ADI FINECHEM

ADI FINECHEM LIMITED

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Off S.G. Road, Ahmedabad - 380 059. INDIA.
Phone : (079) 32908752 / 29701675 E-mail : info@adifinechem.com
CIN : L15140GJ1985PLC007845 Website : www.adifinechem.com

Date: 12th September, 2016.

To,
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block
Bandra-kurla Complex
Bandra (E)
Mumbai – 400 051.

To,
Department of Corporate Services,
BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Ref: BSE Code: 530117/ NSE Symbol: 'ADI' and ASE Code: 24855.

Dear Sirs,

Sub: Annual Report for Financial Year 2015-2016.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regualtions, 2015, we are submitting herewith the Annual report of the Company for the financial year 2015-2016 approved and adopted by the members as per the provisions of the Companies Act, 2013, at the 31st Annual General meeting of the the Company held on Friday, September 9, 2016 at 5.00 p.m. at Memories Hall, 2nd Floor, TGB Banquests & Hotel Limited, (The Grand Bhagwati), S.G. Road, Bodakdev, Ahmedabad – 380054.

The above is also uploaded on the Company's website www.adifinechem.com

Thanking you,
For Adi Finechem Limited,

Rajen Jhaveri
(Chief Financial Officer & Company Secretary)

Encl.: as above

ADI FINECHEM LIMITED

Annual Report 2015-16

31st Annual Report

Board of Directors :	Shri Utkarsh B. Shah	*Chairman*
	Shri Nahoosh J. Jariwala	*Managing Director*
	Shri Bimal D. Parikh	*Director*
	Shri Hemant N. Shah	*Director*
	Shri Jayesh K. Shah	*Director*
	Shri Kalpesh A. Patel	*Director*
	Shri Nitin R. Patel	*Director*
	Shri Ganpatraj Chowdhary	*Director*
	Shri Bhavin A. Shah	*Director*
	Ms. Sonal V. Ambani	*Director*
	Shri Harsha Raghavan	*Director (w.e.f. February 08, 2016)*
	Shri Sumit Maheshwari	*Director (w.e.f. February 08, 2016)*

Chief Financial Officer & Company Secretary	Rajen N. Jhaveri
Bankers	HDFC Bank Limited
Auditors	M/s. Jhaveri Shah & Co., Chartered Accountants, AHMEDABAD.
Registered Office	1st Floor, 2-Sigma Corporates, B/h. HOF Living, Sindhu Bhavan Road, Off. S. G. Road, Ahmedabad - 380 059. INDIA. Phone : +91 7818824096 and (079) 29701675
Works	253/P & 312, Village Chekhala, Sanand- Kadi Road, Ta. SANAND, Dist. AHMEDABAD – 382 115, Gujarat, INDIA. Phone No. : +91 9016324095 and (02717) 294375
E-Mail Ids	cs@adifinechem.com rajenjhaveri@adifinechem.com
Registrar and Share Transfer Agent	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai - 400078.
Website	www.adifinechem.com

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COMPANY OVERVIEW

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

The Company has a state-of-the-art manufacturing unit at Taluka Sanand in Ahmedabad district of Gujarat which was set up in 1995. The company acquired critical equipments from Germany and Switzerland for its operations. The company's oleo chemicals find applications in high growth industries like Paints, Inks, Soaps, Amines, Adhesives, etc. The company's neutraceutical or vegetable oil distillate derivative product Natural Mixed Topocherol concentrate is the only source for manufacturing Natural Vitamin E which finds application in Cosmetic, dietary supplement, pharmaceuticals etc. Some of our key clients for the Oleo Chemicals products are companies like Asian Paints, Micro Inks, Arkema, etc. and for nutraceutical products are global Multinational Corporations like BASF (USA), ADM (USA), CARGILL INC.(USA).

Your company's manufacturing facility is one of its kind in India that uses by-products of vegetable oil refineries, giving it a distinct cost advantage. The company has staff strength of 175 employees. More than 35% of the employees have been with the company for more than 8 years and around 2/3rd of the employees are employed in the Production / Utilities related area of the company.

Over the last few years, the company has undertaken several initiatives in improving and revamping the manufacturing facilities by adding heat exchangers, vacuum systems and additional equipments like fat splitting, fractional distillation, autoclaves and other balancing equipments, all of which has resulted in improved efficiencies and debottlenecking of the existing manufacturing facilities. The company has also gradually increased its installed plant capacity over the last few years from a raw material throughput capacity of 8,000 MT p.a. in Financial Year 2009-2010 to 45,000 MT p.a. in Financial Year 2015-2016.

KEY MILESTONES

1985 Adi Finechem Limited, formerly known as H K Finechem Ltd., was incorporated as H. K. Agro Oil Limited on 25th May, 1985. The company was promoted by Shri Rajan Harivallabhdas and Shri Nahoosh J Jariwala.

1994 The name of the Company was changed to H. K. Agrochem Limited

1996 The Company started producing Mixed Tocopherol Concentrate (feed for making Natural Vitamin E) in India and supplied to Henkel Corporation, U.S.A.

2000 The Company changed its name from H. K. Agrochem Ltd. to H. K. Finechem Ltd. The company had successfully commissioned `Fat Splitting Plant' to increase the availability of high value fatty acids for sale in domestic market.

2001 The Company started making Dimer Acid and Monobasic Acid by using one of its finished product streams.

2010 There was a partial change in the management with three new Promoters – Shri Utkarsh Shah, Shri Bimal Parikh and Shri Hemant Shah taking over equity stake of Shri Rajan Harivallabhdas. Shri Utkarsh Shah became Chairman of the company taking over from Shri Rajan Harivallabhdas. The name of The Company was changed to Adi Finechem Limited.

2011 The company focused more on reduction of manufacturing cost per ton. It went through a complete re-engineering of its Energy Consumption System and Installation of new balancing equipments. The raw material throughput capacity was increased from 8,000 M.Tons to 12,000 M.Tons during the year.

2012 The Company issued bonus equity shares in the ratio of 1 bonus share for every 5 equity shares.

2013 Increased manufacturing Capacity further to 18,000 M.Tons p.a. The Company again issued bonus shares in ratio of 1 bonus share for every 10 equity shares.

2014 AFL increased its installed capacity to 24,000 M. Tons p.a. and undertook CAPEX to increase this capacity to 45,000 MT p.a. For the 3rd consecutive year, the company issued bonus shares, this time again in the ratio of 1 share for every 10 equity shares.

2015 AFL further increased its installed capacity to 45,000 M. Tons p.a.

2015 Canada based Fairfax Group entered into a Share Purchase Agreement with existing (Indian) Promoters to acquire 44.66 % equity stake in the Company at a price of INR 212/- per equity share of Rs. 10/- each fully paid.

2016 The proposed acquisition by Fairfax Group was completed in February, 2016.

KEY MANAGEMENT TEAM

Shri Utkarsh Shah, *Chairman*

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

Shri Nahoosh Jariwala, *Managing Director*

He is associated with the company since more than 20 years. He holds a Commerce Degree. He has nearly 30 years of overall experience in chemical manufacturing and trading of various textile products.

Shri Bimal Parikh, *Director*

He holds a Degree in Chemical Engineering and was earlier engaged in manufacture of dyes & chemicals. In 2001, he was the President of Gujarat Dyestuff Manufacturers' Association. He was Honorary Secretary of the Gujarat Chamber of Commerce & Industry. He was actively associated with the management of the Company in the capacity of Executive Director. He relinquished his executive responsibilities in the first week of March, 2016, consequent to sale of substantial portion of his equity stake to Fairfax group.

Shri Hemant Shah, *Director*

He is a Commerce Graduate and involved in business of logistics, garments, trading of minerals, and retailing since 25 years. He is a Member of numerous trade organizations like Gujarat Chamber of Commerce & Industry, Confederation of Indian Industry, Ahmedabad Management Association etc. He is President of JITO (Jain International Trade Organization) – Ahmedabad Chapter. He was actively associated with the management of the Company in the capacity of Wholetime Director. He relinquished his executive responsibilities in the first week of March, 2016, consequent to sale of substantial portion of his equity stake to Fairfax group.

Shri Harsha Raghavan

He holds MBA and MS in Industrial Engineering degrees - both from Stanford University, U.S.A. and a BA from UC Berkeley where he double majored in Computer Science & Economics. He is involved with the Indian private equity industry since 1996 and previously served as Head of India for Candover Investments, co-Head of India for Goldman Sachs PIA and Vice President of Indocean Chase Capital. He is the Managing Director of Fairbridge Capital Pvt.Ltd. (investment advisor to Fairfax Financial Holdings & Fairfax India Holding Corp)

Shri Sumit Maheshwari

He has done PGP in Management from Indian School of Business. He also holds a Chartered Accountancy Degree from Institute of Chartered Accountants of India. He is Vice President at Fairbridge Capital Pvt. Ltd.

BOARD OF DIRECTORS

Shri Bhavin Shah

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

Shri Ganpatraj Chowdhary

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

Shri Jayesh Shah

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

Shri Kalpesh Patel

He is a Chemical Engineer and also M.B.A. in marketing from U.S.A. He is Chairman and Managing Director of M/s. Aculife Helathcare Pvt. Ltd., one of the largest Infusion and injectable company in the world and operating in over 50 Countries worldwide. He has rich all round experience of independently handling a large scale business and is known figure amongst the business community.

Shri Nitin Patel

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

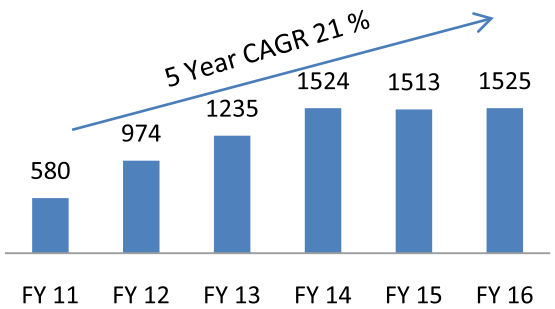
Ms. Sonal Vimal Ambani

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

Financial Performance

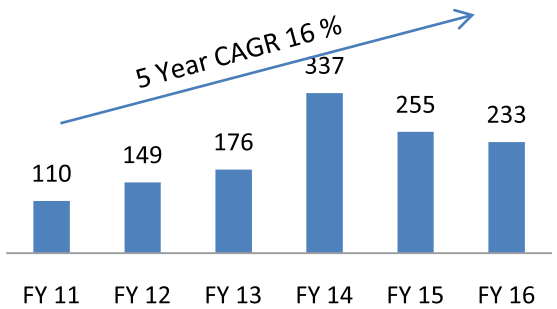
Revenue

(Rs. Mn)



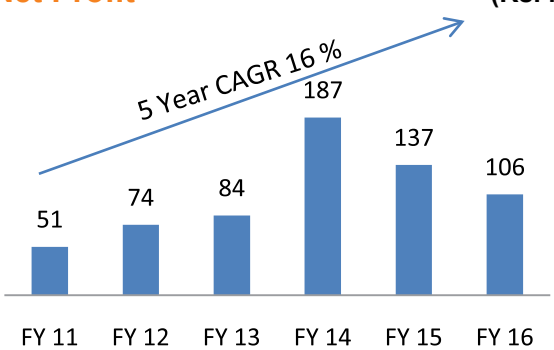
EBITDA

(Rs. Mn)

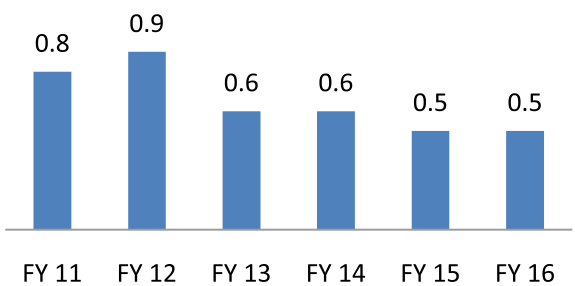


Net Profit

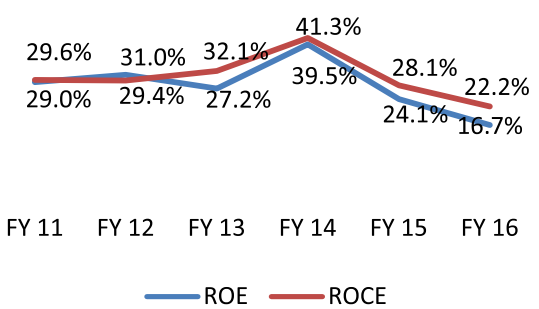
(Rs. Mn)



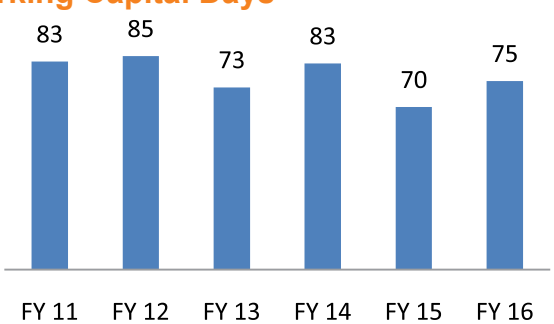
Debt / Equity



Efficiency Ratio

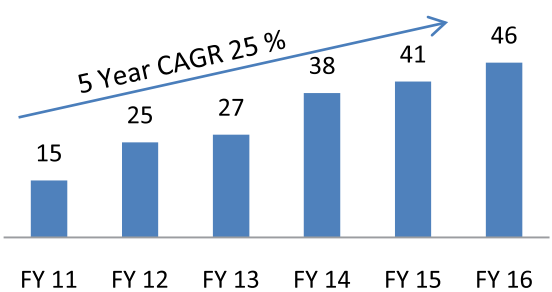


Working Capital Days



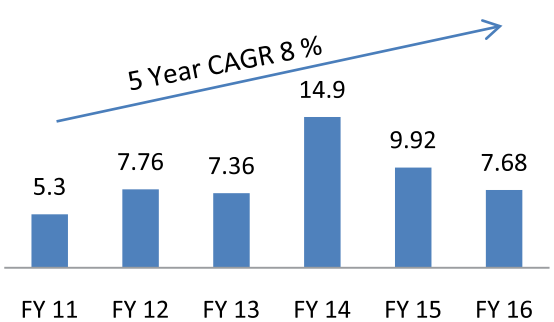
Book Value per Share

(Rs.)



EPS

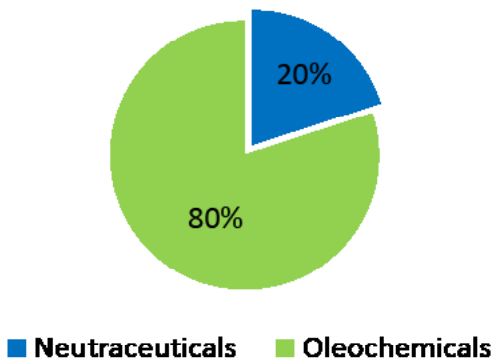
(Rs.)



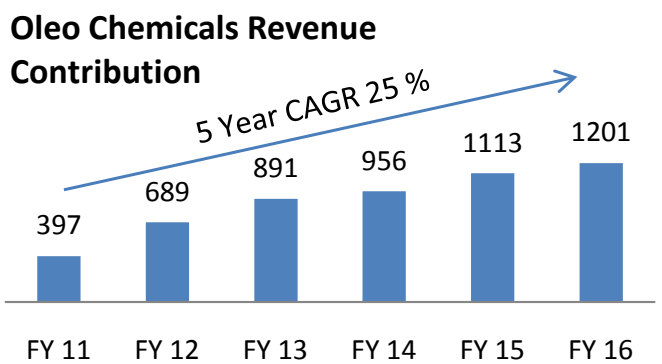
Adi Finechem

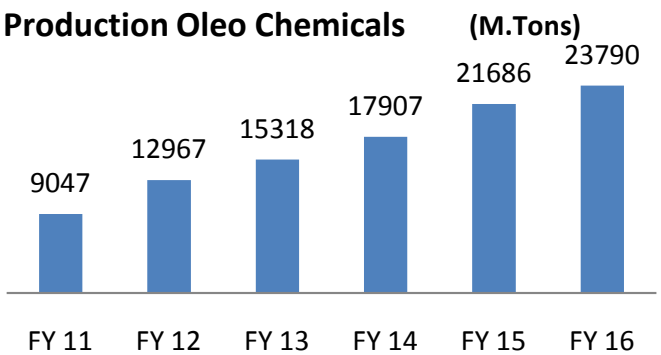
BUSINESS OVERVIEW

REVENUE BREAK UP FY 2016



Sales breakup (INR Mn)





Oleo Chemicals

Oleo Chemicals are organic compounds derived from natural vegetable oils or animal fats. They are analogous to petrochemicals which are chemicals derived from petroleum. These basic Oleo Chemicals substances like Fatty Acids, Fatty Acid Methyl Esters (FAME), Fatty Alcohols, Fatty Amines and Glycerol are formed by various chemical and enzymatic reactions. Oleo Chemicals are versatile products and are utilized in multiple industries, like personal care,flavors & fragrance and industrial markets for variety of applications, including manufacturing of paints, inks, detergents, surfactants, shampoos, soaps, cosmetics and plastics. The company offers a diverse range of product portfolio used across various such industries. Adi Finechem is a leading producer of Oleo Chemicals from natural raw materials such as natural oils and fats derived from oils of Soya, Sun Flower, Corn and Cotton. The choice of raw material is done considering the fact that they are rich in carbon chain required for finished products manufactured by the Company. The company has over the years developed the expertise and mastered the process of manufacturing its entire product range from waste/by-product streams of natural vegetable oils by utilizing state of the art equipment of acceptable local and international quality.

Some of our Products:

Dimer Acid:

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

Linoleic Acid:

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

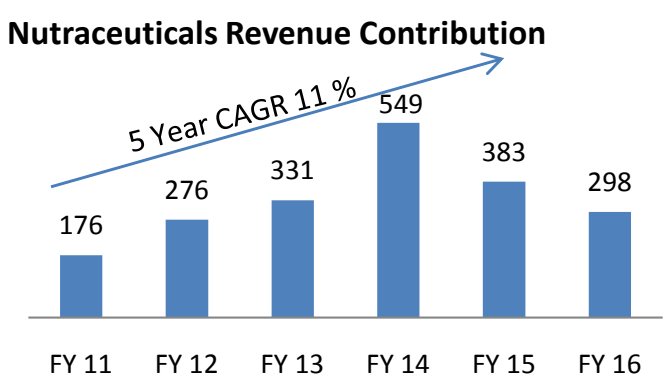
Other fatty Acids:

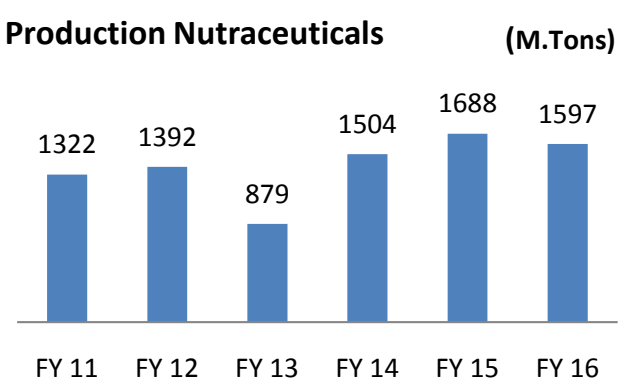
Monomer Acids are non-petroleum, non-animal based products that can be used as substitutes for various vegetable and tallow-based fatty acid derivative products.

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

Nutraceuticals

Sales breakup (INR Mn)





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

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

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

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

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

Advantages of Natural Vegetable Tocopherol vs. Synthetic:

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

Management Discussion and Analysis

GLOBAL ECONOMY OVERVIEW

In the financial year 2015-16, the global economic activity continued to remain subdued. The emerging markets and developing economies, which account for around 70 percent of the global growth, declined for the fifth consecutive year, while the advanced economies are recovering at slow pace. There were few key influencing factors to the global economy.

China's economy witnessed a faster than expected slow down in growth due to rebalancing economic activities moving away from investment and manufacturing towards consumption and service related activities.

Energy and various commodity prices witnessed a decline. Lower oil prices strained the fiscal positions of fuel exporters and weighed on their growth prospects, while supporting household demand and lowering business energy costs to importers. However, strain due to oil shock and its impact on investment climate and weak pick-up in oil-consuming economies due to limited pass-on of lower prices has resulted in global subdued growth.

The United States has been going through a gradual monetary policy tightening scenario where the U.S. Federal Reserve lifted the federal funds rate from the zero lower bound, while monetary easing continued in the euro area and Japan. Prospects of a gradual increase in policy interest rates in the United States as well as bouts of financial volatility amid concerns about emerging market growth prospects have contributed to tighter external financial conditions, declining capital flows and further currency depreciations in many emerging market economies.

According to IMF, Growth in advanced economies is projected to rise by 0.2 percentage point in 2016 to 2.1 percent, and hold steady in 2017. Growth in emerging market and developing economies is projected to increase from 4 percent in 2015—the lowest since the 2008–09 financial crisis—to 4.3 and 4.7 percent in 2016 and 2017, respectively.

