



# **CRESTCHEM LIMITED**

**NINETEENTH ANNUAL REPORT  
2010-2011**

**CRESTCHEM LIMITED**  
**NINETEENTH ANNUAL REPORT**  
**2010-2011**

**BOARD OF DIRECTORS**

Shri Narendra C. Patel	-	Chairman
Shri Dipak N. Patel	-	Managing Director
Shri Rajesh I. Mody	-	Director
Shri Narendrakumar H. Patel	-	Director

**BANKERS**

BANK OF INDIA  
THE BHUJ MERC. Co. Op. BANK LTD.

**AUDITORS**

**M/s. Talati & Talati**  
Chartered Accountants  
Ahmedabad.

**FACTORY AND  
REGISTERED OFFICE**

325, Village : Indrad,  
Chhatral - Kadi Road, Tal.: Kadi,  
Dist. : Mehsana,  
(NORTH GUJARAT) 382721.

## CRESTCHEM LIMITED

### NOTICE

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the Members of CRESTCHEM LIMITED will be held as scheduled below :

Date : 30<sup>th</sup> Sept., 2011  
Day : Friday  
Time : 05.00 p.m.  
Place : 325, Village : Indrad, Chhatral - Kadi Road, Tal.: Kadi,  
Dist. : Mehsana, (NORTH GUJARAT) 382721.

to transact the following business :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the period (12 months) ended on 31<sup>st</sup> March 2011, and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Rajesh I. Mody who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the board of directors to fix their remuneration.

By Order of the Board of Directors

Sd/-

**Dipak N. Patel**  
Managing Director

Place : Indrad (Kadi)  
Date : 27-May-2011

### NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and on poll to vote instead of himself and the proxy need not be a member of the Company. The proxy must be lodged with the Company not less than 48 hours before the time fixed for holding the meeting.
2. The Register of members and Share transfer book of the Company will remain closed from 26<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2011 (Both days inclusive).

## CRESTCHEM LIMITED

3. Members seeking any further information are requested to write to the Company at least 10 days before the meeting so as to enable management to keep the information ready at the meeting.
4. Members/Proxies are requested to bring with them duly filled attendance slip for attending the meeting.
5. Members are requested to:
  - (a) Intimate, if shares are held in the same name or in the same order or names, but in more than one account to enable the Company to club the said accounts in to one account.
  - (b) Notify immediately the change in their registered address, if any, to the Company.
6. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
7. The relevant Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 and also under the Code of Corporate Governance in respect of item No. 2 is annexed hereto.

### ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 & also under Corporate Governance.

#### **Item No. 2.**

Shri Rajesh I. Mody retires by rotation at the ensuing annual general meeting, and being eligible, has offered himself for re-appointment.

Shri Rajesh I. Mody is the Non-Executive Independent Director of your Company since 24th August, 2004. He is a graduate in science and is a businessman having wide experience in marketing. His continuing guidance is very valuable to your company. It will be in the interest of the company that Shri Rajesh I. Mody continues as a Director of the Company.

Shri Rajesh I. Mody is interested in this resolution as it relates to his re-appointment. Resolution placed at Item No. 2 of the accompanying Notice, is recommended for your approval.

By Order of the Board of Directors  
Sd/-

**Dipak N. Patel**  
Managing Director

Place : Indrad (Kadi)  
Date : 27-May-2011

## CRESTCHEM LIMITED

### DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the NINETEENTH ANNUAL REPORT together with the Audited Accounts of the Company for the period of 12 months ended on 31<sup>st</sup> March, 2011.

#### 1. FINANCIAL RESULTS

(Rs. In Lacs)

	As at 31-03-2011 (12 Months)	As at 31-03-2010 (12 Months)
Operating Profit / (Loss) (before interest and depreciation)	0.89	(14.89)
Less : Interest	<u>0.47</u>	<u>0.21</u>
Profit / (Loss) before depreciation	0.42	(15.10)
Less : Depreciation	<u>9.52</u>	<u>9.52</u>
Profit / (Loss) before Tax	(9.10)	(24.62)
Less : Provision for Taxation / FBT.	<u>0.00</u>	<u>0.37</u>
Profit/(Loss) after Tax	(9.10)	(24.99)
Amount of Profit and Loss A/c brought forward	<u>(243.70)</u>	<u>(218.71)</u>
Amount available for appropriations carried to Balance Sheet	(252.80)	(243.70)

#### 2. DIVIDEND

In view of the losses incurred by the Company, the Board of Directors do not recommend any dividend for the period under review.

#### 3. OPERATIONS

The plant's utilization improved to some extent, yet however it remained sub-optimal due to financial constraints and the time which was required to be devoted in technically perfecting the products / formulations, in the nutraceutical health food clinical nutrition field.

#### 4. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri Rajesh I. Mody a Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

Your Directors recommends re-appointment of the above director.

## **CRESTCHEM LIMITED**

### **5. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that :

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- (b) Appropriate accounting policies have been selected and applied so as to give a true and fair view of the state of affairs of the Company as at March, 31<sup>st</sup> 2011 and of the loss of the Company for that period.
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The annual accounts have been prepared on a going concern basis.

### **6. DEPOSITS**

No Public deposits were accepted or matured during the period under review

### **7. FINANCE**

The accumulated losses of the company are in excess of 50% of the net worth, as on 31<sup>st</sup> March, 2011. The company is not a sick industrial undertaking within the clause (O) of sub clause (i) of section 3 of sick industrial companies (Special Provision) Act, 1985. However, it is potentially sick under the meaning of section 23 of the said Act, and accordingly, as on date, no reference is made to the Board for Industrial and Financial Reconstruction. The said loss includes non cash – depreciation charges. Also the company has no outstanding term loans or working capital loans or any kind of loans from banks or financial institutions. There are no outstanding interest payments on above.

To tide over companies current financial difficulties, at the request of the company, the Directors of the company have given unsecured interest free loans from time to time from their own funds to help the company to re-structure its operations.

### **8. AUDITORS**

M/s. Talati & Talati, Chartered Accountants, Ahmedabad, the auditors of the Company retire at the conclusion of the ensuing Annual General Meeting. They are eligible for re-appointment and have furnished certificate to the effect that their appointment, if made, will be in accordance with the limits specified in Section 224 (1-B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

In the opinion of directors, the notes to the accounts are self explanatory and adequately explain the matters, which are dealt with by the auditors.

### **9. PARTICULARS OF EMPLOYEES**

There is no employee attracting the provisions of section 217(2A) of the companies Act, 1956, read with the rules made there under.

### **10. INFORMATION REGARDING CONSERVATION OF ENERGY ETC.**

Information required u/s. 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 form part of this report. However, as per the provisions of section 219(1)(b) (iv), the reports and accounts are being sent to all shareholders of the Company excluding the information relating to conservation of energy, foreign exchange earning and outgo, and the statement of particulars of employees. Any shareholder interested in obtaining such particulars may write to the Director / Company Secretary at the Registered Office of the Company.

