 - a. Physical verification of inventory has been conducted at reasonable intervals by the management;
 - b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business;
 - c. The company is maintaining proper records of inventory. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The company has not granted any loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. During the course of audit, we have not observed any major weaknesses in internal control system.
5. The company has not accepted any deposit from the public.
6. We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under sub-section (1) of section 148 of the Companies Act 2013 and 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 of the records with a view to determine whether they are accurate and complete.
7. According to the information and explanations given to us in respect of statutory and other dues:
 - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there are no material dues of provident fund, employees state insurance, sales tax, wealth tax, service tax, duty of customs, value added tax, cess which have not been deposited with the appropriate authorities on account of any dispute. However,



according to information and explanations given to us, the following dues of income tax, and duty of excise have not been deposited by the Company on account of disputes;

Sr. No.	Name of the Statute	Nature of Dues	Period to which amount relates (F.Y.)	Forum where dispute is pending	Amount (in Rs.)
1	Income Tax Act, 1961	Interest	2004-05	Income Tax Appellate Tribunal	2,429
2	Income Tax Act, 1961	Income Tax and interest	2005-06	Income Tax Appellate Tribunal	8,59,646
3	Income Tax Act, 1961	Fringe Benefit tax	2005-06	Income Tax Officer	8,040
4	Income Tax Act, 1961	TDS & Interest	2010-11	Commissioner of Income Tax	5,86,100
5	Central Excise Act	Excise Duty including Interest & penalty as applicable	Demand pertaining to F.Y. 2012-13	Joint Commissioner, Central Excise, Ahmedabad	22,79,219
				Total	37,35,434

- c. There has not been an occasion in case of the Company during the year under report to transfer any sum to the Investor Education and Protection Fund. The question of reporting any delay in transferring such sum does not arise.
8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
 9. The company has not defaulted in the repayment of term loan from bank. The company did not have any outstanding dues to financial institution or debenture holders during the year.
 10. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
 11. According to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the company for the purpose for which they were raised.
 12. According to the information and explanations given to us, during financial year no fraud on or by the company has been noticed or reported during the course of our audit.

For Jhaveri Shah & Co.
Chartered Accountants
FRN : 127390W

Place : Ahmedabad
Date : 4th May, 2015

Ronak Shah
Partner
M No : 102249

Balance Sheet as at 31st March, 2015

Amount in Rs.

PARTICULARS	Notes	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	137,940,000	125,400,000
Reserves and Surplus	2	430,125,196	347,455,247
		568,065,196	472,855,247
Non - Current Liabilities			
Long term Borrowings	3	139,077,023	70,329,129
Deferred Tax Liabilities	4	60,764,733	39,927,511
Long term Provisions	5	2,753,675	1,252,488
		202,595,431	111,509,128
Current Liabilities			
Short Term Borrowings	6	123,341,824	207,831,849
Trade Payables	7	48,450,040	28,379,105
Other Current Liabilities	8	40,668,490	22,075,580
Short term Provisions	9	52,164,998	34,016,335
		264,625,352	292,302,869
TOTAL		1,035,285,979	876,667,244
ASSETS			
Non - Current Assets			
Fixed Assets			
Tangible Assets (Net)	10	617,117,206	328,043,145
Capital Work-in-Progress		77,138,425	116,344,362
Long Term Loans & Advances	11	919,793	4,571,815
		695,175,424	448,959,322
Current Assets			
Inventories	12	132,727,744	157,377,371
Trade Receivables	13	155,741,486	212,842,648
Cash and Bank Balances	14	1,638,427	713,465
Short Term Loans & Advances	15	49,827,206	56,441,505
Other Current Assets	16	175,692	332,933
		340,110,555	427,707,922
TOTAL		1,035,285,979	876,667,244
Significant accounting policies and Notes on financial statements	1 to 40		

As per our report of even date

For Jhaveri Shah & Co.

Firm Registration Number - 127390W

Chartered Accountants

Ronak Shah

Partner

Mem.No :102249

Place : Ahmedabad

Date : May 04, 2015

For and on behalf of the Board

Nahoosh Jariwala

Managing Director

Bimal D. Parikh

Executive Director

Rajen N. Jhaveri

Chief Financial Officer & Co. Secretary

Place : Ahmedabad

Date : May 04, 2015

Statement of Profit and Loss for the year ended on 31st March, 2015

Amount in Rs.

PARTICULARS	Notes	For the Year ended on 31st March, 2015	For the Year ended on 31st March, 2014
Income			
Revenue from Operations (Gross)	17	1,643,727,554	1,636,031,036
Less : Excise duty recovered		(137,537,479)	(117,801,477)
Revenue from Operations (Net)		1,506,190,075	1,518,229,559
Other Income	18	6,530,225	5,572,125
Total Revenue		1,512,720,300	1,523,801,684
Expenses			
Cost of Material and Components Consumed	19	1,008,039,743	934,877,498
Changes in Inventory of Finished Goods & Work in Progress	20	(18,889,912)	5,933,058
Employee benefits expenses	21	74,040,803	55,595,558
Other expenses	22	194,465,899	190,464,031
Depreciation	10	22,165,360	26,427,394
Finance Costs	23	27,394,653	26,563,308
Total Expenses		1,307,216,546	1,239,860,847
Profit Before Extra-ordinary Items and Tax		205,503,754	283,940,837
Less : Extra-Ordinary Items :		-	-
Profit Before Tax		205,503,754	283,940,837
Tax Expense			
Current Tax		48,377,000	93,124,000
Deferred Tax		20,837,222	3,999,513
Excess Provision of Income Tax in respect of earlier years (Net)		(566,962)	-
Total Tax Expense		68,647,260	97,123,513
Profit for the year		136,856,494	186,817,324
Earnings per equity share of face value of Rs.10/- each			
Basic / Diluted (in Rs.)	24	9.92	13.54
Significant accounting policies and Notes on financial statements	1 to 40		

As per our report of even date

For Jhaveri Shah & Co.

