

28th 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>Wholetime Director</i>
	Shri Hemant N. Shah	<i>Director</i>
	Shri Jayesh K. Shah	<i>Director</i>
	Shri Kalpesh A. Patel	<i>Director</i>
	Shri Nitin R. Patel	<i>Director</i>
	(w.e.f. 03-11-2012)	
	Shri Ganapatraj Chawdhary	<i>Director</i>
	(w.e.f. 03-11-2012)	
	Shri Bhavin A. Shah	<i>Director</i>
	(w.e.f. 03-11-2012)	
	Shri Sharvil P. Patel	<i>Director</i>
	(Upto 03-11-2012)	
Vice President and Company Secretary	Rajen N. Jhaveri	
Bankers	HDFC Bank Limited	
Auditors	M/s. Jhaveri Shah & Co., Chartered Accountants, AHMEDABAD.	
Registered Office and Works	253/P, Village Chekhala, Sanand- Kadi Road, Ta. SANAND, Dist. AHMEDABAD – 382 115. Phone No. : (02717) 325393 and 294375	
E Mail Id	cs@adifinechem.com , rajenjhaveri@adifinechem.com	
Share Transfer Agent	Sharepro Services (India) Pvt. Ltd., 13AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka, Tele. Exchange Lane, Andheri (East), MUMBAI – 400 072.	
Website	www.adifinechem.com	

N O T I C E

NOTICE is hereby given that the **Twenty Eighth Annual General Meeting** of the Members of ADI FINECHEM LIMITED will be held at **Aarohi Starz Club Pvt. Ltd., Aarohi Greens, Chekhala, Sanand – Kadi Road, Ta. SANAND, Dist. Ahmedabad – 382115 on Monday, 24th June, 2013 at 5.00 p.m.** to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013, 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 a Dividend on Equity Shares.
3. To appoint a Director in place of Shri Utkarsh B. Shah who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Hemant N. Shah who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General meeting and to fix their remuneration. The following resolution(s) are proposed to be passed with or without modification as **Ordinary Resolution**:

“RESOLVED THAT 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 next Annual General Meeting of the Company.”

“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:

6. To consider and if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION** :

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, and Article 135 of Articles of Association of the Company and subject to provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such approvals, permissions and sanctions as may be necessary and also subject to such terms, conditions and modifications as may be prescribed in granting approvals, permissions and sanctions by appropriate authority or authorities and agreed to by the Board of Directors of the Company (hereinafter called the Board, which term shall be construed as to include any committee which the Board may have constituted or may hereafter constitute to exercise the powers including the powers conferred vide this resolution), the consent of the members of the company be and is hereby accorded to capitalize a sum of **Rs. 1,14,00,000/- (Rupees One Crore Fourteen Lacs Only)** out of the Reserve fund or such other reserves being eligible for the purpose and as may be deemed appropriate and suitable by the Board and be applied for issue and allotment of 11,40,000 (eleven lacs forty thousands) new fully paid up equity share of Rs. 10/- (Rupees Ten) each as bonus shares in the proportion of 1 (One) new equity share of Rs. 10/- each for every 10(Ten) existing fully paid up equity shares of Rs. 10/- each, held as on the record date to be determined by the Board and that the new bonus shares so issued and allotted shall be treated for all purposes as an increase in the paid-up share capital of the company held by each such member and not as income.”

“RESOLVED FURTHER THAT the new equity shares shall be allotted subject to the terms and condition in the Memorandum and Articles of Association of the Company and shall in all respects rank pari passu with the existing equity shares of the Company.”

“RESOLVED FURTHER THAT no letter of allotment shall be issued in respect of Bonus Shares and in the case of the members who hold shares or opt to receive the shares in Dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in case of the members who hold equity shares in physical form, the share certificates in respect of Bonus Shares will be dispatched, within such time as prescribed by law and relevant authorities.”

“RESOLVED FURTHER THAT the issue and allotment of the said Bonus Shares to Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs) and other foreign investors of the Company, shall be subject to the approval of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 including any statutory modification(s) or re-enactment thereof for the time being in force.”



“RESOLVED FURTHER THAT where the proportion of the new equity shares is not in the exact proportion of the holding of the existing equity shares and results in any member becoming entitled to fraction of new equity shares to be allotted as Bonus Shares, the Company shall not issue any certificate or Coupon in respect of such fractional shares but the total number of new equity shares representing such fraction shall be allotted by the Board of Directors to a person/ persons appointed by the Directors to act as a trustee/ trustees for and on behalf of the members, who shall have the right to be allotted such fractional certificates on behalf of the existing members and the Company shall issue in favour of such trustee, such equity shares certificates after consolidating all the fractional certificates into a marketable lot and thereafter such equity shares shall be sold by such trustee or trustees at the prevailing market rate(s) and the net sale proceeds (after deduction of all such expenses incurred for sale) of such shares be distributed amongst such members who are entitled to such fractional certificates in proportion to their respective fractional entitlement thereto.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of such shares on the Stock Exchange(s) where the securities of the Company are listed as per the provision of the Listing Agreement with the concerned Stock Exchange(s) and other applicable guidelines, rules and regulations.”

“RESLOVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary and expedient, and to settle any question, difficulty or doubt that may arise in this as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

7. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:-

“RESOLVED THAT Shri Ganpatraj L. Chowdhary who was appointed by the Board of Directors as an Additional Director of the Company with effect from 03.11.2012 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.”

8. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:-

“RESOLVED THAT Shri Nitin R. Patel who was appointed by the Board of Directors as an Additional Director of the Company with effect from 03.11.2012 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.”

9. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:-

“RESOLVED THAT Shri Bhavin A. Shah who was appointed by the Board of Directors as an Additional Director of the Company with effect from 03.11.2012 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.”

10. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:-

“In partial modification of Ordinary Resolution passed at the 27th Annual General Meeting of the Members of the Company held on 6th August, 2012, **RESOLVED THAT** pursuant to the provisions of Section 198,269,309, 310 and 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals, if any, as may be necessary, consent of the members be and is hereby accorded to change / extension of tenure of Shri Nahoosh J. Jariwala as Managing Director of the Company from the present tenure which is expiring on 14th May, 2015 upto 31st May, 2016 and that with effect from April 1, 2013, he be paid revised remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors and the Remuneration Committee and as set out in the Explanatory Statement annexed hereto.

FURTHER RESOLVED THAT the Board of Directors and the Remuneration Committee be and are hereby severally authorized to alter, amend, vary or modify the scope and quantum of remuneration of Shri Nahoosh Jariwala as they deem proper from time to time considering the nature and scope of his activities as shall be

permissible and in conformity with applicable provisions of the Companies Act, 1956.

11. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:-

“In partial modification of Ordinary Resolution passed at the 27th Annual General Meeting of the Members of the Company held on 6th August, 2012, **RESOLVED THAT** pursuant to the provisions of Section 198,269,309, 310 and 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals, if any, as may be necessary, consent of the members is be and is hereby accorded to change / extension of tenure of Shri Bimal Parikh as Whole time Director of the Company from the present tenure which is expiring on 14th May, 2015 upto 31st May, 2016 and that with effect from April 1, 2013, he be paid revised remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors and the Remuneration Committee and as set out in the Explanatory Statement annexed hereto.

FURTHER RESOLVED THAT the Board of Directors and the Remuneration Committee be and are hereby severally authorized to alter, amend, vary or modify the scope and quantum of remuneration of Shri Bimal Parikh as they deem proper from time to time considering the nature and scope of his activities as shall be permissible and in conformity with applicable provisions of the Companies Act, 1956.

12. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:-

“**RESOLVED THAT** pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time as it may consider fit, any sum or sums of money not exceeding Rs. 100,00,00,000/- (Rupees One hundred Crores Only) on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed by the company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserve not set apart for any specific purpose.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things that may be necessary, desirable or expedient for giving effect to the above resolution.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE 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.
2. The Register of Members and Share Transfer Books of the Company will remain closed on Friday 31st May, 2013 for the purpose of Annual General Meeting and payment of Dividend.
3. An Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of item Nos. 6 to 12 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 on or after 1st July, 2013 to those members whose names are on the company’s Register of Members on 31st May, 2013. 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 31st May, 2013, 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 attendance slip along with their copy of the Annual Report to the meeting.
7. As a part of Green Initiatives in the corporate governance, the Ministry of Corporate Affairs vide circular no. 17 & 18 dated April 21, 2011 and April 29, 2011 respectively clarified that a company would have complied with section 53 of the companies act, 1956 if the service of the document has been made though electronic mode, provided the company has obtained e-mail address of its members for sending the notice/documents through e-mail by giving an advance opportunity to every shareholder to register their mail address and changes therein from time to time with the company.



8. 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.
9. 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 Meeting.

May 18, 2013

ADI FINECHEM LIMITED

By Order of the Board

Registered Office:

253/P, Chekhala, Sanand-Kadi Highway

Tal. : Sanand, Dist : Ahmedabad - 382115.

Rajen Jhaveri

Vice President & Company Secretary

Note :

Company will provide free transportation to members from the following place in Ahmedabad to the venue of AGM.

Adi Finechem Limited

Nagindas Chambers, Opp. AUDA Office, Nr. Usmanpura Cross Roads, Ahmedabad – 380014.

Members desirous of availing this facility are requested to kindly register their names on phone No. 079-32908752 or E-mail : cs@adifinechem.com so that the company can make appropriate arrangement.

ANNEXURE TO NOTICE

Explanatory Statement Under Section 173(2) of the Companies Act, 1956

ITEM NO. 6:

The Board of Directors of the company after careful evaluation of company's financials, payout policy, past records, foreseeable future earning and other criteria has felt that it is appropriate to capitalize the part of reserve fund by way of issue of bonus shares in the ratio of 1 (One) new equity share for 10 (Ten) existing equity shares as proposed in the resolution.

Pursuant to the applicable provisions of the Companies Act, 1956 and Articles of Association of the Company, it would be necessary to obtain approval of the members by way of ordinary resolution for issue of bonus shares by capitalization of its reserve fund and hence necessary resolution has been proposed for the approval of members.

Your Directors recommend passing of the proposed Resolution.

The Directors of the Company may be deemed to be concerned or interested in the said resolution in their capacity as shareholders of the Company in general, like all other shareholders of the Company to the extent of their shareholdings.

ITEM NO. 7:

Shri Ganpatraj L. Chowdhary is a Commerce Graduate. He is engaged in business of trading and manufacturing in maize and starches for more than 20 years.

Shri Ganpatraj L. Chowdhary was appointed as an additional Director of the Company on 03.11.2012 pursuant to the provision of Section 260 of the Companies Act, 1956 and holds the office until the ensuing Annual General Meeting.

As required under Section 257 of the Companies Act, 1956 the Company has received a notice from a member, proposing name of Shri Ganpatraj L. Chowdhary as candidate for the office of the Director.

The Board of Directors considered it in the best interest of the Company to continue to have the benefit of the long and varied experience of Shri Ganpatraj L. Chowdhary and therefore recommended his appointment as a Director.

Except Shri Ganpatraj L. Chowdhary himself, no other Director of the Company is interested or concerned in the Item No.7.

The Board recommends this Resolution for approval of Members.

ITEM NO. 8:

Shri Nitin Patel is a Commerce Graduate. He is engaged in business of Food Industry since 35 years.

Shri Nitin Patel was appointed as an additional Director of the Company on 03.11.2012 pursuant to the provision of Section 260 of the Companies Act, 1956 and holds the office until the ensuing Annual General Meeting.