## CRESTCHEM LIMITED

### 11. CORPORATE GOVERNANCE REPORT

A separate report on Corporate Governance is furnished as a part of this Annual Report, along with the Compliance Certificate on the same from the company secretary.

### 12. COMPLIANCE CERTIFICATE

The compliance certificate issued by the Company Secretary in whole time practice as prescribed under provision to Section 383A(1) of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 is attached with this Report.

### 13. INDUSTRIAL RELATIONS, SAFETY AND ENVIRONMENT

The Industrial relations remained cordial, and due attention is devoted to safety / environmental aspects..

### 14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### **Industry Structure and Development:**

Your Company is engaged in the field of Processing / Job working / Manufacturing, of specialty chemical ingredients, in dry powder forms, finding applications as a nutritious (or as a edible additive) raw material, in dry re-constitutable food and pharmaceutical recipes. Commercially, at times known as the nutraceutical Industry products or as Entral Nutritional Industry raw materials, Health Food Industry raw material etc.

#### **Opportunities, Threats, Risk and Concerns :**

This is a developing field, emerging out of the fusion of certain aspects of three industries, namely The Chemical – The Food – The Pharmaceutical Industry, with an opportunity of growth. But currently the cost of manufacturing and marketing is high, as volume of business is low, since the concept has yet to catch-up In India, as compared to certain countries abroad, which is a kind of threat to the viability, at least for the time being. The risk is that the “off-the shelf ready to use packaged products” which are costly and targeted to the modern life, depends on how fast the purchasing power of Indian Mass Public improves. Currently our concerns are to find customers /Job work customers in this field who can give us remunerative prices. The management now feels optimistic to find the same, which was difficult to find till now.

#### **Financial Performance With Respect To Operational Performance:**

The plant's utilization remained sub optimal due to financial constraints and the time which was required to be devoted in technically perfecting the products / formulations, in the nutraceutical / health food / clinical nutrition field.

#### **Internal Control Systems and their adequacy :**

The Company has internal control systems commensurate with its size and nature of business.

#### **Human Resource / Industrial Relations :**

The company has taken effective steps to rationalize manpower cost to the maximum extent possible.

## **CRESTCHEM LIMITED**

### **Business Outlook :**

The growth of our Companies business depends upon several factors as discussed above. However, management visualizes that, shortly time will come in which we will be able to introduce new formulations and the same will, get properly accepted in the market, looking at some improvement in purchasing power of Indian Mass Public.

### **Cautionary Statement :**

Actual results might differ from what we perceive with regards to companies outlook and performance due to changing ground realities.

### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere thanks to the Bankers and various Government authorities for the co-operation given by them.

For and on behalf of the Board

Sd/-

**Narendra C. Patel**

Chairman

Place : Indrad (Kadi)

Date : 27-May-2011



**CRESTCHEM LIMITED**  
**CORPORATE GOVERNANCE**

**[Pursuant to clause 49 of the listing agreement with the Stock Exchange.]**

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company's philosophy on Corporate Governance envisages following of fair business and corporate practices, whereby ensuring better satisfaction of grievances, if any, of all its stakeholders including customers, shareholders and employees, guided by commitment towards efficiency and excellence in every aspect of its business, with due concern for social responsibility.

**2. BOARD OF DIRECTORS :**

(a) Composition of Board :

The Board of directors of the Company consists of 4 directors out of which there is one Managing Director and 3 Non Executive directors, who are eminent personnel with wide range of skills and experience in business, finance and law. The Chairman of the Board is Non-executive director and 50% of the Board comprises of independent directors. The Board normally meets once in a quarter, and additional meetings are held as and when required.

(b) Details of attendance of each director at the Board Meetings and the last Annual General Meeting (AGM), with particulars of their other directorship, and chairmanship / Memberships of board / committees :

	Directors	Category	Attendance Particulars		No. of other Directorships and other committee memberships / chairmanships held in other public Ltd. Companies.		
			Board Meeting	Last AGM	Directorships	Committee Memberships	Committee Chairmanship
1	Mr. Narendra C. Patel	Chairman, Promoter and Non-executive Director	5	Yes	-	-	-
2	Mr. Dipak Patel	Managing Director	5	Yes	-	-	-
3	Mr. Rajesh I. Mody	Non-executive Independent Director	5	Yes	-	-	-
4	Mr. Narendrakumar H. Patel	Non-executive Independent Director	5	Yes	-	-	-

(c) No. of Board meeting held and dates on which held :

Five Board Meetings were held during the year ended March, 2011 viz. on 30<sup>th</sup> April, 2010, 30<sup>th</sup> July, 2010, 29<sup>th</sup> October, 2010. 28<sup>th</sup> January, 2011 and 16<sup>th</sup> February, 2011.

## CRESTCHEM LIMITED

### BOARD COMMITTEES

#### 3. AUDIT COMMITTEE:

The Audit Committee was constituted on 15-03-2003 consisting of three directors. The quorum is 2 members. The terms of the reference of the Audit committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting system, internal control systems, ensuring compliance with the regulatory guidelines, and reviewing the risk management policies of the Company. The Audit committee met prior to the finalization and approval of accounts for the year ended on 31<sup>st</sup> March, 2011. The committee has full access to all accounting records of the company.

The present composition of the audit committee, meetings and attendance is as follows:

Name of the Members	Designation and Category	Profession	Attendance at the Audit Committee meeting held on				
			30 <sup>th</sup> Apr, 2010	30 <sup>th</sup> Jul, 2010	29 <sup>th</sup> Oct, 2010	28 <sup>th</sup> Jan, 2011	16 <sup>th</sup> Feb, 2011
Mr. Narendrakumar H. Patel	Chairman of the committee and non-executive Independent Director	Graduate in Accounts (Commerce) and having experience of Sr. Accountancy and Finance, besides marketing experience.	Yes	Yes	Yes	Yes	Yes
Mr. Rajesh I. Mody	Member of the committee and non-executive Independent Director	Graduate in Science and experienced businessman	Yes	Yes	Yes	Yes	Yes
Mr. Dipak N. Patel	Managing Director	Graduate in Science and MBA having Sr. Management experience.	Yes	Yes	Yes	Yes	Yes

The Audit Committee invites such of the executives and directors as it considers appropriate to be present at the meetings. The manager/ Accountant / Auditors etc are normally invited to these meetings. The minutes of Audit Committee meetings are noted by the Board of Directors at the Board Meeting.