INDIAN ECONOMY OVERVIEW

India remained a relatively bright spot with its growth story continuing to bloom. One of the contributors to the strong growth experienced by the Indian economy was the sharp decline in crude oil prices. According to Asian Development Bank estimates, the Indian economy grew at 7.6% in FY2016. Despite a weak monsoon for a second consecutive year, agriculture grew by 1.1% in FY2016. While the industry and private consumption accelerated to a growth of 7.3% and 7.6% respectively, the services growth moderated to 9.2%.

India continued to remain at the top of Nielsen's global consumer confidence index for the sixth quarter in a row (for the quarter-ended Dec. 2015). The Foreign Direct Investment (FDI) inflows for the period April 2015 -February 2016 stood at US$ 34 billion. Also, India's foreign exchange reserves remained comfortable at US$ 356 billion as on week-ended March 25, 2016.

The regulatory regime witnessed easing and the Reserve Bank of India (RBI) cut interest rates four times as inflation eased sharply. Rate cuts had been widely called for by the industry to reduce the cost of borrowing and help stimulate growth. The government's strong focus on reviving growth was evident from the Union budget, where the Finance Minister gave relief to small tax payers, nudged the affluent to shell out more while focusing on the rural economy with much higher fiscal outlays. The Finance minister also reaffirmed that the government would continue the reform agenda to usher in the long awaited GST by passing the Constitutional Amendment Bill in the Parliament.

On the government initiative front, the "Make in India scheme", 'Smart cities plan", "Jan-DhanYojna", Digital India plan", "Skill Development & Start-up India initiatives", "Power for All'', "UDAY'', "Housing for All", Scheme to revitalise public sector banks'', "Ease of Doing Business (EoDB) initiative'' and other ambitious infrastructure programmes present significant opportunities for investors to be part of one of the largest development programmes in the world. These programmes are expected to transform not only the cities and the country as a whole, but also the way business is done in India.

As per the World Economic outlook released by the International Monetary Fund, India will be the fastest growing major economy in 2016-17 growing at 7.5%, ahead of China, at a time when global growth is facing increasing downside risks. India's growth is expected to continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes. With the revival of sentiment and pick up in industrial activity, a recovery of private investment is expected to further strengthen growth.

INDUSTRY OVERVIEW

OLEO CHEMICALS

Oleo chemicals are chemicals produced from natural sources like oils and fats procured from vegetables or animals. With rising environmental concerns, the use of oleo chemicals is growing in rubber, plastics, lubricants, paper, printing, paints & coatings and animal feed industries. Fatty acids, glycerine, methyl esters and fatty alcohols are some of the commonly manufactured oleo chemicals.

Due to increasing demand for sustainable and biodegradable chemicals, the oleo chemicals market has been witnessing strong growth over the last few years. Consumers' interest towards the environment-friendly products is stimulating growth in the oleo chemicals market to a significant degree. Even, government bodies are taking initiatives that are conducive for the growth of this market. Oleo chemical based ingredients are expected to offer significant diversification opportunity to the manufacturers. Industries like soaps & detergents, personal care and cosmetics are likely to fuel the demand for oleo chemicals in near future.

Ceskaa Research projects the global oleo chemicals market value is expected to grow at around 6 percent CAGR from around $20 billion in 2015 to $27 billion by 2020. Asia Pacific was the largest market for oleo chemicals over the past few years accounting for 68% of the world consumption and 60% of world production which reflects the dramatic change in recent years. Just over two decades ago, about 90% of all oleo chemicals and derivatives were produced in developed countries. i.e. US, Europe and Japan. Captive consumption of oleo chemicals and availability of raw materials is the key factor driving the oleo chemicals market in the Asia Pacific region. Many have also created partnerships with chemicals companies over the last three years, leading to the further strengthening of Asia as a hub for oleo chemicals and downstream products. Europe is a major oleo chemicals market followed by North America.

Fatty Acids

Fatty acids are one of the largest product segments in Oleo chemicals accounting for over 55% of total market volume followed by fatty alcohols. Growing demand for fatty acids as a raw material in personal care and detergents industry is expected to drive its demand over the forecast period. As per Stratistics MRC, Global Oleo chemicals Fatty Acids Market is valued at $16.4 billion and is expected to reach $30.62 billion by 2022 growing at a CAGR of 8.1% from 2014 and 2022. Some of the key drivers of the market include consumer-driven demand and recyclability.

Dimer Acid

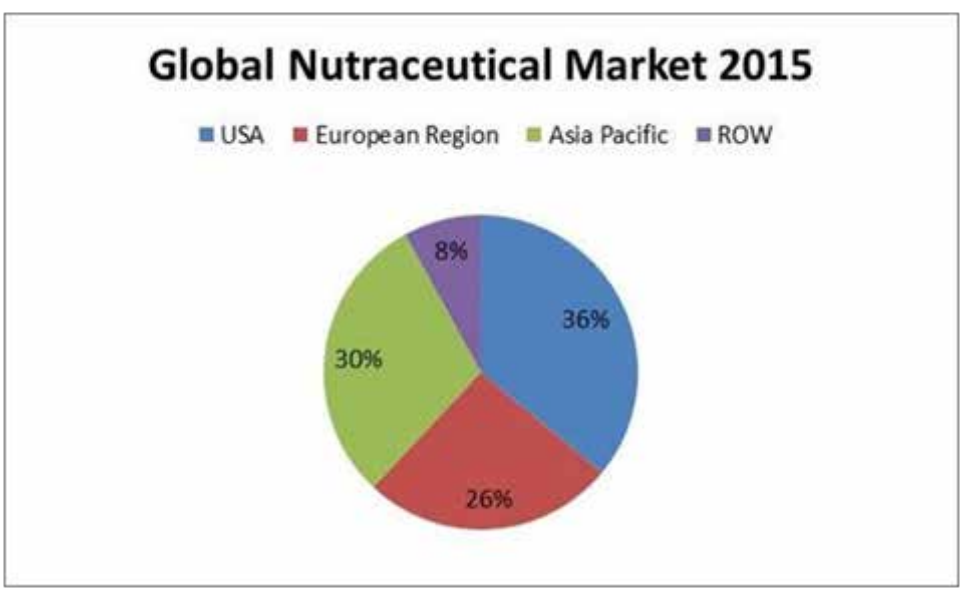
As per Persistence Market Research, the global market for dimer acids was valued at an estimated US$ 494 million in 2015, and is expected to expand at a CAGR of 6.1% from 2015 to 2021, to reach a market value of US$706 million by 2021. Growing economies of developing countries coupled with rising disposable income has boosted the overall demand for residential properties which in turn is expected to augment the overall growth of construction industry. Construction industry is the major application of adhesives and surface coatings. Increasing demand for adhesives, paints & coatings and oil field chemicals will be the key drivers in the dimer acid industry. The most attractive region for dimer acids market is Asia Pacific due to easy availability of raw materials for production of dimer acids. Volatile price of key raw materials is expected to remain a key challenge for market participants.

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

NUTRACEUTICALS

Nutraceutical, a term combining the words "Nutrition" and "Pharmaceutical", Nutraceuticals are products that provide health and nutrition benefits in addition to the basic nutrition value present in food items. Nowadays, consumers are more health conscious, more aware and better informed on nutrition-enabled products. The future involves nutraceutical companies being able to develop customized goods and beverages according to an individual's genetic and lifestyle mapping.

Dietary supplements are not only consumed in order to meet the recommended daily intake of nutrients but also as a physical performance booster and for disease prevention. In addition, there is a shift in the preference of consumers from synthetic ingredients to organic foods and ingredients, which are obtained from non-genetically modified organism (non-GMO) extracts.



As per Transparency Market Research Report the global nutraceuticals market stood at around $182 billion as of 2015 and will rise to around $278 billion by 2021 exhibiting a CAGR of 7.3%. Nutraceuticals are segmented on the basis of product type and geography. Based on Product Type: Dietary supplements, functional food, functional beverages, and personal care and pharmaceuticals. Based on Geography: Asia Pacific has the largest nutraceuticals market followed by North America. Europe exhibit the strongest demand for nutraceuticals. The best test markets for innovative products are Spain and United Kingdom. The high levels of health consciousness among European consumers are the greatest advantage that companies enjoy in the European nutraceuticals market.

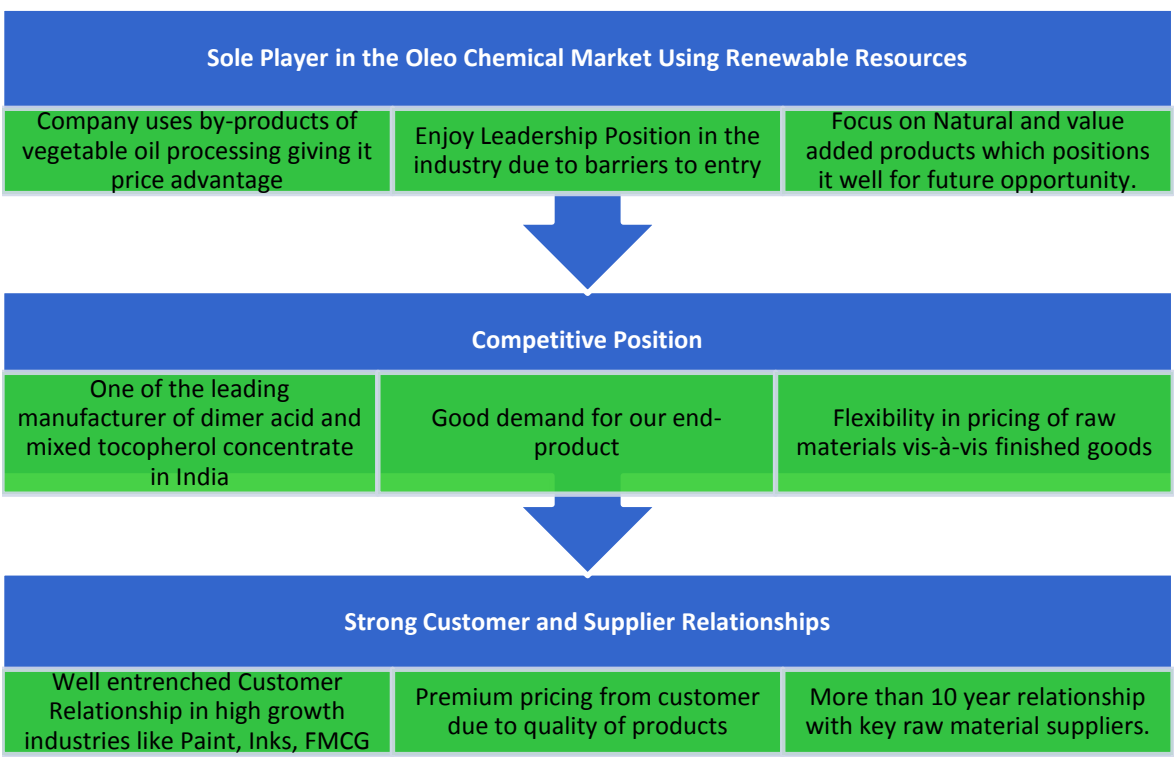
Tocopherol :

Rising health concerns coupled with increasing disposable income may be attributed to growing vitamin E demand. Natural Vitamin E, which is easily recognized and absorbed by the body has various health benefits. Vitamin E products include Tocopherols and Tocotrienols. It helps in preventing Cardio vascular problems such as hardening of the arteries like heart attack, chest pain, joint pain and high blood pressure. Rising prevalence of these health issues has spurred mixed tocopherol demand globally. The pharmaceutical industry have increased the use of Vitamin E in the development of drugs for the treatment of various diseases like Alzheimer, diabetes, dementias, night cramps, Parkinson's disease, epilepsy, restless leg syndrome, Huntington's chorea, etc.

These products find usage across various end-use industries such as food & beverage fortification and dietary supplements. As per the Grand View Research Report the global mixed tocopherol market demand was around 83 kilo tons in 2014 and is expected to reach around 110 kilo tons by 2022. In terms of value, the global mixed Tocopherol market is expected to reach around $5 billion by 2022. Some of the key drivers of the market growth are increasing health awareness and health concerns. However the threat of ingredients and raw material contamination could pose a challenge to the growth of this market.

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

STRENGTHS AND OPPORTUNITIES



The company uses waste or by-products of vegetable oil refineries for its raw materials, like acid oils and vegetable oil deodorized distillate which gives it a distinct price advantage vis-à-vis its peers, who usually manufacture these products by processing crude vegetable oils. The company has gained good experience of more than a decade in sourcing the raw materials for their requirement from all the large soya, sunflower, corn and cotton oil manufacturing plants across the country. Your company has a long lasting relationship with all its clients as well as suppliers of raw materials. The company has opportunistically positioned itself to manufacture niche products and hence it is one of the dominant manufacturers for two such products in India.

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

HUMAN RESOURCES MANAGEMENT

Adi Finechem Limited's Human Resource Management policy states that human capital is of immense importance for the overall growth of the company. Employee motivation, development and engagement are the key aspects of good human resource management. AFL would not have been where it is today without its people and their commitment, innovation, dedication, belongingness to the organization. It focuses more on enriching the life of its employees and boosting their productivity. AFL is equal opportunity provider and strives to attract the best available talent and ensures diversity in its workforce.

Industrial Relations at the plant location remained harmonious. AFL emphasizes more on employee safety at the work location. As at March 31, 2016, there were 175 employees on the payroll of the Company.

OUTLOOK

The financial year 2015-16 started out on a challenging note for your company due to continued downward pressure on realisations for one of the key products viz. Tocopherol. The outlook appears to be promising as the company has now become more cost competitive with its continued focus on (a) process optimization, (b) energy saving and (c) ideal product mix with in-built flexibility to a great extent. Over a period, company has acquired skills which are required in procuring raw materials and selling premium products in domestic market. The technical specifications of raw materials procured from different vegetable oil refineries will vary based on process parameters followed by each one of them and the kind of crude vegetable oil (which is a natural agricultural commodity) used by them. At the same time, our raw materials are by-products of such vegetable oil refineries and so it gets relatively less importance at their end as far as quality and keeping separate by-product streams of different oils are concerned. Thus by its very nature, this business is quite demanding.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

TRANSPARENCY IN SHARING INFORMATION

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

CAUTIONARY STATEMENT

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

DIRECTORS' REPORT

To,

The Members,

Your Directors are indeed pleased to present the Thirty First Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2016.

FINANCIAL RESULTS :

Rs. in Crores

		Year ended on		
		31-03-2016		31-03-2015
(1)	Income		**152.54**	151.27
(2)	Profit before Interest, Depreciation & Taxation		**23.34**	25.51
	Less : Interest		**3.79**	2.74
(3)	Profit before Depreciation and Taxation		**19.55**	22.77
	Less : Depreciation		**2.99**	2.22
(4)	**Profit before Tax for the year**		**16.56**	20.55
	Less : Provision for Taxation :			
	(a) Current Tax	**4.37**		4.84
	(b) Deferred Tax	**1.65**		2.08
	(c) Excess Provision of earlier years (Net)	**(0.06)**		(0.06)
	Sub-total		**5.96**	6.86
(5)	**Net profit after Tax for the year**		**10.60**	13.69
	Add : Balance B/f from previous year's a/c.		**41.01**	33.74
	Sub-total		**51.61**	47.43
(6)	Less : (a) Utilised for issue of bonus shares		**---**	1.26
	(b) Adjustment relating to Fixed Assets		**---**	0.01
	(c) Transferred to General Reserve		**1.00**	1.00
	(d) Proposed Dividend		**3.45**	3.45
	(e) Dividend Distribution Tax		**0.70**	0.70
	Sub-total		**5.15**	6.42
(7)	Balance C/f to next year's account		**46.46**	41.01

OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS :

(A) Sales and Profit:

The sales and other income of the Company during 2015-16 were flat at Rs. 152.80 crores compared to Rs. 151.27 crores of the previous year though there was 8 % volume growth in sales of the Company. This was

mainly due to lower contribution of export sales in total sales of the Company. The company has made Profit before tax of Rs. 16.56 crores compared to previous year's Rs.20.55 crores. During the first half of F.Y. 2015-16, the Company had undergone stringent audit requirements to ensure that its neutraceuticals export business to U.S.A is not affected when the new law in U.S.A. is implemented which is expected to be in place later this year. This had impacted the production of the Company and in turn had impacted export. During the year, Tocopherols prices remained stable.

(B) Raw Material:

Required quantities of both the Raw materials were available from within India and couple of nearby countries.

(C) Export:

Company was able to procure the required orders for its export products. Company made export of Rs. 30.20 crores (Previous Year – Rs. 38.57 crores) during the year.

(D) The Capital expenditure incurred during the year was mainly for increase in capacity of downstream product viz. Dimer Acid and related / balancing equipments. During the year, the Company successfully commissioned its new Dimerization plant.

No material changes and commitments, affecting the financial position of the Company, have occurred between March 31, 2016 and the date of this Report.

TRANSFER TO RESERVES :

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

DIVIDEND:

Your Directors are pleased to recommend a dividend of Rs.2.50 (i.e. 25 %) per equity share (Previous Year Rs.2.50/- per equity share) on the Equity Share Capital for the financial year ended March 31, 2016, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

MEETINGS OF THE BOARD :

During the Financial Year 2015-16, 6 (six) meetings of the Board of Directors took place. For further details, please refer Report on Corporate Governance.

PARTICULARS OF LOANS GUARANTEES AND INVESTMENTS :

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

CORPORATE GOVERNANCE/MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A Report on the Corporate Governance Code along with a certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under regulation 34 of SEBI (LODR) Regulations, 2015 as also the Management Discussion and Analysis Report are annexed to this Report.

FIXED DEPOSITS:

During the year, Company has not accepted any Fixed Deposits.

CREDIT RATING :

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

TECHNICAL ACHIEVEMENT:

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

DIRECTORS:

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

During the year under review, Shri Harsha Raghavan and Shri Sumit Maheshwari were appointed as Additional Directors, Promoter Category u/s. 161 (1) of The Companies Act, 2013. They will hold the Office of Director upto the date of forthcoming Annual General Meeting. Notices u/s. 160 of The Companies Act have been received for their appointment as Directors of the Company.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS :

The Company has received declarations from all the Independent Directors of the Company, inter alia, confirming that they meet the criteria of Independence as prescribed under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

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

Pursuant to the provisions of Section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and clause 49 of erstwhile Listing Agreement [now Regulation 19 of SEBI (LODR)] Regulations, 2015, the Board of Directors at their Meeting held on 11.08.2014 approved the Remuneration and Nomination Policy as recommended by the Nomination and Remuneration Committee. The salient features of the said policy covering the policy on appointment and remuneration and other matters have been explained in the Corporate Governance Report.

BOARD EVALUATION :

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

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3)(C) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, the Directors hereby confirm:

(i) that in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III of the Companies Act have been followed and there are no material departures from the same;

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz. March 31, 2016 and of the profit of the Company for that period;

(iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the Directors have prepared the annual accounts on a `Going Concern' basis;

(v) that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and

(vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PERSONNEL:

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

PARTICULARS OF EMPLOYEES :

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

LISTING

The Company's securities are listed with National Stock Exchange of India Ltd., BSE Limited and Ahmedabad Stock Exchange Ltd. The Company has paid the listing fees to BSE Limited and National Stock Exchange of India Limited. As far as Ahmedabad Stock Exchange is concerned, we have already submitted written request to the Stock Exchange for letting us know the amount of fees payable for F.Y. 2016-17. The details are still awaited.

CORPORATE GOVERNANCE :

As per Regulation 34(3) read with schedule V of the SEBI (LODR) Regulations, 2015, a separate Section on corporate governance practices followed by Company, together with a certificate from Company's Statutory Auditors confirming compliance forms an integral part of this report.

BUSINESS RESPONSIBILITY REPORT :

The Business Responsibility Reporting, as required Regulation 34(2)(g) of SEBI (LODR) Regulations, 2015 is not applicable to the Company.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES :

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) :

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility (CSR) Policy which has been approved by the Board. The other details of the CSR activities as required u/s. 135 of the Companies Act are given in CSR Report at Annexure to Director's Report.

RISK MANAGEMENT POLICY :

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

(1) Severe simultaneous drought in those Soya producing countries of the world on which Indian Crude Soya Oil refining is partly dependent.

(2) Development of new and substantially cheaper manufacturing technologies using altogether new inputs for making various kinds of resins which are required for making paints, printing ink, hardners/adhesives

(3) New research on the benefits of Natural Vitamin E versus Synthetic one, which dilutes the benefit of Natural Vitamin E.

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

AUDITORS:

The auditors M/s Jhaveri Shah & Co., Chartered Accountants, Ahmedabad were appointed at the last Annual General Meeting held on July 27, 2015 for a term of five years, subject to ratification at each and every intervening annual general meeting. They have, however, given the letter to the Company expressing their unwillingness to continue as the Statutory Auditors of the Company.