As required under Section 257 of the Companies Act, 1956, the Company has received a notice from a member, proposing name of Shri Nitin Patel as candidate for the office of the Director.

The Board of Directors considered it in the best interest of the Company to continue to have the benefit of the long and varied experience of Shri Nitin Patel and therefore recommended his appointment as a Director.

Except Shri Nitin Patel himself, no other Director of the Company is interested or concerned in the Item No.8.

The Board recommends this Resolution for approval of Members.

ITEM NO. 9:

Shri Bhavin A. Shah has a Masters degree in the field of Business Administration. He is a Managing Director and Chief Executive Officer of EQUIRUS SECURITIES PRIVATE LIMITED and he is expert on IPO matter.

Shri Bhavin A. Shah was appointed as an additional Director of the Company on 03.11.2012 pursuant to the provision of Section 260 of the Companies Act, 1956 and holds the office until the ensuing Annual General Meeting.

As required under Section 257 of the Companies Act, 1956 the Company has received a notice from a member, proposing name of Shri Bhavin A. Shah as candidate for the office of the Director.

The Board of Directors considered it in the best interest of the Company to continue to have the benefit of the long and varied experience of Shri Bhavin A. Shah and therefore recommended his appointment as a Director.

Except Shri Bhavin A. Shah himself, no other Director of the Company is interested or concerned in the Item No.9.

The Board recommends this Resolution for approval of Members.

Item Nos. 10 & 11

Resolutions under Item Nos. 10 and 11 of the Notice relate to the approval of the extension / change in tenure of appointments of Shri Nahoosh Jariwala, Managing Director and Shri Bimal Parikh, Whole time Director and approval of revision in their remuneration and other terms.

The Remuneration Committee at its meeting held on 18th May, 2013 had recommended the extension / change in the tenure of appointments of Shri Nahoosh Jariwala as Managing Director and Shri Bimal Parikh as Whole time Director and the upward revision in the remuneration payable to them with effect from April 1, 2013 till the end of extended tenure viz. May 31, 2016. The Board of Directors, at their Meeting held on May 18, 2013 had approved the same. The Remuneration Committee and the Board of Directors of the Company are of the opinion that both of them deserve this revision in remuneration and their extended tenure upto May 31, 2016 will be in the interest of the Company.

The material terms of remuneration of Shri Nahoosh Jariwala effective from April 1, 2013 till May 31, 2016 as approved by both – Remuneration Committee and the Board of Directors in their respective meetings held on May 18, 2013 are as under :

- (a) **Basic Salary** : Rs. 2,60,000 (Two lacs sixty thousands) per month.
- (b) **Perquisites and Allowances** : In addition to salary, the following perquisites / allowances shall be allowed to the Managing Director :

CATEGORY – A

- i) **Leave Travel Concession** : The Company shall provide leave travel fare for the Managing Director and his family once in a year
- ii) **Personal Accident Insurance** : The Company shall pay / reimburse Personal Accident Insurance Premium upto Rs. 25,000/- for the Managing Director
- iii) **Club Fees** : The Company shall pay / reimburse annual fees for one club.

The aggregate value of perquisites mentioned at Sr. Nos. (i) to (iii), for each year shall be computed as per the Provisions of the Income Tax Act, 1961. In case of benefits for which no specific valuation is provided under the Income Tax Act, the perquisites value of such benefit shall be taken at actual cost.

iv) **Medical Expenses** : Medical expenses actually incurred for self and family shall be reimbursed by the Company.

CATEGORY – B

Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per rules of the Company.

The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

CATEGORY – C

- i) The Company shall provide car with driver at the entire cost to the Company for use in Company's business and the same will not be considered as perquisites.
- ii) The Company shall provide telephone, internet and other communication facilities at the residence of the Managing Director at the entire cost to the Company.

CATEGORY – D

The Managing Director shall be entitled, each year, to a Commission on profits @ 0.75 % as computed under the applicable provisions of the Companies Act, 1956.

OVERALL LIMIT :

The aforesaid remuneration in any one financial year shall not exceed the limits prescribed under sections 198, 309 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the said Act as may, for the time being, be in force. Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration for a period not exceeding three years by way of salary, commission and perquisites as provided above or the maximum remuneration as per the limits set out in Section II of Part II of Schedule XIII of the Companies Act, 1956, whichever is lower, unless otherwise determined by the Board of Directors (which includes any Committee thereof) subject to the approval of Central Government, if required, as Minimum Remuneration.

The above mentioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of the Company or remuneration Committee as it may, in its discretion, deem fit, within the maximum amount payable to Managing Director in accordance with the provisions of the Companies Act, 1956 or any amendments thereto made hereafter in this regard and within the limits, if any, specified, by members in the General Meeting.

In terms of the Schedule XIII to the Companies Act, 1956, the Company can revise the limit of payment of managerial remuneration in a financial year when it has no or inadequate profits. The Company can pay remuneration within the said limits of Schedule XIII as well as perquisites provided, inter alia, that the approval of the members by way of special resolution has been obtained for payment of managerial remuneration for a period not exceeding three years. Accordingly, the resolution at Item No. 10 is put before the members as Special Resolution.

As required under the Schedule XIII to the Companies Act, 1956, the relevant details for item No. 10 to be sent along with the notice calling the General Meeting are as under :

I. General Information :

1. Nature of Industry : Speciality Oleo Chemicals
2. Date or expected date of commencement of production : The Company commenced commercial production in 1996.
3. In case of new Companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus : Not Applicable.
4. Financial Performance based on given indicators (As per the audited financial statements for the year ended 31-03-2013).

Particulars	Rs. In Lacs
Sales and Other Income	12346.44
EBIDTA	1762.54
Net Profit / (Loss)	838.61

5. Export Performance and net foreign exchange collaborations (As per audited financial statements for the year ended 31-03-2013)

Earnings in foreign exchange by exports : Rs. 3312.12 lacs

6. Foreign Investments or collaborators, if any : Not Applicable

II. Information about Shri Nahoosh Jariwala, the appointee

1. Background details :

Shri Nahoosh Jariwala, 52 years, is a Commerce graduate. He has been associated with the Company for almost 20 years and was Executive Director for 17 years and is Managing Director since last more than 3 years.

2. Past Remuneration :

Particulars	F.Y. 2012-13	F.Y. 2011-12
Salary	12,90,000	12,90,000
Perquisites / allowances	28,800	
Commission / Bonus	-	5,00,000
Total (Rs.)	13,18,800	17,90,000

3. Job profile and his suitability :

Shri Nahoosh Jariwala has been appointed as Managing Director and he will be in charge of overall management subject to direction, supervision and control of the Board of Directors of the Company.

Taking into consideration his experience and his contribution in turnaround of this Company, he is suited for the responsibilities assigned to him by the Board of Directors.

4. **Remuneration proposed** : The same has already been explained in detail hereinabove and so it is not repeated.

5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be w.r.t. the country of origin) :

Considering the present size of the Company, Company's growth during last three years, contribution and responsibilities of Shri Nahoosh Jariwala and the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the managerial remuneration being paid to similar appointees in other companies.

6. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any :

Shri Nahoosh Jariwala does not have any pecuniary relationship with the Company and its managerial personnel.

The Board commends the resolution at item No. 10 for your approval.

Since the resolution at item No. 10 relates to payment of remuneration to Shri Nahoosh Jariwala, he is deemed to be concerned or interested in the said resolution. None of the other Directors of the Company is, in any way, concerned or interested in the resolution.

The above explanatory statement sets out an abstract of material terms of the contract with Managing Director and hence the same may be treated as an abstract of Memorandum of Interest in accordance with Section 302 of the Companies Act, 1956.

The material terms of remuneration of Shri Bimal Parikh effective from April 1, 2013 till May 31, 2016 as approved by both – Remuneration Committee and the Board of Directors in their respective meetings held on May 18, 2013 are as under :

- (a) **Basic Salary** : Rs. 1,00,000 (One lac) per month.
- (b) **Perquisites and Allowances** : In addition to salary, the following perquisites / allowances shall be allowed to the Whole time Director :

CATEGORY – A

- i) **Leave Travel Concession** : The Company shall provide leave travel fare for the Whole time Director and his family once in a year
- ii) **Personal Accident Insurance** : The Company shall pay / reimburse Personal Accident Insurance Premium upto Rs. 15,000/- for the Whole time Director

The aggregate value of perquisites mentioned at Sr. Nos. (i) and(ii), for each year shall be computed as per the Provisions of the Income Tax Act, 1961. In case of benefits for which no specific valuation is provided under the Income Tax Act, the perquisites value of such benefit shall be taken at actual cost.

- iii) **Medical Expenses** : Medical expenses actually incurred for self and family shall be reimbursed by the Company.

CATEGORY – B

- i) The Company shall contribute towards Provident Fund @ 12 % of basic salary.
- ii) Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per rules of the Company.

The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

CATEGORY – C

The Whole time Director shall be entitled, each year, to a Commission on profits @ 0.30 % as computed under the applicable provisions of the Companies Act, 1956.

OVERALL LIMIT :

The aforesaid remuneration in any one financial year shall not exceed the limits prescribed under sections 198, 309 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the said Act as may, for the time being, be in force. Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Whole time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration for a period not exceeding three years by way of salary, commission and perquisites as provided above or the maximum remuneration as per the limits set out in Section II of Part II of Schedule XIII of the Companies Act, 1956, whichever is lower, unless otherwise determined by the Board of Directors (which includes any Committee thereof) subject to the approval of Central Government, if required, as Minimum Remuneration.

The above mentioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of the Company or remuneration Committee as it may, in its discretion, deem fit, within the maximum amount payable to Whole time Director in accordance with the provisions of the Companies Act, 1956 or any amendments thereto made hereafter in this regard and within the limits, if any, specified, by members in the General Meeting.

In terms of the Schedule XIII to the Companies Act, 1956, the Company can revise the limit of payment of managerial remuneration in a financial year when it has no or inadequate profits. The Company can pay remuneration within the said limits of Schedule XIII as well as perquisites provided, inter alia, that the approval of the members by way of special resolution has been obtained for payment of managerial remuneration for a period not exceeding three years. Accordingly, the resolution at Item No. 11 is put before the members as Special Resolution.

As required under the Schedule XIII to the Companies Act, 1956, the relevant details for item No. 11 to be sent along with the notice calling the General Meeting are as under :

I. General Information :

1. Nature of Industry : Speciality Oleo Chemicals
2. Date or expected date of commencement of production : The Company commenced commercial production in 1996.
3. In case of new Companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus : Not Applicable.

4. Financial Performance based on given indicators (AS per the audited financial statements for the year ended 31-03-2013).

Particulars	Rs. In Lacs
Sales and Other Income	12346.44
EBIDTA	1762.54
Net Profit / (Loss)	838.61

5. Export Performance and net foreign exchange collaborations (As per audited financial statements for the year ended 31-03-2013)

Earnings in foreign exchange by exports :Rs. 3312.12 lacs

6. Foreign Investments or collaborators, if any : Not Applicable

II. Information about Shri Bimal Parikh, the appointee

1. **Background details** : Shri Bimal Parikh, 52 years, is a Chemical Engineer. He has been associated with the Company for more than 3 years and is Whole time Director since May, 2010.
2. **Past Remuneration** :

Particulars	F.Y. 2012-13	F.Y. 2011-12
Salary	5,40,000	5,40,000
Perquisites / allowances	28,800	28,800
Total (Rs.)	6,04,800	6,04,800

3. **Job profile and his suitability** :

Shri Bimal Parikh has been appointed as Whole time Director and he will be in charge of finance. Additionally, he being a chemical engineer, provides hand on support and guidance in technical matters.