Firm Registration Number - 127390W

Chartered Accountants

Ronak Shah

Partner

Mem.No :102249

Place : Ahmedabad

Date : May 04, 2015

For and on behalf of the Board

Nahoosh Jariwala

Managing Director

Bimal D. Parikh

Executive Director

Rajen N. Jhaveri

Chief Financial Officer & Co. Secretary

Place : Ahmedabad

Date : May 04, 2015

Cash Flow Statement for the year ended 31st March, 2015

Amount in Rs.

PARTICULARS	As at 31st March, 2015		As at 31st March, 2014	
(A) CASH FLOW FROM OPERATING ACTIVITIES:				
Net profit/(loss) before tax and extra-ordinary items		20,55,03,754		28,39,40,837
Adjustments for :				
Depreciation	2,21,65,360		2,64,27,394	
Unrealised Foreign Exchange Loss (Net)	9,72,521		40,92,782	
Interest Received	(1,82,055)		(3,37,256)	
Interest paid	2,73,94,653		2,65,63,308	
Loss/ (Profit) on sale of Fixed Assets (net)	1,87,164		1,65,177	
		5,05,37,643		5,69,11,405
Operating Profit before Working Capital Changes :		25,60,41,397		34,08,52,242
Adjustments for :				
(Increase)/Decrease in Trade and other receivables	5,68,10,635		(6,35,28,955)	
(Increase)/Decrease in Inventories	2,46,49,627		(5,82,90,780)	
(Increase)/Decrease in Loans and advances & Other Current Assets	(67,05,619)		11,23,476	
Increase/(Decrease) in Trade and other payables	1,92,53,216		(2,10,99,656)	
Increase/(Decrease) in Provisions	2,61,29,850		40,50,082	
Cash Generated from operations		12,01,37,708		(13,77,45,833)
Income-tax (paid) / Refunds		(5,48,57,000)		(8,07,93,360)
Net cash from operating activities (A)		32,13,22,105		12,23,13,049
(B) CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets (see note no:3)	(25,52,29,982)		(19,09,24,382)	
Sale of fixed assets	1,24,526		1,41,270	
Interest Received	1,82,055		3,37,256	
Net cash from Investing activities (B)		(25,49,23,401)		(19,04,45,856)
(C) CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Long Term Borrowings	6,87,47,894		1,66,31,117	
Proceeds from working capital loan	(8,52,99,120)		9,14,89,286	
Interest paid	(2,73,94,653)		(2,65,63,308)	
Excess provision of Income-tax of earlier years	5,66,962			
Dividend paid on Equity Shares	(1,88,10,000)		(1,14,00,000)	
Tax on dividend	(32,84,825)		(18,49,365)	
Net cash from financing activities (C)		(6,54,73,742)		6,83,07,730
Net Increase/(Decrease) in cash & cash equivalents (A) + (B) + (C)		9,24,962		1,74,923
Cash and cash equivalents (see note no:1) (Opening balance)		7,13,465		5,38,542
Cash and cash equivalents		16,38,427		7,13,465

Amount in Rs.

PARTICULARS	As at 31st March, 2015		As at 31st March, 2014	
NOTES :				
(1) Cash and Cash equivalent includes :				
Particulars:				
Cash on Hand		2,34,274		2,43,255
Bank Balances with Scheduled Banks in :				
Current Accounts	8,04,153		4,70,210	
Fixed Deposit Account	6,00,000		-	
		14,04,153	-	4,70,210
Total		16,38,427		7,13,465
(2) The Cash Flow statement has been prepared under the Indirect Method as set out in Accounting Standard - 3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.				
(3) Purchase of Fixed Assets include items in Capital Work in progress including capital advances				
(4) The previous year's figures have been re-grouped, wherever necessary, to make them comparable with this year's figures.				

As per our report of even date

For Jhaveri Shah & Co.
Firm Registration Number - 127390W
Chartered Accountants

Ronak Shah
Partner
Mem.No :102249

Place : Ahmedabad
Date : May 04, 2015

For and on behalf of the Board

Nahoosh Jariwala
Managing Director

Bimal D. Parikh
Executive Director

Rajen N. Jhaveri
Chief Financial Officer & Co. Secretary
Place : Ahmedabad
Date : May 04, 2015

Notes to Financial Statements for the year ended 31st March, 2015

1. Corporate Information :

Adi Finechem Limited ("The Company") was incorporated in May, 1985 as "H. K. Agro Oil Ltd." under the provisions of The Companies Act, 1956. The Company is engaged in manufacturing of Specialty Oleo Chemicals. The manufacturing facility for the same is set up at Village Chekhala, Ta. Sanand, Dist. Ahmedabad, Gujarat. The finished products of the Company can broadly be divided in to (a) Nutraceutical Products and (b) Oleo Chemicals. The equity shares of the Company are listed on Bombay Stock Exchange Ltd. and Ahmedabad Stock Exchange Ltd. There was a partial change in management of the Company w.e.f. April, 2010.

2 Summary of Significant Accounting Policies

2.1 Accounting Convention:

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by the Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 2013. The Accounts have been prepared following the mercantile system of accounting and accordingly revenues / income and costs / expenditure are generally accounted on accrual basis, as they are earned or incurred.

2.2 Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

2.3 Fixed Assets:

Fixed Assets are stated at cost (including all direct cost and other incidental expenses incurred in connection with acquisition of assets apportioned thereto and is net of input tax credit availed) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Borrowing cost, if any, attributable to acquisition / construction of fixed assets capitalised as per the policy stated in note 2.13. Fixed assets, which are not put to use are shown as Capital Work in Progress.