The Company now proposes to appoint, subject to approval at the ensuing Annual General Meeting, M/s. Price Waterhouse & Co. Chartered Accountants LLP as the Statutory Auditors of the Company for a term of five years, subject to ratification at each and every intervening annual general meeting. The Audit Committee of the Board of Directors has recommended their appointment.

The Report of the Statutory Auditors for the financial year 2015-16 does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT REPORT

As required by Section 204 of The Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Parikh Dave & Associates, Company Secretaries, Ahmedabad, a firm of Company Secretaries in Practice to conduct Secretarial Audit for the Financial Year 2015-16. The Report of the Secretarial Audit for the financial year ended on March 31, 2016 is annexed as Annexure to this Report. The said report contains one observation. The standard of Code of Conduct as per Insider Trading Regulations requires that the `Trading Window' shall not be re-opened earlier than 48 hours from the time price sensitive information pertaining to financials of the Company become generally available. We had announced closure of `Trading Window' till end of next day of the day on which Board Meeting took place. We will ensure proper compliance of this regulation going forward. We, however, wish to place on record that no transaction – either sale or purchase of equity shares - by any of the `insiders' was reported within 48 hours from the time of release of price sensitive information.

COST AUDITOR:

As per the Companies (Cost Records and Audit) Rules, 2014 as amended by Companies (Cost Records and Audit) Amendment Rules, 2014, issued by the Central Government, the Company is required to get its cost records maintained by the company for the products covered under Chapters 2917 and 3823 of Sr. No. 18 of table mentioned under Rule 3 (B) – Non-regulated Sectors audited by a Cost Auditor. Accordingly, the Board of Directors, as per the recommendation of the Audit Committee, proposes to appoint M/s. Rajendra Patel & Associates, Cost Accountants as Cost Auditors for the financial year 2016-17.

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. During the year Company took trials of its various motors to measure efficiency vis-a-vis last generation motors. The trials show fair amount of saving of power and Company is now contemplating to proceed in the matter.

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

The Company is exploring investments in replacement of its several motors, particularly those with >15 HP rating.

(c) Impact of measures listed in (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods:

The above mentioned energy saving initiatives will help the company to contain its Power and Fuel costs.

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

As per annexure attached.

B. Technology Absorption

The Company has an ongoing program for up gradation of existing products, improvement in manufacturing processes, reduction in product costs and increase in yield of prime intermediate / finished products. The

Company was able to achieve higher yield of its prime intermediate / finished products on its Fractional Column/ autoclave equipments. This is done through constant interaction with employees, customers and vendors.

Company continued its experiment with process routes.

C. Foreign Exchange Earnings and outgo

Foreign Exchange Earnings Rs.30,19,51,610/-

Foreign Exchange Utilised Rs.8,52,32,381/-

Extract of Annual Return :

The details forming part of the extract of Annual Return in Form MGT-9 as required under Section 92 of the Companies Act, 2013 is annexed herewith as Annexure to this Report.

ACKNOWLEDGMENTS:

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

For and on behalf of the Board of Directors,

Place : Ahmedabad
Date : April 29, 2016

Utkarsh B. Shah
Chairman

A.	POWER AND FUEL CONSUMPTION			2015-16	2014-15
1.	**ELECTRICITY**				
	A.	Purchased	Units	69,61,590	58,15,265
			Total Amount (Rs.)	5,26,06,167	4,20,32,719
			Rate / Unit (Rs.)	7.56	7.23
	B.	Own Generation	Units	1,90,472	163,304
			Units per Litre of Diesel	3.31	3.20
			Average Cost / Unit (Rs.)	16.40	20.10
2.	**FURNACE OIL**				
			Quantity (in KL)	218.138	251.390
			Total Cost	51,93,848	10,713,307
			Average rate per litre (Rs.)	23.81	42.61
3	**LIGNITE / COAL**				
			Quantity (in M.Tons)	8,814.57	11,178
			Total Cost	5,02,24,900	51,033,176
			Average rate per Kg. (Rs.)	5.68	4.57
4.	**OTHERS (IF ANY)**			-	-

B.	**Consumption per unit of Production**	Production (M.Tons)	Standards, if any	**Per M.Ton**
1	**ELECTRICITY**			KWH
	Deodorizer Distillate (Mixed Tocopherol Concentrate)	**1,279.690** (1,648.017)	– –	**532** (525)
	Linoleic Acid	**2269.225** (1858.455)	– –	**346** (342)
	Dimer Acid	**3777.055** (2550.397)	– –	**296** (340)
2	**FURNACE OIL**			Litres
	Deodorizer Distillate (Mixed Tocopherol Concentrate)	**1,279.690** (1,648.017)	– –	**18.79** (24.00)
	Linoleic Acid	**2269.225** (1858.455)	– –	**10.77** (10.50)
	Dimer Acid	**3777.055** (2550.397)	– –	**15.89** (32.00)
3	**LIGNITE / COAL**			KGS.
	Deodorizer Distillate (Mixed Tocopherol Concentrate)	**1,279.690** (1,648.017)	– –	**977** (1050)
	Linoleic Acid	**2269.225** (1858.455)	– –	**421** (499)
	Dimer Acid	**3777.055** (2550.397)	– –	**927** (1275)

ANNEXURE TO DIRECTORS' REPORT - DISCLOSURES ON MANAGERIAL REMUNERATION

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

(A) No of permanent employees on the rolls of the Company : 175

(B) The percentage increase in the median remuneration of employees in FY 2016 stood at 14%.

(C) Relationship between the average increase in remuneration and the Company's performance:

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

		March 31, 2016	March 31, 2015	Growth
		Rs. in Crores		(In%)
1	Total Revenue	152.54	151.27	1.01%
2	Profit before Depreciation, Finance Costs and Tax expense	23.34	25.51	(8.51%)
3	Profit before Tax	16.56	20.55	(19.42%)
4	Profit after Tax	10.60	13.69	(22.57%)
5	Earning per share (As per annual reports for respective years) (Rs.)	7.68	9.92	(22.58%)
6	Market Capitalisation	356.16	473.41	(24.77%)
7	Return on Capital Employed	22.20%	28.10%	

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

The average increase in the remuneration of all employees was 10% for the FY 2015-16. There was no increase in remuneration of Managing Director and Whole time Director. The increase in the remuneration of CFO and Company Secretary was 5%.

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

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

(E) Percentage increase in the remuneration of each director and key managerial personnel in FY 2016 is given below. Further details are given in MGT-9.

Name	**Designation / Category**	**Increase / (Decrease) in Remuneration (%)**
Shri Utkarsh B. Shah	Chairman / Non-Executive	No remuneration
Shri Nahoosh J. Jariwala	Managing Director / Executive	(5.40%)
Shri Harsha Raghavan*	Director / Non-Executive	No remuneration
Shri Sumit Maheshwari	Director / Non-Executive	No remuneration
Shri Bimal D. Parikh**	Director / Non-Executive	(25.73%)#
Shri Hemant N. Shah***	Director / Non-Executive	No remuneration
Shri Jayesh K. Shah	Director / Non-Executive	12.96%
Shri Kalpesh A. Patel	Director / Non-Executive	15.91%
Shri Nitin R. Patel	Director / Non-Executive	31.48%
Shri Ganpatraj Chowdhary	Director / Non-Executive	75%
Shri Bhavin A. Shah	Director / Non-Executive	-
Ms. Sonal V. Ambani	Director / Non-Executive	See note below
Mr. Rajen N. Jhaveri	C.F.O. and Company Secretary	4.62%

* Shri Harsha Raghavan and Shri Sumit Maheshwari were appointed as additional director in promoter category with effect from February 8, 2016.

** Change of Designation from Executive Director to (Non-Executive) Director w.e.f. 05.03.2016.

*** Change of Designation from Whole Time Director to (Non-Executive) Director w.e.f. 05.03.2016.

\# Remuneration for F.Y. 2015-16 is for 10 months (April 1, 2015 to January, 2016) only.

Note : Ms. Sonal V. Ambani was appointed as Woman Director w.e.f. March 31, 2015 by circular resolution. So comparison of remuneration is not available.

(F) Remuneration of each director to the median employees' remuneration (times) for FY 2016 :

Names	Designation / Category	Remuneration of Directors to median Employee's remuneration (times)
Shri Utkarsh B. Shah	Chairman / Non-Executive	Not Applicable
Shri Nahoosh J. Jariwala	Managing Director / Executive	21.48
Shri Harsha Raghavan	Director / Non-Executive	Not Applicable
Shri Sumit Maheshwari	Director / Non-Executive	Not Applicable
Shri Bimal D. Parikh	*Executive Director / Executive	8.1
Shri Hemant N. Shah	*Whole time Director / Executive	Not Applicable
Shri Jayesh K. Shah	Director / Non-Executive	0.15
Shri Kalpesh A. Patel	Director / Non-Executive	0.11
Shri Nitin R. Patel	Director / Non-Executive	0.13
Shri Ganpatraj Chowdhary	Director / Non-Executive	0.07
Shri Bhavin A. Shah	Director / Non-Executive	0.08
Ms. Sonal V. Ambani	Director / Non-Executive	0.08

* Upto March 05, 2016 only. Designation and Category changed to Director and Non Executive respectively.

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

The market capitalisation of the Company decreased by 24.76% , from Rs. 473.41 crores as at March 31, 2015 to Rs. 356.16 crores as at March 31, 2016. The price to earnings ratio decreased by 2.83%, from 34.59 times as at March 31, 2015 to 33.61 times as at March 31, 2016.

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

(a) Year 2012 – Two bonus equity shares of Rs. 10/- each fully paid up for every 10/- equity shares of Rs. 10/- each fully paid up.

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

(c) Year 2014 - One bonus equity share of Rs. 10/- each fully paid up for every 10/- equity shares of Rs. 10/- each fully paid up

The equity shares of the Company closed at Rs. 258.20 on Bombay Stock Exchange of India Limited on March 31, 2016, representing an increase of 3649% since the date of Public Issue (after adjustment for 3 bonus issues).

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

There was no variable component in form of Commission payment to Non-Executive Directors during F.Y. 2015-16. The Managing Director and Executive Director are eligible for variable component in the form of Commission on Profits @ 0.75% and 0.30% respectively as approved by the Members at the 28th Annual General Meeting held on 24th June, 2013.

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

ANNEXURE TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES :

(1) Brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and a reference to web-link to the CSR policy and projects or programs :

The CSR policy framed pursuant to the provisions of section 135 of The Companies Act, 2013 is available on the Company's website. The web-link of the same is –

http://www.adifinechem.com/CSR%20Policy.pdf

The Company proposes to focus on the following areas of the CSR Policy :

(a) Organising / sponsoring need based programs for Health

(b) Providing financial support to non-profit making entities involved in preventive health care.

(c) Providing direct financial assistance for medical treatment in hospitals / nursing homes.

(d) Providing financial support to campaigns meant for creating public awareness in the area of eradication of diseases.

(e) Initiatives relating to better hygiene and sanitation.

(2) Composition of the CSR Committee :

Shri Nahoosh Jariwala, Managing Director
Shri Bimal Parikh, Director (Promoter)
Shri Hemant Shah, Director (Promoter) and
Shri Nitin Patel, Independent Director

(3) Average Net Profit of the Company for last three financial years is Rs. 2109.62 Lacs.

(4) Prescribed CSR Expenditure (2 % of the amount as in item No. 3 above.) Rs. 42.19 lacs

(5) Details of CSR spent during the Financial Year

(a) Total amount to be spent for the financial year : Rs. 42.19 lacs

(b) Amount unspent : Rs. 41.97 lacs

(c) Manner in which the amount is spent during the financial year is detailed below :

(Amount in Rs.)

Sr. No.	CSR Project/ Activities	Sector	Location of the Project	Amount outlay (Budget) Project or Program wise	Amount spent on the Project or Program Sub_heads: (1) Direct Expenditure on Projects (2) Overheads	Cumulative Expenditure up to Reporting Period	Amount Spent Direct or Through implementing Agency
1	Distribution of Food in School at Chekhala	Education	Chekhala Ta. Sanand	22,220/-	22,220/-	22,220/-	Direct

The Reason for not spending the entire amount is given in the Directors' Report

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

Form No. MGT-9

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L15140GJ1985PLC007845
ii	Registration Date	25.05.1985
iii	Name of the Company	ADI FINECHEM LIMITED
iv	Category/Sub-category of the Company	Public Company/Limited by Shares
v	Address of the Registered office & contact details	1st Floor, 2, Sigma Corporates, Behind HOF Living, Sindhu Bhavan Road, Off. S.G. Road, Ahmedabad - 380059. Phone (079) 29701675
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compund, LBS Road, Bhandup (West), Mumbai - 400078. Phone : (022) 25946970

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Deodorizer Distillate (Mixed Tocopherol Concentrate)	3004	16.33%
2	Dimer Acid	3009	24.90%
3	Linoleic Acid / Soya Fatty Acid	3004	25.82%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	N/A				
2	N/A				
3	N/A				

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2015 i.e., on the basis of SHP of March 31, 2015				No. of Shares held at the end of the year (as on March 31, 2016 i.e., on the basis of SHP of March 31, 2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	6,480,380	Nil	6,480,380	46.98%	1,413,536	Nil	1,413,536	10.25%	-36.73%
b) Central Govt.or									
State Govt.									
c) Bodies Corp.	2,139,703	Nil	2,139,703	15.51%	1,046,464	Nil	1,046,464	7.59%	-7.92%
d) Banks/FI									
e) Any other…									
Sub-Total (A)(1)	**8,620,083**	**Nil**	**8,620,083**	**62.49%**	**2,460,000**	**Nil**	**2,460,000**	**17.84%**	**-44.65**
(2) Foreign	Nil	Nil	Nil	Nil					
a) NRIs- Individuals	Nil	Nil	Nil	Nil					
b) Other-individuals	Nil	Nil	Nil	Nil					
c) Bodies Corp.	Nil	Nil	Nil	Nil					
d) Banks/FI	Nil	Nil	Nil	Nil					
e) Any other ……..	Nil	Nil	Nil	Nil	6,198,074	Nil	6,198,074	44.93%	44.93%
Sub-Total (A))(2)	**Nil**	**Nil**	**Nil**	**Nil**	**6,198,074**	**Nil**	**6,198,074**	**44.93%**	**44.93%**
Total Share holding Promoter(s) A=A(1)+A(2)	**8,620,083**	**Nil**	**8,620,083**	**62.49%**	**8,658,074**	**Nil**	**8,658,074**	**62.77%**	**0.28%**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	279,940	Nil	279,940	2.03%	470,000	Nil	470,000	3.41%	1.38
b) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	24,000	Nil	24,000	0.174%	23,500	-	23,500	0.17%	0.00%
h) Foreign venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify) Foreign Portfolio Investor (Corporate)	358,043	Nil	358,043	2.60%	622,284	Nil	622,284	4.51%	1.91%
Sub-total (B) (1)	**661,983**	**Nil**	**661,983**	**4.80%**	**1,115,784**	**Nil**	**1,115,784**	**8.09%**	**3.29%**
2. Non-Institutions									
a) Bodies Corp.	422,232	5,227	427,459	3.10%	398,031	5,227	403,258	2.92%	-0.18%
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1,438,379	226,353	1,664,732	12.07%	1,372,205	2,23,996	1,596,201	11.57%	-0.5%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	2,214,611	10,454	2,225,065	16.13%	1,819,847	10,454	1,830,301	13.27%	-2.86%
C) Others (specify) Non Residents	181,559	Nil	181,559	1.32%	185,917	Nil	185,917	1.35%	0.03%
d) Other (Clearing Members)	13,119	Nil	13,119	0.09%	4,465	Nil	4,465	0.03%	-0.06%
Sub total (B)(2)	**4,269,900**	**242,034**	**4,511,934**	**32.71%**	**3,780,465**	**239,677**	**4,020,142**	**29.14%**	**-3.57%**
Total public shareholding (B)=(B)(1)+(B)(2)	**4,931,883**	**242,034**	**5,173,917**	**37.51%**	**4,896,249**	**239,677**	**5,135,926**	**37.23%**	**-0.28%**
C. Shares held by custodian for GDRs & ADRs									Nil
Grand Total (A+B+C)	**13,551,966**	**242,034**	**13,794,000**	**100.00%**	**13,554,323**	**239,677**	**13,794,000**	**100%**	**Nil**

(ii) Shareholding of Promoters/Promoters Group

Sl. No.	Shareholders' name	Shareholding at the begginning of the year (as on April 1, 2015 i.e., on the basis of SHP of March 31, 2015)			Shareholding at the end of the year (as on March 31, 2016 i.e., on the basis of SHP of March 31, 2016)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Shri Utkarsh Shah	1,844,316	13.37%	-	550,000	3.99%	-	-9.38%
2	Shri Hemant Shah	1,279,687	9.28%	-	405,000	2.94%	-	-6.34%
3	Shri Raj Bhikhoobhai Shah	923,775	6.70%	-	-	0.00%	-	-6.70%
4	Shri Bimalbhai Dashrathbhai Parikh	872,128	6.32%		358,536	2.60%	-	-3.72%
5	Harihar Mfg. & Trading Pvt. Ltd.*	767,201	5.56%		-	0.00%	-	-5.56%
6	PCD Investment Pvt. Ltd.#	663,019	4.81%		663,019	4.81%	-	0.00%
7	UKM Investment Pvt. Ltd.**	663,019	4.81%		336,981	2.44%	-	-2.37%
8	Shri Sukoon Vipoolbhai Shah	638,319	4.63%		-	0.00%	-	-4.63%
9	Shri Bimal Dashrathbhai Parikh - HUF	310,383	2.25%		-	0.00%	-	-2.25%
10	Shri Rohan Hemant Shah	304,856	2.21%		100,000	0.72%	-	-1.49%
11	Mrs. Mamtaben Bimalbhai Parikh	302,560	2.19%		-	0.00%	-	-2.19%
12	Dashrath Jagmohandas Investments Pvt. Ltd.	43,560	0.32%	-	43,560	0.32%	-	0.00%
13	Shri Priyam B Parikh	4,356	0.03%		-	0.00%	-	-0.03%
14	Ashmak Investments Private Limited	2,904	0.02%		2,904	0.02%	-	0.00%
15	FIH Mauritius Investments Limited	-			6,194,824	44.91%	-	44.91%
16	FIH Private Investments Limited	-			3,250	0.02%	-	0.02%
	Total	8,620,083	62.49%		8,658,074	62.77%	-	0.28%

* Name of the Company changed to Harihar Mfg. & Trading LLP
\# Name of the Company changed to Nahoosh Tradelink Pvt. Ltd.
** Name of the Company changed to Jariwala Tradelink LLP

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	8,620,083	62.49%	8,658,074	62.77%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	#	#	N/a	N/a
	At the end of the year	8,620,083	62.49%	8,658,074	62.77%

Inter-se Transfer among Promoters

Sl. No.	Name	Shareholding					Cumulative shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2014) end of the year (31.03.2015)	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1	Shri Utkarsh B. Shah	1,844,316	13.37	01.04.2015	64,000	Transfer (inter se transfer)	1,908,316	13.83
					413,000	Transfer (inter se transfer)	2,321,316	16.83
					63,500	Transfer (inter se transfer)	2,384,816	17.29
					(920,000)	Transfer (inter se transfer)	1,464,816	10.62
					(914,816)	Transfer (inter se transfer)	550,000	3.99
					510,775	Transfer (inter se transfer)	1,060,775	7.69
					510,819	Transfer (inter se transfer)	1,571,594	11.39
					(1,021,594)	Transfer (under SPA)	550,000	3.99
2	Shri Hemant N. Shah	1,279,687	9.28	01.04.2015	(874,687)	Transfer (inter se transfer)	405,000	2.94
3	Shri Raj Bhikhoobhai Shah	923,775	6.70	01.04.2015	(413,000)	Transfer (inter se transfer)	510,775	3.70
					(510,775)	Transfer (inter se transfer)	Nil	0
4	Shri Bimalbhai Dashrathbhai Parikh	872,128	6.32	01.04.2015	(513,592)	Transfer (inter se transfer)	358,536	2.60
5	Harihar Mfg. & Trading LLP*	767,201	5.56	01.04.2015	(767,201)	Transfer (inter se transfer)	Nil	0

6	PCD Investment Pvt. Ltd.#	663,019	4.81	01.04.2015	767,201	Transfer (inter se transfer)	1,430,220	10.37
					326,038	Transfer (inter se transfer)	1,756,258	12.73
					(1,093,239)	Transfer (under SPA)	663,019	4.81
7	Jariwala Tradelink LLP.**	663,019	4.81	01.04.2015	(326,038)	Transfer (inter se transfer)	336,981	2.44
8	Shir Sukoon Vipoolbhai Shah	638,319	4.63	01.04.2015	(64,000)	Transfer (inter se transfer)	574,319	4.16
					(63,500)	Transfer (inter se transfer)	510,819	3.70
					(510,819)	Transfer (inter se transfer)	Nil	0
9	Bimal Dashrathbhai Parikh - HUF	310,383	2.25	01.04.2015	(310,383)	Transfer (inter se transfer)	Nil	0
10	Shri Rohan Hemant Shah	304,856	2.21	01.04.2015	(204,856)	Transfer (inter se transfer)	100,000	0.72
11	Mrs. Mamtaben Bimalbhai Parikh	302,560	2.19	01.04.2015	(302,560)	Transfer (inter se transfer)	Nil	0
12	Shir Priyam B Parikh	4,356	0.03	01.04.2015	513,592	Transfer (inter se transfer)	517,948	3.75
					310,383	Transfer (inter se transfer)	828,331	6.01
					302,560	Transfer (inter se transfer)	1,130,891	8.20
					(1,130,891)	Transfer (under SPA)	Nil	0
13	FIH Mauritius Investments Limited				6,160,083	Transfer (under SPA)	6,160,083	44.66
					847	open offer	6,160,930	44.66
					21,168	on market purchase	6,182,098	44.82
					6,016	on market purchase	6,188,114	44.86
					3,901	on market purchase	6,192,015	44.89
					2,809	on market purchase	6,194,824	44.91
	FIH Private Investments Limited (PAC)				3,250	on market purchase	3,250	0.02

* Name of the Company changed to Harihar Mfg. & Trading LLP
\# Name of the Company changed to Nahoosh Tradelink Pvt. Ltd.
** Name of the Company changed to Jariwala Tradelink LLP

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

Sr. No.	Name Of Shareholder	Shareholding at the beginning of the year		Change in Shareholding (no. of shares)		Cumulative Shareholding during the year	
		No. of Shares	% of total shared of the Company	Increase	Decrease	No. of Shares	% of total shared of the Company
1	Malabar India Fund Limited	358,043	2.60	231,741	0	589,784	4.28
2	SBI Small and Midcap Fund	279,940	2.03	190,060	0	470,000	3.41
3	Rohinton Soli Screwvala	145,742	1.06	-	0	145,742	1.06
4	Dhirendra B. Shah	136,281	0.99	-	3,750	132,531	0.96
5	Rajyog Share And Stock Brokers Ltd.	-	0	93,958	0	93,958	0.68
6	Dipti D. Shah	74,520	0.54	14,591	0	89,111	0.65
7	IL And FS Trust Company Limited	50,000	0.36	30,000	0	80,000	0.58
8	Parag Jayantibhai Shah	-	0	76,134	0	76,134	0.55
9	Diensh Rasiklal Shah	60,635	0.44	-	0	60,635	0.44
10	Krishna Kishore Maheshwari	50,000	0.36	10,000	0	60,000	0.43

Note: Top ten shareholders of the Company as on March 31, 2016 have been considered for the above disclosure.