Taking into consideration his qualification and experience, he is suited for the responsibilities assigned to him by the Board of Directors.

4. **Remuneration proposed** : The same has already been explained in detail hereinabove and so it is not repeated.
5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be w.r.t. the country of origin) :

Considering the present size of the Company and Company's growth during last three years, contribution and responsibilities of Shri Bimal Parikh and the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the managerial remuneration being paid to similar appointees in other companies.

6. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any :

Shri Bimal Parikh does not have any pecuniary relationship with the Company and its managerial personnel.

The Board commends the resolution at item No. 11 for your approval.

Since the resolution at item No. 11 relates to payment of remuneration to Shri Bimal Parikh, he is deemed to be concerned or interested in the said resolution. None of the other Directors of the Company is, in any way, concerned or interested in the resolution.

The above explanatory statement sets out an abstract of material terms of the contract with Whole time Director and hence the same may be treated as an abstract of Memorandum of Interest in accordance with Section 302 of the Companies Act, 1956.



ITEM NO. 12 :

Under Section 293(1)(d) of the Companies Act, 1956 ("Act"), the Board of Directors of a company cannot, except with the consent of the company in General Meeting, borrow monies, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose. The Shareholders at the Extra Ordinary General Meeting of the Company held in 1994, had accorded their consent to the board of Directors borrowing up to Rs.25 crores.

Taking into consideration the requirements of additional funds to meet the cost of the future projects as well as additional long term working capital requirements of the Company, It is expected that the said limit of Rs.25 crores will not be adequate. The consent of the Shareholders is therefore sought in accordance with the provisions of section 293(1)(d) of the Act to enable the Directors to borrow monies provided that the total amount so borrowed by the board shall not at any time exceed Rs.100 crores or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher.

The above proposal in the interest of the Company and the Directors commend the Resolutions in item No. 12 of the notice for approval by the Members.

None of the Directors is interested in the Resolution at Item No. 12 of the accompanying Notice.

May 18, 2013

ADI FINECHEM LIMITED

By Order of the Board

Registered Office:

253/P, Chekhala, Sanand-Kadi Highway
Tal. : Sanand, Dist : Ahmedabad - 382115.

Rajen Jhaveri
Vice President & Company Secretary

Details of Directors Seeking re-appointment at the Annual General Meeting

(in pursuance of Clause 49 of the listing agreement)

Name of Director	Shri Utkarsh B. Shah	Hemant N. Shah
Date of Birth	30.12.1960	25.12.1961
Date of Appointment	01.04.2010	01.04.2010
Expertise in specific Functional Areas	Engaged in business of coal/lignite transportation, coal trading real estate since last 30 years	Engaged in business of Logistics garments, trading of minerals and retailing since 25 years.
Qualifications	Science Graduate	Commerce Graduate
Directorship held in Other public companies (excluding foreign companies)	Nil	Nil
Membership/Chairmanship of Other public companies (includes only audit comm. & shareholder/Investors Grievance Committee)	Nil	Nil
Shareholding in the Company (equity shares)	1484848	842918

Details of Directors Seeking appointment at the Annual General Meeting

(in pursuance of Section 257 of the Companies Act, 1956)

Name of Director	Shri Ganpatraj L. Chowdhary	Shri Nitin R. Patel	Shri Bhavin A. Shah
Date of Birth	23.03.1963	08.08.1954	14.03.1966
Date of Appointment	03.11.2012	03.11.2012	03.11.2012
Expertise in Specific Functional Area	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	He is commerce graduate and associated with the Food Industry since last 35 years. 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 holds Master degree in the field of Business Administration. 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 is expert on IPO matter and successfully managed and got the success of IPO of TD Power in spite of negative market opinions. 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).
Qualification	Commerce Graduate	Commerce Graduate	MBA
Directorship Held in other public companies (excluding foreign companies)	Riddhi Siddhi Gluco Biols Limited	Nil	Nil
Membership / Chairmanship of other public companies (including only audit comm.& shareholders/ Investors Grievance Committee)	Nil	Nil	Nil
Shareholding in Company (equity Shares)	Nil	Nil	Nil

DIRECTORS' REPORT

To,

The Members,

Your Directors are indeed pleased to present the Twenty Eighth Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2013.

FINANCIAL RESULTS :

(Rs. in Lacs)

	Year ended on	
	31-03-2013	31-03-2012
Income	12346.44	9742.79
Profit before Interest, Depreciation and Taxation	1762.54	1489.77
Less : Interest	247.93	212.35
Profit before Depreciation and Taxation	1514.61	1277.42
Less : Depreciation	226.53	197.64
Extra Ordinary Item (Loss due to fire)	25.13	Nil
Sub Total	251.66	197.64
Profit before Tax for the year	1262.95	1079.78
Less : Provision for Taxation :		
Current Tax	403.24	304.00
Deferred Tax	21.10	38.31
Sub-total	424.34	342.31
Net profit after Tax for the year	838.61	737.47
Add : Balance B/f from previous year's account (after utilization for bonus shares)	1235.21	734.28
Total funds available for appropriation	2073.82	1471.75
Less : Proposed Dividend	114.00	95.00
Dividend Distribution Tax	18.49	15.41
Sub-total	132.49	110.41
Balance C/f to next year's account	1941.33	1361.34

OPERATIONS:

- (A) Sales and Profit:** The sales and other income of the Company during 2012-13 were substantially higher at Rs. 12346.44 lacs compared to Rs. 9742.79 lacs of the previous year. The company has made Profit before extraordinary items and tax of Rs.1288.08 lacs compared to previous year's Rs 1079.78 lacs, reflecting rise of about 19.29%. This is mainly due to increase in production, better management of energy and process optimisation.
- (B) Raw Material:** Raw materials were available from within India. When the domestic prices were ruling high, the Company explored overseas market and some quantity was imported.
- (C) Export:** Company was able to procure the required orders for its export product viz. Mixed Tocopherol Concentrate. Company made export of Rs. 3307.11 lacs during the year.

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 Agreement as also the Management Discussion and Analysis Report are annexed to this Report.

FIRE:

A fire took place in production area of the factory on 27-11-2012. Necessary claims under the fire policies have been lodged with the insurance company and company is quite hopeful of recovering its losses of inventory and damage to plant & machineries, civil structure etc.

DIVIDEND:

Your Directors are pleased to recommend a final dividend of Re. 1/- (one) per equity share (Previous Year Re.1/- per equity share) on the increased Equity Share Capital for the financial year ended March 31, 2013, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

During the year, pursuant to provisions of section 205C of The Companies Act, the Unclaimed Dividend of Rs. 1,06,327/- pertaining to Financial Year 2004-05 was transferred to Investor Education and Protection Fund. The Company has uploaded on MCA portal required details of shareholders whose equity dividend had remained unclaimed.

FIXED DEPOSITS:

During the year, the Company transferred Unclaimed Deposits and Unclaimed Interest aggregating to Rs. 63,471/- to Investor Education and Protection Fund on completion of prescribed time limit of 7 years. During the year, Company has not accepted any Fixed Deposits.

TECHNICAL ACHIEVEMENT:

The Company keeps on exploring the possibility of technical improvement and process optimization for better yields / product mix / energy efficiency. This has contributed in higher quantity of raw material processing during the year.

DIRECTORS:

In accordance with the Articles of Association of the company Shri Utkarsh B. Shah and Shri Hemant N. Shah retire by rotation and being eligible, offer themselves for reappointment.

During the year under review, Shri Ganpatraj L. Chowdhary, Shri Nitin R. Patel and Shri Bhavin A. Shah were appointed as Additional Directors u/s. 260 of the Companies Act. All the three Directors will hold the Office of Director upto the date of forthcoming Annual General Meeting. Notices u/s. 257 of the Companies Act have been received for their appointment as Directors of the Company.

Shri Sharvil P. Patel resigned as Director of the Company w.e.f. November 03, 2012. The Board of Directors places on record their sincere appreciation for the valuable guidance rendered by Shri Sharvil Patel during his tenure as Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217 (2AA) of the Companies Act with respect to Directors' Responsibility Statement, the Directors hereby confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) that the Directors had 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, 2013 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.

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 sub-section (2A) of Section 217 of The Companies Act, 1956 (the limits for the purpose of disclosure has been enhanced vide notification dated 31st March 2011 the Ministry of Corporate Affairs), read with The Companies (Particulars of Employees) Rules, 1975 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 both the Stock Exchanges.

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 in accordance with the limit specified in section (1-B) of section 224 of the Companies act, 1956 and willingness to be re- appointed.

COST AUDITOR:

Ministry of Corporate Affairs vide its circular No. F.No. 52/26/CAB-2010 dated 24.01.2012 prescribed the Cost Audit of Product(s) falling under chapter 38 of Central Excise Tariff Act, 1985 from the year 2012-13 onwards. Accordingly, the Company had appointed M/s. Rajendra Patel & Associates, Cost Accountants as Cost Auditors for the financial year 2012-13. The Company now proposes to appoint the said firm as Cost Auditors for financial year 2013-14 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..Heat Exchangers have been installed to make the plant more energy efficient. The implementation of CII's suggestions have also given positive result in saving in electrical consumption.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of Energy:

The Company has already placed order for 'SPIRAL' Heat Exchangers with Sulzer India Ltd.. The Company is further exploring putting up Hot water System which will reduce steam consumption.

(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 fuel prices 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 upgradation of existing products, improvement in manufacturing processes, reduction in product costs, import substitution and export promotion. This is done through constant interaction with employees, customers and vendors.

Company continued its experiment with process routes which has resulted in products developed for use in hitherto untapped market.

C. Foreign Exchange Earnings and outgo

Foreign Exchange Earnings Rs. **33,12,11,574**

Foreign Exchange utilized Rs. **4,06,63,202**

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
May 18, 2013

Utkarsh B. Shah
Chairman

ANNEXURE

Disclosure of Particulars with respect to Conservation of Energy.

A. POWER AND FUEL CONSUMPTION		2012-13	2011-12
1.	ELECTRICITY		
	a) Purchased	Units	4320570
		Total Amount (Rs.)	28561780
		Rate / Unit (Rs.)	6.61
	b) Own Generation	Units	192156
		Units per Litre of Diesel	3.19
		Average Cost / Unit (Rs.)	15.79
2.	FURNACE OIL		
		Quantity (in KL)	157.299
		Total Cost (Rs.)	6021999
		Average rate per litre (Rs.)	42.54
3	LIGNITE / COAL		
		Quantity (in M.Tons)	14073.45
		Total Cost (Rs.)	53438396.64
		Average rate per Kg. (Rs.)	3.797
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)	878.695 (1391.76)	-	605 (269.64)
	Linoleic Acid / Oleic Acid	1858.582 (1488.12)	-	310 (269.64)
	Dimer Acid	1714.162 (1675.738)	-	380 (269.64)
2	FURNACE OIL			LITRES
	Deodorizer Distillate (Mixed Tocopherol Concentrate)	878.695 (1391.76)	-	30.00 (21.17)
	Linoleic Acid / Oleic Acid	1858.582 (1488.12)	-	25.00 (21.17)
	Dimer Acid	1714.162 (1675.738)	-	40.00 (21.17)
3	LIGNITE / COAL			KGS.
	Deodorizer Distillate (Mixed Tocopherol Concentrate)	878.695 (1391.76)	-	1120 (898)
	Linoleic Acid / Oleic Acid	1858.582 (1488.12)	-	900 (898)
	Dimer Acid	1714.162 (1675.738)	-	1300 (898)

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

Bold Figures indicate Production and Consumption for the year 2012-13.