2.4 Depreciation:

Depreciation on different fixed assets have been provided based on useful lives of respective assets as provided in Part - C of Schedule II of the Companies Act, 2013. Depreciation on Plant & Machinery have been provided considering their useful life as 25 years as applicable to Continuous Process Plant.

2.5 Inventories:

Inventories are valued at lower of cost or net realisable value. Cost is arrived at as under:

Stores & Fuel	: FIFO Basis
Raw Materials	: Weighted Average Basis
Semi-finished Goods	: Absorption Cost Basis

2.6 Revenue Recognition:

- i) Sales are recognised on despatch of products to the customers. Sales are inclusive of Cenvat Duty.
- ii) Interest is accounted for on a time proportion basis taking in to account the amount outstanding and the rate applicable.

2.7 Transaction of Foreign Currency Items:

Transactions in Foreign Currencies are recorded at the original rate of exchange in force on the date of transactions. Monetary items denominated in foreign currency at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rates and rate on the date of contract is recognized as exchange rate difference and the premium paid / discount received on forward contracts is recognized over the life of contract.

2.8 Prior period Expenses / Income:

Material items of prior period expenses / income are disclosed separately.

2.9 Employees Benefits:

(a) Defined Contribution Plan

The Company's contributions paid / payable for the year to Provident Fund and Superannuation are

recognised in the Profit & Loss Account.

(b) Defined Benefit Plan

The employees' gratuity fund scheme managed by Trust (Life Corporation of India) is a defined benefit Plan. The Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by the reference to market yield at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

2.10 Cenvat Credit:

Cenvat credit is accounted for on accrual basis on purchase of materials.

2.11 Leases:

Lease Transactions entered into on or after April 1, 2001:

- i) Assets acquired under lease where the Company has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of the Lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- ii) Assets acquired on leases where a significant portion of the risks and rewards incidental to ownership is retained by the lessor are classified as operating lease. Lease rental are charged to the Profit and Loss Account on accrual basis.

2.12 Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income-tax Act, 1961.

Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is a virtual certainty that there will be sufficient future taxable income available to realise such losses.

2.13 Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

2.14 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

2.15 Impairment:

The carrying amount of fixed assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An Impairment Loss is recognized wherever the carrying amount of the fixed assets exceeds the recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

2.16 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity share holders by the weighted average number of equity shares during the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, that have changed the number of equity shares outstanding, without corresponding change in resources.

2.17 Proposed Dividend:

Dividend proposed by the Board of Directors is provided for in the books of account, pending approval of share holders at the Annual General Meeting.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	As at			
	31st March, 2015	31st March, 2014		
1 Share Capital				
Authorised Share Capital				
1,45,00,000 (Previous Year 1,45,00,000) Equity Shares of Rs. 10 each	145,000,000	145,000,000		
50,000 (Previous year 50,000) Preference Shares of Rs.100 each	5,000,000	5,000,000		
TOTAL	150,000,000	150,000,000		
Issued, Subscribed and Fully paid - up share capital				
1,37,94,000 (Previous Year 1,25,40,000) Equity Shares of Rs. 10 each, fully paid-up	137,940,000	125,400,000		
TOTAL	137,940,000	125,400,000		
1.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
At the beginning of the year	12,540,000	11,400,000		
Issued during the year as bonus shares in the ratio of one fully paid-up Equity Share for every ten shares.	1,254,000	1,140,000		
Outstanding at the end of the year	13,794,000	12,540,000		
1.2 Details of Shareholders holding more than 5% of Equity Shares:				
	As at 31st March, 2015		As at 31st March, 2014	
	Nos	%	Nos	%
Shri Utkarsh Bhikhoobhai Shah	1,844,316	13.37%	1,633,332	13.02%
Shri Hemant Navinchandra Shah	1,040,142	7.54%	927,209	7.39%
Shri Raj Bhikhoobhai Shah	923,775	6.70%	818,098	6.52%
Shri Bimalbhai Dashrathbhai Parikh	879,388	6.37%	754,043	6.01%
M/s. Harihar Mfg & Trading Pvt. Limited	767,201	5.56%	697,456	5.56%
	5,454,822	39.54%	4,830,138	38.52%
1.3 The equity share holders of the Company are entitled to receive interim and / or final dividend as declared and approved by the Board of Directors and / or the Share holders of the Company. The dividend so declared will be in proportion to the number of equity shares held by the shareholders.				
1.4 In the event of the liquidation of the Company, equity share holders will be entitled to receive remaining assets of the Company. The distribution will in proportion to the number of equity shares held by the shareholders.				
1.5 Equity shares allotted as fully paid bonus shares during the last five years :				
	Issued during FY: 2012-13	Rs. 1,90,00,000/-		
	Issued during FY: 2013-14	Rs. 1,14,00,000/-		
	Issued during FY: 2014-15	Rs. 1,25,40,000/-		



NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
2 Reserves & Surplus		
General Reserve Account		
As per Last Balance Sheet	10,000,000	-
Add : Transferred from Profit and Loss Account	10,000,000	10,000,000
Total (A)	20,000,000	10,000,000
Surplus in the statement of Profit and Loss		
Balance as per last financial statement	337,455,247	194,132,748
Profit for the year	136,856,494	186,817,324
	474,311,741	380,950,072
Less : Appropriations		
Transferred to General Reserve	10,000,000	10,000,000
Dividend on equity shares and Dividend distribution tax	41,505,455	22,094,825
Utilised for issue of Fully Paid-up Bonus shares to Equity Share Holders	12,540,000	11,400,000
Adjustment towards Carrying amount of fixed assets as per Schedule II of Companies Act., 2013	141,090	-
Net Surplus in the Statement of Profit & Loss	Total (B)	337,455,247
	410,125,196	337,455,247
Total Reserves & Surplus (A + B)	430,125,196	347,455,247
3 Long Term Borrowings		
*Loans from Bank	91,845,291	22,258,471
*Loans - Against hypothecation of vehicles	1,731,732	2,570,658
Inter-Corporate Deposits	45,500,000	45,500,000
TOTAL	139,077,023	70,329,129
The above amount includes:		
Secured Borrowings	93,577,023	24,829,129
Unsecured Borrowings	45,500,000	45,500,000
TOTAL	139,077,023	70,329,129
* Instalments falling due in respect of all the above Loans during next twelve months have been disclosed under the title "Other Current Liabilities" as 'Current Maturities of Long Term Debt' (Refer Note: 8)		