(v) Shareholding of Directors & KMP

Sl. No.	Name	Shareholding					Cumulative shareholding during the year (01.04.2015 to 31.03.2016)	
(A)	Directors	No. of shares at the beginning (01.04.2015) end of the year (31.03.2016)	% of total shares of the Company	Date	Incease / Decrease in shareholding	Reason	No. of Shares	% of total shares of the Company
1	Shri Utkarsh B. Shah	1,844,316	13.37	01.04.2015	64,000	Transfer (inter se transfer)	1,908,316	13.83
					413,000	Transfer (inter se transfer)	2,321,316	16.83
					63,500	Transfer (inter se transfer)	2,384,816	17.29
					(920,000)	Transfer (inter se transfer)	1,464,816	10.62
					(914,816)	Transfer (inter se transfer)	550,000	3.99
					510,775	Transfer (inter se transfer)	1,060,775	7.69
					510,819	Transfer (inter se transfer)	1,571,594	11.39
					(1,021,594)	Transfer (under SPA)	550,000	3.99
2	Shri Hemant N. Shah*	1,279,687	9.28	01.04.2015	(874,687)	Transfer (inter se transfer)	405,000	2.94

4	Shri Bimalbhai** Dashrathbhai Parikh	872,128	6.32	01.04.2015	(513,592)	Transfer (inter se transfer)	358,536	2.60
5	Shri Bhavin A. Shah	11,000	0.08	01.04.2015	10,000	Sale	1,000	0.007
(B)	Key Managerial Personnel (KMP)							
1	Mr. Rajen Jhaveri	5,808	0.04	-	5,808	-	5,808	0.04

* Change in Designation w.e.f. 05.03.2016 from Whole time Director to Director

** Change in Designation w.e.f. 05.03.2016 from Executive Director to Director

V. INDEBTEDNESS

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

(Amount in Rs.)

	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	242,170,199	4,55,00,000	-	287,670,199
ii) Interest due but not paid	87,045	-	-	87,045
iii) Interest accrued but not due	648,517	-	-	648,517
Total (i+ii+iii)	242,905,761	45,500,000	-	288,405,761
Change in indebtedness during the financial year				
• Addition	123,934,111	-	-	123,934,111
• Reduction	29,096,849	-	-	29,096,849
Net Change	94,837,262	NIL	-	94,837,262
Indebtedness at the end of the financial year				
i) Principal Amount	336,528,665	45,500,000	-	382,028,665
ii) Interest due but not paid	8,453		-	8,453
iii) Interest accrued but not due	1,205,905		-	1,205,905
Total (i+ii+iii)	337,743,023	45,500,000	-	83,243,023

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / EX.Dir / Manager		Total
		Shri Nahoosh Jariwala	Shri Bimal Parikh	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	3,120,000	1,250,000	4,370,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	39,600	---	39,600
	(c) Profit in lieu of Salary under section 17(3) Income tax Act, 1961.			

2	Stock Option			
3	Sweat Equity			
4	Commission - As% of Profit - Others Specify	1,335,505	445,168	1,780,673
5	Others, Please Specify			
	Total(A)	4,495,105	1,695,168	6,190,273
	Ceiling as per Act	Rs. 17,806,731/- (being 10% of Net Profit of the Company Calculated as per Section 198 of the Companies Act, 2013)		

B. *Remuneration to other Directors:*

(Amount in Rs.)

Sl. No.	Particulars of Remuneration							Total Amount (in Rs.)
		Shri Jayesh K. Shah	Shri Kalpesh A. Patel	Shri Ganpatraj L. Chowdhary	Shri Nitin R. Patel	Shri Bhavin A. Shah	Mrs. Sonal Ambani	
1.	Independent Directors a) Fee for attending board, committee meetings b) Commission c) Others, Please Specify Director Remuneration Director Remuneration	27,000 -- --	22,000 -- --	14,000 -- --	27,000 -- --	17,500 -- --	17,500 -- --	125,000 -- --
	Total (1)	27,000	22,000	14,000	27,000	17,500	17,500	125,000
2.	Other Non- Executive Directors a) Fee for attending board, committee meetings b) Commission c) Others, Please Specify	-- -- --	-- -- --	-- -- --	-- -- --	-- -- --	-- -- --	-- -- --
	Total (2)	0	0	0	0	0	0	0
	Total B = (1+2)	27,000	22,000	14,000	27,000	17,500	17,500	125,000
	Total Managerial Remuneration							6,315,273#
	Overall ceiling as per Act.							

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

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		C.F.O. & Company Secretary	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2,949,954	2,949,954
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	28,800	28,800
	(c) Profit in lieu of Salary under section 17(3) Income tax Act, 1961.	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others, specify	-	-
5	Others, please specify	-	-
	Total	2,978,754	2,978,754

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

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

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2016

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

To,
The Members,
ADI FINECHEM LIMITED
CIN:L15140GJ1985PLC007845
1st Floor, 2 Sigma Corporates, Behind HOF Living,
Sindhu Bhavan Road, Off. S.G. Road,
Ahmedabad –380059

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made thereunder;
2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992(upto May 14, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 (Effective from May 15, 2015);
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable as the Company has not issued any shares during the year under review;
   (d) The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014 - Not Applicable as the Company has not issued any Shares / options to the Directors /Employees under the said Regulations during the year under review;
   (e) The Securities and Exchange Board of India(Issue and Listing of Debt Securities) Regulations ,1998 - Not Applicable as the Company has not issued any debt securities during the year under review;
   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not Applicable as the Company has not delisted its Equity Shares from any Stock Exchanges during the year under review;

(h) Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2008- Not Applicable as the Company has not bought back any of its securities during the year under review;

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Effective from December 1, 2015)

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

(a) Secretarial Standards with respect to the Meetings of the Board of Directors and Committee Meetings of the Board (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India. (Effective from July 1, 2015.)

(b) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) (listed w.e.f. 8th May, 2015), BSE Limited (BSE) and Ahmedabad Stock Exchange Limited (ASE).

(c) The Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

During the period under review, the Company has generally complied with all the material provisions of the applicable Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to observation that the Trading Window under SEBI (Prohibition of Insider Trading) Regulations, 2015 was re-opened earlier than 48 hours of the information becoming generally available and to that extent, the Company has not complied with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

We further report that:

Having regard to the Compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has generally complied with the material aspects of the following laws specifically applicable as company being manufacturing company :

1. Factories Act,1948;
2. The Boilers Act, 1923 and the Rules framed thereunder;
3. Explosives Act, 1884;

We further report that:

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

Adequate notice is given to all Directors to schedule the Board Meetings at least seven days in advance except one Board Meeting which was held at Shorter Notice in due compliance of law. Agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of Board of Directors/ Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members on any of the matters during the year that were required to be captured and recorded as part of the minutes.

We further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines such as Labour Laws, Environmental Laws , The Trade Marks Act, 1999, The Indian Copyright Act, 1957, The Patents Act, 1970.

We further report that:

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, has not been

reviewed in this Audit since the same have been subjected to the review by the Statutory Auditors and other designated professionals.

We further report that:

During the Audit period under review, the events / actions having a major bearing on the Company's affairs in pursuance of the above mentioned laws, rules, regulations, guidelines, standards, etc. are as mentioned below:

- M/s. FIH Mauritius Investments Limited along with M/s. FIH Private Investments Limited (PAC)had made an Open offer pursuant to The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for acquiring upto 35,86,440 Equity Shares (representing 26% of the paid up Equity Share capital of the Company).
- The Indian Promoters / Promoter group has divested 61,60,083 Equity shares constituting 44.66% of their stake in favour of M/s. FIH Mauritius Investments Limited through Share Purchase Agreement.
- By virtue of the above events, M/s. FIH Mauritius Investments Limited has acquired 61,60,930 Equity Shares of the Company constituting 44.66% of the paid up Equity Share Capital of the Company.

For **Parikh Dave & Associates**
Company Secretaries
Uday G. Dave
Partner
FCS No. 6545 C P No.: 7158

Place : Ahmedabad
Date : April 26, 2016

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

ANNEXURE A

To,

The Members,

ADI FINECHEM LIMITED

CIN- L15140GJ1985PLC007845

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices followed by us provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh Dave & Associates**
Company Secretaries
Uday G. Dave
Partner
FCS No. 6545 C P No.: 7158

Place : Ahmedabad
Date : April 26, 2016

Report on Corporate Governance

[Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 under Uniform Listing Agreement]

1. Company's Philosophy on the Code of Governance

The company has set itself the objective of expanding its capacities and becoming one of the most cost efficient manufacturers 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 Regulation 17 of SEBI (LODR) Regulations, 2015.

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

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

Directors	Category	Attendance Particulars		Directorships in other Public Ltd. Companies incorporated in India.	Committee Memberships*	
		Board Meeting	Last AGM		Member	Chairman
Shri Utkarsh B. Shah (Chairman)	Promoter, Non-Executive	6	No	1	Nil	Nil
Shri Nahoosh J. Jariwala (Managing Director)	Promoter Executive	6	Yes	Nil	Nil	Nil
Shri Harsha Raghavan	#Promoter, Non-Executive	--	--	4	Nil	Nil
Shri Sumit Maheshwari	#Promoter, Non-Executive	--	--	1	Nil	Nil
Shri Bimal D. Parikh	**Promoter, Non-Executive	6	Yes	Nil	Nil	Nil
Shri Hemant N. Shah	**Promoter, Non-Executive	6	Yes	Nil	Nil	Nil
Shri Jayesh K. Shah	Independent, Non-Executive	6	Yes	6	Nil	Nil
Shri Kalpesh A. Patel	Independent, Non-Executive	5	Yes	Nil	Nil	Nil
Shri Ganpatraj L. Chowdhary	Independent, Non-Executive	4	Yes	2	Nil	Nil
Shri Nitin R. Patel	Independent, Non-Executive	6	Yes	Nil	Nil	Nil
Shri Bhavin A. Shah	Independent, Non-Executive	5	Yes	Nil	Nil	Nil
Ms. Sonal Vimal Ambani	Independent, Non-executive	5	Yes	1	Nil	Nil

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

** Change in Designation w.e.f. 05.03.2016. Category changed from `Executive' to `Non-Executive'.

\# Appointed as Additional Director – Non- Executive – Promoter Category w.e.f. 08.02. 2016.

Shri Utkarsh, Shah, Chairman of the Board of Directors could not attend 30th Annual General Meeting of the members held on 27th July, 2015 on personal health ground and as medically advised.

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

- **Board Meetings and Attendance**

The Meeting of the Board of Directors is scheduled in advance. The Board meets at least once in a quarter inter-alia to review the performance of the Company and consideration of quarterly financial results. Each time, a detailed agenda is prepared in consultation with the Managing Director. Six Board meetings were held in the year 2015-16 and the gap between two Board meetings has not exceeded 120 days. The dates on which meetings were held are as follows:

No.	Date of Meeting	No. of Directors Present	No.	Date of Meeting	No. of Directors Present
1	May 04, 2015	10	5.	February 03, 2016	8
2	July 27, 2015	10			
3	November 02, 2015	9	6.	March 05, 2016	9
4	November 04, 2015	9			

- **Appointment of Independent Directors**

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

- **Meeting of Independent Directors**

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

During the year, one such meeting took place.

- **Committee of Independent Directors :**

Pursuant to the requirement of Regulation 26 (7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Board of Directors, at their Meeting held on November 4, 2015, had constituted a Committee of Independent Directors (IDC) of (1) Shri Jayesh Shah, (2) Shri Kalpesh Patel and (3) Shri Nitin Patel. A meeting of the said IDC took place on January 15, 2016 and committee approved the text of its written reasoned recommendations on the Open Offer to the Equity Shareholders of ADI FINECHEM LIMITED by FIH MAURITIUS INVESTMENTS LIMITED and FIH PRIVATE INVESTMENTS LIMITED for acquisition up to 35,86,440 Equity Shares representing 26 % of the Voting Share Capital. The said text was published in the newspapers as mandated under said Regulation 26 (7).

- **Code of Conduct**

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

3. Audit Committee

Composition :

The composition of Audit Committee is in line with Provisions of Section 177 of the Companies Act, 2013 and is in compliance with newly introduced Regulation 18 of SEBI (LODR) Regulations, 2015. The members of Audit Committee consists of following Directors, viz. Shri Jayesh K. Shah as Chairman of the Committee, Shri Hemant N. Shah, Shri Kalpesh A. Patel and Shri Nitin R. Patel as members. At the meeting of the Board of

Directors held on April 29, 2016, Shri Sumit Maheshwari is inducted in the Audit Committee in place of Shri Hemant N. Shah.

Audit Committee comprises of three Independent Directors and one Non-independent (Promoter) Director. All the members of the Committee are financially literate and have adequate accounting knowledge. The Audit Committee met four times during the financial year 2015-16 - on May 04, 2015, July 27, 2015, November 02, 2015 and February 03, 2016.

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

Name	Designation / Category	No. of Committee Meetings attended
Shri Jayesh K. Shah (Chairman)	Non-Executive, Independent	4
Shri Sumit Maheshwari (w.e.f. April 29, 2016)	Non-Executive, Promoter	---
Shri Hemant N Shah (upto April 29, 2016)	*Non-Executive, Promoter	4
Shri Kalpesh A. Patel	Non-Executive, Independent	3
Shri Nitin R. Patel	Non-Executive, Independent	4

* Change in Designation from Whole time Director to Director w.e.f. 05.03.2016

The scope of the Audit Committee includes:

(1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

(2) Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of statutory auditor and fixation of audit fees.

(3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

(4) Reviewing with management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of Section 134 of the Companies Act, 2013,

   (b) Changes, if any, in accounting policies and practices and reasons for the same,

   (c) Major accounting entries involving estimates based on the exercise of judgment by management,

   (d) Significant adjustments made in the financial statements arising out of audit findings,

   (e) Compliance with listing and other legal requirements relating to financial statements,

   (f) Disclosure of any related party transactions,

   (g) Modified opinion(s) in the draft audit report

(5) Reviewing with the management, the quarterly financial statements before its submission to the Board for approval.

(6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

(7) Review and monitor the auditor's independence and performance, and effectiveness of audit process.

(8) Approval of any subsequent modification of transactions of the Company with related parties

(9) Scrutiny of inter-corporate loans and investments.

(10) Valuation of undertakings or assets of the Company, wherever it is necessary.

(11) Evaluation of internal financial controls and risk management systems.

(12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

(13) Reviewing the adequacy of internal audit function, if any, including the structure if the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

(14) Discussion with internal auditors, any significant findings and follow up thereon.

(15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

(16) Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

(17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

(18) To review the functioning of the Whistle Blower mechanism.

(19) Approval of appointment of CFO (i.e., the Whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

(20) 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, Executive Director, Internal Auditors, Statutory Auditors and Company Secretary who also acted as Secretary of the Committee.

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

A certificate from the Managing Director and Chief Financial Officer on the financial statements and other matters of the Company for the financial year ended March 31, 2016 is also appended at the end of this Report.

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

4. Nomination and Remuneration Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015, Board is required to constitute `Nomination and Remuneration Committee' consisting of 3 or more Non-executive Directors out of which not less than one half shall be Independent Directors. At the meeting of the Board of Directors held on April 29, 2016, Shri Harsha Raghavan, is inducted in the Nomination and Remuneration Committee in place of Shri Jayesh K. Shah.

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

Name	Designation	No. of Committee Meeting attended
Shri Kalpesh A. Patel (Chairman)	Non Executive – Independent	1
Shri Harsha Raghavan (w.e.f. April 29, 2016)	Non Executive – Promoter	---
Shri Jayesh K. Shah (upto April 29, 2016)	Non Executive – Independent	1
Shri Ganpatraj L. Chowdhary	Non Executive – Independent	1

Terms of Reference :

(1) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal.

(2) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees.

(3) To formulate the criteria for evaluation of Independent Directors and the Board.

(4) To devise a policy on Board Diversity

(5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Remuneration Policy :

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

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

Remuneration to Directors

Non-Executive Directors

The remuneration for non-executive (Independent) Directors consists of sitting fees. No other payment is made to the non-executive Directors.

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

Executive Directors

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

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

Details of Remuneration :

The details relating to remuneration of Directors, as required under Regulations 34 of SEBI (LODR) Regulations 2015, are as follows:

Details of remuneration paid to Directors during the financial year 2015-16.

(Amounts in Rs.)

Directors	Salaries	Perquisites	Sitting Fees	Total
Shri Utkarsh B. Shah	Nil	Nil	Nil	Nil
Shri Nahoosh J. Jariwala	#4,455,505	39,600	Nil	4,495,105
Shri Bimal D. Parikh*	##1,545,168	150,000	Nil	1,695,168
Shri Hemant N. Shah	Nil	Nil	Nil	Nil
Shri Jayesh K. Shah	Nil	Nil	27,000	27,000
Shri Kalpesh A. Patel	Nil	Nil	22,000	22,000
Shri Nitin R. Patel	Nil	Nil	27,000	27,000
Shri Ganpatraj L. Chowdhary	Nil	Nil	14,000	14,000
Shri Bhavin A. Shah	Nil	Nil	17,500	17,500
Mrs. Sonal V. Ambani	Nil	Nil	17,500	17,500
Shri Harsha Raghavan	Nil	Nil	Nil	Nil
Shri Sumit Maheshwari	Nil	Nil	Nil	Nil

* For the period from April 01, 2015 to January 31, 2016 (10 months)

\# includes Commission of Rs. 1,335,505

\## includes Commission of Rs. 445,168 (Pro - rata for 10 months)

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

5. Stakeholders Relationship Committee

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

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

During the year, 2 complaints were received from the security holders as per the certificate of RTA. All the complaints have been resolved to the satisfaction of the complainants and no investor complaint was pending at the beginning or at the end of the year. The Company had no transfers pending at the close of the financial year.

* Change of designation from Executive Director to Director w.e.f 05.03.2016.

6. Management Committee

Management Committee comprises of 3 Members namely (1) Shri Nahoosh Jariwala, Managing Director (2) *Shri Bimal Parikh, erstwhile Executive Director and (3) *Shri Hemant N. Shah, erstwhile Whole time Director. The Committee looks after businesses which are administrative in nature and within the overall Board approved directions and framework. Two meetings of the Committee were held during the year. The Company Secretary acts as the Secretary to the Committee. At the meeting of the Board of Directors held on April 29, 2016, Shri Harsha Raghavan, and Shri Sumit Maheshwari were inducted in the Management Committee in place of Shri Bimal Parikh and Shri Hemant N. Shah.

7. Corporate Social Responsibility Committee

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

8. Disclosures

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

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

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

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

(d) The Company has complied with all mandatory requirements of Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015.