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 Two Executive Directors and seven Non-executive Directors, 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	7	Yes	Nil	Nil	Nil
Shri Nahoosh J. Jariwala (Managing Director)	Promoter, Executive	6	Yes	Nil	Nil	Nil
Shri Bimal D. Parikh (Wholetime Director)	Promoter, Executive	7	Yes	Nil	Nil	Nil
Shri Hemant N. Shah	Promoter, Non Executive	7	Yes	Nil	Nil	Nil
Shri Jayesh K. Shah	Independent, Non Executive	4	Yes	8	Nil	Nil
Shri Kalpesh A. Patel	Independent, Non Executive	4	Yes	1	1	Nil
# Shri Sharvil P. Patel	Independent, Non Executive	0	No	6	1	Nil
**Shri Ganpatraj L. Chowdhary	Independent, Non Executive	1	No	1	Nil	Nil
**Shri Nitin R. Patel	Independent, Non Executive	1	No	Nil	Nil	Nil
**Shri Bhavin A. Shah	Independent, Non Executive	1	No	Nil	Nil	Nil

* Includes only Audit, Shareholders' / Investors' Grievance and Remuneration Committee in other Public Limited Companies

Resigned as Director of the Company w.e.f. 03.11.2012

** Appointed as Additional Director w.e.f. 03.11.2012

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.

Directors' Profile:

A brief of all the Directors who were appointed as Additional Directors of the Company w.e.f 03.11.2012, nature of their expertise in specific functional areas are provided below:

Shri Ganpatraj Lalchand Chowdhary:

He is a commerce graduate and worked in the family business of trading in maize and starches.

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. With his experience and expertise in the Starch Industry and his vision for growth potential of the Industry, Company achieved a turnover of Rs. 1200 crores within a span of 18 years being the largest player in the country.

Shri Nitin Ramchandrabhai Patel:

He is commerce graduate and associated with the Food Industry since last 35 years. 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.

Bhagwati Flour Mills Private Limited is one of India 's first ISO 22000 and HACCP certified flour milling companies involved in manufacturing and trading of flours and spices.

Shri Bhavin Ajitkumar Shah:

He holds Master degree in the field of Business Administration. He is currently Managing Director and Chief Executive Officer of EQUIRUS SECURITIES PRIVATE LIMITED, Merchant Banker and has set up Institutional equities business. He is expert on IPO matter and successfully managed and got the success of IPO of TD Power inspite of negative market opinions. 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).

He was also associated with Sun Microsystems Inc. CA, and Digital Equipment Corporation, Hudson as Hardware Engineer in his initial years.

He is also a joint owner of two US patents for Microprocessor Design.

- 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 & Wholetime Director. Seven Board meetings were held in the year 2012-13 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
1	May 15, 2012	4
2	May 26, 2012	6
3	July 04, 2012	4
4	August 06, 2012	6
5	September 05, 2012	3
6	November 03, 2012	6
7	February 09, 2013	9

3. Audit Committee**Composition :**

Audit Committee constituted by the Board of Directors consists of following Directors, viz. Shri Jayesh K. Shah as Chairman of the Committee, Shri Sharvil P. Patel (upto 03-11-2012), Shri Hemant N. Shah, Shri Kalpesh A. Patel and Shri Nitin R. Patel (w.e.f. 09-02-2013) as members. During the year Shri Sharvil Patel ceased to be a member of the audit committee consequent to his resignation as Director of the Company and Shri Nitin R. Patel was appointed as member of the committee in his place w.e.f. 09.02.2013

Audit Committee comprises of four Non Executive Directors. All the members of the Committee are financially literate and have adequate accounting knowledge. The Audit Committee met four times during the financial year 2012-13 - on May 26, 2012, August 06, 2012, November 03, 2012 and February 09, 2013.

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 Sharvil P. Patel	Non Executive – Independent	Nil
Shri Hemant N Shah	Non Executive – Promoter	4
Shri Kalpesh A. Patel	Non Executive – Independent	4
* Shri Nitin R. Patel	Non Executive – Independent	Nil

Ceased to be a Member consequent to resignation as Director of the Company w.e.f. 03.11.2012

* Appointed as a Member w.e.f. 09.02.2013

The scope of the Audit Committee includes:

- (1) Overview 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 (2AA) of Section 217 of the Companies Act, 1956,
 - (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, performance of statutory and internal auditors, the adequacy of internal control systems.
- (7) Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit.
- (8) Discussion with internal auditors, any significant findings and follow up thereon.
- (9) 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.
- (10) 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.
- (11) 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.
- (12) Appointment of Cost Auditor.
- (13) 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, Wholetime 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.

Pursuant to clause 49 (v) of the listing agreement, a certificate from the Managing Director on the financial statements and other matters of the Company for the financial year ended March 31, 2013 was placed before the Board.

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

4. Remuneration Committee

Remuneration Committee consists of Shri Kalpesh Patel as Chairman of the Committee, Shri Sharvil P. Patel (upto 03-11-2012), Shri Jayesh K. Shah and Shri Ganpatraj L. Chowdhary (w.e.f. 09-02-2013) as members of the Committee. During the year Shri Sharvil Patel ceased to be a member of the Remuneration Committee consequent to his resignation as Director of the Company w.e.f. 03-11-2012. Shri Ganpatraj Chowdhary was appointed as member of the committee w.e.f. 09.02.2013 to fill in the said vacancy.

Remuneration Committee met once during the year on 26.05.2012 whereat two members of the committee were present.

Broad terms of reference of the Remuneration Committee are to recommend/review the remuneration packages of Managing Director and Wholetime Director based on performance and defined criteria. The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing Industry practice.

Details of remuneration paid to Directors during the financial year 2012-13.

(Amounts in Rs.)

Directors	Salaries	Perquisites	Sitting Fees	Total
Shri Utkarsh B. Shah	Nil	Nil	Nil	Nil
Shri Nahoosh J. Jariwala	12,90,000	28,800	Nil	13,18,800
Shri Bimal D. Parikh	5,40,000	64,800	Nil	6,04,800
Shri Hemant N. Shah	Nil	Nil	Nil	Nil
Shri Jayesh K. Shah	Nil	Nil	21,500	21,500
Shri Kalpesh A. Patel	Nil	Nil	21,500	21,500
Shri Sharvil P. Patel	Nil	Nil	Nil	Nil
Shri Nitin R. Patel	Nil	Nil	3,500	3,500
Shri Ganpatraj L. Chowdhary	Nil	Nil	3,500	3,500
Shri Bhavin A. Shah	Nil	Nil	3,500	3,500

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

5. Shareholders'/Investors' Grievance Committee

During the year, the committee was reconstituted and Shri Hemant N. Shah, Non-executive Director of the company was appointed as Chairman of the committee. Shri Nahoosh J. Jariwala resigned as the member of the committee and in his place Shri Bhavin Shah was appointed as member of the committee. The other Member of the Committee is Shri Bimal D. Parikh, Whole time Director of the Company. At present, Mr. Rajen Jhaveri is the Company Secretary and Compliance Officer of the Company.

During the year, the Shareholders'/Investors' Grievance committee met as and when required and all the members attended the meetings. The Shareholders'/Investors' Grievance committee looks into the redressal of Shareholders'/Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares, Loss of Share Certificates etc.

During the year, Nil complaints were received from the Shareholders. 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, Wholetime Director and (3) Shri Hemant N. Shah, Director. The Committee looks after businesses which are administrative in nature and within the overall Board approved directions and framework. One meeting of the Committee was held during the year. The Company Secretary acts as the Secretary to the Committee.

7. 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.

(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 complied with the following non-mandatory requirement as prescribed in Annexure – ID to clause 49 of the Listing Agreement with Stock Exchanges:

The Board of Directors of the Company has set up a Remuneration Committee to review and recommend remuneration packages for Managing Director and Wholetime Director including pension rights and compensation payment. Please see the para.on Remuneration to Directors for further details.

Other non-mandatory requirements given under clause 49 of the listing agreement have not been adopted.

8. 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.

9. 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 Meetings 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.

10. 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
25 th AGM	2009-2010	Jain International Trade Organisation Third Floor, TCL Heritage, Nr. Gujarat Vidhyapith, Usmanpura, Ahmedabad - 380014	August 30,2010 at 5.00 p.m.	One
26 th AGM	2010-2011	Aarohi Starz Club Pvt. Ltd., Aarohi Greens, Sanand - Kadi Road, Chekhala, Dist. Ahmedabad - 382115	July 30, 2011 at 5.00 p.m.	Nil
27 th AGM	2011-2012	Aarohi Starz Club Pvt. Ltd., Aarohi Greens, Sanand - Kadi Road, Chekhala, Dist. Ahmedabad - 382115	August 6, 2012 at 5.00 p.m.	Nil

General Shareholder Information

Date, time and venue of 28th Annual General Meeting

Monday, 24th June, 2013 at 5.00 p.m. at Aarohi Starz Club Pvt. Ltd., Aarohi Greens, Village Chekhala, Sanand- Kadi Road, Ta. SANAND, Dist. Ahmedabad - 382115.

Book Closure Date : May 31, 2013**Dividend Payment Date(subject to approval of the shareholders)**

On or before July 23, 2013

Financial Calendar (Tentative)

Financial reporting for the quarter ending June 30, 2013	First week of August, 2013
Financial reporting for the quarter/half year ending September 30, 2013	End of October, 2013
Financial reporting for the quarter ending December 31, 2013	First week of February, 2014
Financial reporting for the year ending March 31, 2014	End of May, 2014
Annual General Meeting for the year ending March 31, 2014	August, 2014

STOCK PRICE:

High/Low of monthly Market Price of Company's Equity Shares traded on the Mumbai Stock Exchange during the financial year 2012-13 is furnished below:

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2012	73.45	60.15	142040
May, 2012	81.90	63.00	240236
June, 2012	84.50	70.00	172163
*July, 2012	89.90	59.00	192101
August, 2012	75.95	65.00	130053
September, 2012	84.00	62.00	68957
October, 2012	74.30	61.05	97796
November, 2012	67.50	59.20	45128
December, 2012	62.55	54.65	36670
January, 2013	61.90	52.00	104943
February, 2013	62.25	48.00	103372
March, 2013	57.00	43.60	93718

* Ex-Bonus w.e.f. 12th July, 2012.

The year end price of the equity share of the Company at Stock Exchange, Mumbai was Rs. 53/-. No trading was reported on Ahmedabad Stock Exchange.

With effect from April 8, 2013, the Company's scrip has been transferred to `Periodic Call Auction Mechanism by Stock Exchange, Mumbai on the ground of being `Illiquid' as defined in SEBI's circular dated 14thFebruary, 2013.

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 13AB, Samhita Warehousing Complex, Saki Naka Telephone Exchange Lane, Off Andheri Kurla Road, Saki Naka, Mumbai – 400 072, Share Transfer Agent and approved by the Shareholders'/ Investors' Grievance 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, 2013, 97.95% 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, 2013.