## CRESTCHEM LIMITED

### 4. REMUNERATION COMMITTEE : (NON-MANDATORY)

The present composition of remuneration committee, its meetings and attendance is as follows :

Name of the Members	Designation and Category	Attendance at the Remuneration Committee meeting held on
		28 <sup>th</sup> January, 2011
Mr. Rajesh I. Mody	Chairman of the Committee and Non-executive Independent Director	Yes
Mr. Narendrakumar H. Patel	Member and Non-executive Independent Director	Yes

One Remuneration Committee meeting was held during the year. The quorum was two members.

The Non Executive Directors are not entitled to remuneration, as on date, for attending committee meetings, except the sitting fees for attending board meetings. The broad terms of reference of remuneration committee are to review remuneration practices including those payable to directors/managing directors, subject to the approval of the board/shareholders.

### 5. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE :

The Committee looks into redressal of shareholders / Investors grievance, if any, like transfer / transmission / demat of shares, loss of share certificate, non-receipt of Annual Report etc. The quorum was 2 members. The present composition of the committee, its meetings and attendance is as follows :

Name of the Members	Designation and Category	Attendance at the Shareholder's/Investor's Grievances meeting held on				
		30 <sup>th</sup> Apr, 2010	30 <sup>th</sup> Jul, 2010	29 <sup>th</sup> Oct, 2010	28 <sup>th</sup> Jan, 2011	16 <sup>th</sup> Feb, 2011
Mr. Narendra C. Patel	Chairman of the committee and non-executive Director	Yes	Yes	Yes	Yes	Yes
Mr. Rajesh I. Mody	Member of the committee and non-executive Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Narendrakumar H. Patel	Member of the committee and non-executive Independent Director	Yes	Yes	Yes	Yes	Yes

No Complaints of significant nature were received during the period 12 months ended on 31<sup>st</sup> March, 2011 and necessary actions were taken. Mr. Satish Panchal, who handles records, has been entrusted to act as compliance officer on behalf of the company.

## CRESTCHEM LIMITED

### 6. GENERAL BODY MEETINGS :

Location, time and date where last three Annual General Meetings of the Company were held are given below:

Financial Year	Date	Time	Location of the Meeting	Any Special Resolution Passed
2007-2008 (12 Months Period)	30/09/2008	11.00 a.m.	Sixteenth AGM at Regd.Office of the Company at : 325, INDRAD - 382721, Tal. : Kadi, Dist.: Mehsana, (North Gujarat)	1 Special Resolution Passed
2008-2009 (12 Months Period)	30/09/2009	05.00 p.m.	Seventeenth AGM at Regd.Office of the Company at : 325, INDRAD - 382721, Tal. : Kadi, Dist.: Mehsana, (North Gujarat)	No
2009-2010 (12 Months Period)	28/09/2010	05.00 p.m.	Eighteenth AGM at Regd.Office of the Company at : 325, INDRAD - 382721, Tal. : Kadi, Dist.: Mehsana, (North Gujarat)	No

**No Postal ballots were used during the above periods**

### 7. MEANS OF COMMUNICATION :

- (a) The quarterly, half yearly and full year results are prepared. Audited – annual reports are sent to the shareholders.
- (b) The management discussion and analysis report forms part of Directors Report.

### 8. GENERAL SHAREHOLDER INFORMATION:

#### (i) Annual General Meeting

Day, Date & Time : Friday, September 30<sup>th</sup> 2011 at 5.00 p.m.  
 Venue : 325, Village – Indrad, Taluka : Kadi,  
 District - Mehsana : 382 721 (NORTH GUJARAT)

(ii) **Financial Calendar period :** 01-04-2010 to 31-03-2011

(iii) **Date of Book Closure :** 26<sup>th</sup> Sept., 2011 to 30<sup>th</sup> Sept., 2011 (Both days inclusive)

#### (iv) Listing on Stock Exchange :

(a) The Delhi Stock Exchange Ltd (DSE)

All Annual listing fees to DSE has been paid upto financial year 2010-2011. Under the Amnesty Scheme of DSE, the said stock exchange has now revoked the suspension in the trading of securities of our company, to the benefit of our company.

(b) The Stock Exchange Mumbai (BSE)

All Annual listing fees to BSE is paid upto the Financial Year 2010-2011. Efforts are in progress to get the revocation of suspension in the trading of securities of our company from BSE.

(c) The company is in the process of delisting from the stock exchange Ahmedabad and Saurashtra & Kutchh Stock Exchange Ltd. in due course.

## CRESTCHEM LIMITED

**(i) Stock Code / Symbol :**

Stock Exchange Ltd., Mumbai (BSE) 526269

Delhi Stock Exchange Ltd., Delhi (DSE) 7118

**(ii) Market Price Data :**

The Company's shares were not actively traded on the Stock Exchanges, as the suspension is still in force in trading of securities of the company at BSE. Hence the monthly high and low quotations were not applicable. Efforts are on way to get the said suspensions imposed by BSE revoked in due course.

**(iii) Share Transfer System :**

Applications for transfer of shares held in physical form are received at the office of the Company. The Share department attends to share transfer formalities.

**(iv) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

**(v) Share-Distribution Schedule as on 31-03-2011.**

No. of Equity Shares			No. of Share holders	% of share holders	No. of Share held	% of share holding
1	-	5000	11099	95.24	15798380	52.65
5000	-	10000	339	2.91	2873000	9.58
10000	-	20000	99	0.85	1591000	5.30
20000	-	30000	62	0.53	1582000	5.27
30000	-	40000	12	0.10	452000	1.51
40000	-	50000	12	0.10	578000	1.93
50000	-	100000	12	0.10	1010000	3.37
100000	-	999999990	20	0.17	6115620	20.39
<b>Total</b>			<b>11655</b>	<b>100.00</b>	<b>30000000</b>	<b>100.00</b>

All above shares are in physical mode.

## CRESTCHEM LIMITED

### (vi) Shareholding Pattern as on 31<sup>st</sup> March, 2011.

Category	No. of Shares	% of holding
Non-Resident Indians	100700	3.36
Nationalized Banks	3900	0.13
Bodies Corporate	228900	7.63
Directors	256500	8.55
Relatives of Directors	131100	4.37
Other	2278900	75.96
<b>TOTAL</b>	<b>3000000</b>	<b>100.00</b>

All above shares are in physical mode.

### (vii) Dematerialization of equity shares:

The Company has no shares in dematerialized form, as on date. However the company is in the process to do so in due course.