9. Code of Conduct

The Company's code of conduct has been complied with by all the members of the Board and select employees of the Company. The Company has in place a Prevention of Insider Trading Code based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to Insiders. The code ensures prevention of dealing in shares by persons having access to the unpublished price sensitive information.

10. Means of Communication

During the year, quarterly Unaudited financial results and audited annual financial results of the Company were submitted to the stock exchanges soon after its approval by the Board of Directors at their 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.

11. Details of General Meetings

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

Meeting	Year	Venue of General Meeting	Date & Time	No. of Special Resolutions
28th AGM	2012-2013	Aarohi Starz Club Pvt. Ltd., Aarohi Greens, SanandKadi Road, Chekhala, Ahmedabad-382115.	June 24, 2013 at 5.00 p.m.	Two
29th AGM	2013-2014	Memories Hall, 2nd Floor, TGB Banquets & Hotels Limited (The Grand Bhagwati) S.G. Road, Bodakdev, Ahmedabad - 380054	June 30, 2014 at 5.00 p.m.	Two
30th AGM	2014-2015	Memories Hall, 2nd Floor, TGB Banquets & Hotels Limited (The Grand Bhagwati) S.G. Road, Bodakdev, Ahmedabad - 380054	July 27, 2015 at 5.00 p.m.	One

General Shareholder Information

Date, time and venue of 31st Annual General Meeting

Friday, September 09, 2016 at 5.00 p.m. at 'Memories Hall', 2nd Floor, TGB Banquets & Hotels Limited (The Grand Bhagwati) S.G. Road, Bodakdev, Ahmedabad – 380054.

Book Closure Date :

From Saturday, September 03, 2016 to Friday, September 09, 2016 (both days inclusive)

Dividend Payment Date (subject to approval of the shareholders)

On or before October 08, 2016

Financial Calendar (Tentative)

Financial reporting for the quarter ending June 30, 2016	First week of August, 2016
Financial reporting for the quarter/half year ending September 30, 2016	First week of November, 2016
Financial reporting for the quarter ending December 31, 2016	First week of February, 2017
Financial reporting for the year ending March 31, 2017	Second week of May, 2017
Annual General Meeting for the year ending March 31, 2017	July, 2017

STOCK PRICE:

High/Low of monthly Market Price of Company's Equity Shares traded on the National Stock Exchange of India Limited and BSE Limited during the financial year 2015-16 is furnished below:

Months	BSE Limited			*National Stock Exchange of India Ltd.		
	High	Low	No. of Shares	High	Low	Volume
April, 2015	349.00	296.50	1,94,423	N.A.	N.A.	N.A.
May, 2015	319.00	240.00	1,79,933	308.90	252.10	44,659
June, 2015	290.00	253.60	27,344	292.00	238.70	48,897
July, 2015	275.00	220.00	84,249	273.00	220.00	1,47,306
August, 2015	234.90	175.20	3,83,246	235.70	178.05	2,79,808
September, 2015	199.80	182.00	23,294	205.00	185.10	35,804
October, 2015	228.00	188.10	1,25,907	225.00	189.00	1,04,526
November, 2015	255.00	201.00	53,78,884	254.50	207.00	3,86,957
December, 2015	260.00	214.00	13,37,205	260.00	218.30	3,11,844
January, 2016	256.50	180.00	1,07,548	258.80	182.50	1,52,672
February, 2016	239.50	170.00	1,47,099	247.95	170.10	1,75,585
March, 2016	294.80	208.00	2,19,043	294.00	210.00	2,04,460

- Equity shares of the Company listed and admitted to dealing on National Stock Exchange of India Limited w.e.f. Friday, May 8, 2015.

The year-end price of the equity share of the Company at BSE Limited was Rs. 258.20 and at National Stock Exchange of India Limited was Rs. 259.00. No trading was reported on Ahmedabad Stock Exchange.

Share Price Performance in comparison to broad based indices such as BSE Sensex as on March 31, 2016:

	BSE (% Change)	
	Adi Finechem Limited	Sensex
F.Y. 2015-16	-24.77 %	9.36 %

Share Transfer System

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

Reconciliation of Share Capital Audit & Certificate pursuant to Regulation 55A of the SEBI (Depositories) and Participants) Regulations, 1996 :

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 Regulation 40 (9) of SEBI (LODR) Regulations, 2015 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, 2016, 98.26 % shares of the Company were held in dematerialised form and the rest in physical form. The shares are traded on BSE Limited and National Stock Exchange of India Limited.

Distribution of Shareholding as on March 31, 2016.

Category (shares)	No. of Shareholders	Percentage	No. of Shares	Percentage
1-500	3,961	84.40	500,010	3.62
501-1000	305	6.50	223,055	1.62
1001-2000	155	3.30	229,357	1.66
2001-3000	70	1.49	177,853	1.29
3001-4000	33	0.70	119,107	0.86
4001-5000	28	0.60	126,276	0.91
5001-10000	54	1.15	385,930	2.80
10001 -20000	31	0.66	452,777	3.29
Above 20000	56	1.19	11,579,635	83.95
Total	**4,693**	**100**	**1,37,94,000**	**100.00**

Categories of Shareholders, Category-wise Shareholding as on March 31, 2016

Category	No. of Shares held	% to total shares held
Individual	40,47,786	29.34
Promoters - Indian Promoters - Foreign Promoter	 24,60,000 61,98,074	 17.83 44.93
Other Corporate Bodies	4,07,723	2.96
Financial Institutions / Mutual Funds / Banks	4,70,000	3.41
Director & their relatives	1,000	0.001
Foreign Institutional Investors / Overseas Corporate Bodies	23,500	0.17
Non-Resident Indians	1,85,917	1.35
TOTAL	**1,37,94,000**	**100 %**

Listing on Stock Exchanges at:

National Stock Exchange of India Limited	**BSE Limited**	**Ahmedabad Stock Exchange Limited**
Exchange Plaza, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	Kamdhenu Complex, Panjrapole, Opp. Sahjanand College, Ambavadi, Ahmedabad – 380 015

Listing fees for the year 2016-17 have been paid to National Stock Exchange of India Limited and BSE Limited. As far as Ahmedabad Stock Exchange Limited, the Company has submitted written request on April 22, 2016 to Ahmedabad Stock Exchange for letting it know the amount of listing fee payable for F.Y. 2016-17. The Company is still awaiting the reply.

Stock Codes / Symbol	Ahmedabad Stock Exchange	....	24855
	BSE Ltd.	....	530117
	National Stock Exchange of India Ltd.	....	ADI
	Demat ISIN No. in NSDL & CDSL for Equity Shares	....	INE959A01019

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

Contact Person
Mr. Rajen Jhaveri
Chief Financial Officer and Company Secretary

E-mail
cs@adifinechem.com
rajenjhaveri@adifinechem.com

Unclaimed Dividends
Rs. 1,73,865/- for the financial year 2010-11
Rs. 1,30,779/- for the financial year 2011-12
Rs. 1,20,070/- for the financial year 2012-13
Rs. 1,87,725/- for the financial year 2013-14
Rs. 3,58,695/- for the financial year 2014-15

Plant Location
253/P and 312, Chekhala, Sanand-Kadi Highway,
Ta. Sanand, Dist. Ahmedabad - 382 115, Gujarat, INDIA.

Registrar & Share Transfer Agent:
Link Intime India Pvt. Ltd. (From July 06, 2016)
C-13, Pannalal Silk Mills Compund,
LBS Road, Bhandup (West), Mumbai - 400078.

Sharepro Services (I) Pvt. Ltd. (up to July 05, 2016)

CEO AND CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI (LODR) Regulations, 2015. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report.

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Regulation 26 (3) of SEBI (LODR) Regulations, 2015 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, 2016.

For Adi Finechem Limited

Ahmedabad
29th April, 2016

Nahoosh J. Jariwala
Managing Director

CEO / CFO CERTIFICATION UNDER Regulation 17(8) of SEBI (LODR) Regulations, 2015

To,
The Board of Directors,
Adi Finechem Limited

(1) We have reviewed financial statements and the cash flow statement of Adi Finechem Limited for the year ended March 31, 2016 and hereby certify that to the best of our knowledge and belief :

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(2) During the year, there are, to the best of our knowledge and belief, no transactions entered into by the Company which are fraudulent, illegal or violative of the Company's Code of Conduct.

(3) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

(4) We have indicated to the Auditors and the Audit Committee :

(i) that there are no significant changes in internal control over financial reporting during the year;

(ii) that there are no significant changes in accounting policies during the year and

(iii) that there are no instances of significant fraud of which we have become aware.

(Rajen Jhaveri)
Chief Financial Officer

(Nahoosh Jariwala)
Managing Director

Place : Ahmedabad
Date : 29th April, 2016.

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, 2016, as stipulated in Regulation 34 of SEBI (LODR) Regulations, 2015 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 SEBI Listing Regulations, 2015.

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 : 29th April, 2016.

Ronak Shah
Partner
M No : 102249

Independent Auditors' 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, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2016 and its Profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by " the Companies (Auditor's Report) Order, 2016" ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order,

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016, from being appointed as a Director in terms of section 164 (2) of the Act; and

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

   (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      I The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statement;

      II The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

      III There were no amounts which were required to be transferred to Investor Education and Protection Fund.

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

Place : Ahmedabad
Date : 29th April, 2016

Ronak Shah
Partner
M No : 102249

"Annexure A" to Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements of our report of even date to the financial statements of the Company for the year ended 31st March, 2016.

1) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

   (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the programme, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book records and the physical fixed assets have been noticed.

   (c) The title deeds of immovable properties are held in the name of the company.

2) (a) The management has conducted the physical verification of inventory at reasonable intervals.

   (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.

4) The company has not given any loans, made any investments, given any guarantees or provided any security cover under the provisions of section 185 and 186 of the Act.

5) The company has not accepted any deposits from the public within the meaning of section 73,74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

6) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

   According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

   (b) According to the information and explanation given to us, there are no dues of provident fund, employees state insurance, duty of customs, cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, VAT, CST and duty of excise / service tax have not been deposited by the Company on account of disputes;

Sr. No.	Name of the Statute	Nature of Dues	Period to which amount relates (F.Y.)	Forum where dispute is pending	Amount (in Rs.)
1	Income Tax Act, 1961	Interest	2004-05	Income Tax Appellate Tribunal	2,429
2	Income Tax Act, 1961	Income Tax and interest	2005-06	Income Tax Appellate Tribunal	8,59,646
3	Income Tax Act, 1961	Fringe Benefit tax	2005-06	Income Tax Officer	8,040
4	Income Tax Act, 1961	TDS & Interest	2010-11	Income Tax Appellate Tribunal	5,86,100

5	Central Excise Act	Excise Duty including Interest & penalty as applicable	Demand pertaining to F.Y. 2012-13	The Commissioner (Appeals) Central Excise, Ahmedabad	22,79,219
6	Cenvat Credit Rules	Reversal of Credit of Service Tax on sales commission plus interest & penalty	From February, 2013 to November, 2014	The Commissioner (Appeals) Central Excise, Ahmedabad	3,84,692
7	Cenvat Credit Rules	Reversal of Credit of Service Tax on sales commission plus interest & penalty	From December, 2014 to August, 2015	Order received on 04.04.2016 appeal is yet to be filed before The Commissioner (Appeals), Central Excise, Ahmedabad	2,43,913
8	Gujarat Value added Tax Act and Central Sales Tax Act.	Reversal of input tax credit	2011-2012	Order received on 07/04/2016. Appeal is yet to be filed before the appropriate forum.	4,71,023
				Total	**48,35,062**

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) As the company is not Nidhi company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3 (xii) of the Order are not applicable to company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

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

Place : Ahmedabad
Date : 29th April, 2016

Ronak Shah
Partner
M No : 102249

"Annexure B" referred to in paragraph number 2 (f) under the "Report on other legal and regulatory requirements" of the Independent Auditors' Report of even date to the members of Adi Finechem Ltd. on the financial statements for the year ended 31st March, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Adi Finechem Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Ahmedabad
Date : 29th April, 2016

Ronak Shah
Partner
M No : 102249

Balance Sheet as at 31st March, 2016

Amount in Rs.

PARTICULARS	Notes	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	**137,940,000**	137,940,000
Reserves and Surplus	2	**494,613,392**	430,125,196
		632,553,392	568,065,196
Non - Current Liabilities			
Long term Borrowings	3	**115,227,383**	139,077,023
Deferred Tax Liabilities (Net)	4	**77,230,631**	60,764,733
Long Term Provisions	5	**3,219,546**	2,753,675
		195,677,560	202,595,431
Current Liabilities			
Short Term Borrowings	6	**169,977,554**	123,341,824
Trade Payables:	7		
- Total outstanding dues of micro enterprises and small enterprises		**69,747**	1,268,178
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**33575,538**	47,181,862
Other Current Liabilites	8	**79,055,308**	59,603,810
Short Term Provisions	9	**52,819,143**	52,164,998
		335,497,290	283,560,672
TOTAL		**1,163,728,242**	1,054,221,299
ASSETS			
Non - Current Assets			
Fixed Assets			
Tangible Assets (Net)	10	**734,093,654**	617,117,206
Capital Work-in-Progress		**52,638,888**	77,138,425
Long Term Loans & Advances	11	**2,044,007**	919,793
		788,776,549	695,175,424
Current Assets			
Inventories	12	**134,162,061**	132,727,744
Trade Receivables	13	**191,282,097**	174,676,806
Cash and Bank Balances	14	**2,415,202**	1,638,427
Short Term Loans & Advances	15	**47,025,806**	49,827,206
Other Current Assets	16	**66,527**	175,692
		374,951,693	359,045,875
TOTAL		**1,163,728,242**	1,054,221,299

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 : April 29, 2016

For and on behalf of the Board

Nahoosh Jariwala
Managing Director

Sumit Maheshwari
Director

Rajen N. Jhaveri
Chief Financial Officer & Co. Secretary
Place : Ahmedabad
Date : April 29, 2016

Statement of Profit and Loss for the year ended on 31st March, 2016

Amount in Rs.

PARTICULARS	Notes	For the Year ended on 31st March, 2016	For the Year ended on 31st March, 2015
Income			
Revenue from Operations (Gross)	17	**1,666,950,468**	1,643,727,554
Less : Excise duty		**(149,741,731)**	(137,537,479)
Revenue from Operations (Net)		**1,517,208,737**	1,506,190,075
Other Income	18	**8,200,557**	6,530,225
Total Revenue		**1,525,409,294**	1,512,720,300
Expenses			
Cost of Material Consumed	19	**1,002,180,702**	1,008,039,743
Changes in Inventory of Finished Goods & Work in Progress	20	**(7,111,142)**	(18,889,912)
Employee benefits expenses	21	**77,308,711**	74,040,803
Other expenses	22	**219,607,601**	194,465,899
Depreciation	10	**29,943,043**	22,165,360
Finance Costs	23	**37,943,342**	27,394,653
Total Expenses		**1,359,872,257**	1,307,216,546
Profit Before Extra-ordinary Items and Tax		**165,537,037**	205,503,754
Less : Extra-Ordinary Items :		**-**	-
Profit Before Tax		**165,537,037**	205,503,754
Tax Expense			
Current Tax		**43,660,000**	48,377,000
Deferred Tax		**16,465,898**	20,837,222
Excess Provision of Income Tax in respect of earlier years (Net)		**(582,512)**	(566,962)
Total Tax Expense		**59,543,386**	68,647,260
Profit for the year		**105,993,651**	136,856,494
Earnings per equity share of face value of Rs.10/- each			
Basic / Diluted (in Rs.)	24	**7.68**	9.92
Significant accounting polices and notes on financial statements	1 to 40		

As per our report of even date

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

Ronak Shah
Partner
Mem.No :102249

Place : Ahmedabad
Date : April 29, 2016

For and on behalf of the Board

Nahoosh Jariwala
Managing Director

Sumit Maheshwari
Director

Rajen N. Jhaveri
Chief Financial Officer & Co. Secretary
Place : Ahmedabad
Date : April 29, 2016

Cash Flow Statement for the year ended 31st March, 2016

Amount in Rs.

	PARTICULARS	For the Year Ended 31st March, 2016		For the Year Ended 31st March, 2015	
(A)	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net profit/(loss) before tax and extra-ordinary items		**165,537,037**		205,503,754
	Adjustments for :				
	Depreciation	**29,943,043**		22,165,360	
	Unrealised Foreign Exchange Loss (Net)	**1,041,577**		972,521	
	Interest Received	**(73,837)**		(182,055)	
	Interest paid	**37,943,342**		27,394,653	
	Loss/ (Profit) on sale of Fixed Assets (net)	**6,384,596**		187,164	
			75,238,721		50,537,643
	Operating Profit before Working Capital Changes :		**240,775,758**		256,041,397
	Adjustments for :				
	(Increase)/Decrease in Trade and other receivables	**(17,669,432)**		56,810,634	
	(Increase)/Decrease in Inventories	**(1,434,317)**		24,649,627	
	(Increase)/Decrease in Loans and advances & Other Current Assets	**(8,416,479)**		(7,305,619)	
	Increase/(Decrease) in Trade and other payables	**(21,410,069)**		19,253,216	
	Increase/(Decrease) in Provisions	**1,120,016**		26,129,850	
	Cash Generated from operations		**(47,810,281)**		119,537,708
	Income-tax		**(32,186,235)**		(54,857,000)
	Net cash from operating activities (A)		**160,779,242**		320,722,105
(B)	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Fixed Assets (see note no:3)	**(135,805,814)**		(255,229,982)	
	Sale of fixed assets	**4,469,813**		124,526	
	Interest Received	**73,837**		182,055	
	Net cash from Investing activities (B)		**(131,262,164)**		(254,923,401)
(C)	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Proceeds from Long Term Borrowings	**2,222,735**		68,747,894	
	Proceeds from working capital loan	**46,662,029**		(85,299,120)	
	Interest paid	**(37,004,942)**		(27,394,653)	
	Excess provision of Income-tax of earlier years	**582,512**		566,962	
	Dividend paid on Equity Shares	**(34,485,000)**		(18,810,000)	
	Tax on dividend	**(7,020,455)**		(3,284,825)	
	Net cash from financing activities (C)		**(29,043,121)**		(65,473,742)
	Net Increase/(Decrease) in cash & cash equivalents **(A) + (B) + (C)**		**473,957**		324,962
	Cash and cash equivalents (see note no:1) (Opening balance)		**1,038,427**		713,465
	Cash and cash equivalents		**1,512,384**		1,038,427

Amount in Rs.

PARTICULARS	For the Year Ended 31st March, 2016		For the Year Ended 31st March, 2015	
NOTES :				
(1) Cash and Cash equivalents includes :				
Particulars:				
Cash on Hand		**188,095**		234,274
Bank Balances with Scheduled Banks in :				
Current Accounts	**1,324,289**		804,153	
		1,324,289		804,153
Total		**1,512,384**		1,038,427
(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 : April 29, 2016

For and on behalf of the Board

Nahoosh Jariwala
Managing Director

Sumit Maheshwari
Director

Rajen N. Jhaveri
Chief Financial Officer & Co. Secretary
Place : Ahmedabad
Date : April 29, 2016

Notes to Financial Statements for the year ended 31st March, 2016

1. Corporate Information :

Adi Finechem Limited ("The Company") was incorporated in May, 1985 as "H. K. Agro Oil Ltd." under the provisions of The Companies Act, 1956. The Company is engaged in manufacturing of Speciality Oleo Chemicals. The manufacturing facility for the same is set up at Village Chekhala, Ta. Sanand, Dist. Ahmedabad, Gujarat. The finished products of the Company can broadly be divided in to (a) Nutraceutical Products and (b) Oleo Chemicals. The equity shares of the Company are listed on BSE Limited, Ahmedabad Stock Exchange Limited and National Stock Exchange of India Ltd. There was a partial change in management of the Company w.e.f. April, 2010. Further, during the F.Y. 2015-16, Canada based Fairfax group, through their Mauritius based subsidiary company, acquired 44.66 % equity stake from the present Indian Promoters, out of 62.49 % equity stake held by the said Promoters.

2 Summary of Significant Accounting Policies

2.1 Accounting Convention:

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

2.2 Use of Estimates:

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

2.3 Fixed Assets:

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

2.4 Depreciation and Amortization:

Depreciation on different fixed assets have been provided based on useful lives of respective assets as provided in Part – C of Schedule II of the Companies Act, 2013. Depreciation on Plant & Machinery have been provided considering their useful life as 25 years as applicable to Continuous Process Plant. Leasehold land is amortised over the residuary period of the lease.

2.5 Inventories:

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

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

2.6 Revenue Recognition:

i) Revenue from Sales of goods is recognised when significant risks and rewards of ownership of goods have been passed on to the buyer. Revenue from operations are inclusive of Cenvat Duty.

ii) Interest is accounted for on a time proportion basis taking in to account the amount outstanding and the rate applicable.

2.7 Transaction of Foreign Currency Items:

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

The Company uses derivative instruments i.e. forward contracts to hedge its risks associated with foreign currency fluctuations. The Company does not enter into any forward contract which is intended for trading or speculative purposes.