Nature of Security and terms of repayment for Long term secured borrowings :

- 3.1 Term loans / Working Capital Term loans aggregating to Rs. 9,18,45,291/- (Previous Year Rs. 2,22,58,471/-) are secured primarily by hypothecation by way of first charge on all present and future stocks, book debts, vehicles and collaterals security by way of Equitable mortgage of industrial property bearing Survey No. 253/P and 312 situated at village Chekhala, Sanand-Kadi road and Hypothecation of plant and machinery installed at the factory premises. Current rate of Interest is 11.75% per annum repayable in 60 / 48 monthly installments commencing from 7th day of succeeding months of respective disbursements.
- 3.2 The Vehicle loans from HDFC Bank Limited are secured by hypothecation of vehicles and are further secured by personal guarantee given by a Director of the Company. The vehicle loan from ICICI Bank Ltd is secured by hypothecation of vehicle.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
4 <u>Deferred Tax Liabilities</u>		
(A) Deferred Tax Liability :		
Depreciation	64,182,975	41,460,155
Total (A)	64,182,975	41,460,155
(B) Deferred Tax Asset		
Expense allowable for tax purpose when paid	3,418,242	1,532,644
Total (B)	3,418,242	1,532,644
Net Deferred Tax Liability (A) - (B)	60,764,733	39,927,511
5 <u>Long Term Provisions</u>		
<u>Provision for Employee Benefits</u>		
Leave Encashment	2,753,675	1,252,488
TOTAL	2,753,675	1,252,488
6 <u>Short Term Borrowings</u>		
Loan from Bank :		
Working Capital Loans (Including Pre Shipment packing credit of Rs.3,77,41,166/-) (Previous year :Rs. 3,82,68,708/-)	123,341,824	207,831,849
TOTAL	123,341,824	207,831,849
Working Capital Loans of Rs.12,33,41,824/- (Previous Year Rs. 20,78,31,849/-) are secured primarily by Hypothecation by way of first charge on all present and future stocks, book debts, vehicles and collaterals security by way of Equitable mortgage of industrial property bearing Survey No. 253/P and 312 situated at village Chekhala, Sanand-Kadi road and Hypothecation of plant and machinery installed at the factory premises. Current Rate of Interest is 11.75% per annum for rupee loan and for PCFC loan in U.S. Dollars 200 bps over 6 months LIBOR per annum.		
7 <u>Trade Payables</u>		
Trade Payables	48,450,040	28,379,105
(Refer note no. 37 for details of dues to Micro and Small Enterprises)		
TOTAL	48,450,040	28,379,105

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	Amount in Rs.	
	As at 31st March, 2015	As at 31st March, 2014
8 Other Current Liabilities		
Current Maturities of Long term Debt	25,251,352	12,524,249
Interest accrued but not due on borrowings	648,517	307,201
Interest accrued and due on borrowings	87,045	87,336
Unclaimed interest on matured deposits (There is no amount due to be credited to Investor Education & Protection Fund)	-	2,336
Unclaimed Dividend	612,985	439,114
Advances from Customers	1,618,638	1,467,529
Bills Payable	5,971,263	2,346,622
Statutory Liabilities	2,709,306	2,155,180
Other Liabilities	3,769,384	2,746,013
TOTAL	40,668,490	22,075,580
9 Short Term Provisions		
Leave Encashment	344,949	411,441
Bonus / Exgratia Payable	4,332,953	3,265,335
Salary Payable	5,981,641	6,097,821
Proposed Equity Dividend	34,485,000	18,810,000
Provision for Income Tax (Net of Adv Tax)	-	2,234,978
Tax On Equity Dividend	7,020,455	3,196,760
TOTAL	52,164,998	34,016,335

10 FIXED ASSETS : TANGIBLE ASSETS

Amount in Rs.

Description of Asset	Gross Block (At Cost)				Depreciation				Net Block	
	As on 01.04.2014	Additions	Sales/ Deduction	As at 31-03-2015	As on* 01.04.2014	For the year	Sales/ Deduction	As at 31-03-2015	As at 31-03-2015	As at 31.03.2014
1. Land	6,310,290	-	-	6,310,290	-	-	-	-	6,310,290	6,310,290
2. Building	94,768,156	75,606,714	-	170,374,870	25,308,052	5,528,938	-	30,836,990	139,537,880	69,460,104
3. Plant & Machinery	415,542,683	220,063,633	-	635,606,316	195,932,573	12,879,071	-	208,811,644	426,794,672	219,610,110
4. Electric Installation	24,907,819	13,895,506	-	38,803,325	10,840,765	670,082	-	11,510,847	27,292,478	14,067,054
5. Air Conditioners	2,306,792	114,950	39,700	2,382,042	358,639	82,575	20,406	420,808	1,961,234	1,948,153
6. Office Equipments	4,549,055	113,640	-	4,662,695	2,448,227	747,199	-	3,195,426	1,467,269	2,100,828
7. Furniture & Fixtures	9,324,223	1,169,711	-	10,493,934	2,454,811	839,559	-	3,294,370	7,199,564	6,869,412
8. Vehicles	9,887,426	728,047	591,671	10,023,802	2,351,322	1,417,936	299,275	3,469,983	6,553,819	7,536,104
Total As at 31-03-2015	567,596,444	311,692,201	631,371	878,657,274	239,694,389	22,165,360	319,681	261,540,068	617,117,206	327,902,055
As at 31.03.2014	484,684,448	84,025,836	1,113,840	567,596,444	213,933,298	26,427,394	807,393	239,553,299	328,043,145	
Capital Work in Progress									77,138,425	116,344,362