Category (shares)	No. of Shareholders	Percentage	No. of Shares	Percentage
1 - 500	1848	75.18	279487	2.45
501 - 1000	192	7.81	132995	1.17
1001 - 2000	133	5.41	177735	1.56
2001 - 3000	74	3.01	182397	1.60
3001 - 4000	30	1.22	105716	0.93
4001 - 5000	25	1.02	115127	1.01
5001 - 10000	64	2.61	439251	3.85
Above 10000	92	3.74	9967292	87.43
TOTAL	2458	100.00%	11400000	100.00%

Categories of Shareholders, Category-wise Shareholding as on March 31, 2013

Category	No. of Shares held	% to total shares held
Individual	3032277	26.60
Promoters		
- Indian Promoters	7167681	62.87
- Foreign Promoter	-	-
Other Corporate Bodies	959568	8.42
Financial Institutions / Mutual Funds / Banks	-	-
Director & their relatives	-	-
Foreign Institutional Investors / Overseas Corporate Bodies	80270	0.70
Non-Resident Indians	160204	1.41
TOTAL	1,14,00,000	100.00

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 2013-14 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

253/P, Chekhala, SanandKadi Highway,
 Tal.:Sanand, Dist. Ahmedabad – 382115.
 Tele No. (02717) 324096/325390

Contact Person

Mr. Rajen Jhaveri
Vice President & Company Secretary

E-mail

cs@adifinechem.com

Unclaimed Dividends	Rs. 1,76,865/-for the financial year 2010-11 Rs. 1,35,279/-for the financial year 2011-12
Plant Location	253/P, Chekhala, Sanand-Kadi Highway, Ta. Sanand, Dist. Ahmedabad – 382 115
Registrar & Transfer Agent:	Sharepro Services (India) Pvt. Ltd. 13AB, Samhita Warehousing Complex 2 nd Floor, Sakinaka, Telephone Exchange Lane, Andheri (East), Mumbai-400 072

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, 2013.

Ahmedabad
May 18, 2013

For Adi Finechem Limited

Nahoosh J. Jariwala
Managing Director



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 2013, 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 state that in respect of the investor grievances received during the year ended on 31st March, 2013, no such investor grievances remained unattended/ pending for more than 30 days.

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 : 18th May, 2013

Ronak Shah
Partner
M No : 102249

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

While on one hand, India's GDP growth rate is on a declining path, the Euro zone is yet to come out of the recession. The silver line, however, is perception of improvement in U.S. market. The chemical industry, in general, is therefore on a cautious path. Your Company, however, continued its growth path for a third year in row with increases in both – top and bottom lines. The Company is in the process of putting up another equipment which will increase its capacity to manufacture higher quantities of Dimer Acid and Monobasic Acid. Thus at the same level of raw material processing, Company will be in a position to enhance its top and bottom lines. There is enough demand of Dimer Acid in India and presently part of it is catered to by imports. The Company, therefore, does not anticipate any difficulty in selling higher quantity of Dimer Acid. This will make room for processing of higher quantity of raw material. For this, the Company is actively considering investing in the first stage process equipment.

OPPORTUNITIES AND THREATS

The Company is quite hopeful of extending its good show to the 4th year also. Though Indian economy's overall growth rate during F.Y. 2012-13 is less than the previous year, this time, it has atleast spread to hitherto economically / industrially weaker States of North – East regions. This augurs well for your Company as it will help in procuring additional quantities of raw materials every year. As everyone knows, in India, there is a huge unmet demand of housing. The recent statements of Finance Minister have raised hope about India again catching up with continuous seven per cent plus growth in G.D.P.. If and when it happens, 2 sectors, among others, are likely beneficiaries and they are housing and vegetable oils. The growth in housing sector will help us in our sales and that in vegetable oil sector will increase domestic availability of raw materials.

The Company is also exploring the possibility of further upgradation of its main export product viz. Deodorizer Distillate (Mixed Tocopherol Concentrate). The idea presently is at drawing board stage. The Company is simultaneously keeping an eye on international market of 'Natural Vitamin E' and price movements. Since the Company is exporting this particular product since 1996, it is well aware about periodic cyclical ups and downs of prices. Further, there are very few big players of Natural Vitamin E in international market and so Company is proceeding in a cautious manner.

SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

The Company operates in a very niche segment where as such there is no direct competition. At the same time, the customers of different main products of the Company are generally larger Companies having stringent quality, price and service requirements. Your company, however, is able to have excellent long lasting mutually beneficial business relationship with them. The Company mainly manufactures following products from 2 main raw materials which are by-product streams of vegetable oil refineries – mainly soya and sunflower :

Mixed Tocopherol Concentrate – Good demand in the export market

Linoleic Acid and Dimer Acid – Continue to be accepted as Premium Products in domestic market.

Monobasic Acid and Other Streams of Distilled Fatty Acids – The Company is in a position to sell the available quantity

OUTLOOK

The outlook appears to be promising as the Company has now become cost competitive with its continued focus on (a) process optimization, (b) energy saving and (c) ideal product mix. 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. The Company does not foresee entry of any one else in this line.

RISKS AND CONCERNS

If the recovery in U.S.A. turns out to be short lived and if its economy is stagnated, your Company's further growth

can be impacted. As far as possibility of downside is concerned, it can occur if the global supply of Natural Vitamin E far exceeds its demand. This, however, can impact the Company for short term only as Company is finely poised to fully switch over to other raw material and make premium grade fatty acids for sale in domestic market.

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 quarterly basis. The Audit Committee also reviews from time to time, adequacy and effectiveness of these internal control systems. The Company is in the process of further strengthening its assets and business processes to ensure prevention of another untoward incident like fire which took place during November, 2012.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance for F.Y. 2012-13 can be proudly termed as 'very good' considering two factors – one declining growth rate of Indian economy and fire in the Company in late November which impacted its performance during November – December, 2012. Further, the improvement in financial performance is driven by all round improvement in operational performance only and not from any other non-operating income. The total income of the Company during F.Y. 2012-13 was at Rs. 12346.44 lacs which reflects a rise of more than 26 % over previous year's total income of Rs. 9742.79 lacs. The increase in quantity processed stood at over 16 %. The average raw material prices during the year 2012-13 were higher. The Company could, however, increase its operational profit due to various factors such as saving in energy cost, better productivity etc..

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

At Adi Finechem Ltd., we believe that people are the most valuable assets of the Company as they contribute substantially to the achievement of business objectives. Our Human Resource philosophy has been designed to attract and retain best talent by creating a working environment that keeps employees engaged and motivated and encourages innovation. The Industrial Relations between the Management and the human resources of the Company have remained cordial. The average number of persons employed by the Company during the year was 151.

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, 2013, 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 Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India including Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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.

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, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211 (3C) of the Act.
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2013 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013, from being appointed as a Director in terms of section 274 (1) (g) of the Act.

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

Place : Ahmedabad
Date : 18th May, 2013

Ronak Shah
Partner
M No : 102249

Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- (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.
 - (c) The Company has not disposed off a substantial part of fixed assets during the year.
- (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 were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- (3)
 - (a) The company has not granted any loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) The Company has taken loans from seven companies covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and yearend balance of such loans aggregates to Rs. 455 lacs and Rs. 455 lacs respectively.
 - (c) In our opinion, the rate of interest and other terms and conditions on which such loans have been taken are not, prima facie, prejudicial to the interest of the company.
 - (d) The terms of repayment have not been stipulated and hence the question of any overdue amount does not arise. The Company is regular in payment of interest.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system
- (5)
 - (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been so entered;
 - (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceed the value of rupees five lacs in respect of each party during the year have been made at prices which appear reasonable as per the information available with the company.
- (6) According to the information and explanations given to us, the company has not accepted any deposit from the public as per the provisions of sections 58A, 58AA or other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- (7) Internal Audit is carried out by a firm of Chartered Accountants. On the basis of the reports made by them to the management, in our opinion, the internal audit system is commensurate with its size and nature of its business.
- (8) 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 clause (d) of sub-section (1) of section 209 of the Companies Act 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.
- (9) According to the information and explanations given to us in respect of statutory and other dues :
 - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, sales tax, customs duty, excise duty, income-tax, wealth tax, service tax, cess and other material statutory dues applicable to it.

- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty and excise duty were in arrears as at 31st March, 2013 for a period of more the six months from the date they became payable.
- (c) According to the information and explanations given to us, details of disputed sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited as on 31st March, 2013 on account of any dispute are given below :

Sr. No.	Name of the Statute	Nature of Dues	Period to which amount relates (Financial Year)	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
Total					870,115

- (10) The Company has no accumulated losses as at 31st March, 2013 and it has not incurred any cash losses in such financial year ended on that date or in the immediately preceding financial year.
- (11) In our opinion and according to the information and explanations given by the management, the company has not defaulted in the repayment of term loan from bank.
- (12) According to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) The provisions of special statute applicable to chit fund, nidhi/ mutual benefit fund/societies are not applicable to the Company.
- (14) The company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (15) 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.
- (16) 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
- (17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of long term and short term usages of funds, we are of the opinion that prima facie, the funds raised on short-term basis have not been used for long term investment.
- (18) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act
- (19) No debentures have been issued by the company and hence the question of creating securities or charges in respect thereof does not arise.
- (20) During the year, the company has not raised money by public issue.
- (21) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the financial year.

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

Place : Ahmedabad
Date : 18th May, 2013

Ronak Shah
Partner
M No : 102249

Balance Sheet as at 31st March, 2013

Amount in Rs.

PARTICULARS	Notes	As at 31st March, 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	114,000,000	95,000,000
Reserves and Surplus	2	194,132,748	142,520,993
		308,132,748	237,520,993
Non - Current Liabilities			
Long term Borrowings	3	53,698,011	62,174,773
Deferred Tax Liabilities	4	35,927,998	33,818,066
Long term Provisions	5	1,087,622	818,752
		90,713,631	96,811,591
Current Liabilities			
Short Term Borrowings	6	116,960,196	140,469,524
Trade Payables	7	19,120,584	17,286,689
Other Current Liabilities	8	43,577,937	37,110,755
Short term Provisions	9	17,800,479	14,919,244
		197,459,196	209,786,212
TOTAL		596,305,575	544,118,796
ASSETS			
Non - Current Assets			
Fixed Assets			
Tangible Assets (Net)	10	270,751,150	257,413,567
Capital Work-in-Progress		13,294,994	15,451,901
Long Term Loans & Advances	11	8,204,782	14,182,667
		292,250,926	287,048,135
Current Assets			
Inventories	12	99,086,591	95,194,044
Trade Receivables	13	154,013,747	141,123,992
Cash and Bank Balances	14	538,542	1,176,393
Short Term Loans & Advances	15	50,211,681	19,378,571
Other Current Assets	16	204,088	197,661
		304,054,649	257,070,661
TOTAL		596,305,575	544,118,796
Significant accounting policies and Notes on financial statements	1 to 41		

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 18, 2013

For and on behalf of the Board

Nahoosh Jariwala

Managing Director

Bimal D. Parikh

Wholetime Director

Rajen N. Jhaveri

Vice President & Company Secretary

Place : Ahmedabad
Date : May 18, 2013

Statement of Profit and Loss for the year ended on 31st March, 2013

Amount in Rs.