### (viii) Registrar & Share transfer Agents :

The Company is in the process of selecting a suitable Registrar and Share Transfer Agent (RTA) , to handle Physical and Dematerialized shares in due course. Till then the physical share transfer formalities are handled by the share transfer dept. of the company,

### (ix) Plant Location :

Survey No. : 325  
Village : INDRAD  
Taluka : Kadi  
District : Mehsana – 382 721 (NORTH GUJARAT)  
Phone : 02764 – 277844

## CRESTCHEM LIMITED

### (v) Address for Investors Correspondence:

For any assistance regarding share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, please Communicate to :-

Name of the Company : CRESTCHEM LIMITED  
Survey No. : 325  
Village : INDRAD  
Taluka : Kadi  
District : Mehsana – 382 721 (NORTH GUJARAT)  
Phone : 02764 – 277844

### 9. DISCLOSERS :

- (i) Transactions with related parties' viz., Promoters, Directors or the Management, their subsidiaries or relatives are covered by contracts, which govern terms and conditions clearly. The details of these transactions with related parties (within the meaning gives under Accounting Standard 18) have been disclosed in Note No. 2(C), of Notes forming part of the Accounts, (Schedule 14).
- (ii) None of the Shares of the Company are pledged or encumbered.
- (iii) Company had received notice of default from Registrar of Companies Under Section 159, 160, 166, 210, 220 of the Companies Act, 1956, for which the matter has been settled. No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or other Statutory Authority on any matter related to capital market during the last three years except suspension of trading in Companies shares. Also refer to the details mentioned under the head mandatory and non mandatory requirement (Point no. 10 as below)
- (iv) The risk management policies of the company are periodically reviewed by the Audit Committee of the Board of Directors of the company and by the Board. The risk management issues are mentioned in the Management Discussion and Analysis Report.

### 10. MANDATORY AND NON-MANDATORY REQUIREMENTS :

#### (a) Status of compliance to the mandatory requirements :

The Company has adopted mandatory requirements of compliances on Corporate Governance. A certificate from Mr. Dipak N. Patel, the managing director of the company was placed before the board detailing the compliances done. The Auditor's/ Company Secretary Certificate regarding compliances of Corporate Governance by the company is annexed to this Corporate Gov. report.

#### (b) Status of compliance to the non-mandatory requirements :

The Company, so far, has not adopted the non-mandatory suggestions of (1) sending six – monthly results information to each household of shareholders, (2) training of board members, (3) tenure of independent directors (4) mechanism of evaluating the performance of non-executive board members. The company has however adopted the non-mandatory suggestion of having a Remuneration Committee.

### 11. DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT :

The Board has formulated a code of conduct for its directors and senior management. The code of conduct has been complied with by the directors and management of the company for the year ended 31<sup>st</sup> March, 2011, and as envisaged in clause 49 of the Listing Agreement with Stock Exchanges.

For and on behalf of the Board

Sd/-

**Dipak N. Patel**

Managing Director

Place : Indrad (Kadi)

Date : 27-May-2011

## CRESTCHEM LIMITED

### COMPANY SECRETARY'S CERTIFICATE

#### **Company Secretary Certificate Regarding Compliance with the conditions of Corporate Governance under clause 49 of the Listing Agreement with Stock Exchange :**

To the Members of CRESTCHEM LIMITED

We have examined the compliance of conditions of 'Corporate Governance' by CRESTCHEM LIMITED for the year ended March, 31, 2011, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchange.

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 the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances was pending for a period of one month against the Company as per the records maintained by the Company.

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

Place : Ahmedabad  
Date : 27-May-2011

For SONI RASMIKANT M.  
Company Secretary  
Sd/-  
(RASMIKANT M. SONI)  
Proprietor  
C. P. No. : 4990



**CRESTCHEM LIMITED**  
**COMPLIANCE CERTIFICATE**

[Pursuant to provision to Section 383-A(I) of the Companies Act, 1956, read with Companies (Compliance Certificate) Rules, 2001]

Registration No. : L24100GJ1991PLC015530

Nominal Capital : Rs. 4,00,00,000/-

Paid-up Capital : Rs. 3,00,00,000/-

To,  
The Members  
Crestchem Limited

I have examined the registers, records, books and papers of CRESTCHEM LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure "B" to this certificate. The Company was not required to file any forms and returns with Regional Director, Central Government, Company Law Board or other authorities.
3. The Company being a Public company no comments is required to be made.
4. The Board of Directors duly met 5 (five) times on 30<sup>th</sup> April, 2010, 30<sup>th</sup> July 2010, 29<sup>th</sup> October, 2010 28<sup>th</sup> January, 2011 and 16<sup>th</sup> February 2011 in respect of which proper notice were given and the proceedings were properly recorded and signed Minutes Book are maintained for the purpose. However, as informed to us the Company has not passed any circular resolutions.
5. The Company had closed its Register of Members from 24<sup>th</sup> September 2010 to 28<sup>th</sup> September 2010 and necessary compliance of Section 154 of Act had been made.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March 2010 was held on 28<sup>th</sup> September 2010 after giving due notice to the members of the Company and the resolutions passed thereafter were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in the Section 295 of the Act, during the financial year.
9. The Company has not entered into any contracts/transaction falling within the preview of Section 297 of the Act during the financial year.

## CRESTCHEM LIMITED

10. The Company has made necessary entry in the Register maintained under Section 301 of the Act.
11. The provision of Section 314 of the Act was not applicable to the Company during the financial year.
12. The Company has not issued any duplicate share certificates.
13. The Company has :
  - (a) The Company has not made any transfer / transmission of shares during the financial year.
  - (b) As no dividend was declared, hence the provisions as to depositing the amount of dividend in a separate Bank Account are not attracted.
  - (c) As no dividend was declared, hence no payment/posting of warrants for dividend to any of the members.
  - (d) There was no unpaid or unclaimed dividend in any of the previous years nor there was any amount on account of application money due for refund, matured deposits, matured debentures and the interest accrued thereon which remained unclaimed or unpaid for a period of seven years and hence the Company is not required to transfer the same to Investor Education and Protection Fund.
  - (e) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no change in the Board of Directors during the financial year.
15. The Company having paid up capital less than Rs. 5 Crore, the provisions of Section 269 of the Act was applicable during the financial year.
16. The Company has not appointed sole-selling agents during the financial year.
17. As per explanation and information given to us the Company was not required to us the Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have given notices in regard to disclosures of their interest in other firms / companies.
19. The Company has not issued any shares / debentures during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares and / or debentures during the financial year.
22. There were no transactions necessitating a company to keep in abeyance rights to dividend, rights to shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A and 58AA read with Companies (Acceptance of Deposits) Rules, 1975, during the financial year.
24. The Company has taken unsecured loans from directors.

## CRESTCHEM LIMITED

25. The Company has not made any loans and advances or investments in other bodies corporate. Further the Company has not given any guarantee nor provided security to any body corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the financial year.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the financial year.
30. The Company has not altered the provisions of its Articles of Associations during the financial year.
31. As per information given to me the company had received notice for default from Registrar of Companies under section 159, 160, 166, 210, 220 of the Companies Act, 1956, for which the matter has been settled. No other prosecution was initiated against the company. No other fines and no other penalties have been imposed on the company, during the financial year.
32. As per information given to me the Company has not received any money as security from its employee during the financial year.
33. As per information given to me the Company has not constituted the Provident Fund for its employees within the meaning of the provisions of Section 418 of the Act.