* The opening balance of Depreciation under the heads "Office Equipment" and "Furniture & Fixtures" include Rs. 1,17,345/- and Rs. 23,745/- respectively, being the adjustment made as per Schedule II of the Companies Act, 2013. The corresponding adjustment for aggregate amount of Rs. 1,41,090/- is given in Note No. 2 titled as "Reserves & Surplus"

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
11 Long Term Loans & Advances (Unsecured & Considered Good)		
Security Deposits	655,273	4,279,855
Balances with statutory authorities	264,520	291,960
	919,793	4,571,815
Less :		
Considered Doubtful	-	-
TOTAL	919,793	4,571,815
12 Inventories		
Raw Materials and Components (including Goods in transit Rs. 59,13,763/-) (Previous Year Rs. 59,86,389 /-)	74,148,227	119,553,638
Stores, Fuel & Packing material (Including Goods in Transit Rs. 7,43,207/-) (Previous Year Rs. 11,06,407/-)	24,108,626	22,242,754
Semi-finished Goods	34,470,891	15,580,979
TOTAL	132,727,744	157,377,371
13 Trade Receivables		
(a) Outstanding for a period exceeding six months from the date they are due for payment - (Unsecured) Considered good	171,175	59,441
(b) Others - (Unsecured) Considered good	155,570,311	212,783,206
TOTAL	155,741,486	212,842,647
14 Cash and Bank Balances :		
Cash & cash equivalents		
Cash on Hand	234,274	243,255
Balances with Banks		
- Current Accounts (Including Dividend Accounts Rs. 6,12,985/-) (Previous Year Rs. 4,39,114/-)	804,153	470,210
- In Margin Money Account	600,000	-
TOTAL	1,638,427	713,465
15 Short term Loans & Advances (Unsecured & Considered Good)		
Security Deposits	55,236	27,549
Balances with Statutory Authorities	9,104,296	14,782,702
Advance Income Tax (Net of Provisions)	17,188,386	-
Advance to Vendors	9,729,482	10,645,052
Capital Advances	4,827,171	22,083,453
Prepaid Expenses	1,322,863	1,594,296
Excess deposit in Gratuity Fund	2,648,126	2,387,885
Others	4,951,646	4,920,568
TOTAL	49,827,206	56,441,505



NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
16 Other Current Assets		
Interest Accrued but not Due	175,692	332,933
TOTAL	175,692	332,933
<hr/>		
PARTICULARS	For the Year ended on 31st March, 2015	For the Year ended on 31st March, 2014
17 Revenue from Operations		
17.1 Revenue from Operations		
a) Sale of Products		
- Finished Goods	1,633,948,429	1,623,108,646
b) Other Operating Revenues	9,779,125	12,922,390
	1,643,727,554	1,636,031,036
Less: Excise Duty	137,537,479	117,801,477
TOTAL	1,506,190,075	1,518,229,559
18 Other Income		
Foreign Exchange Gain(Net)	6,010,932	1,601,992
Dr./Cr. Balances Written back	279,756	3,455,935
Interest received / receivable	182,055	337,256
Miscellaneous income	57,482	176,942
TOTAL	6,530,225	5,572,125
19 Cost of materials & components consumed		
Inventory at the beginning of the year	113,567,249	53,389,471
Add : Transferred from Goods in Transit(Net of Cenvat)	5,345,173	4,593,084
Add: Purchases	941,877,900	975,891,988
	1,060,790,322	1,033,874,543
Less: Inventory at the end of the year	68,234,464	113,567,249
Raw Materials (A)	992,555,858	920,307,294
Packing Materials (B)	15,483,885	14,570,204
Cost of Materials Consumed (A)+(B)	1,008,039,743	934,877,498
19.1 Details of Raw materials consumed		
Vegetable Oil Based Fatty Acid Distillate	295,216,505	361,658,354
Acid Oil	671,142,437	541,069,917
Chemicals	26,196,916	17,579,023
TOTAL	992,555,858	920,307,294

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	For the Year ended on 31st March, 2015	For the Year ended on 31st March, 2014
20 Changes in Inventory of Finished Goods & Work in Progress		
Inventories at the end of the year		
Work In Progress	34,470,891	15,580,979
Less : Inventories at the beginning of the year		
Work In Progress	15,580,979	21,514,037
TOTAL	(18,889,912)	5,933,058
21 Employee Benefit Expenses		
Salaries, Wages & Bonus	65,878,203	51,240,019
Contribution to Provident Fund & Other Funds	5,438,888	2,305,243
Staff Welfare Expenses	2,723,712	2,050,296
TOTAL	74,040,803	55,595,558
22 Other Expenses		
Stores and Spares Consumed	13,897,536	16,674,661
Consumable stores	3,577,427	3,748,920
Power & Fuel	116,439,446	106,163,024
Laboratory Chemical Consumed	1,917,376	1,209,275
Rent, Rates and Taxes	3,579,977	894,582
Insurance	1,562,675	1,975,827
Repairs and Maintenance :		
- Machinery	2,910,507	2,744,750
- Buildings	2,672,061	3,939,402
- Others	193,748	183,148
Travelling and Conveyance	3,753,276	1,706,893
Telephone & Advertisement Expense	2,299,994	1,737,336
Directors' Sitting Fees	81,500	99,850
Remuneration to Auditors	400,000	350,000
Sales Expense	15,145,324	12,515,735
General Charges	16,989,280	29,654,576
Legal and Professional fees	3,212,157	1,892,642
Vehicle running charges	4,034,877	3,466,283
Loss on assets sold / discarded (Net)	187,164	165,177
Bank Charges	1,611,574	1,341,950
TOTAL	194,465,899	190,464,031