2.8 Prior period Expenses / Income:

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

2.9 Employees Benefits:

(a) Defined Contribution Plan

The Company's contributions paid/payable for the year to Provident Fund are recognised in the Profit & Loss Account.

(b) Defined Benefit Plan

The employees' gratuity fund scheme is managed through a separate entity which has taken specific policy under Group Gratuity Scheme from Life Insurance Corporation of India. This is a defined benefit Plan. The Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the profit and loss account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by the reference to market yield at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

2.10 Cenvat Credit:

Cenvat credit is accounted for on accrual basis on purchase of goods and on eligible services.

2.11 Leases:

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

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

ii) Assets acquired on leases where a significant portion of the risks and rewards incidental to ownership is retained by the lessor are classified as operating Lease. Lease rental are charged to the Profit and Loss Account on accrual basis.

2.12 Taxes on Income:

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

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

2.13 Borrowing Costs:

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

2.14 Provisions, Contingent Liabilities and Contingent Assets:

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

2.15 Impairment:

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

2.16 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares during the year.

The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, that have changed the number of equity shares outstanding, without corresponding change in resources.

2.17 Proposed Dividend:

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
1 Share Capital		
Authorised Share Capital		
1,45,00,000 (Previous Year 1,45,00,000) Equity Shares of Rs. 10 each	**145,000,000**	145,000,000
50,000 (Previous year 50,000) Preference Shares of Rs.100 each	**5,000,000**	5,000,000
TOTAL	**150,000,000**	150,000,000
Issued, Subscribed and Fully paid - up share capital		
1,37,94,000 (Previous Year 1,37,94,000) Equity Shares of Rs. 10 each, fully paid-up	**137,940,000**	137,940,000
TOTAL	**137,940,000**	137,940,000

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

At the beginning of the year	**13,794,000**	12,540,000
Issued during the year as bonus shares in the ratio of one fully paid-up Equity Share for every ten shares.	**-**	1,254,000
Outstanding at the end of the year	**13,794,000**	13,794,000

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

	As at 31st March, 2016		As at 31st March, 2015	
	Nos	%	Nos	%
FIH Mauritius Investments Limited	**6,194,824**	**44.91%**	-	0.00%
*Shri Utkarshbhai Bhikhoobhai Shah	**N.A.**	**N.A.**	1,844,316	13.37%
*Shri Hemantbhai Navinchandra Shah	**N.A.**	**N.A.**	1,040,142	7.54%
Shri Raj Bhikhoobhai Shah	**-**	**0.00%**	923,775	6.70%
*Shri Bimalbhai Dashrathbhai Parikh	**N.A.**	**N.A.**	879,388	6.37%
M/s. Harihar Mfg & Trading LLP (Formerly organised as M/s. Harihar Mfg & Trading Pvt. Limited)	**-**	**0.00%**	767,201	5.56%
	6,194,824	**44.91%**	5,454,822	39.54%

* The shareholding as at 31st March, 2016 is less than 5%.

1.3 The equity share holders of the Company are entitled to receive interim and / or final dividend as declared and approved by the Board of Directors and / or the Share holders of the Company. The dividend so declared will be in proportion to the number of equity shares held by the shareholders.

1.4 In the event of the liquidation of the Company, equity share holders will be entitled to receive remaining assets of the Company. The distribution will in proportion to the number of equity shares held by the shareholders.

1.5 Equity shares alloted as fully paid bonus shares during the last five years :

Issued during FY: 2012-13 Rs. 1,90,00,000/-
Issued during FY: 2013-14 Rs. 1,14,00,000/-
Issued during FY: 2014-15 Rs. 1,25,40,000/-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

	PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
2	**Reserves & Surplus**		
	General Reserve Account		
	As per Last Balance Sheet	**20,000,000**	10,000,000
	Add : Transferred from Profit and Loss Account	**10,000,000**	10,000,000
	Total (A)	**30,000,000**	20,000,000
	Surplus in the statement of Profit and Loss		
	Balance as per last financial statement	**410,125,196**	337,455,247
	Profit for the year	**105,993,651**	136,856,494
		516,118,847	474,311,741
	Less : Appropriations		
	Transferred to General Reserve	**10,000,000**	10,000,000
	Dividend on equity shares and Dividend distribution tax	**41,505,455**	41,505,455
	Utilised for issue of Fully Paid-up Bonus shares to Equity Share Holders	**-**	12,540,000
	Adjustment towards Carrying amount of fixed assets as per Schedule II of Companies Act., 2013	**-**	141,090
	Net Surplus in the Statement of Profit & Loss Total (B)	**464,613,392**	410,125,196
	Total Reserves & Surplus (A + B)	**494,613,392**	430,125,196
3	**Long Term Borrowings**		
	*Secured		
	From Banks	**115,227,383**	93,577,023
	Unsecured		
	From Others (Inter-Corporate Deposits)	**-**	45,500,000
	TOTAL	**115,227,383**	139,077,023
	** Instalments falling due in respect of all the above Loans during next twelve months have been disclosed under the title "Other Current Liabilities" as "Current Maturities of Long Term" Debt" (Refer Note: 8)*		

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

3.1 Term loans / Working Capital Term loans aggregating to Rs. 11,43,16,003/- (Previous Year Rs.9,18,45,291/-) are secured primarily by Hypothecation by way of first charge on all present and future stocks, book debts and collaterals security by way of Equitable mortgage of industrial property bearing Survey No. 253/P and 312 situated at village Chekhala, Sanand-Kadi Road and Hypothecation of plant and machinery installed at the factory premises. Current rate of Interest is 10.80% per annum repayable in 36 / 48 / 60 monthly instalments commencing from 7th day of succeeding months of respective disbursements.

3.2 The Vehicle loans from HDFC Bank Limited of Rs.147,091/- (Previous Year Rs.451,951/-) are secured by hypothecation of vehicles and are further secured by personal guarantee given by a Director of the Company. The vehicle loan from ICICI Bank Ltd. of Rs.764,289/- (Previous Year 1,279,781/-) is secured by hypothecation of vehicle.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
4 Deferred Tax Liabilities		
(A) Deferred Tax Liability :		
Depreciation	**79,354,812**	64,182,975
Total (A)	**79,354,812**	64,182,975
(B) Deferred Tax Asset		
Expense allowable for tax purpose when paid	**2,124,181**	3,418,242
Total (B)	**2,124,181**	3,418,242
Net Deferred Tax Liability (A) - (B)	**77,230,631**	60,764,733
5 Long Term Provisions		
Provision for Employee Benefits		
Provision for compensated absences	**3,219,546**	2,753,675
TOTAL	**3,219,546**	2,753,675
6 Short Term Borrowings		
Loan from Bank :		
Working Capital Loans (Including Pre Shipment packing credit of Rs. 3,49,47,440/- (Previous year : Rs. 3,77,41,166/-)	**169,977,554**	123,341,824
TOTAL	**169,977,554**	123,341,824

Working Capital Loans of Rs. 16,99,77,554/- (Previous Year Rs.12,33,41,824/) are secured primarily by Hypothecation by way of first charge on all present and future stocks, book debts, and collaterals security by way of Equitable mortgage of industrial property bearing Survey No. 253/P and 312 situated at village Chekhala, Sanand kadi road and Hypothecation of plant and machinery installed at the factory premises. Current Rate of Interest is 10.80%, per annum for rupee loan and for PCFC loan in U.S. Dollars, 200 bps over 6 months' LIBOR per annum.

7 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (Refer note 37)	**69,747**	1,268,178
Total outstanding dues of creditors other than micro enterprises and small enterprises	**33,575,538**	47,181,862
TOTAL	**33,645,285**	48,450,040
8 Other Current Liabilities		
Current Maturities of Long term Debt	**51,323,727**	25,251,352
Interest accrued but not due on borrowings	**1,205,905**	648,517
Interest accrued and due on borrowings	**8,453**	87,045
Unclaimed Dividend	**971,134**	612,985
Advances from Customers	**1,271,880**	1,618,638
Bills Payable	**19,016,309**	24,906,583
Statutory Liabilities	**2,348,671**	2,709,306
Other Liabilities	**2,909,229**	3,769,384
TOTAL	**79,055,308**	59,603,810

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
9 Short Term Provisions		
Leave Encashment	**620,974**	344,949
Bonus / Exgratia Payable	**4,852,979**	4,332,953
Salary Payable	**5,839,735**	5,981,641
Proposed Equity Dividend	**34,485,000**	34,485,000
Tax On Equity Dividend	**7,020,455**	7,020,455
TOTAL	**52,819,143**	52,164,998

10 FIXED ASSETS : TANGIBLE ASSETS

Description of Asset	Gross Block (At Cost)				Depreciation/Amortization				Net Block	
	As on 01-04-2015 Rs.	Additions Rs.	Sales/ Deduction Rs.	**As at 31-03-2016 Rs.**	As on 01-04-2015 Rs.	For the year Rs.	Sales/ Deduction Rs.	**As at 31-03-2016 Rs.**	**As at 31-03-2016 Rs.**	As at 31-03-2015 Rs.
1. Land	6,310,290	-	-	**6,310,290**	-	-	-	-	**6,310,290**	6,310,290
1.1 Land - Lease Hold	-	44,104,603	-	**44,104,603**	-	*154,212	-	**154,212**	**43,950,391**	-
2. Building	170,374,870	44,469,816	-	**214,844,686**	30,836,990	6,515,897	-	**37,352,887**	**177,491,799**	139,537,880
3. Plant & Machinery	635,606,316	61,835,804	13,949,417	**683,492,703**	208,811,644	19,620,776	3,509,593	**224,922,827**	**458,569,876**	426,794,672
4. Electric Installation	38,803,325	6,543,861	690,838	**44,656,348**	11,510,847	1,060,942	294,673	**12,277,116**	**32,379,232**	27,292,478
5. Air Conditioners	2,382,042	270,428	-	**2,652,470**	420,808	86,792	-	**507,600**	**2,144,870**	1,961,234
6. Office Equipments	4,662,695	555,172	39,900	**5,177,967**	3,195,426	339,620	21,480	**3,513,566**	**1,664,401**	1,467,269
7. Furniture & Fixtures	10,493,934	148,428	-	**10,642,362**	3,294,370	911,365	-	**4,205,735**	**6,436,627**	7,199,564
8. Vehicles	10,023,802	-	-	**10,023,802**	3,469,983	1,407,651	-	**4,877,634**	**5,146,168**	6,553,819
Total As at 31-03-2016	**878,657,274**	**157,928,112**	**14,680,155**	**1,021,905,231**	**261,540,068**	**30,097,255**	**3,825,746**	**287,811,577**	**734,093,654**	**617,117,206**
As at 31-03-2015	567,596,444	311,692,201	631,371	878,657,274	239,694,389	22,165,360	319,681	261,540,068	617,117,206	
Capital Work in Progress									**52,638,888**	77,138,425

**Note : Amortization of Lease Hold Land has been shown under the head "Capital Work in Progress".*

Description of Asset	Gross Block (At Cost)				Depreciation				Net Block	
	As on 01-04-2014 Rs.	Additions Rs.	Sales/ Deduction Rs.	**As at 31-03-2015 Rs.**	As on* 01-04-2014 Rs.	For the year Rs.	Sales/ Deduction Rs.	**As at 31-03-2015 Rs.**	**As at 31-03-2015 Rs.**	As at 31-03-2014 Rs.
1. Land	6,310,290	-	-	**6,310,290**	-	-	-	-	**6,310,290**	6,310,290
2. Building	94,768,156	75,606,714	-	**170,374,870**	25,308,052	5,528,938	-	**30,836,990**	**139,537,880**	69,460,104
3. Plant & Machinery	415,542,683	220,063,633	-	**635,606,316**	195,932,573	12,879,071	-	**208,811,644**	**426,794,672**	219,610,110
4. Electric Installation	24,907,819	13,895,506	-	**38,803,325**	10,840,765	670,082	-	**11,510,847**	**27,292,478**	14,067,054
5. Air Conditioners	2,306,792	114,950	39,700	**2,382,042**	358,639	82,575	20,406	**420,808**	**1,961,234**	1,948,153
6. Office Equipments	4,549,055	113,640	-	**4,662,695**	2,448,227	747,199	-	**3,195,426**	**1,467,269**	2,100,828
7. Furniture & Fixtures	9,324,223	1,169,711	-	**10,493,934**	2,454,811	839,559	-	**3,294,370**	**7,199,564**	6,869,412
8. Vehicles	9,887,426	728,047	591,671	**10,023,802**	2,351,322	1,417,936	299,275	**3,469,983**	**6,553,819**	7,536,104
Total As at 31-03-2015	**567,596,444**	**311,692,201**	**631,371**	**878,657,274**	**239,694,389**	**22,165,360**	**319,681**	**261,540,068**	**617,117,206**	**327,902,055**
As at 31-03-2014	484,684,448	84,025,836	1,113,840	567,596,444	213,933,298	26,427,394	807,393	239,553,299	328,043,145	
Capital Work in Progress									**77,138,425**	116,344,362

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

	PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
11	**Long Term Loans & Advances**		
	(Unsecured & Considered Good)		
	Security Deposits	**901,274**	655,273
	Excess deposit in Gratuity Fund	**905,973**	-
	Balances with statutory authorities	**236,760**	264,520
		2,044,007	919,793
	Less :		
	Considered Doubtful	-	-
	TOTAL	**2,044,007**	919,793
12	**Inventories**		
	Raw Materials [including Goods in transit Rs. 5,551,058/- (Previous Year Rs. 5,913,763 /-)]	**67,832,618**	74,148,227
	Stores , Fuel & Packing material [Including Goods in Transit Rs. 2,760/- (Previous Year Rs. 743,207/-)]	**24,747,410**	24,108,626
	Semi-finished Goods	**41,582,033**	34,470,891
	TOTAL	**134,162,061**	132,727,744
13	**Trade Receivables**		
	(a) Outstanding for a period exceeding six months from the date they are due for payment - (Unsecured) Considered good	**155,135**	171,175
	(b) Others - (Unsecured) Considered good	**191,126,962**	174,505,631
	TOTAL	**191,282,097**	174,676,806
14	**Cash and Bank Balances :**		
	Cash & cash equivalents		
	Cash on Hand	**188,095**	234,274
	Balances with Banks		
	- Current Accounts [Including Dividend Accounts Rs. 971,134/- (Previous Year Rs. 612,985/-)]	**1,324,289**	804,153
	- In Margin Money Account	**902,818**	600,000
	TOTAL	**2,415,202**	1,638,427
15	**Short term Loans & Advances**		
	(Unsecured & Considered Good)		
	Security Deposits	**43,056**	55,236
	Balances with Statutory Authorities	**5,140,004**	9,104,296
	Advance Income Tax (Net of Provisions)	**4,776,221**	17,188,386
	Advance to vendors	**6,014,518**	9,729,482
	Capital advances	**7,358,622**	4,827,171
	Prepaid Expenses	**1,868,066**	1,322,863
	Excess deposit in Gratuity Fund	**1,120,309**	2,648,126
	Others	**20,705,010**	4,951,646
	TOTAL	**47,025,806**	49,827,206

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

	PARTICULARS		As at 31st March, 2016	As at 31st March, 2015
16	**Other Current Assets**			
	Interest Accrued but not Due		**66,527**	175,692
		TOTAL	**66,527**	175,692

	PARTICULARS		For the Year ended on 31st March, 2016	For the Year ended on 31st March, 2015
17	**Revenue from Operations** (Refer note 31)			
	a) Sale of Products			
	- Finished Goods		**1,647,872,092**	1,633,948,429
	b) Other Operating Revenues		**19,078,376**	9,779,125
			1,666,950,468	1,643,727,554
	Less: Excise Duty		**149,741,731**	137,537,479
		TOTAL	**1,517,208,737**	1,506,190,075
18	**Other Income**			
	Foreign Exchange Gain(Net)		**2,514,131**	6,010,932
	Sundry Balances Written back		**387,887**	279,756
	Interest received / receivable		**73,837**	182,055
	Compensation towards Cancellation of Export Order (Net of Expenses)		**5,072,197**	-
	Miscellaneous income		**152,505**	57,482
		TOTAL	**8,200,557**	6,530,225
19	**Cost of materials consumed**			
	Inventory at the beginning of the year		**73,495,456**	118,912,422
	Add: Purchases		**974,533,492**	941,877,900
			1,048,028,948	1,060,790,322
	Less: Inventory at the end of the year		**62,281,560**	68,234,464
	Raw Materials	(A)	**985,747,388**	992,555,858
	Packing Materials	(B)	**16,433,314**	15,483,885
	Cost of Materials Consumed	**(A)+(B)**	**1,002,180,702**	1,008,039,743
	19.1 Details of Raw materials consumed			
	Vegetable Oil Based Fatty Acid Distillate		**214,083,031**	295,216,505
	Acid Oil		**732,475,883**	671,142,437
	Chemicals		**39,188,474**	26,196,916
		TOTAL	**985,747,388**	992,555,858

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

	PARTICULARS	For the Year ended on 31st March, 2016	For the Year ended on 31st March, 2015
20	**Changes in Inventory of Finished Goods & Work in Progress**		
	Inventories at the end of the year		
	Work In Progress	**41,582,033**	34,470,891
	Less : Inventories at the beginning of the year		
	Work In Progress	**34,470,891**	15,580,979
	TOTAL	**(7,111,142)**	(18,889,912)
21	**Employee Benefit Expenses**		
	Salaries, Wages & Bonus	**69,332,748**	65,878,203
	Contribution to Provident Fund & Other Funds	**5,050,183**	5,438,888
	Staff Welfare Expenses	**2,925,780**	2,723,712
	TOTAL	**77,308,711**	74,040,803
22	**Other Expenses**		
	Stores and Spares Consumed	**19,165,123**	13,897,536
	Consumable stores	**3,297,381**	3,577,427
	Power & Fuel	**110,949,305**	116,439,446
	Laboratory Chemical Consumed	**1,274,324**	1,917,376
	Rent, Rates and Taxes	**3,390,947**	3,579,977
	Insurance	**888,036**	1,562,675
	Repairs and Maintenance :		
	- Machinery	**3,510,237**	2,910,507
	- Buildings	**16,164,061**	2,672,061
	- Others	**360,948**	193,748
	Travelling and Conveyance	**2,413,239**	3,753,276
	Advertisement Expense	**704,211**	943,863
	Communication Expenses	**1,365,526**	1,356,131
	Directors' Sitting Fees	**125,000**	81,500
	Remuneration to Auditors	**880,000**	400,000
	Sales Expense	**16,836,243**	15,145,324
	General Charges	**15,818,805**	16,989,280
	Legal and Professional fees	**10,605,833**	3,212,157
	Vehicle running charges	**4,208,451**	4,034,877
	Loss on assets sold / discarded (Net)	**6,384,596**	187,164
	Bank Charges	**1,265,335**	1,611,574
	TOTAL	**219,607,601**	194,465,899

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in Rs.

PARTICULARS	For the Year ended on 31st March, 2016	For the Year ended on 31st March, 2015
22.1 **Payment to auditors:**		
As auditor:		
Statutory Audit	**450,000**	375,000
In other Capacity:		
Certification	**30,000**	-
Others	**400,000**	25,000
TOTAL	**880,000**	400,000
23 Finance Costs		
Interest Expenses on		
- Loan from Banks	**32,145,516**	21,723,486
- Inter Corporate Deposits	**4,858,633**	5,631,401
- Others	**939,193**	39,766
TOTAL	**37,943,342**	27,394,653
24 Earnings per Share (EPS)*		
Profit / (Loss) after Taxation	**105,993,651**	136,856,494
Number of Equity Shares	**13,794,000**	13,794,000
Nominal value per Equity Share (Rs.)	**10**	10
Earnings / (Loss) per share [Basic and Diluted] (Rs.)	**7.68**	9.92

25	**Employee Benefits**		
			Amount in Rs.
	Particulars	**Gratuity (Funded)**	**Leave Encashment (Unfunded)**
	i) Net Liabilities recognised in Balance Sheet as at March 31,2016		
	Present Value of Funded obligation	**9,005,129**	**-**
		(7,063,397)	(-)
	Fair Value of Plan Asset	**11,031,411**	**-**
		(9,711,523)	(-)
	Present Value of Unfunded obligation	**-**	**3,840,520**
		(-)	(3,098,625)
	Net Liabilities	**2,026,282**	**3,840,520**
		(2,648,126)	(3,098,625)
	ii) Expense recognised in Profit & Loss Account for the year ended March 31,2016 (Included in Note No. 21 in item "Payments to & Provisions for Employees")		
	Current Service Cost	**926,682**	**429,544**
		(576,752)	(359,213)
	Interest Cost	**533,659**	**225,314**
		(412,724)	(145,535)
	Expenses deducted from the fund	**98,396**	-
		(71,202)	(-)
	Expected return on plan assets	**903,663**	**-**
		(657,948)	(-)
	Net actuarial losses /(gain)	**512,357**	**648,595**
		(1,745,178)	(1,356,440)
	Past Service Liability	**109,451**	**-**
		(-)	(-)
	Total Expense	**1,276,882**	**1,303,453**
		(2,147,908)	(1,861,188)

Amount in Rs.

