

28th Annual Report

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

N O T I C E

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

Ordinary Business:

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

“RESOLVED THAT M/s Jhaveri Shah & Co., Chartered Accountants, (Reg. No. 127390W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.”

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

Special Business:

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed on Friday 31st May, 2013 for the purpose of Annual General Meeting and payment of Dividend.
3. An Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of item Nos. 6 to 12 of the Notice as set out above is annexed hereto.
4. If Dividend on Equity shares as recommended by the Board of Directors is passed at the meeting, payment of such dividend will be made on or after 1st July, 2013 to those members whose names are on the company's Register of Members on 31st May, 2013. In respect of Equity shares held in dematerialized/electronic form, the dividend will be payable to the beneficial owners of shares as at the end of business hours on 31st May, 2013, as per the details furnished by the Depositories for this purpose.
5. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
6. Members are requested to bring their attendance slip along with their copy of the Annual Report to the meeting.
7. As a part of Green Initiatives in the corporate governance, the Ministry of Corporate Affairs vide circular no. 17 & 18 dated April 21, 2011 and April 29, 2011 respectively clarified that a company would have complied with section 53 of the companies act, 1956 if the service of the document has been made through electronic mode, provided the company has obtained e-mail address of its members for sending the notice/documents through e-mail by giving an advance opportunity to every shareholder to register their mail address and changes therein from time to time with the company.

8. Members desiring to seek information on Annual Accounts to be explained at the meeting are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, between 03.00 pm. And 5.00 p.m upto the date of the Meeting.

May 18, 2013

ADI FINECHEM LIMITED

By Order of the Board

Registered Office:

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

Rajen Jhaveri

Vice President & Company Secretary

Note :

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

Adi Finechem Limited

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

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

ANNEXURE TO NOTICE

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

ITEM NO. 6:

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

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

Your Directors recommend passing of the proposed Resolution.

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

ITEM NO. 7:

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

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

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

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

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

The Board recommends this Resolution for approval of Members.

ITEM NO. 8:

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

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

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

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

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

The Board recommends this Resolution for approval of Members.

ITEM NO. 9:

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

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

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

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

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

The Board recommends this Resolution for approval of Members.

Item Nos. 10 & 11

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

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

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

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

CATEGORY – A

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

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

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

CATEGORY – B

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

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

CATEGORY – C

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

CATEGORY – D

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

OVERALL LIMIT :

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

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

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

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

I. General Information :

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

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

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

Earnings in foreign exchange by exports : Rs. 3312.12 lacs

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

II. Information about Shri Nahoosh Jariwala, the appointee

1. Background details :

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

2. Past Remuneration :

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

3. Job profile and his suitability :

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

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

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

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

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

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

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

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

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

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

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

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

CATEGORY – A

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

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

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

CATEGORY – B

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

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

CATEGORY – C

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

OVERALL LIMIT :

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

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

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

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

I. General Information :

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