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	For the Year ended on 31st March, 2015	For the Year ended on 31st March, 2014
22.1 Payment to auditors:		
As auditor:		
Statutory Audit (Including service tax)	421,350	393,260
In other Capacity:		
Certification	-	-
Others	25,000	-
Reimbursement of out-of-pocket expenses	-	-
TOTAL	446,350	393,260
23 Finance Costs		
Interest Expenses on		
- Loan from Banks	21,723,486	20,870,846
- Inter Corporate Deposits	5,631,401	5,687,499
- Others	39,766	4,963
TOTAL	27,394,653	26,563,308
24 Earnings per Share (EPS)*		
Profit / (Loss) after Taxation	136,856,494	186,817,324
Number of Equity Shares	13,794,000	12,540,000
Nominal value per Equity Share (Rs.)	10	10
Earnings / (Loss) per share [Basic and Diluted] (Rs.)	9.92	13.54

* The basic and diluted EPS for the year 2013-14 have been restated pursuant to the issue of bonus equity shares in the ratio of 1:10 (one bonus equity share of Rs. 10/- each for every 10 equity shares of Rs. 10/-each held).

25	Employee Benefits	Amount in Rs.	
	Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
	i) Net Liabilities recognised in Balance Sheet as March 31,2015		
	Present Value of Funded obligation	7,063,397	-
		(4,697,255)	(-)
	Fair Value of Plan Asset	9,711,523	-
		(7,085,140)	(-)
	Present Value of Unfunded obligation	-	3,098,625
		(-)	(1,663,929)
	Net Liabilities	2,648,126	3,098,625
		(2,387,885)	(1,663,929)
	ii) Expense recognised in Profit & Loss Account for the year ended March 31,2015 (Included in Note No. 21 in item "Payments to & Provisions for Employees")		
	Current Service Cost	576,752	359,213
		(528,646)	(329,251)
	Interest Cost	412,724	145,535
		(339,276)	(100,182)
	Expenses deducted from the fund	71,202	-
		(-)	(-)
	Expected return on plan assets	657,948	(-)
		(570,852)	(-)
	Net actuarial losses /(gain)	1,745,178	1,356,440
		(195,874)	(217,169)
	Past Service Liability	-	-
		(-)	(-)
	Total Expense	2,147,908	1,861,188
		(101,196)	(646,602)

Amount in Rs.

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
iii) Reconciliation of opening and closing balance of changes in present value of the defined benefit obligation		
Opening Balance of defined benefit obligation as at April 1,2014	4,697,255 (4,216,086)	1,663,929 (1,411,334)
Current Service Cost	576,752 (528,646)	359,213 (329,251)
Interest Cost	412,724 (339,276)	145,535 (100,182)
Actuarial losses/(gain)	1,733,473 (179,466)	1,356,440 (217,169)
Past Service Liability	- (-)	- -
Benefits paid	356,807 (207,287)	426,493 (394,007)
Closing Balance of defined benefit obligation as at March 31,2015	7,063,397 (5,470,761)	3,098,624 (2,451,943)
Actuarial Assumption	March 31, 2015	
Discount Rate	7.70 % (9.10%)	
Expected rate of return on plan asset	9.00% (9.00%)	
*Expected rate of salary increase	6.00% (6.00%)	
Mortality rate	LIC (2006-08) published table of mortality rates	
Withdrawal Rates	(P.Y. 5%) at younger age and reducing to (P.Y. 1%) at older age	
Retirement age	60 Years	
Actuarial valuation method	Projected Unit Credit method	
* The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.		
Defined Contribution Plans :		
Rs.54,38,888/- (Previous Year Rs.23,05,243/-) recognised as an expense and included in the note 21 of Profit and Loss Account under the head “ Contribution to Provident Fund, Gratuity and Superannuation”		

26 Segment Reporting:

The Company has only one reportable business segment "Speciality Chemicals" as primary segment. The Company has identified the Secondary Segment as geographical segment based on the location of customers.

Secondary Segment

Amount in Rs.

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Segmental Revenue		
Segment – Domestic sales	1,122,711,931	968,825,810
Segment – Exports sales	383,478,144	549,403,749
Segment – Domestic - Other income	6,530,225	5,572,125
Total Revenue	1,512,720,300	1,523,801,684
Segmental Assets	As at 31st March, 2015	As at 31st March, 2014
In India	980,822,350	755,524,410
Outside India	54,463,629	121,142,834
Total Assets	1,035,285,979	876,667,244
Capital Expenditure during the year		
In India	310,076,251	81,622,344
Outside India	1,615,950	2,403,492
	311,692,201	84,025,836

27 Related Party Disclosures :

List of related parties where contracts exists and related parties with whom transactions have taken place and relationships

- (i) Enterprise over which Key management personnel and their relatives are able to exercise significant influence

Adicorp Enterprise Private Limited
 PCD Investment Private Limited
 UKM Investment Private Limited
 Harihar Manufacturing & Trading Private Limited
 Dashrath Jagmohandas Investment Private Limited
 Super Handlers Private Limited
 Ashmak Investment Private Limited
 Adi Corporation

- (ii) **Key Management Personnel**

Shri Nahoosh J. Jariwala
 Shri Bimal D. Parikh

Details of Transactions with Related Parties for the year 2014-2015

Amount in Rs.