Place : Ahmedabad  
Date : 27-May-2011

SONI RASMIKANT M.  
Company Secretary  
Sd/-  
(RASMIKANT SONI)  
C. P. No. : 4990

## CRESTCHEM LIMITED

### ANNEXTURES ATTACHED TO AND FORMING PART OF COMPLIMANCE CERTIFICATE

#### ANNEXURE : "A" Registers as maintained by the Company :

1. Register of Members u/s. 150 of the Act.
2. Minutes Book of Board Meetings u/s. 193 of the Act.
3. Minutes Book of the General Meetings u/s 193 of the act.
4. Register of Disclosure of Interest u/s. 299 of the Act.
5. Register of Contracts, Companies, and Firms in which directors are interested u/s. 301 of the Act.
6. Register of particulars of Directors etc. u/s. 303 of the Act.
7. Register of Directors Shareholding u/s. 307 of the Act.
8. Other Registers :
  - Register of Transfer
  - Register of Attendance of Directors for Board Meeting
  - Register of Attendance of Members for AGM/EGM.

#### ANNEXURE : "B"

Forms and returns were filed by the Company with the Registrar of Companies during year ending 31<sup>st</sup> March 2011.

With Registrar of Companies :

1. Form No. 66 for the financial year ended on 31/03/2010 was filed on 26/04/2011
2. Form No. 23AC and 23ACA for the financial year ended on 31/03/2010 was filed on 26/04/2011.
3. Form No. 20 B for the financial year ended on 31/03/2010 (AGM : 28/09/2010) was filed on 26/04/2011.

With Regional Director  
With Central Government

NIL – N.A.  
NIL – N.A.

Place : Ahmedabad  
Date : 27-May-2011

SONI RASMIKANT M.  
Company Secretary  
Sd/-  
(RASMIKANT SONI)  
C. P. No. : 4990

## **CRESTCHEM LIMITED**

### **AUDITORS' REPORT**

To  
The Shareholders of  
CRESTCHEM LIMITED  
VILLAGE – INDRAD  
KADI.

1. We have audited the attached Balance Sheet of CRESTCHEM LIMITED as at 31<sup>st</sup> March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto. These Financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by companies (Auditors Report) (Amendments) Order, 2004 (hereinafter referred to as "The Order") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks, as we considered appropriate we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
  - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii. In our opinion proper books of account as required by law have been kept by the company so far, as appears from our examination of the books.
  - iii. The Balance Sheet and the profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account.
4. In our opinion, the profit and loss account and the balance sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of written representation received from the directors, as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Director, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with the other notes appearing thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - a. In the case of the Balance Sheet of the state of the affairs of the Company as at 31<sup>st</sup> March, 2011.
  - b. In the case of the Profit and Loss Accounts of the Loss for the Year ended on that date.
  - c. In the case of the Cash Flow statement, of the cash flows for the year ended on the date.

**AHMEDABAD**  
**DATE : 27-May-2011**

**For TALATI & TALATI**  
**Chartered Accountants**  
**Sd/-**  
**(Firm Reg. No. 110758W)**  
**(UMESH H. TALATI)**  
**PARTNER**  
**M. NO. 34834**

## CRESTCHEM LIMITED

### ANNEXURE TO THE AUDITOR'S REPORT

Re: **CRESTCHEM LIMITED**

Referred to in paragraph 3 of our report of even date.

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and general location of fixed assets.
- (b) Majority of the assets has been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off any major Part of the Fixed Assets.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of the company, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In respect of Loans secured or unsecured, granted or taken by company to/from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (a) The company has not granted any unsecured loan to any companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Hence the provisions of Clause (iii) (a), (b), (c) and (d) are not applicable to the company.
- (b) In our opinion and according to the information and explanations given to us the rate of interest and the other terms and conditions of the unsecured loan granted by the company are prima facie, not prejudicial to the interest of the Company.
- (c) The Company has taken interest free unsecured loan from, parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 13,56,548/- and the year end balance of loan taken from such parties was Rs. 13,11,548/-.
- (d) The Company is not paying interest on loans and principal amount is repayable on demand.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weaknesses have been noticed in the internal controls.
- (v) (a) To the best of our knowledge and according to information and explanations given to us, we are of the opinion that the contracts or arrangements that need to be entered in to the register required to be maintained under section 301 of the companies act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market price are available.

## CRESTCHEM LIMITED

- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public and hence the provisions of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
- (vii) In our opinion, the internal audit system of the company is commensurate with its size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956. Hence the provision of this clause is not applicable to the company.
- (ix) (a) The company does not have any employees therefore it does not have any provident fund liability during the current year. However the company is regular in depositing other statutory dues applicable to it. According to the information and explanation given to us and on the basis of records produced before us, provident fund of Rs. 2,25,988/-, FBT of Rs. 42,540/- and TDS of Rs. 1,900/- is outstanding for more than six months. However the company has obtained ad interim stay order from the High Court of Gujarat against payment of the dues to the P.F. Department. Except above there are no undisputable amount payable in respect of Income-tax, Wealth-tax, Sales-tax, customs duty and excise duty and cess were outstanding as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date they become payable.  
(b) According to the records of the company, there are no dues of sales tax, income tax and excise duty and cess which have not been deposited on account of any dispute.
- (x) The accumulated losses of the company at the end of the financial year are in excess of 50% of its net worth. The company has not incurred cash loss during the financial year covered by our audit. It has incurred cash loss of Rs. 12,10,627 in the immediately preceding previous year.
- (xi) In our opinion and according to information and explanation given to us the Company has not defaulted in repayment of dues to a Bank.
- (xii) The Company has not granted any loans against security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of this clause not applicable to the company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of this clause of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion the company has not given any guarantee for loans taken by others from bank or financial institution hence the provision of this clause is not applicable to the company.
- (xvi) According to the information and explanation given to us, the company has not raised any term loans during the year and hence in our opinion this clause is not applicable to the company.
- (xvii) In our opinion and according to the information and explanation given to us and overall examination of the balance sheet of the company we report that no funds raised on short term basis has been used for long term investment by the company.
- (xviii) The company has not made any preferential allotment of shares to any parties and companies covered under the register maintained u/s. 301 of the Act.
- (xix) During the period covered by our audit report, the company has not issued any debentures.
- (xx) The company has not raised any money out of public issue during the period covered by our report.
- (xxi) We report that no fraud on or by the company has been noticed or reported during the course of our audit.