PARTICULARS	Notes	For the Year ended on 31st March, 2013	For the Year ended on 31st March, 2012
Income			
Revenue from Operations (Gross)	17	1,340,097,133	1,043,053,766
Less : Excise duty recovered		(109,103,403)	(71,444,048)
Revenue from Operations (Net)		1,230,993,730	971,609,718
Other Income	18	3,649,782	2,669,397
Total Revenue		1,234,643,512	974,279,115
Expenses			
Cost of Material and Components Consumed	19	880,200,910	660,978,299
Changes in Inventory of Finished Goods & Work in Progress	20	(6,542,140)	10,686,537
Employee benefits expenses	21	41,676,246	34,292,381
Other expenses	22	143,054,447	119,344,812
Depreciation	10	22,653,334	19,764,122
Finance Costs	23	24,792,924	21,234,493
Total Expenses		1,105,835,721	866,300,644
Profit Before Extra-ordinary items and Tax		128,807,791	107,978,471
Less : Extra-Ordinary Items :			
Loss of Inventories due to fire		2,512,739	-
Profit Before Tax		126,295,052	107,978,471
Tax Expense			
Current Tax		40,324,000	30,400,000
Deferred Tax		2,109,932	3,830,616
Total Tax Expense		42,433,932	34,230,616
Profit for the year		83,861,120	73,747,855
Earnings per equity share of face value of Rs.10/-each			
Basic / Diluted (in Rs.)	24	7.36	6.47
Significant accounting policies and Notes on financial statements	1 to 41		

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 18, 2013

For and on behalf of the Board

Nahoosh Jariwala
Managing Director

Bimal D. Parikh
Wholetime Director

Rajen N. Jhaveri
Vice President & Company Secretary
Place : Ahmedabad
Date : May 18, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in Rs.

PARTICULARS	2012-13		2011-12	
(A) CASH FLOW FROM OPERATING ACTIVITIES:				
Net profit/(loss) before tax and extra-ordinary items		126,295,052		107,978,471
Adjustments for :				
Depreciation	22,653,334		19,764,122	
Unrealised Foreign Exchange Loss	2,842,964		62,404	
Interest Received	(216,421)		(209,808)	
Interest paid	24,792,924		21,234,493	
Loss/ (Profit) on sale of Fixed Assets (net)	278,541		475,177	
		50,351,342		41,326,388
Operating Profit before Working Capital		176,646,394		149,304,859
Changes :				
Adjustments for :				
(Increase)/Decrease in Trade and other receivables	(13,765,067)		(73,679,044)	
(Increase)/Decrease in Inventories	(3,892,547)		(11,923,029)	
(Increase)/Decrease in Loans and advances & Other Current Assets	(7,856,303)		(8,596,982)	
Increase/(Decrease) in Trade and other payables	6,092,851		14,876,094	
Increase/(Decrease) in Provisions	(2,399,259)			
		(21,820,325)		(79,322,961)
Cash Generated from operations				
Income-tax		(34,774,636)		(40,410,757)
Net cash from operating activities (A)		120,051,433		29,571,141
(B) CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets (see note no:3)	(59,526,154)		(71,050,372)	
Sale of fixed assets	8,408,253		1,335,143	
Net cash from Investing activities (B)		(51,117,901)		(69,715,229)
(C) CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Long Term Borrowings	(8,476,762)		28,449,045	
Proceeds from Fixed Deposits	-		(2,790,000)	
Proceeds from working capital loan	(25,476,980)		44,300,243	
Interest Received	216,421		209,808	
Interest paid	(24,792,924)		(21,234,493)	
Dividend paid on Equity Shares	(9,500,000)		(9,500,000)	
Tax on dividend	(1,541,138)		(1,541,138)	
Net cash from financing activities (C)		(69,571,383)		37,893,465
Net Increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)		(637,851)		(2,250,623)
Cash and cash equivalents (see note no:1) (Opening balance)		1,176,393		3,427,016
Cash and cash equivalents		538,542		1,176,393

Amount in Rs.

PARTICULARS		2012-13		2011-12	
NOTES :					
(1)	Cash and Cash equivalent includes :				
	Particulars:				
	Cash on Hand		188,943		122,487
	Bank Balances with Scheduled Banks in :				
	Current Accounts	349,599		598,906	
	Fixed Deposit Account	-		455,000	
			349,599		1,053,906
	Total		538,542		1,176,393
(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 18, 2013

For and on behalf of the Board

Nahoosh Jariwala

Managing Director

Bimal D. Parikh

Wholetime Director

Rajen N. Jhaveri

Vice President & Company Secretary

Place : Ahmedabad

Date : May 18, 2013



Notes to Financial Statements for the year ended 31st March 2013

1 Summary of Significant Accounting Policies

1.1 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, 1956. The accounts have been prepared following the mercantile system of accounting and accordingly revenues / incomes and costs / expenditure are generally accounted on accrual basis, as they are earned or incurred.

1.2 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.

1.3 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 in put tax credit availed) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost, if any, attributable to acquisition / construction of fixed assets are capitalized as per the policy stated in note 1.13.

1.4 Depreciation:

Depreciation has been provided on straight line method in accordance with section 205(2)(b) of the Companies Act, 1956 at the rates and in the manner specified in Schedule XIV of the said Act.

1.5 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

1.6 Revenue recognition:

- i) Sales are recognised on dispatch 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.
- iii) Insurance claims receivable are recognized when the certainty to receive the same is established.

1.7 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.

1.8 Prior period Expenses / Income:

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

1.9 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 and 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 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.

1.10 Cenvat Credit:

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

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	Amount in Rs.	
	As at 31st March 2013	As at 31st March 2012
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		
1,14,00,000 (Previous Year 95,00,000) Equity Shares of Rs. 10 each, fully paid-up	114,000,000	95,000,000
TOTAL	114,000,000	95,000,000

1.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2013		As at 31st March, 2012	
	Nos	Rs.	Nos	Rs.
At the beginning of the year	9,500,000	95,000,000	9,500,000	95,000,000
Issued during the year as bonus shares in the ratio of one fully paid-up Equity Share for every five shares.	1,900,000	19,000,000	–	–
Outstanding at the end of the year	11,400,000	114,000,000	9,500,000	95,000,000

1.2 Details of Shareholders holding more than 5% of Equity Shares:

	As at 31st March, 2013		As at 31st March, 2012	
	Nos	Rs.	Nos	Rs.
Shri Utkarsh Bhikhoobhai Shah	1,484,848	13.02%	1,237,374	13.02%
Shri Hemant Navinchandra Shah	842,918	7.39%	702,432	7.39%
Shri Raj Bhikhoobhai Shah	743,726	6.52%	619,772	6.52%
Shri Bimalbhai D. Parikh	685,494	6.01%	571,245	6.01%
Harihar Mfg & Trading Pvt. Limited	634,051	5.56%	528,376	5.56%
	4,391,037	38.52%	3,659,199	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 share holders.

1.5 Equity shares allotted as fully paid bonus shares during the last five years : (Issued during FY: 2012-13)

	Rupees	Rupees
	19,000,000	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
2 Reserves & Surplus		
Securities Premium Account		
Opening Balance	1,386,000	1,386,000
Less: Deduction during the year (Utilised for issue of bonus shares)	1,386,000	-
Total (A)	-	1,386,000
Capital Redemption Reserve Account		
Opening Balance	5,000,000	5,000,000
Less: Deduction during the year (Utilised for issue of bonus shares)	5,000,000	-
Total (B)	-	5,000,000
Surplus in the statement of Profit and Loss		
Balance as per last financial statement	136,134,993	73,428,276
Profit for the year	83,861,120	73,747,855
Less: Appropriation for Dividend on equity shares and Dividend distribution tax	13,249,365	11,041,138
Less: Utilised for issue of Fully Paid-up Bonus shares to Equity Share Holders	12,614,000	-
Net Surplus in the Statement of Profit & Loss Total (C)	194,132,748	136,134,993
Total Reserves & Surplus (A + B + C)	194,132,748	142,520,993
3 Long Term Borrowings		
* Loans from Bank	6,455,960	15,118,555
* Loans - Against hypothecation of vehicles	1,742,051	1,556,218
Inter-Corporate Deposits	45,500,000	45,500,000
TOTAL	53,698,011	62,174,773
The above amount includes:		
Secured Borrowings	8,198,011	16,674,773
Unsecured Borrowings	45,500,000	45,500,000
TOTAL	53,698,011	62,174,773
* Instalment falling due in respect of all the above Loans upto 31.03.2014 have been grouped under "Current maturities of Long Term Debt" (Refer Note: 8)		
Nature of Security and terms of repayment for Long term secured borrowings :		
3.1 Term loan of Rs. 64,55,961/- (Previous Year Rs.1,51,18,555/-) 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. Further secured by personal guarantee given by Promoter Directors. Rate of Interest as per sanction letter is 13.30% per annum. Repayable in 36 monthly installments commencing from December 2011.		
3.2 The Vehicle loans from Bank are secured by hypothecation of vehicles and are further secured by personal guarantee given by a Director of the company.		

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
4 <u>Deferred Tax Liabilities</u>		
(A) Deferred Tax Liability :		
Depreciation	37,019,530	34,677,694
Total (A)	37,019,530	34,677,694
(B) Deferred Tax Asset		
Expense allowable for tax purpose when paid	1,091,532	859,628
Total (B)	1,091,532	859,628
Net Deferred Tax Liability (A) - (B)	35,927,998	33,818,066
5 <u>Long Term Provisions</u>		
<u>Provision for Employee Benefits</u>		
Leave Encashment	1,087,622	818,752
TOTAL	1,087,622	818,752
6 <u>Short Term Borrowings</u>		
Working Capital Loans (Including Pre Shipment packing credit Rs.7,63,52,664/- (Previous year :Rs. 2,49,84000/-)	116,960,196	140,469,524
TOTAL	116,960,196	140,469,524
Working Capital Loans Rs. 1,169,60,196/- (Previous Year Rs. 14,04,69,524/-) 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. Further secured by personal gurarantee given by Promoter Directors. Rate of Interest as per sanction letter is 13.05% per annum.		
7 <u>Trade Payables</u>		
Trade Payables (Refer note no. 37 for details of dues to Micro and Small Enterprises)	19,120,584	17,286,689
TOTAL	19,120,584	17,286,689

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	As at	As at
	31st March, 2013	31st March, 2012
8 Other Current Liabilities		
Current Maturities of Long term Debt	9,655,349	8,519,598
Interest accrued but not due on borrowings	161,637	1,751,221
Interest accrued and due on borrowings	188,112	67,321
Unclaimed Matured deposits and interest accrued thereon (There is no amount due to be credited to investor Education & Protection Fund)	2,336	65,807
Unclaimed Dividend	312,144	204,569
Fraction Money-Bonus Payable to Share Holders	4,340	–
Advances from Customers	6,916,579	7,013,181
Bills Payable	20,810,952	15,062,282
Statutory Liabilities	3,143,954	2,419,452
Other Liabilities	2,382,534	2,007,324
TOTAL	43,577,937	37,110,755
9 Short Term Provisions		
Leave Encashment	323,712	297,575
Superannuation	21,516	–
Bonus / Exgratia Payable	1,884,790	1,532,757
Salary Payable	2,321,096	2,047,774
Proposed Equity Dividend	11,400,000	9,500,000
Tax On Equity Dividend	1,849,365	1,541,138
TOTAL	17,800,479	14,919,244

10 FIXED ASSETS : TANGIBLE ASSETS

Amount in Rs.