	Nature of Transaction	Parties referred to in (i) above	Parties referred to in (ii) above	Total
A	Deposits Taken / Repaid			
	Adicorp Enterprise Private Limited	-	-	-
	Repaid	-	-	-
	Balance as at Year End	14,000,000 (14,000,000)	-	14,000,000 (14,000,000)
	PCD Investment Private Limited	-	-	-
	Repaid	-	-	-
	Balance as at Year End	5,000,000 (5,000,000)	-	5,000,000 (5,000,000)
	UKM Investment Private Limited	-	-	-
	Repaid	-	-	-
	Balance as at Year End	5,000,000 (5,000,000)	-	5,000,000 (5,000,000)
	Harihar Mfg. & Trading Private Limited	-	-	-
	Repaid	-	-	-
	Balance as at Year End	8,500,000 (8,500,000)	-	8,500,000 (8,500,000)
	Dashrath Jagmohandas Investment Private Limited	-	-	-
	Repaid	-	-	-
	Balance as at Year End	6,000,000 (6,000,000)	-	6,000,000 (6,000,000)
	Super Handlers Private Limited	-	-	-
	Repaid	-	-	-
	Balance as at Year End	6,000,000 (6,000,000)	-	6,000,000 (6,000,000)
	Ashmak Investment Private Limited	-	-	-
	Repaid	-	-	-
	Balance as at Year End	1,000,000 (1,000,000)	-	1,000,000 (1,000,000)

	Nature of Transaction	Parties referred to in (i) above	Parties referred to in (ii) above	Total
B	Interest Paid			
	Adicorp Enterprise Private Limited	1,732,740	-	1,732,740
		(1,750,000)	-	(1,750,000)
	PCD Investment Private Limited	618,835	-	618,835
		(625,000)	-	(625,000)
	UKM Investment Private Limited	618,835	-	618,835
		(625,000)	-	(625,000)
	Harihar Mfg. & Trading Private Limited	1,052,020	-	1,052,020
		(1,062,499)	-	(1,062,499)
	Dashrath Jagmohandas Investment Private Limited	742,602	-	742,602
		(750,000)	-	(750,000)
	Super Handlers Private Limited	742,602	-	742,602
		(750,000)	-	(750,000)
	Ashmak Investment Private Limited	123,767	-	123,767
		(125,000)	-	(125,000)

Details of Transactions with Related Parties for the year 2014-2015

C	Purchase/Consumption of Material			
D	Services Availed			
	Adi Corporation			
	Services availed during the year	1,119,105	-	1,119,105
		(-)		(-)
	Payment during the Year	-	-	-
		(-)	(-)	(-)
	Balance as on year end	-	-	-
		-	-	-
	Managerial remuneration			
	Shri Nahoosh J. Jariwala	-	4,737,781	4,737,781
		-	(5,363,960)	(5,363,960)
	Shri Bimal D. Parikh	-	2,131,272	2,131,272
		-	(2,375,750)	(2,375,750)

28 Contingent Liabilities

	Particulars	As at 31st March 2015	As at 31st March 2014
	(a) In respect of Bank Guarantee given by bank to UGVCL	6,410,021	-
	(b) In respect of disputed Income Tax matters	1,456,215	870,115
	(c) In respect of Civil Suit	1,500,000	1,500,000
	(d) In respect of Custom Duty	520,360	520,360
	(e) In respect of Excise Duty	2,279,219	2,279,219
		12,165,815	5,169,694
	(f) Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	47,303,966	51,205,113
29	Disclosure of Derivatives The Company uses derivative instruments i.e forward contracts to hedge its risks of net exposure associated with foreign currency fluctuations. The Company does not enter into any forward contract which is intended for trading or speculative purposes. However there are no outstanding foreign exchange forward contracts for hedging foreign currency in relation to Exports as at March 31, 2015.		
	Foreign Currency exposure not hedged by derivative instrument as at March 31, 2015	54,463,629	121,142,834
30	Dividends proposed to be distributed : The Board of Directors, in its meeting held on May 04, 2015 recommended the dividend of Rs. 2.50 per equity share of Rs. 10/- each.		
31	Details of Sales under broad heads:		
	Products	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
	Deodorizer Distillate (Mixed Tocopherol Concentrate)	377,484,779	428,392,474
	Linoleic Acid	130,010,793	135,098,901
	Dimer Acid	283,138,960	259,066,391
	Other Fatty Acids	527,803,143	385,311,547
	Fatty Oil	166,100,686	167,047,081
	Others	12,114,821	130,643,175
	Sub Total	1,496,653,182	1,505,559,569
	Add: Cenvat Duty	137,295,247	117,549,077
	Total Sales	1,633,948,429	1,623,108,646

Note : Excluding statutory levy.

32 Value of Imported and Indigenous Raw Materials, Spare Parts, Components and Other Items consumed.					
		For the Year ended 31st March, 2015		For the Year ended 31st March, 2014	
		% to Total Consumption	Value (Rs.)	% to Total Consumption	Value (Rs.)
Raw Materials					
Imported		1.35%	13,400,958	1.12%	10,279,837
Indigenous		98.65%	979,154,900	98.88%	910,027,457
		100.00%	992,555,858	100.00%	920,307,294
Spare parts, Components, Packing material and Other items					
Imported		-	-	-	-
Indigenous		100.00%	32,958,848	100.00%	34,993,785
		100.00%	32,958,848	100.00%	34,993,785
33 Value of imports on C.I.F. basis					
Amount in Rs.					
Particulars		For the Year ended 31st March, 2015	For the Year ended 31st March, 2014		
Raw Material		13,525,532	7,292,406		
Consumable Stores		-	-		
Capital Goods		1,615,950	6,000,556		
Total		15,141,482	13,292,962		
34 Expenditure in Foreign Currency					
For Kasruth Certification Fees		2,447,377	2,297,831		
Travelling Expense		1,117,153	1,200,937		
Professional & Consultation Fees		1,017,920	-		
Others		160,886	31,484		
Total		4,743,336	3,530,252		
35 Earnings in Foreign Exchange					
Exports of Goods on FOB basis		383,211,302	548,530,826		
Total		383,211,302	548,530,826		
36 Remittances made on account of dividend in foreign currency					
		Nil	Nil		