**AHMEDABAD**  
**DATE : 27-05-2011**

**For TALATI & TALATI**  
**Chartered Accountants**  
**(Firm No. 110758W)**  
**Sd/-**  
**(UMESH H. TALATI)**  
**PARTNER**  
**M. NO. 34834**

**CRESTCHEM LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2011**

PARTICULARS	SCHEDULES	(Rupees)	(Rupees)
		AS AT 31-03-2011 (12 Months)	AS AT 31-03-2010 (12 Months)
<b>SOURCES OF FUNDS</b>			
<b>SHARHOLDERS' FUNDS</b>			
Share Capital	1	30000000	30000000
Reserves and Surplus		0	0
		<b>30000000</b>	<b>30000000</b>
<b>LOAN FUNDS</b>			
Unsecured Loans	2	1735598	1224548
<b>TOTAL</b>		<b>31735598</b>	<b>31224548</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	3	21768797	21768797
Less : Depreciation		14211263	13259671
<b>Net Block</b>		<b>7557534</b>	<b>8509126</b>
<b>INVESTMENTS</b>			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Current Assets	4	367940	--
Sundry Debtors	5	221645	22633
Cash & Bank balances	6	233697	267052
Loans & Advances	7	477474	474996
		<b>1300756</b>	<b>764681</b>
Less : Current Liabilities and Provisions	8	2402129	2418910
Net Current Assets		-1101373	-1654229
Profit & Loss Account		25279437	24369651
Significant Accounting Policies & Notes Forming parts of Accounts	14		
<b>TOTAL</b>		<b>31735598</b>	<b>31224548</b>

**Schedules referred to herein above form an integral part of fi  
statement**

As per our report of even date attached  
For, TALATI & TALATI

Chartered Accountant

Sd/-  
Umesh H. Talati  
Partner  
Membership No. 34834

Place : Ahmedabad Date : 27/05/2011

For and on behalf of the Board

Sd/-  
Narendra C. Patel  
- Chairman  
Dipak N. Patel  
- Managing  
- Director

Place : INDRAD (Kadi)

Date : 27/05/2011



**CRESTCHEM LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	SCHEDULES	(Rupees)	(Rupees)
		Year ended 31-03-2011 (12 Months)	Year ended 31-03-2010 (12 Months)
<b>INCOME</b>			
Sales		1423601	366175
Processing Charges		78970	8505
Closing Stock of WIP		188000	--
Increase/(Decrease) in Closing Stock		--	-150240
Other Income	9	83448	24485
		<b>1774019</b>	<b>248925</b>
<b>EXPENDITURE</b>			
Raw Material & Packing Material	10	474722	252309
Manufacturing expenses	11	678543	366927
Administrative and other expenses	12	531622	1118930
Interest & Financial Charges	13	47327	21386
Depreciation		951592	951592
		<b>2683806</b>	<b>2711144</b>
Profit/(Loss) for the Year		-909786	-2462219
Less : Provision for Taxation /FBT		--	--
<b>Profit/(Loss) after Tax</b>		-909786	-2462219
Less : Excess/(short) provision of income tax			36531
Profit/(Loss) after Tax		-909786	-2498750
Profit/(Loss) brought forward from P. Y.		-24369651	-21870902
Balance Carried to Balance Sheet		-25279437	-24369651
Earning Per Share (Basic & Diluted)		-0.30	-0.83
Significant Accounting Policies & Notes Forming parts of Accounts	14		

**Schedules referred to herein above form an intergral part of financial statement**

As per our report of even date attached

For, TALATI & TALATI

Chartered Accountant

Sd/-

Umesh H. Talati  
Partner

Membership No. 34834

Place : Ahmedabad Date :  
27/05/2011

For and on behalf of the Board

Sd/-

Narendra C. Patel

-

Dipak N. Patel

-

Chairman

Managing

Director

Place : INDRAD  
(Kadi)

Date : 27/05/2011

## CRESTCHEM LIMITED

### SCHEDULE-1

#### SHARE CAPITAL

Particulars	(Rupees)	
	AS AT 31-03-2011	AS AT 31-03-2010
AUTHORISED 4000000 Equity share of Rs. 10/- each (Previous year 4000000 Shares)	40000000	40000000
	40000000	40000000
ISSUED, SUBSCRIBED AND PAID UP 3000000 Equity share of Rs. 10/- each of fully paid up (Previous year 3000000 shares)	30000000	30000000
	30000000	30000000

### SCHEDULE-2

#### UNSECURED LOANS

Particulars	(Rupees)	
	AS AT 31-03-2011	AS AT 31-03-2010
From Directors		
From Directors & Relatives	1735598	1224548
	<b>1735598</b>	<b>1224548</b>

### SCHEDULE-3

#### FIXED ASSETS

Depreciation of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1-04-10	Ad diti on	Sale s/ Adj.	As on 31-03-11	As on 1-04-10	Additio n	Sale / Adj.	As on 31-03-11	As on 31-03-11	As on 31-03-10
Land	254369	0	0	254369	0	0	0	0	254369	254369
Factory Building	6020457	0	0	6020457	2848677	201083	0	3049760	2970697	3171780
Plant & Machinery	13754190	0	0	13754190	9035689	653324	0	9689013	4065177	4718501
Electrical Installation	703255	0	0	703255	473234	33405	0	506638	196617	230021
Furniture Fixture & Equipment	920548	0	0	920548	825085	58271	0	883356	37192	95463
Office Equipment	115978	0	0	115978	76986	5509	0	82495	33483	38993
Current Year	<b>21768797</b>	<b>0</b>	<b>0</b>	<b>21768797</b>	<b>13259671</b>	<b>951592</b>	<b>0</b>	<b>14211263</b>	<b>7557535</b>	<b>8509126</b>
Previous Year	<b>21768797</b>	<b>0</b>	<b>0</b>	<b>21768797</b>	<b>12308080</b>	<b>951592</b>	<b>0</b>	<b>13259671</b>	<b>8509126</b>	<b>9460717</b>

## CRESTCHEM LIMITED

### SCHEDULE-4

#### CURRENT ASSETS

(Rupees)

(Rupees)

#### (Considered Goods)

Particulars	AS AT 31-03-2011	AS AT 31-03-2010
Interest accrued on FD	5995	0
Inventories (As taken, Valued & certified by directors)		
Stock in trade	173945	0
Work in progress	188000	0
	<b>367940</b>	<b>0</b>

### SCHEDULE-5

#### SUNDRY DEBTORS (Unsecured)

(Rupees)

(Rupees)

#### (Considered Goods)

Particulars	AS AT 31-03-2011	AS AT 31-03-2010
Debts Outstanding for a period of Six Months	0	11424
Others	221645	11209
	<b>221645</b>	<b>22633</b>

### SCHEDULE-6

#### CASH AND BANK BALANCES

(Rupees)

(Rupees)