Description of Asset	Gross Block (At Cost)				Depreciation				Net Block	
	As on 01.04.2012	Additions	Sales/ Deduction	As at 31-03-2013	As on 01.04.2012	For the year	Sales/ Deduction	As at 31-03-2013	As at 31-03-2013	As at 31.03.2012
1. Land	6,310,290	–	–	6,310,290	–	–	–	–	6,310,290	6,310,290
2. Building	77,023,424	8,941,794	1,632,354	84,332,864	19,856,881	2,534,919	50,988	22,340,812	61,992,052	57,166,543
3. Plant & Machinery	333,698,303	24,404,332	5,873,452	352,229,183	158,085,373	17,819,115	677,674	175,226,814	177,002,369	175,612,930
4. Electric Installation	19,771,110	3,936,199	924,001	22,783,308	8,753,170	983,558	45,608	9,691,120	13,092,188	11,017,940
5. Air Conditioners	669,525	773,287	150,220	1,292,592	277,866	56,270	49,278	284,858	1,007,734	391,659
6. Office Equipments	3,163,782	591,017	–	3,754,799	1,992,669	195,952	–	2,188,621	1,566,178	1,171,113
7. Furniture & Fixtures	2,208,052	4,317,071	–	6,525,123	1,678,591	277,225	–	1,955,816	4,569,307	529,461
8. Vehicles	7,978,054	1,714,012	2,235,777	7,456,289	2,764,424	786,295	1,305,462	2,245,257	5,211,032	5,213,630
Total As at 31-03-2013	450,822,540	44,677,712	10,815,804	484,684,448	193,408,974	22,653,334	2,129,010	213,933,298	270,751,150	257,413,565
As at 31.03.2012	364,600,964	89,626,911	3,405,334	450,822,539	175,239,867	19,764,122	1,595,015	193,408,974	257,413,565	
Capital Work in Progress									13,294,994	15,451,901

Note : Sale / Deduction includes an amount of Rs. 73,98,068/-, being gross block of assets viz. Building (Factory), Plant & Machinery, Electrical Installation (Factory) and Air Conditioner destroyed in fire on 27-11-2012.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	As at 31st March, 2013	As at 31st March 2012
11 Long Term Loans & Advances (Unsecured & Considered Good)		
Security Deposits	3,366,044	3,769,669
Advance Tax (Net of Prov for Tax)	4,520,068	10,069,448
Balances with statutory authorities	318,670	343,550
	8,204,782	14,182,667
Less :		
Considered Doubtful	-	-
TOTAL	8,204,782	14,182,667
12 Inventories		
Raw Materials and Components (including Goods in transit Rs. 49,23,211/- (Previous Year Rs. 1,49,13,669/-)	58,312,682	60,324,038
Stores , Fuel & Packing material (Including Goods in Transit Rs. 1,47,789/- (Previous Year Rs. 77,412/-)	19,259,872	19,898,109
Semi-finished Goods	21,514,037	14,971,897
TOTAL	99,086,591	95,194,044
13 Trade Receivables		
(a) Outstanding for a period exceeding six months from the date they are due for payment - (Unsecured) Considered good	112,974	53,625
(b) Others- (Unsecured) Considered good	153,900,773	141,070,367
TOTAL	154,013,747	141,123,992
14 Cash and Bank Balances :		
Cash & cash equivalents		
Cash on Hand	188,943	122,487
Balances with Banks		
- Current Accounts (Including Dividend Account Rs.3,12,144/- (Previous Year Rs.2,04,569/-)	349,599	598,906
- Deposit Accounts with maturity less than twelve months	-	455,000
TOTAL	538,542	1,176,393
15 Short term Loans & Advances (Unsecured & Considered Good)		
Security Deposits	64,127	30,076
Balances with statutory authorities	3,229,058	6,399,418
Advance to vendors	4,488,169	8,445,987
Capital advances	18,234,275	1,228,926
Prepaid Expenses	1,526,784	1,241,683
Excess deposit in Gratuity Fund	1,971,634	1,133,000
Insurance Claim Receivable	17,130,680	-
Others	3,566,954	899,481
TOTAL	50,211,681	19,378,571

NOTES FORMING PART OF FINANCIAL STATEMENTS

Rs. in lacs

PARTICULARS	As at 31st March 2013	As at 31st March 2012
16 Other Current Assets		
Interest Accrued but not Due	204,088	197,661
TOTAL	204,088	197,661

PARTICULARS	For the Year ended on 31st March, 2013	For the Year ended on 31st March, 2012
17 Revenue from Operations		
17.1 Revenue from Operations		
a) Sale of Products		
- Finished Goods	1,330,672,010	1,036,406,892
b) Other Operating Revenues	9,425,123	6,646,874
	1,340,097,133	1,043,053,766
Less: Excise Duty	109,103,403	71,444,048
TOTAL	1,230,993,730	971,609,718
18 Other Income		
Foreign Exchange Gain(Net)	3,387,915	2,347,744
Interest received / receivable	216,421	209,808
Miscellaneous income	45,446	111,845
TOTAL	3,649,782	2,669,397
19 Cost of materials & components consumed		
Inventory at the beginning of the year	45,410,369	40,863,978
Add: Purchases	886,985,550	655,126,696
	932,395,919	695,990,674
Less: Inventory at the end of the year	53,389,471	45,410,369
	879,006,448	650,580,305
Less : Loss of Inventory due to fire	(11,623,911)	-
Raw Materials (A)	867,382,537	650,580,305
Packing Materials (B)	12,818,373	10,397,994
Cost of Materials Consumed (A)+(B)	880,200,910	660,978,299
19.1 Details of Raw materials consumed		
Vegetable Oil Based Fatty Acid Distillate	259,409,309	234,491,458
Acid Oil	580,571,554	403,399,591
C.N.S.L Oil	-	111,619
Others	15,864,101	4,339,917
Chemicals	11,537,573	8,237,720
TOTAL	867,382,537	650,580,305

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	For the Year ended on 31st March, 2013	For the Year ended on 31st March, 2012
20 Changes in Inventory of Finished Goods & Work in Progress		
Inventories at the end of the year		
Work In Progress	21,514,037	14,971,897
	21,514,037	14,971,897
Inventories at the beginning of the year		
Work In Progress	14,971,897	25,658,434
	14,971,897	25,658,434
TOTAL	(6,542,140)	10,686,537
21 Employee Benefit Expenses		
Salaries Wages & Bonus	37,038,979	30,379,105
Contribution to Provident Fund & Other Funds	2,819,475	2,254,667
Staff Welfare Expenses	1,817,792	1,658,609
TOTAL	41,676,246	34,292,381
22 Other Expenses		
Stores and Spares Consumed	14,882,092	13,598,293
Consumable stores	4,235,105	2,447,041
Power & Fuel	90,445,139	76,045,631
Laboratory Chemical Consumed	923,242	723,145
Rates and Taxes	162,437	258,164
Insurance	1,532,928	1,476,487
Repairs and Maintenance :		
- Machinery	2,259,139	1,170,885
- Buildings	1,136,771	546,580
- Others	292,154	234,513
Travelling and Conveyance	1,022,268	126,469
Telephone & advertisement Expense	1,385,095	933,926
Directors' Sitting Fees	53,500	52,000
Remuneration to Auditors	387,080	280,900
Sales Expense	9,731,873	8,503,642
General Charges	8,097,428	6,518,516
Legal and Professional fees	1,924,970	1,312,669
Vehicle expenses	3,010,883	3,610,168
Loss on assets sold / discarded (Net)	278,541	475,177
Bank Charges	1,293,802	1,030,606
	143,054,447	119,344,812

NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	Amount in Rs.	
	For the Year ended on 31st March, 2013	For the Year ended on 31st March, 2012
22.1 Payment to auditors:		
As auditor:		
Statutory Audit	337,080	280,900
In other Capacity:		
Others	50,000	-
TOTAL	387,080	280,900
23 Finance Costs		
Interest Expenses on		
- Loans from Bank	17,966,590	14,618,371
- Inter Corporate Deposits	6,825,000	6,577,071
- Others	1,334	39,051
TOTAL	24,792,924	21,234,493
24 Earnings per Share (EPS)		
Profit after Taxation	83,861,120	73,747,855
Number of Equity Shares	11,400,000	11,400,000
Nominal value per Equity Share	10	10
Earnings per share [Basic and Diluted]	7.36	6.47

25	Employee Benefits	Amount in Rs.	
	Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
	i) Net Liabilities recognised in Balance Sheet as March 31,2013		
	Present Value of Funded obligation	4,216,086	-
		(3,331,116)	(-)
	Fair Value of Plan Asset	6,187,720	-
		(4,464,116)	(-)
	Present value of unfunded obligation	-	1,411,334
		(-)	(1,116,327)
	Net Liabilities	1,971,634	1,411,334
		(1,133,000)	(1,116,327)
	ii) Expense recognised in Statement of Profit & Loss Account for the year ended March 31, 2013 (Included in Schedule 13 in item "Payments to & Provisions for Employees")		
	Current Service Cost	499,645	440,937
		(426,380)	(397,070)
	Interest Cost	262,900	69,781
		(222,154)	(101,770)
	Expected return on plan assets	(461,294)	-
		5,573	(-)
	Net actuarial losses /(gain)	659,210	200,704
		(105,056)	331,342
	Past Service Liability	-	174,336
		(-)	(-)
	Total Expense	960,461	885,758
		(748,017)	(167,498)

Particulars	Amount in Rs.	
	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 1,2012	3,331,115 (2,692,772)	1,116,327 (1,233,571)
Current service cost	499,645 (426,380)	440,937 (397,070)
Interest cost	262,900 (222,154)	69,781 (101,770)
Actuarial lossess/(gain)	598,780 (105,056)	200,704 331,342
Past Service Liability	- (-)	174,336
Benefits paid	(476,355) 115,246	(590,751) 284,742
Closing Balance of defined benefit obligation as at March 31,2013	4,216,085 (3,331,116)	1,411,334 (1,116,327)
Actuarial Assumption	March 31, 2013	
Discount Rate	8.25 % (8.5%)	
Expected rate of return on plan asset	9% (9%)	
Expected rate of salary increase	6% (6%)	
Mortality rate	LIC (1994-96) 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. 28,19,475/- (Previous Year Rs. 22,54,667/-) 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 31-03-2013	For the Year Ended 31-03-2012
Segmental Revenue		
Segment – Domestic sales	901,211,220	697,002,282
Segment – Exports sales	329,782,510	274,607,436
Segment – Domestic - Other income	3,649,782	2,669,397
Total	1,234,643,512	974,279,115
Segmental Assets		
	As at 31st March, 2013	As at 31st March, 2012
In India	527,307,348	473,885,314
Outside India	68,998,227	70,233,482
Total Assets	596,305,575	544,118,796
Capital Expenditure during the year		
In India	44,677,712	89,626,911
Outside India	-	-
	44,677,712	89,626,911

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
 Adi Enterprise
 Dasrath Jagmohandas Investment Pvt Limited
 Super Handlers Private Limited
 Ashmak Investment Private Limited
 Adi Logistics

- (ii) **Key Management Personnel**

Shri Nahoosh J. Jariwala
 Shri Bimal D. Parikh

- (iii) **Relatives of Key Management Personnel**

Miss Vaishnavi N. Jariwala
 Miss Priyanshi N. Jariwala

Details of Transactions with Related Parties for the year 2012-2013

Amount in Rs.