37 Disclosure of details pertaining to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”)

Particulars	As at 31st March 2015	As at 31st March 2014
1. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	1,268,178	677,311
2. (a) Amount of Principal paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(b) The amount of the payments (Interest amount) made to the supplier beyond the appointed day, during the year	-	-
3. Interest due and payable [not covered by Section 16 of the MSMED Act] in respect of the delay in payment during the year	-	-
4. (a) The amount of interest accrued at the end of each accounting year	-	-
(b) The amount of interest remaining unpaid at the end of each accounting year	-	-
5. Further interest remaining due and payable even in the succeeding years.	-	-
6. On the basis of the information and records available with the Company, there are no delays in payments to Micro, Small and Medium Enterprises as required to be disclosed under the MSMED Act and above mentioned disclosures are made under the Note No. 7 “Trade Payables”. This has been relied upon by the auditors.		
38 The balances under the head of Sundry Debtors, Sundry Creditors, Loans & Advances, Secured / Unsecured Loans are subject to confirmation and reconciliation.		
39 Excise duty shown as deduction from domestic sales represents the amount of excise duty on sales. Excise duty expense under Note No.22 “Other Expenses “ represents excise duty paid on sample etc. is not recoverable from sales.		
40 Leases :		
Finance Lease :		
In accordance with accounting standards 19 “Leases” issued by the Institute of Chartered Accountants of India, the assets acquired on finance lease on or after April 01, 2001 are capitalised and a loan liability recognised. Consequently depreciation is provided on such assets, installments paid are allocated to the liability and the interest is charged to Profit and Loss Account.		
Assets acquired on lease agreements mainly comprise of vehicles. The agreements provide for reimbursement of taxes, levy etc imposed by any authorities in future. There are no exceptional/restrictive covenants in the lease agreements.		

The minimum installments and present value as at March 31,2015 in respect of asset acquired under the lease agreement are as under :

Particulars	Amt in Rupees
i) Payable not later than 1 year	1,069,320
ii) Payable later than one year and not later 5 years	1,948,629
iii) Payable later than 5 Years	-
Total Minimum Instalments	3,017,949
Less: Future Finance charges	447,291
Present Value of Minimum Instalments	2,570,658
Present Value of Minimum Instalments	
i) Payable not later than 1 year	838,926
ii) Payable later than one year and not later 5 years	1,731,732
iii) Payable later than 5 Years	-
Total Present Value of Minimum Instalments	2,570,658

SIGNATURES TO NOTES 1 TO 40

As per our report of even date

For Jhaveri Shah & Co.

Firm Registration Number - 127390W

Chartered Accountants

Ronak Shah

Partner

Mem.No :102249

Place : Ahmedabad

Date : May 04, 2015

For and on behalf of the Board

Nahoosh Jariwala

Managing Director

Bimal D. Parikh

Executive Director

Rajen N. Jhaveri

Chief Financial Officer & Co. Secretary

Place : Ahmedabad

Date : May 04, 2015

FORM OF PROXY

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

MGT 11 ADI FINECHEM LIMITED

Regd. Office : 1st Floor, 2, Sigma Corporates, B/h. HOF Living,
Sindhu Bhavan Road, Off S. G. Road, Ahmedabad - 380059.
CIN : L15140GJ1985PLC007845

Name of the member(s) :

Registered address :

e-mail Id :

Folio No/ *Client Id :

*DP Id :

I/We being the member(s) of shares of **Adi Finechem Limited**, hereby appoint:

- 1)of.....having e-mail id.....or failing him
- 2)of.....having e-mail id.....or failing him
- 3)of.....having e-mail id.....

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Monday, July 27, 2015 at 5.00 p.m. at Memories Hall, 2nd Floor, TGB Banquets & Hotel Ltd., (The Grand Bhagwati), S. G. Road, Bodakdev, Ahmedabad - 380 054 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	For	Against
1. Consider and adopt Audited Financial Statement, for the year ended 31 st March, 2015		
2. Declaration of Dividend on Equity Shares		
3. Re-appointment of Shri Utkarsh B. Shah(DIN 00101663) who retires by rotation		
4. Appointment of M/s Jhaveri Shah & Co., Chartered Accountants, (Reg. No. 127390W) as auditors and fixing their remuneration		
5. Change in designation of Shri Bimal D. Parikh (DIN 00375335) from Whole time Director to Executive Director, w.e.f. April 1, 2015		
6. Appointment of Shri Hemant N. Shah (DIN 00309632), Non-executive – Promoter Director as Whole time Director w.e.f. April 1, 2015		
7. Appointment of Ms. Sonal V. Ambani (DIN 02404841) as an independent Director		
8. Ratification of the remuneration of the Cost Auditors		

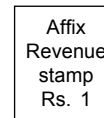
Signed this..... day of.....2015

Signature of shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder



Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- ** (4) This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- (6) in the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



ATTENDANCE SLIP

ADI FINECHEM LIMITED

Regd. Office : 1st Floor, 2, Sigma Corporates, B/h. HOF Living,
Sindhu Bhavan Road, Off S. G. Road, Ahmedabad - 380059.
CIN : L15140GJ1985PLC007845

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*

Folio No.

Client Id*

No. of Shares

I hereby record my presence at the **30th ANNUAL GENERAL MEETING** of the Company held on Monday, July 27, 2015 at 5.00 p.m.at Memories Hall, 2nd Floor, TGB Banquets & Hotel Ltd., (The Grand Bhagwati), S. G. Road, Bodakdev, Ahmedabad– 380 054.

.....
Signature of Shareholder / Proxy

* Applicable for investors holding shares in electronic form.

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ADI FINECHEM

Regd. Office

**1st Floor, 2-Sigma Corporates, B/h. HOF Living, Sindhu Bhavan Road,
Off. S.G. Road, Ahmedabad-380 059. Gujarat, India.**

E-mail: cs@adifinechem.com | Website: www.adifinechem.com