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
iii) Reconciliation of opening and closing balance of changes in present value of the defined benefit obligation		
Opening Balance of defined benefit obligation as at April 1, 2015	**7,063,397** (4,697,255)	**3,098,625** (1,663,929)
Current Service Cost	**926,682** (576,752)	**429,544** (359,213)
Interest Cost	**533,659** (412,724)	**225,314** (145,535)
Actuarial losses/(gain)	**481,654** (1,733,473)	**648,595** (1,356,440)
Past Service Liability	**109,451** (-)	- (-)
Benefits paid	**109,714** (356,807)	**561,558** (426,493)
Closing Balance of defined benefit obligation as at March 31,2016	**9,005,129** (7,063,397)	**3,840,520** (3,098,624)

Actuarial Assumption	**March 31, 2016**
Discount Rate	**7.80%** (7.70%)
Expected rate of return on plan asset	**7.80%** (9.00%)
*Expected rate of salary increase	**6.00%** (6.00%)
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.

(iv) Amounts recoginsed in current year and previous four years :	March 31,				
	2016	2015	2014	2013	2012
Gratuity :					Rs.
Defined Benefit Obligation	9,005,129	7,063,397	4,697,254	4,216,086	3,331,116
Plan Asset	11,031,411	9,711,523	7,085,140	6,187,720	4,464,116
Surplus / (Deficit)	2,026,282	2,648,126	2,387,886	1,971,634	1,133,000
Experience adjustments in plan liabilities	231,934	848,769	214,866	496,919	193,317
Experience adjustments in plan assets	30,703	11,705	(16,408)	60,430	-

Defined Contribution Plans :

Rs. 50,50,183/- (Previous Year Rs.54,38,888/-) recognised as an expense and included in the note 21 of Profit and Loss Account under the head " Contribution to provident fund & other funds"

26 Segment Reporting:

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

Secondary Segment Amount in Rs.

Particulars	**For the Year ended 31st March, 2016**	For the Year ended 31st March, 2015
Segmental Revenue		
Segment – Domestic sales	**1,199,816,911**	1,115,866,786
Segment – Exports sales	**301,951,610**	383,478,144
Segment – Domestic - Other income	**23,640,773**	13,375,370
Total Revenue	**1,525,409,294**	1,512,720,300
Segmental Assets	**As at 31st March, 2016**	As at 31st March, 2015
In India	**1,082,851,323**	999,757,670
Outside India	**80,876,919**	54,463,629
Total Assets	**1,163,728,242**	1,054,221,299
Capital Expenditure during the year		
In India	**132,726,006**	270,870,314
Outside India	**702,569**	1,615,950
	133,428,575	272,486,264

27 Related Party Disclosures :

(a) Names of related parties and nature of relationship:

(i) Where control exists
FIH Mauritius Investments Limited
FIH Private Investments Limited

(ii) Other Related Parties with whom transactions have taken place during the year:

Key Management Personnel:
Shri Nahoosh J. Jariwala
Shri Bimal D. Parikh (Up to 05.03.2016)

Entities in which Key Management Personnel exercise significant influence:
Adicorp Enterprise Private Limited
Nahoosh Tradelink Private Limited (Formerly organised as PCD Investment Private Limited)
Jariwala Tradelink LLP (Formerly organised as UKM Investment Private Limited)
Harihar Mfg & Trading LLP. (Formerly organised as Harihar Manufacturing & Trading Private Limited)
Dashrath Jagmohandas Investment Pvt. Ltd.
Super Handlers Private Limited
Ashmak Investment Private Limited
Adi Corporation

Details of Transactions with Related Parties for the year 2015-2016

Amount in Rs.

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

Amount in Rs.

	Nature of Transaction	Parties referred to in (i) above	Parties referred to in (ii) above	Total
B	**Interest Paid**			
	Adicorp Enterprise Private Limited	**1,547,787** (1,732,740)	**–** (-)	**1,547,787** (1,732,740)
	Nahoosh Tradelink LLP (Formerly organised as PCD Investment Pvt Ltd.)	**562,432** (618,835)	**–** (-)	**562,432** (618,835)
	Jariwala Tradelink LLP (Formerly organised as UKM Investment Private Limited)	**528,655** (618,835)	**–** (-)	**528,655** (618,835)
	Harihar Mfg & Trading LLP. (Formerly organised as Harihar Mfg & Trading Pvt. Limited)	**898,712** (1,052,020)	**–** (-)	**898,712** (1,052,020)
	Dashrath Jagmohandas Investment Private Limited	**609,714** (742,602)	**–** (-)	**609,714** (742,602)
	Super Handlers Private Limited	**609,714** (742,602)	**–** (-)	**609,714** (742,602)
	Ashmak Investment Private Ltd	**101,619** (123,767)	**–** (-)	**101,619** (123,767)
C	**Income towards Reimbursement of Expenses**			
	FIH Mauritius Investments Limited	**2,204,125** (-)	**–** (-)	**2,204,125** (-)
D	**Services Availed**			
	Adi Corporation			
	Services availed during the year	**–** (1,119,105)	**–** (-)	– (1,119,105)
	Payment during the Year	**1,119,105** (–)	**–** (-)	**1,119,105** (–)
	Balance as on year end	**–** (1,019,505)	**–** (-)	**–** (1,019,505)
	Managerial remuneration			
	Shri Nahoosh J. Jariwala	- (-)	**4,495,105** (4,737,781)	**4,495,105** (4,737,781)
	Shri Bimal D.Parikh (For the period from 01.04.15 to 31.01.16)	- (-)	**1,695,168** (2,131,272)	**1,695,168** (2,131,272)

28 Contingent Liabilities

Amount in Rs.

	Particulars	As at 31st March 2016	As at 31st March 2015
	(a) In respect of Bank Guarantee given by bank to UGVCL	**6,410,021**	6,410,021
	(b) In respect of disputed Income Tax matters	**1,456,215**	1,456,215
	(c) In respect of Civil Suit	**1,500,000**	1,500,000
	(d) In respect of Custom Duty	**520,360**	520,360
	(e) In respect of Excise Duty	**2,279,219**	2,279,219
	(f) In respect of Cenvat Credit of Service Tax	**628,605**	-
	(g) In respect of VAT & CST	**471,023**	-
		13,265,443	12,165,815
	(h) Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	**17,384,708**	47,303,966
29	**Disclosure of Derivatives** There are no outstanding foreign exchange forward contracts for hedging foreign currency in relation to Exports as at March 31, 2016.		
	Foreign Currency exposure not hedged by derivative instrument as at March 31, 2016	**81,336,493**	54,463,629
30	**Dividends proposed to be distributed :** The Board of Directors, in its meeting held on 29th April, 2016 recommended the dividend of Rs. 2.50 per equity share of Rs. 10/- each.		
31	**Details of Sales under broad heads:**		

	Products	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
	Deodorizer Distillate (Mixed tocopherol)	**244,808,598**	377,484,779
	Linoleic Acid / Soya Fatty Acid	**387,011,400**	219,816,608
	Dimer Acid	**373,315,877**	283,138,960
	Other Fatty Acids	**325,608,501**	437,997,328
	Fatty Oil	**109,770,473**	166,100,686
	Others	**58,470,704**	12,114,821
	Sub Total	**1,498,985,553**	1,496,653,182
	Add: Cenvat Duty	**148,886,539**	137,295,247
	Total Sales	**1,647,872,092**	1,633,948,429

Note : Excluding statutory levy.

Amount in Rs.

32 Value of Imported and Indigenous Raw materials, Spare Parts, Components and other items consumed.

	For the Year ended 31st March, 2016		For the Year ended 31st March, 2015	
	% to Total Consumption	**Value (Rs.)**	% to Total Consumption	Value (Rs.)
Raw Materials				
Imported	**8.20%**	**80,879,464**	1.35%	13,400,958
Indigenous	**91.80%**	**904,867,924**	98.65%	979,154,900
	100.00%	**985,747,388**	100.00%	992,555,858
Spares, Components, Packing material and Other items				
Imported	**0.00%**	**-**	0.00%	-
Indigenous	**100.00%**	**151,094,052**	100.00%	151,270,569
	100.00%	**151,094,052**	100.00%	151,270,569

33 Value of imports on C.I.F. basis

Amount in Rs.

	Particulars	**For the Year ended 31st March, 2016**	For the Year ended 31st March, 2015
	Raw Material	**73,865,302**	13,525,532
	Consumable Stores	**-**	-
	Capital Goods	**702,569**	1,615,950
	Total	**74,567,871**	15,141,482
34	**Expenditure in Foreign Currency**		
	Sales Expenses (Kasruth Certification Fees)	**2,995,538**	2,447,377
	Travelling and conveyance	**380,793**	1,117,153
	Legal and Professional Fees	**6,237,360**	1,017,920
	Sales Expenses (Others)	**83,911**	160,886
	Interest Expenses on Loan form Banks (Interest on PCFC Loan)	**928,671**	2,063,084
	Bank Charges	**38,237**	28,906
	Total	**10,664,510**	6,835,326
35	**Earnings in Foreign Exchange**		
	Exports of Goods on FOB basis	**301,853,377**	383,211,302
	Total	**301,853,377**	383,211,302
36	**Remittances made on account of dividend in foreign currency**	**Nil**	Nil

Amount in Rs.

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 2016	As at 31st March 2015
1. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	**69,747**	1,268,178
2. (a) Amount of Principal paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–
(b) The amount of the payments (Interest amount) made to the supplier beyond the appointed day, during the year	**–**	–
3. Interest due and payable [not covered by Section 16 of the MSMED Act] in respect of the delay in payment during the year	**–**	–
4. (a) The amount of interest accrued at the end of each accounting year	**–**	–
(b) The amount of interest remaining unpaid at the end of each accounting year	**–**	–
5. Further interest remaining due and payable even in the succeeding years.	**–**	–
6. On the basis of the information and records available with the Company, there are no delays in payments to Micro, Small and Medium Enterprises as required to be disclosed under the MSMED Act and above mentioned disclosures are made under the Note No. 7 " Trade Payables". This has been relied upon by the auditors.		

38 The balances under the head of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation and reconciliation.

39 Excise duty shown as deduction from domestic sales represents the amount of excise duty on sales. Excise duty expense under Note No.22 "Other Expenses under the head of Sales Expenses " represents excise duty paid on sample etc. is not recoverable from sales.

40 Leases :

Finance Lease :

In accordance with accounting standards 19 "Leases" issued by the Institute of Chartered Accountants of India, the assets acquired on finance lease on or after April 01, 2001 are capitalised and a loan liability recognised. Consequently depreciation is provided on such assets, installments paid are allocated to the liability and the interest is charged to Profit and Loss Account.

Assets acquired on lease agreements mainly comprise of vehicles. The agreements provide for reimbursement of taxes,levy etc imposed by any authorities in future. There are no exceptional / restictive convenants in the lease agreements.

The minimum installments and present value as at March 31, 2016 in respect of asset acquired under the lease agreement are as under :

Amount in Rs.

Particulars	As at 31st March 2016	As at 31st March 2015
i) Payable not later than 1 year	**963,240**	1,069,320
ii) Payable later than one year and not later 5 years	**985,389**	1,948,629
iii) Payable later than 5 Years	**-**	-
Total Minimum installments	**1,948,629**	3,017,949
Less: Future Finance charges	**216,897**	447,291
Present Value of Minimum Installments	**1,731,732**	2,570,658
Present Value of Minimum Installments		
i) Payable not later than 1 year	**820,352**	838,926
ii) Payable later than one year and not later than 5 years	**911,380**	1,731,732
iii) Payable later than 5 Years	**-**	-
Total Present Value of Minimum Installments	**1,731,732**	2,570,658

SIGNATURES TO NOTES 1 TO 40

As per our report of even date

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

Ronak Shah
Partner
Mem.No :102249

Place : Ahmedabad
Date : April 29, 2016

For and on behalf of the Board

Nahoosh Jariwala
Managing Director

Sumit Maheshwari
Director

Rajen N. Jhaveri
Chief Financial Officer & Co. Secretary
Place : Ahmedabad
Date : April 29, 2016

ADI FINECHEM
LIMITED

Registered Office: 1st Floor, 2-Sigma Corporates, B/h. HOF Living,
Sindhu Bhavan Road, Off S.G. Road, Ahmedabad - 380 059, Gujarat, India.
CIN : L15140GJ1985PLC007845
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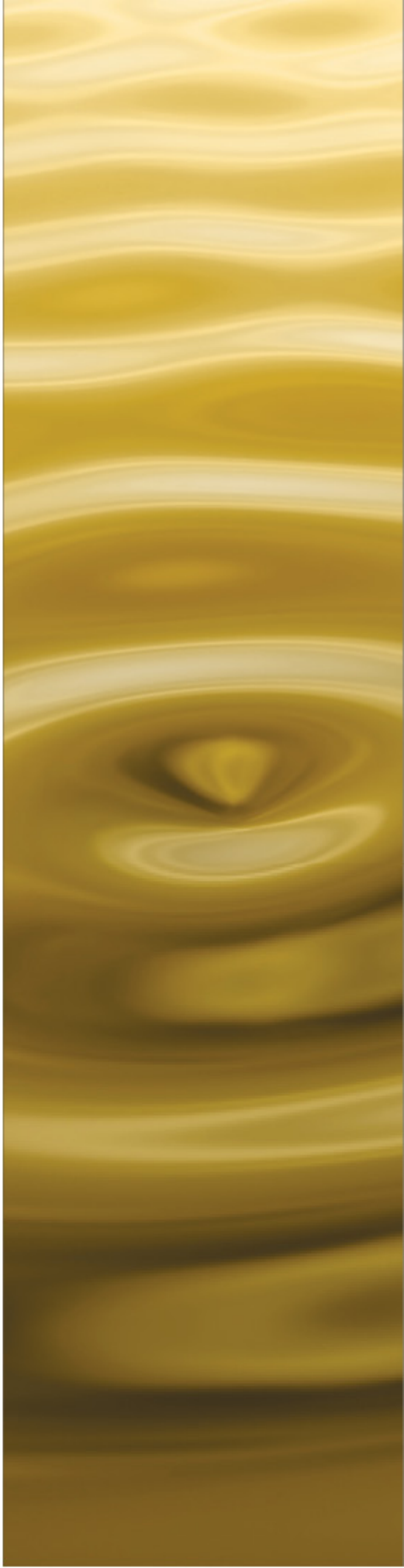
Conceptualised, designed and developed by Valorem Advisors - www.valoremadvisors.com



ADI FINECHEM LIMITED

CIN: L15140GJ1985PLC007845
Registered Office: 1st Floor, 2 Sigma Corporates,
Behind HOF Living Sindhu Bhavan Road,Off S.G. Road Ahmedabad 380059 Gujarat. INDIA
Phone: (079) 29701675 **Email**: cs@adifinechem.com **Website**: www.adifinechem.com

N O T I C E

NOTICE is hereby given that the Thirty first Annual General Meeting of the Members of **ADI FINECHEM LIMITED** will be held at **Memories Hall, 2nd Floor, TGB Banquets & Hotel Ltd., (The Grand Bhagwati), S. G. Road, Bodakdev, Ahmedabad– 380 054 on Friday, 9th September, 2016 at 5.00 p.m.** to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company including Audited Balance sheet as at March 31, 2016, , the statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To Declare a Dividend on Equity Shares.
3. To appoint a Director in place of Shri Hemant N. Shah (holding DIN 00309632) who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the thirty sixth Annual General meeting and to fix their remuneration. The following resolution is proposed to be passed with or without modification as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, M/s. Price Waterhouse & Co. Chartered Accountants LLP, Chartered Accountants, (Reg. No. : 304026 E / E300009) be and are hereby appointed as the Statutory Auditors of the Company in place of Statutory Auditors M/s. Jhaveri Shah & Co., Chartered Accountants, (Reg. No. 127390W) to hold office from the conclusion of this Annual General Meeting until the conclusion of the thirty sixth Annual General Meeting of the Company, subject to ratification at each and every intervening annual general meeting by way of Ordinary Resolution."

   "RESOLVED FURHTER THAT the Managing Director of the Company be and is hereby authorized to fix their remuneration and reimbursement of out of pocket expenses."

   Special Business:

5. **To appoint Mr. Harsha Raghavan (DIN:01761512) as a Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :**

   "**RESOLVED THAT** Mr. Harsha Raghavan (DIN: 01761512), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation in the Promoter Category."

6. **To appoint Mr. Sumit Maheshwari (DIN:06920646) as a Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :**

   "**RESOLVED THAT** Mr. Sumit Maheshwari (DIN: 06920646), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation in the Promoter Category."

7. **To consider adoption of new Articles of Association in lieu of present Articles of Association and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION :**

   "RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Incorporation) Rules, 2014, including any statutory modification(s)or re-enactment thereof, for the time being in force,the new set of Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

   RESOLVED FURTHER THAT any Director and / or the Company Secretary of the Company be and are hereby individually authorised to do all such acts and deeds and take such actions as may be necessary, expedient and proper to give effect to this resolution and matters incidental thereto."

8. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a SPECIAL RESOLUTION :-**

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with schedule V of the said Act and the Rules made, thereunder, wherever applicable and subject to the approval of the Central Government as may be required under the provisions of the Act or any other law which may be necessary, consent of the members be and is hereby accorded to re-appoint Shri Nahoosh J. Jariwala (DIN 00012412) as Managing Director of the Company for a further period of two years and ten months on expiry of his present tenure, **AND THAT** with effect from April 1, 2016, he be paid revised remuneration by way of salary, perquisites, allowances and commission as approved by Remuneration Committee and as set out in the Explanatory Statement annexed hereto.

   FURTHER RESOLVED THAT where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may subject to provisions of Schedule V of the Act and the requisite approvals including approval of Central Government under the Companies Act and / or Rules made thereunder, if any, the Managing Director be paid the above remuneration as Minimum Remuneration

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, Managing Director 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, 2013.

9. To approve the remuneration of Cost Auditors for the financial year ending March 31, 2017 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"**RESOLVED THAT** pursuant to the provisions of Sections 148 and any other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force), M/s. Rajendra Patel, Cost Accountants, Ahmedabad, the Cost Auditors (Firm Registration Number: 101163) appointed by the Board of Directors of the Company to conduct the audit of cost records of the company for the financial year ending 31st March, 2017 be paid the remuneration of Rs. 60,000 (Rupees Sixty Thousand) plus service tax and reimbursement of travelling and other incidental expenses.

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

April 29, 2016
ADI FINECHEM LIMITED
C.I.N. : L15140GJ1985PLC007845
Registered Office:
1st Floor, 2, Sigma Corporates,
B/H HOF Living, Sindhu Bhavan Road,
Off S.G. Road, Ahmedabad – 380 059.

By Order of the Board
For Adi Finechem Limited

Rajen Jhaveri
ACS - 6615
Chief Financial Officer & Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A person can act as a proxy on behalf of members not more than 50(fifty) and holding in aggregate not more than 10% of total share capital of the Company carrying voting rights. In case the proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy cannot act as a proxy for any other person or shareholder.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 03, 2016 to September 09, 2016 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend.
3. An Explanatory statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of item Nos. 5 to 9 of the Notice as set out above is annexed hereto.
4. If Dividend on Equity shares as recommended by the Board of Directors is passed at the meeting, payment of such dividend will be made within 30 days of September 09, 2016 to those members whose names are on the company's Register of Members on September 09, 2016 or on record of National Depository Limited and Central Depository Services (India) Limited as beneficial owners as at close of business hours on September 02, 2016.

   Pursuant to the provisions of Section 125 of the Companies Act, 2013 / Section 205 of the Companies Act, 1956 the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the company, is required to be transferred to the Investor Education and Protection fund, set up by the Government of India and no payment shall be made in respect of any such claims by the Fund.

5 Members holding shares in Electronic form are requested to intimate any changes in their registered address, name, PAN details etc to their depository participant with whom they are maintaining their demat account. Members holding shares in physical form are requested to intimate any such change to the Company or its RTA (M/s. Link Intime India Pvt. Ltd.)

-. 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 duly filled in along with their copy of the Annual Report to the meeting.
7. Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2015-16 is being sent in the permitted mode.The said notice is also displayed on the Company's website viz www.adifinechem.com and on the website of remote e-voting agency i.e. www.evotingindia.com.

8 Only registered members of the Company or any proxy appointed by such registered member may attend the Annual General meeting as provided under the provisions of the Companies Act, 2013.

9 The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the electronic form are, therefore, requested to submit their PAN to their Depository Participant. Members holding shares in physical form shall submit their PAN details to the Company.

10 A Route Map showing the Directions to reach the venue of the 31st Annual General Meeting is attached along with the notice as per the requirement of Secretarial Standards - 2 on General Meeting.

11 Corporate members intending to send their authorized representatives to attend the meeting pursuant to section 113 of the Act are requested to send the Company a certified copy of Board Resolution / Authorization together with specimen signatures authorizing their representative to attend and vote on their behalf at the meeting.