	Nature of Transaction	Parties referred to in (i) above	Parties referred to in (ii) above	Parties referred to in (iii) above	Total
A	Deposits Taken / Repaid				
	Adi corp Enterprise Private Limited	–	–	–	–
		–	–	–	–
	Repaid	–	–	–	–
		–	–	–	–
	Balance as on Year End	14,000,000.00 (14,000,000.00)	– –	– –	14,000,000.00 (14,000,000.00)
	PCD Investment Private Limited	–	–	–	–
		(1,000,000.00)	–	–	(1,000,000.00)
	Repaid	–	–	–	–
		–	–	–	–
	Balance as on Year End	5,000,000.00 (5,000,000.00)	– –	– –	5,000,000.00 (5,000,000.00)
	UKM Investment Private Limited	–	–	–	–
		(1,000,000.00)	–	–	(1,000,000.00)
	Repaid	–	–	–	–
		–	–	–	–
	Balance as on Year End	5,000,000.00 (5,000,000.00)	– –	– –	5,000,000.00 (5,000,000.00)
	Harihar Mfg & Trading Private Ltd.	–	–	–	–
		(1,000,000.00)	–	–	(1,000,000.00)
	Repaid	–	–	–	–
		–	–	–	–
	Balance as on Year End	8,500,000.00 (8,500,000.00)	– –	– –	8,500,000.00 (8,500,000.00)
	Dashrath Jagmohandas Investment Pvt. Ltd.	–	–	–	–
		(1,000,000.00)	–	–	(1,000,000.00)
	Repaid	–	–	–	–
		–	–	–	–
	Balance as on Year End	6,000,000.00 (6,000,000.00)	– –	– –	6,000,000.00 (6,000,000.00)
	Super Handlers Private Limited	–	–	–	–
		(3,000,000.00)	–	–	(3,000,000.00)
	Repaid	–	–	–	–
		–	–	–	–
	Balance as on Year End	6,000,000.00 (6,000,000.00)	– –	– –	6,000,000.00 (6,000,000.00)

Details of Transactions with Related Parties for the year 2012-2013

Amount in Rs.

Nature of Transaction	Parties referred to in (i) above	Parties referred to in (ii) above	Parties referred to in (iii) above	Total
Ashmak Investment Private Ltd.	- (1,000,000.00)	-	-	- (1,000,000.00)
Repaid	-	-	-	-
Balance as on Year End	1,000,000.00 (1,000,000.00)	-	-	1,000,000.00 (1,000,000.00)
Miss Priyanshi N Jariwala	-	-	-	-
Repaid	-	-	-	-
Balance as on Year End	-	-	(500,000.00)	(500,000.00)
Miss vaishnavi N Jariwala	-	-	-	-
Repaid	-	-	-	-
Balance as on Year End	-	-	(650,000.00)	(650,000.00)
B Interest Paid				
Adicorp Enterprise Private Limited	2,100,000.00 (2,058,959.00)	-	-	2,100,000.00 (2,058,959.00)
PCD Investment Private Limited	750,000.00 (716,760.00)	-	-	750,000.00 (716,760.00)
UKM Investment Private Limited	750,000.00 (718,897.00)	-	-	750,000.00 (718,897.00)
Harihar Mfg & Trading Private Ltd	1,275,001.00 (1,197,124.00)	-	-	1,275,001.00 (1,197,124.00)
Dasrath Jagmohandas Investment Pvt. Ltd.	900,000.00 (877,425.00)	-	-	900,000.00 (877,425.00)
Super Handlers Private Limited	900,000.00 (871,726.00)	-	-	900,000.00 (871,726.00)
Ashmak Investment Private Ltd	149,999.00 (120,410.00)	-	-	149,999.00 (120,410.00)
Miss Priyanshi N.Jariwala	-	-	-	-
	-	-	(3,486.00)	(3,486.00)
Miss Vaishnavi N.Jariwala	-	-	-	-
	-	-	(4,584.00)	(4,584.00)

Details of Transactions with Related Parties for the year 2012-2013

Amount in Rs.

	Nature of Transaction	Parties referred to in (i) above	Parties referred to in (ii) above	Parties referred to in (iii) above	Total
C	Purchase/Consumption of Material Adi Enterprise				
	Purchases made during the year	- (9,907,140.00)	- -	- -	- (9,907,140.00)
	Payment made during the Year	179,140.00 (9,906,437.00)	- -	- -	179,140.00 (9,906,437.00)
	Balance as on year end	- (179,140.00)	- -	- -	- (179,140.00)
D	Services Availed				
	Adi Logistic				
	Services availed during the year	- (2,297,123.00)	- -	- -	- (2,297,123.00)
	Payment during the Year	53,567.00 (2,264,969.00)	- -	- -	53,567.00 (2,264,969.00)
	Balance as on year end	- (53,567.00)	- -	- -	- (53,567.00)
	Managerial remuneration				
	Shri Nahoosh J. Jariwala	- -	1,318,800.00 (1,818,800.00)	- -	1,318,800.00 (1,818,800.00)
	Shri Bimal D. Parikh	- -	604,800.00 (604,800.00)	- -	604,800.00 (604,800.00)

28 Contingent Liabilities

Particulars	As at 31st March 2013	As at 31st March 2012
(a) Outstanding Bank Guarantees given to various Statutory bodies	-	397,000
(b) In respect of disputed Income Tax matters	870,115	7,325,188
(c) In respect of Civil Suit	1,500,000	1,500,000
(d) In respect of Custom Duty	520,360	520,360
	2,890,475	9,742,548
(d) Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	36,210,700	4,929,373

Amount in Rs.

	Particulars	As at 31st March 2013	As at 31st March 2012
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, 2013.		
	Foreign Currency exposure not hedged by derivative instrument as at March 31,2013	68,998,227	69,447,054
30	Dividends proposed to be distributed : The Board of Directors, in its meeting held on May 18, 2013, recommended the dividend of Rs. 1 /- per equity share of Rs. 10/-each.		
31	Details of Sales under broad heads:		
	Products	For the Year Ended 31-03-2013	For the Year Ended 31-03-2012
	Deodorizer Distillate (Mixed tocopherol)	330,711,010	276,074,336
	Linoleic Acid/ Oleic Acid	144,687,111	100,171,944
	Dimer Acid	194,463,961	171,202,227
	Other Fatty Acids	403,914,919	308,205,348
	Fatty Oil	139,256,711	103,954,076
	Others	8,772,592	5,562,762
	Sub Total	1,221,806,304	965,170,693
	Add: Cenvat Duty	108,865,706	71,236,199
	Total	1,330,672,010	1,036,406,892

Note : Excluding statutory levy.

	For the Year Ended 31-03-2013		For the Year Ended 31-03-2012	
	% Total Consumption	Value Rs	% Total Consumption	Value Rs
32 Value of Imported and Indigenous Raw materials, Spare Parts, Components and other items consumed.				
Raw Materials				
Imported	5.85%	50,743,068	1.37%	8,901,503
Indigenous	94.15%	816,639,469	98.63%	641,678,802
	100%	867,382,537	100%	650,580,305
Spare, Components, packing material and other items				
Imported	0.21%	67,580	0.00%	-
Indigenous	99.79%	31,867,990	100.00%	26,443,328
	100%	31,935,570	100%	26,443,328

33 Value of imports on C.I.F. basis		Amount in Rs.	
Particulars	For the Year Ended 31-03-2013	For the Year Ended 31-03-2012	
Raw Material	37,135,223	12,029,929	
Consumable Stores	57,776	–	
Capital Goods	643,425	2,620,185	
	37,836,424	14,650,114	
34 Expenditure in Foreign Currency			
For Kasruth Certification Fees	2,344,360	1,705,548	
Travelling Expense	462,968	–	
Others	19,450	21,556	
	2,826,778	1,727,104	
35 Earnings in Foreign Exchange			
Exports of Goods on FOB basis	331,211,574	273,946,336	
	331,211,574	273,946,336	
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 2013	As at 31st March 2012	
1. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	270,950	13,302	
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 "			

- 38** During the year, on 27-11-12, fire took place at the factory of the Company. The Company has lodged a claim with insurance company under fire policies which is under process. Based on the current status of the claim, the insurance claim Receivable and corresponding loss on fire is accounted for. The difference, if any, on settlement will be effected in the statement of profit and loss.
- 39** The balances under the head of Sundry Debtors, Sundry Creditors, Loans & Advances, Secured / Unsecured Loans are subject to confirmation and reconciliation.
- 40** 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.
- 41 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, 2013 in respect of asset acquired under the lease agreement are as under :

Particulars		Amt in Rupees
i) Payable not later than 1 year		1,249,824
ii) Payable later than one year and not later 5 years		2,001,437
iii) Payable later than 5 Years		–
Total Minimum installments		3,251,261
Less: Future Finance charges		516,456
Present Value of Minimum Installments		2,734,805
Present Value of Minimum Installments		
i) Payable not later than 1 year		992,754
ii) Payable later than one year and not later 5 years		1,742,051
iii) Payable later than 5 Years		
		2,734,805

SIGNATURES TO NOTES 1 TO 41

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 18, 2013

For and on behalf of the Board

Nahoosh Jariwala

Managing Director

Bimal D. Parikh

Wholetime Director

Rajen N. Jhaveri

Vice President & Company Secretary

Place : Ahmedabad

Date : May 18, 2013

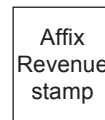
FORM OF PROXY
ADI FINECHEM LIMITED

Regd. Office : 253/P, Chekhala, Sanand – Kadi Road, Ta. SANAND, Dist. AHMEDABAD – 382 115.

I/We of
..... in the district of being a Member(s)
of the above named Company hereby appoint of
..... in the district of or failing him
of in the district of as my / our proxy to
vote for me / us on my / ..our behalf at the Annual General Meeting of the Company to be held on Monday, 24th
June, 2013 and at any adjournment thereof.

Signed this day of 2013.

Signature



Ledger Folio No.

- Depository NSDL / CDSL * DP ID Client ID
- For Shares held in Electronic Form

No. of Equity Shares held

Note : The proxy form thus completed should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

----- TEAR HERE -----

ADI FINECHEM LIMITED

Regd. Office : 253/P, Chekhala, Sanand – Kadi Road, Ta. SANAND, Dist. AHMEDABAD – 382 115.

ATTENDANCE SLIP

I, hereby, record my presence at the Annual General Meeting of the Company at Aarohi Starz Club Pvt. Ltd., Aarohi Greens, Chekhala, Sanand – Kadi Road, Ta. SANAND, Dist. Ahmedabad – 382 115 on Monday, 24th June, 2013 at 5.00 p.m.

1. L.F. No.....
 - Depository NSDL / CDSL * DP ID Client ID
 - For Shares held in Electronic Form
2. FULL NAME OF THE SHAREHOLDER
3. NO. OF EQUITY SHARES HELD
4. SIGNATURE OF SHAREHOLDER OR
PROXY ATTENDING

PLEASE GIVE FULL NAME OF THE 1ST JOINT HOLDER

MR. / MRS. / MISS

(TO BE USED ONLY WHEN FIRST NAMED SHAREHOLDER IS NOT ATTENDING)

NOTE : PLEASE FILL IN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE.





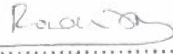
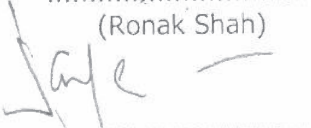
ADI FINECHEM

ADI FINECHEM LIMITED

Correspondence Address :
Basement, Nagindas Chambers,
Opp. AUDA Office,
Near Usmanpura Cross Road,
AHMEDABAD - 380 014. INDIA.
Phone: (079) 32908752

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	Adi Finechem Limited (BSE Code: 530117) ASE Code: 24855)
2.	Annual financial statements for the year ended	31 st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Whether appeared first time...../ repetitive...../ since how long period NOT APPLICABLE
5.	To be signed by-	
	<ul style="list-style-type: none">• Managing Director	 (Shri Nahoosh Jariwala)
	<ul style="list-style-type: none">• CFO	 (Rajen Jhaveri)
	<ul style="list-style-type: none">• Auditor of the company	 (Ronak Shah)
	<ul style="list-style-type: none">• Audit Committee Chairman	 (Shri Jayesh Shah)