Particulars	AS AT 31-03-2011	AS AT 31-03-2010
Cash on Hand	45697	102052
Balance with Scheduled Bank		
Fixed Deposit	188000	165000
	<b>233697</b>	<b>267052</b>

### SCHEDULE-7

#### LOANS & ADVANCES

(Rupees)

(Rupees)

Particulars	AS AT 31-03-2011	AS AT 31-03-2010
Balance with Govt. Securities	475824	473346
Deposit to Suppliers	1650	1650
	<b>477474</b>	<b>474996</b>

## CRESTCHEM LIMITED

### SCHEDULE-8 CURRENT LIABILITIES & PROVISION

Particulars	(Rupees)	(Rupees)
	AS AT 31-03-2011	AS AT 31-03-2010
<b><i>CURRENT LIABILITIES</i></b>		
Micro Small and Medium Enterprise (Refer Note No. : K of sch.14)	--	--
Sundry Creditors for goods	729744	682893
Sundry creditors for expenses	357310	390431
Statutory Liabilities	243573	231615
Other Liabilities	164413	134413
Bank Overdraft	101654	165134
Trade Deposit	500000	508989
<b><i>PROVISIONS</i></b>		
For Gratuity	262895	262895
For Taxation / FBT	42540	42540
	<b>2402129</b>	<b>2418910</b>

### SCHEDULE-9 OTHER INCOME

Particulars	(Rupees)	(Rupees)
	Year ended 31-03-2011	Year ended 31-03-2010
Sundry balance written off	40566	14942
Interest received	42882	9543
	<b>83448</b>	<b>24485</b>

### SCHEDULE-10 RAW MATERIAL & PACKING MATERIAL

Particulars	(Rupees)	(Rupees)
	Year ended 31-03-2011	Year ended 31-03-2010
Opening Stock	0	0
Add. : Purchase	639936	249889
	<b>639936</b>	<b>249889</b>
Less : Closing Stock	173945	0
Raw Material Consumed	<b>465991</b>	<b>249889</b>
Packing Material	8731	2420
	<b>474722</b>	<b>252309</b>

**CRESTCHEM LIMITED**

**SCHEDULE-11  
MANUFACTURING EXPENSES**

<b>Particulars</b>	<b>(Rupees)</b>	<b>(Rupees)</b>
	<b>Year ended 31-03-2011</b>	<b>Year ended 31-03-2010</b>
Power & Fuel	402594	128209
Store and Spares	82382	63577
Rent Expense	6600	3720
<b>Repairs &amp; Maintenance</b>		
Machinery	7000	9475
Building	31166	27366
Others	17133	39978
Water Charges	29959	17375
Uniform Allowance	16209	24302
Labour Charges	85500	52925
	<b>678543</b>	<b>366927</b>

**CRESTCHEM LIMITED**

**SCHEDULE-12  
ADMINISTRATIVE & OTHER  
EXPENSES**

**(Rupees)**

**(Rupees)**

<b>Particulars</b>	<b>Year ended 31-03-2011</b>	<b>Year ended 31-03-2010</b>
Accounting Fees	5000	20000
Advertisement Expenses	0	14586
Auditors Remuneration	19854	19854
Bank Charges	6338	5143
Conveyance Exp.	41041	38230
Donation	0	200
Entertainment Expenses	16428	2425
Factory Expenses	0	520
Laboratory Charges	30701	3309
Legal & Professional Charges	29362	208889
License Fees	0	4668
Listing Fees	0	16500
Medical Expenses	1775	150
Motor Exp.	0	76786
Office Exp.	43910	25565
Penalty charges on VAT	300	100
Late filling of ROC	0	63000
Periodicals & Magazines	920	5487
Professional Charges	194272	130000
Provision for Doubtful Advances	0	300000
Security charges	0	3000
Stationery, Printing & Postage Exp.	77545	110523
Sales tax credit written off	6161	0
Telephone Exp.	14643	18146
Transportation Exp.	23560	7460
Travelling Expenses.	19812	44389
	<b>531622</b>	<b>1118930</b>

**SCHEDULE-13  
INTEREST AND FINANCIAL  
CHARGES**

**(Rupees)**

**(Rupees)**

<b>Particulars</b>	<b>Year ended 31-03-2011</b>	<b>Year ended 31-03-2010</b>
Bank Interest	16517	12155
L/C Charges	30810	9231
	<b>47327</b>	<b>21386</b>

**CRESTCHEM LIMITED**  
**SCHEDULE : 14**  
**NOTES FORMING PART OF ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis for preparation of accounts :**

The financial statements are prepared under the historical cost convention and comply with the applicable Accounting Standards and the relevant provisions of the Companies Act, 1956.

**b) Use of estimates :**

The presentation of the Financial Statements in conformity with the Generally Accepted Accounting policies requires the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, Revenues and Expenses and disclosure of contingent liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of Financial Statements. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

**c) Revenue Recognition :**

Sales are stated net of rebate and trade discount and excludes Central Sales Tax, State Value Added Tax. With regard to sale of products, income is reported when practically all risks and rights connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch, after the price has been determined.

**d) Fixed Assets :**

Fixed Assets are stated at cost net of cenvat / value added tax and includes amount added on revaluation, less accumulated depreciation and impairment loss if any. All costs, including financing costs till commencement of commercial production.

**e) Depreciation :**

Depreciation has been provided on Straight line method at the rates and in the manner specified in schedule XIV to the Companies Act, 1956.

**f) Inventories :**

Inventories of raw materials and finished goods are valued at cost or Net Realizable Value whichever is lower. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and to make sale.

**g) Impairment of Assets :**

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

**h) Taxes of Income :**

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed at each Balance Sheet date to reassess realization.

**i) 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 statement.

**j) Earning Per Share :**

Basic earning per share is calculated by dividing the net profit After Tax for the year attributable to Equity Shareholder of the Company by the weighted average number of Equity Shares in issue during the year. Diluted earning per Share is calculated by dividing net profit attributed to equity Shareholders (after Adjustment for diluted earnings) by average number of weighted Equity share outstanding during the year.

**2. NOTES FORMING PART OF ACCOUNTS**

**a)** The Company is advised that there is no taxable income for the year under review and hence no provision for taxation is required to be made.

**b)** Based on the guiding principle given in Accounting Standard 17, on Segment Reporting issued by the Institute of the Chartered Accountants of India, the primary business of the company is processing of chemicals. Therefore, there are no separate reportable segments as far as primary segment is concerned.

As the processing of chemicals outside India is NIL, secondary segment-wise reporting is not required to be shown. Also the operation of the company is in India and all the Assets and Liabilities are located in India. The sale is wholly in India and therefore Geographical analysis is not given.