12. 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.

13. Relevant documents referred to in the accompanying Notice are available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, between 03.00 pm. And 5.00 p.m upto the date of the Annual General Meeting of the Company.

14 Brief Particulars of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting of the Company pursuant to Regulation of 36 (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the ICSI:

Information required under Regulation 36 (3) of SEBI (LODR) Regulations, 2015 with respect to the Directors seeking appointment / re-appointment.

Name of Director	**Shri Hemant N. Shah**	**Shri Harsha Raghavan**	**Shri Sumit Maheshwari**
Director Identification Number (DIN)	00309632	01761512	06920646
Date of Birth	12.12.1961	10.10.1971	27.11.1982
Age	54	44	33
Date of Appointment	01.04.2010	08.02.2016	08.02.2016
Qualifications	B.Com.	MBA and MS in Industrial Engineering degrees - both from Stanford University and BA from UC Berkeley with double major in computer Science & Economics	Chartered Accountant and holds a Masters of of Business Administration degree from the Indian School of Business, Hyderabad
Number of the Meetings of the Board attended during the year	6 out of 6	Appointed as additional Director on 08.02.2016 by circular resolution Subsequent thereto, no Board meeting took place till March 31, 2016.	
Brief resume of the Director including nature of expertise in specific functional areas.	Engaged in Business of Logistics garments, trading of minerals and retailing.	He has been the Managing Director & CEO of Fairbridge Capital Private Limited, since its inception in 2011. He is having rich experience of about 20 years in Private Equity Industry.	He is Vice President, and has been with Fairbridge since July 2011. Prior to joining Fairbridge Mr. Maheshwari worked with KPMG in India for 5 years in their audit and accounting advisory functions. Mr. Maheshwari is a recognized accounting expert, with particular strength in translating between Indian GAAP, U.S. GAAP and IFRS accounting standards.
No. of Shares Held in the Company	405,000 Equity shares of Rs. 10/- each fully paid.	Nil	Nil
Directorships and Committee memberships held in other Companies (Excluding alternate directorship, directorships in private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 Membership and Chairmanship of Audit Committee and Stakeholders Relationship Committee have been included).	Nil	1. Thomas Cook (India) Ltd. 2. Travel Corporation (India) Ltd. 3. National Collateral Management Services Ltd. 4. Sterling Holiday Resorts Ltd.	National Collateral Management Services Ltd.
Inter se relation between Directors	No relationship	No relationship	No relationship
Terms and Conditions of Appointment	As per Remuneration and Nomination Policy of the Company as displayed on the Company's Website viz. http://www.adifinechem.com		

15. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have

not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. Equity Shareholders shall have one vote per share as shown against their shareholding. The Shareholders can vote for their entire voting rights as per their discretion.

V. The remote e-voting period commences on September 06, 2016 (9:00 am) and ends on September 08, 2016 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 02, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on September 06, 2016 at 9.00 A.M and ends on September 08, 2016 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 02, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digit of sequence number (which is printed on the name and address sticker / mail in PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN No. 160812059 for Adi Finechem Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-

voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

VI. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

VI. Mr. Uday G. Dave, Company Secretary (Membership No. FCS 6545), Partner of , M/s. Parikh Dave & Associates, Practising Company Secretaries, Ahmedabad has been appointed as the Scrutinizer to scrutinize the remote e-voting and poll process at the Annual General Meeting in a fair and transparent manner.

VII. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the Annual General Meeting, a consolidated scrutinizers' report of the total votes cast in favour or against, if any, to the Chairman / any Director of the Company authorised by the Chairman who shall countersign the same.

VIII. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.adifinechem.com and on the website of CDSL and the same be also communicated to the BSE Limited, National Stock Exchange of India Limited and Ahmedabad Stock Exchange Limited.

16. This notice has been updated with the instructions for voting through electronic means as per the amended Rules, 2015.

ANNEXURE TO NOTICE

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

ITEM NO. 5 :

The Board of Directors, on the recommendation of FIH Mauritius Investments Ltd., the Purchaser / Acquirer has appointed vide circular resolution dated February 08, 2016, Mr. Harsha Raghavan (DIN : 01761512) as an Additional Director u/s. 161 of the Companies Act, 2013. He will hold the office upto the date of the ensuing Annual General Meeting. He holds MBA and MS in Industrial Engineering degrees both from Stanford University, and a BA from UC Berkeley where he double majored in Computer Science & Economics. He is having rich experience of about 20 years in Private Equity Industry.

He does not hold any equity shares of the Company.

The Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director.

The Board recommends the resolution in relation to appointment of Mr. Harsha Raghavan as a Director, for the approval by the shareholders of the Company.

The details of Directorships, Memberships/Chairmanships of Committees of other Companies held by Mr. Harsha Raghavan are as under:

Sr. No.	Name of the Companies / Body Corporates (Including Foreign Companies) in which holding Directorship	Name of the Committee	Committee Membership
1	Thomas Cook (India) Ltd.	Audit Committee	Member
		Stakeholders Relationship Committee	Member
		Nomination & Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
2	Travel Corporation (India) Ltd.	-	-
3	National Collateral Management Services Ltd.	Audit Committee	Member
		Nomination & Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
4	Sterling Holiday Resorts Ltd.	Audit Committee	Member
		Nomination & Remuneration Committee	Member
5	Fairbridge Capital Private Ltd.	-	-
6	NCML Finance Private Ltd.	-	-
7	SOTC Travel Services Private Ltd.	Audit Committee	Member
8	Nation Trust Bank PLC	-	-
9	Fairfax India Holdings Corporation	-	-
10	Thomas Cook (Mauritius) Operations Company Ltd.	-	-
11	Thomas Cook (Lanka) Private Ltd.	-	-
12	Thomas Cook (Mauritius) Holding Company Ltd.	-	-
13	Thomas Cook (Mauritius) Holidays Ltd.	-	-
14	Thomas Cook (Mauritius) Travel Ltd.	-	-
15	Kuoni Travel (China) Ltd.	-	-
16	Luxe Asia (Private) Ltd.	-	-
17	Luxe Asia Travel (China) Ltd.	-	-
18	Horizon Travel Holdings (Singapore) Private Ltd.	-	-

Except Mr. Harsha Raghavan, being an appointee, none of the Directors Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Regulation 36 (3) of SEBI (LODR) Regulations, 2015.

ITEM NO. : 6

The Board of Directors, on the recommendation of FIH Mauritius Investments Ltd., the Purchaser / Acquirer has appointed vide circular resolution dated February 08, 2016, Mr. Sumit Maheshwari (DIN: 06920646) as an Additional Director u/s. 161 of the Companies Act, 2013. He will hold office up to the date of the ensuing Annual General Meeting. He is aged about 33 years, He is a qualified Chartered Accountant, holds a Masters of Business Administration degree from the Indian School of Business, Hyderabad and a Bachelors of Commerce degree from the University of Mumbai. Mr. Sumit Maheshwari is Vice President, and has been with Fairbridge since July 2011. Prior to joining Fairbridge. Mr. Maheshwari worked with KPMG in India for 5 years in their audit and accounting advisory functions. Mr. Maheshwari is a recognized accounting expert, with particular strength in translating between Indian GAAP, U.S. GAAP and IFRS accounting standards. At Fairbridge, Mr. Maheshwari actively participates in financial due diligence, Portfolio Company reporting and overall transaction and investment advisory services. Mr. Maheshwari was a Director of HofinconsInfotech and Industrial Services Private Limited from July, 2014 till April, 2015.

A notice has been received from a member proposing Mr. Sumit Maheshwari, as a candidate for the office of Director of the Company liable to retire by rotation.

Mr. Sumit Maheshwari, does not hold any equity shares of the Company.

The Board recommends the resolution in relation to appointment of Mr. Sumit Maheshwari as a Director, for the approval by the shareholders of the Company.

The details of Directorships, Memberships/Chairmanships of Committees of other Companies held by Mr. Sumit Maheshwari are as under:

Sr. No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
1	National Collateral Management Services Limited	Corporate Social Responsibility Committee	Member

Except Mr. Sumit Maheshwari, being an appointee, none of the Directors Key Managerial Personnel of the Company and their relatives areconcerned or interested, financially or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Regulation 36 (3) of SEBI (LODR) Regulations, 2015.

ITEM NO. : 7

Pursuant to the Shareholders' Agreement entered into by the Company with FIH Mauritius Investment Limited (the Acquirer') and others, the Company is required to alter its Articles of Association [hereinafter referred to as "AoA"] to include / exclude / alter various clauses. Further, the AoA of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956. The Companies Act, 1956 is no longer in force. It is, therefore, recommended to bring the existing AoA in line with the Companies Act, 2013 by replacing the existing AoA by a new set of Articles.

The Company cannot alter its Articles of Association without the approval of members by passing a Special Resolution.

None of the Directors of the Company or Key Managerial Personnel and their relatives are interested, financially or otherwise, in the proposed resolution. Your Directors recommend the Special Resolution set out at item No. 7 of the Notice for approval by the shareholders.

A copy of the proposed new set of Articles of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturdays and Sundays, between 11.00 a.m. to 6.00 p.m. The shareholders of the Company can also obtain a copy of the same from the Secretarial Department at the registered office of the Company

ITEM NO. : 8

The Nomination and Remuneration Committee, at its meeting held on, 29th April, 2016, recommended the re-appointment of Shri Nahoosh Jariwala (DIN 00012412) as the Managing Director for a further term of two years and ten months i.e. up to March 31, 2019 which was approved by the Board of Directors at its meeting held on April 29, 2016.

Shri Nahoosh Jariwala, a Commerce graduate born on August 21, 1961 was appointed as Managing Director of Adi Finechem Limited w.e.f. May 15, 2010 for a term of two years. He was re-appointed as the Managing Director for a further period of three years w.e.f. May 15, 2012 and then his term was extended up to May 31, 2016.

He has a total experience of over 30 years. He is one of the original founder – promoters of the Company and is associated with the Company for nearly 23 years. He has expertise in all crucial areas of the Company viz. selection of right production and utility equipments, process and product development related matters, commercial and financial matters etc..

Main terms and conditions and remuneration and perquisites payable to Managing Director are as under:

REMUNERATION:

(A) Salary: Rs 12,00,000/- per month w.e.f. April 01, 2016.

PERQUISITES AND ALLOWANCES:

Category - A

(1) Leave Travel Concession :

The Company shall provide leave travel fare for the Managing Director and his family once in a year

(2) Personal Accident Insurance :

The Company shall pay / reimburse Personal Accident Insurance Premium uptoRs. 15,000/- for the Managing Director

(3) Club Fees :

The Company shall pay / reimburse annual fees for one club.

The aggregate value of perquisites mentioned at Sr. Nos. (1) to (3), for each year shall be computed as per the Provisions of the Income Tax Act, 1961 and /or Rules made thereunder. 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.

(4) Medical Reimbursement :

Medical Expenses actually incurred for self and family shall be reimbursed by the Company.

Category - B

Leave on full pay and allowances, as per the 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.

Category - C

I. The Company shall provide car with driver at the entire cost to the Company for using Company's business and the same will not be considered as perquisites.

II. Communication facilities

The Company shall provide telephone, internet and other communication facilities at the residence of Managing Director.

Explanation:

Perquisites shall be evaluated as per Income tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at the actual cost.

THE STATEMENT OF DISCLOSURES PURSUANT TO CLAUSE B(iv) of SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 IS AS UNDER :

I. General Information :

1. Nature of Industry : Manufacture of Specialty Oleo Chemicals
2. Date or expected date of commencement of production: The Company has already 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.)

(Rs. In Lakhs)

Particulars	**Financial Year**			
	2015-16	2014-15	2013-14	2012-13
Sales and Other Income	15254.09	15127.20	15238.02	12346.44
Profit before Tax	1655.37	2055.04	2839.41	1262.95
Net Profit after Tax	1059.94	1368.56	1868.17	838.61
Proposed Dividend (excluding tax)	344.85	344.85	188.10	114.00

5. Foreign Investments or collaborators, if any: The Company has not made any foreign investment or collaborations.

II. Information about Mr. Nahoosh Jariwala, the appointee

1. Background details :

Shri Nahoosh Jariwala, 54 years, is a Commerce graduate. He has been associated with the Company for almost 23 years and was Executive Director for 17 years and is Managing Director since last more than 6 years.

2. Past Remuneration :

(₹)

Particulars	**F.Y. 2015-16**	**F.Y. 2014-15**
Salary	31,20,000	31,20,000
Perquisites / allowances	39,600	39,600
Commission / Bonus	13,35,405	15,78,181
Total	44,95,105	47,37,781

3. Recognition or awards: NIL.
4. 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 the most suited for the responsibilities assigned to him by the Board of Directors.

5. Remuneration proposed : As stated in the Explanatory Statement for Item No. 8 of the Notice.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.

Considering the present size of the Company and Company's growth during last six 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.

7. 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.

III Other Information

(1) Reasons of loss or inadequate profits; Not Applicable

(2) Steps taken or proposed to be taken for improvement; Measures for energy saving and process optimisation are ongoing things at Adi Finechem Limited.

(3) Expected Measures in productivity and profits in measurable terms; The Company is working on increasing yield of one of its prime products by experimantation with filters. This should result in increase in profitability.

The Board re-commends the resolution relating to appointment of Mr. Nahoosh Jariwala as the Managing Director for the approval of the shareholders of the Company.

Except Shri Nahoosh Jariwala, being an Appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution.

ITEM NO. 9 :

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records maintained by the company for the products covered under Chapters 2917 and 3823 of Sr. No. 18 of table mentioned under Rule 3 (B) – Non-regulated Sectors for the financial year ending 31st March 2017.
In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.
The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the members.
None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

April 29, 2016

ADI FINECHEM LIMITED
C.I.N. : L15140GJ1985PLC007845
Registered Office:
1st Floor, 2, Sigma Corporates,
B/H HOF Living, Sindhu Bhavan Road,
Off S.G. Road, Ahmedabad – 380 059.

By Order of the Board
For Adi Finechem Limited,

Rajen Jhaveri
Chief Financial Officer & Company Secretary

ATTENDANCE SLIP

ADI FINECHEM LIMITED

Registered Office: 1st Floor, 2, Sigma Corporates, B/h HOF Living,
Sindhu Bhavan Road, off. S.G. Road, Ahmedabad – 380059
CIN: L15140GJ1985PLC007845
E mail : cs@adifinechem.com Ph. No.: 079 – 29701675 Website: www.adifinechem.com

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

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

DP Id* …… Folio No. ……

Client Id* …… No. of Shares ……

NAME ……

ADDRESS……

……

……

I hereby record my presence at the **31st ANNUAL GENERAL MEETING** of the Company to be held on Friday, September 09, **2016 at 5.00 p.m.at Memories Hall, 2nd Floor, TGB Banquets & Hotel Ltd., (The Grand Bhagwati), S. G. Road,** Bodakdev, Ahmedabad– 380 054.

……
Signature of Shareholder / Proxy

*Applicable for investors holding shares in electronic form.

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PROXY FORM

ADI FINECHEM

ADI FINECHEM LIMITED

Registered Office: 1st Floor, 2, Sigma Corporates, B/h HOF Living, Sindhu Bhavan Road, off. S.G. Road, Ahmedabad – 380059
CIN: L15140GJ1985PLC007845 E mail : cs@adifinechem.com Ph. No.: 079 – 29701675 Website: www.adifinechem.com

Form MGT -11

((Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule 2014)

Name of the member(s): ……...……

Registered address: ……

e-mail Id: ……

Folio No/ *Client Id: ……

*DP Id: ……

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

1) ……..of…….. having e-mail id…….. or failing him / her

2) ……..of…….. having e-mail id…….. or failing him / her

3) ……..of…….. having e-mail id……..

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **31st Annual General Meeting** of the Company, to be held on Friday, September 09, 2016 at 5.00 p.m. at **Memories Hall, 2nd Floor, TGB** Banquets & Hotel Ltd., (The Grand Bhagwati), S. G. Road, Bodakdev, Ahmedabad– 380 054 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Resolution No.	For	Against
1. Consider and adopt Audited Financial Statement, for the year ended 31st March, 2016 and Directors' Report and Auditors' Report thereon.		
2. Declaration of Dividend on Equity Shares		
3. Re-appointment of Director in place of Shri Hemant N. Shah (DIN 00309632) who retires by rotation		
4. Appointment of M/s Price Waterhouse & Co. Chartered Accountants LLP., Chartered Accountants, (Reg. No. 304026 E / E 300009) as Statutory Auditors and fixing their remuneration		
5. Appointment of Shri Harsha Raghavan (DIN 01761512) as a Director, Promoter Category.		
6. Appointment of Shri Sumit Maheshwari (DIN 06920646) as a Director, Promoter Category.		
7. Adoption of New Articles of Association in lieu of Present Articles of Association.		
8. Approval of Shri Nahoosh J. Jariwala, as Managing Director and fixation of his remuneration.		
9. Approval of the remuneration of the Cost Auditors		

Signed this..... day of.....2016 Signature of shareholder

Affix Revenue Stamp Re. 1/-

Signature of first proxy holder ……

Signature of second proxy holder ……

Signature of third proxy holder ……..

Notes:

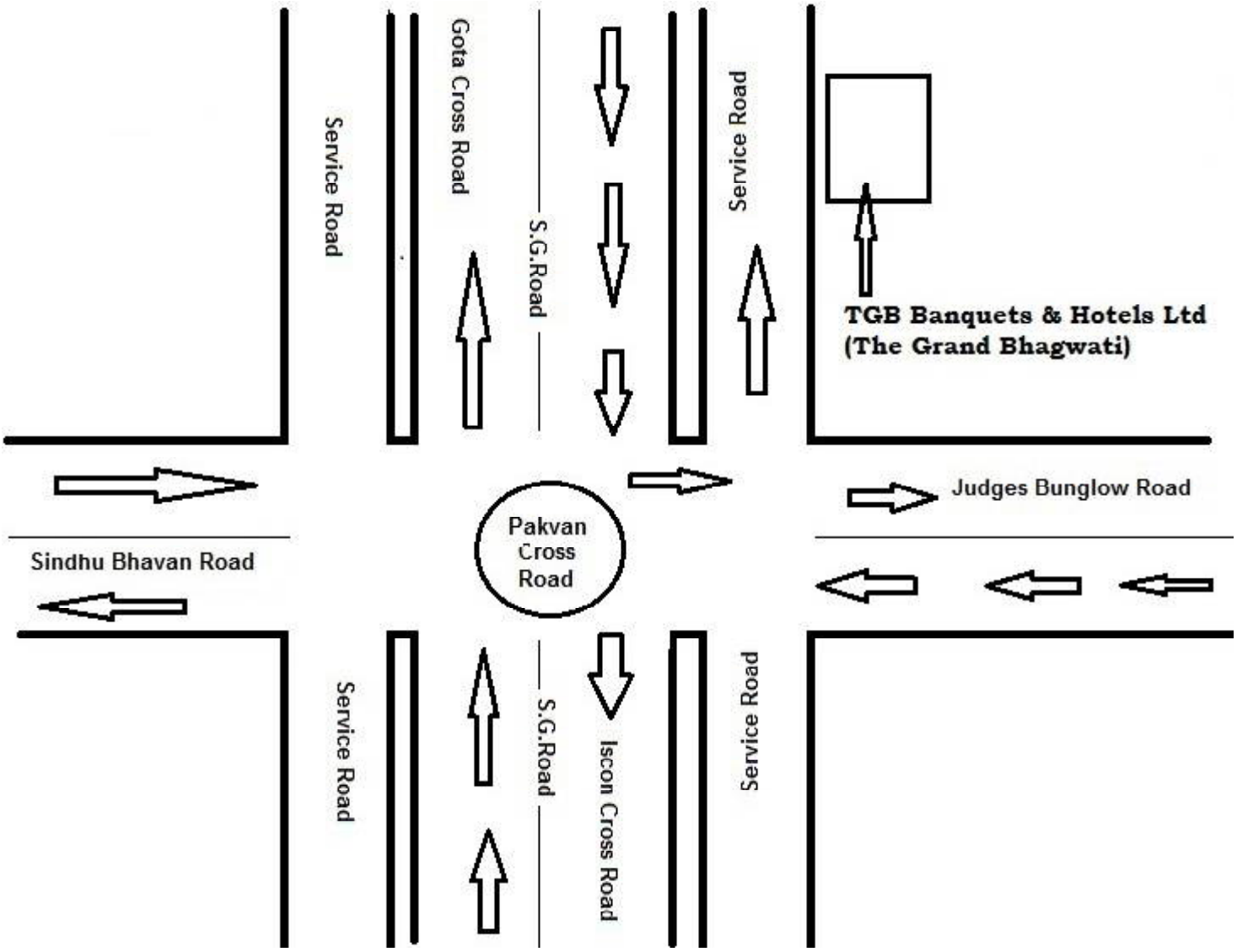
(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

(2) A Proxy need not be a member of the Company.

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

** (4) This is only optional. Please put a (✔) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Route Map for the Venue