## CRESTCHEM LIMITED

**c) Related party disclosure under Accounting Standard-18**

- (A) (i) Key Management Personnel - 1. Mr. Dipak N. Patel 2. Mr. Narendra C. Patel  
(ii) Related Concern / Parties 1. Mrs. Parul D. Patel 2. Mr. Nirmal D. Patel

**NOTE :** Related party relationship is as identified by the Company and relied upon by the Auditors.

**(B) Transaction carried out with related parties referred to in (A) above :**

<u>Nature of Transaction</u>	<u>Related Parties Referred in A (i) above</u>	<u>Amount (Rs.)</u>	<u>Related Parties Referred in A (ii) above</u>	<u>Amount (Rs.)</u>	<u>Balance as on 31-3-2011 (Rs.)</u>
Loan Taken		-		-	1311548
<b>d) Earning per Share</b>			<b><u>31-03-2011</u></b>		<b><u>31-03-2010</u></b>
Profit / (Loss) after Tax as per Profit & Loss Account			(909786)		(2462219)
No. of Equity Share			3000000		3000000
Earning per Share (Rs.) (Basic & Diluted)			(0.30)		(0.83)
<b>e) As the company does not anticipate taxable profit in near future, so to comply with the Accounting Standard-22 issued by the Institute of Chartered Accountants of India, New Delhi, the deferred tax asset has not been provided relating to the previous year.</b>					
<b>f) Retirement Benefits :</b>					
As the company do not have any employee, the provision for gratuity and retirement benefits are not applicable.					
<b>g) Balance of Cash and Bank, debtors, creditors, loans and advances are subject to confirmation in the ordinary course of business.</b>					
<b>h) The Directors are of the opinion that the current assets stated in the Balance Sheet are valued at approximately realisable value in the ordinary course of Business and all known liabilities have been provided for.</b>					
<b>i) Payment to Auditors</b>			<b><u>31-03-2011</u></b>	<b><u>31-03-2010</u></b>	
Audit Fees			19854	19854	
			19854	19854	
<b>j) The Company is not sick industrial company within the clause (o) of sub clause (i) of section 3 of sick industrial companies (special provisions) Act, 1985. However the accumulated loss of company have resulted in erosion of more than fifty percent of its net worth and is potentially sick within the meaning of section 23 of the said Act. The company has not made any reference till date to the Board for Industrial and Financial Reconstruction.</b>					
<b>k) In absence of the complete information regarding the status of the suppliers as micro small or medium enterprise as per the Micro Small and Medium Enterprise Development Act 2006, the information regarding the amount due to such parties as on the balance sheet date and provision for interest if any required by the said act is not been made.</b>					
<b>l) Previous year figures have been regrouped, reclassified, wherever necessary, to make them comparable with current year.</b>					
<b>m) Additional Quantitative information pursuant to the provisions of part II of Schedule VI of the Companies Act, 1956 are not maintained.</b>					
<b>1. EARNING IN FOREIGN EXCHANGE.</b>			<b><u>31-03-2011</u></b>	<b><u>31-03-2010</u></b>	
F.O.B. VALUE EARNING			<b><u>Rupees</u></b>	<b><u>Rupees</u></b>	
			NIL	NIL	
<b>2. VALUE OF IMPORTS ON CIF BASIS</b>					
A. Raw Materials			NIL	NIL	
B. Stores & Spares			NIL	NIL	

**As per our report of even date attached**

For, TALATI & TALATI

Chartered Accountant

Sd/-

Umesh H. Talati

Partner

Membership No. 34834

Place : Ahmedabad

05-2011

Date : 2

For and on behalf of the Board of Director  
Crestchem Limited

Sd/-

Narendra C. Patel

Chairman

-

Dipak N. Patel

Managing Director

-

Place : INDRAD (Kadi

Date : 27-05-2011



**CRESTCHEM LIMITED**

**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE  
COMPANIES ACT, 1956**

**1. Registration Details**

Registration No. L24100GJ1991PLCO15530      State Code      04  
Balance Sheet date 31-03-2011

**2. Capital raised during the year (Amount in rupees)**

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

**3. Position of mobilization and deployment of funds (Amount Rupees in Thousand.)**

Total Liabilities	31736	Total Assets	31736
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**Sources of Fund**

Share Capital	30000
Reserves Surplus	--
Secured Loans	--
Unsecured Loans	1734
Differed Tax	--

**Application of Funds**

Net Fixed Assets	7558
Investments	--
Deferred Tax	--
Net Current Assets	(1101)
Preliminary Exp.	--
Accumulated Loss	25279
Misc. Expenditure	

**4. Performance of Company (Amount Rupees in Thousand)**

Turnover & Other Income	1774
Total Expenditure	2684
Profit / (Loss) Before Tax	(910)
Profit / (Loss) after Tax	(910)
Earning per share in Rs.	(0.30)
Dividend rate	--

**5. Generic Name of Principal Products/Services of the Company (as per monetary Terms)**

Item Code (ITC Code)	2918
Production Description	Calcium Lactate Gluconate

For and on behalf of the Board of  
Director

For, TALATI & TALATI

Sd/-

Narendra C. Patel

Chartered Accountant

-

Chairman

Dipak N. Patel

Managing

Sd/-

-

Director

Umesh H. Talati

Partner

Place : INDRAD

(Kadi)

Membership No. 34834

Place : Ahmedabad

Date : 27-05-2011

Date : 27-05-2011

**CRESTCHEM LIMITED**

**CASHFLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011**

PARTICLUARS	31-03-2011 (12 month) Rupees	31-03-2010 (12 month) Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit/(Loss) Before Tax</b>	<b>-909786</b>	<b>-2462219</b>
<b>Adjustment for</b>		
Depreciation	9515922	951592
Interest Income	-42882	-9543
Interest Paid	47327	21386
(Profit)/Loss on Sale of Assets	0	0
Preliminary Expenses Written off	0	0
<b>Operating Profit before Working Capital Changes</b>	<b>46250</b>	<b>-1498784</b>
Adjustment for:		
(Increase/) /Decrease in Trade Receivable	-569430	3387957
Increase//(Decrease) in Trade Payables	46699	388833
<b>Cash Generated from operations</b>	<b>-476481</b>	<b>2278006</b>
Interest paid	-47327	-21386
<b>Net Cash flow from operating activities (A)</b>	<b>-523808</b>	<b>2256620</b>
<b>Cash flow from Investing Activities:</b>		
Sale of fixed asset	0	0
Purchase of fixed asset	0	0
Interest received	42882	9543
<b>Net Cash used in Investing Activities (B)</b>	<b>42882</b>	<b>9543</b>
<b>Cash flow from Financing Activities :</b>		
Increase / (Decrease) in borrowing	511050	-2387691
<b>Net Cash used in Financing Activities (C )</b>	<b>511050</b>	<b>--2387691</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>30125</b>	<b>-121528</b>
Cash and Cash equivalents as at 1 <sup>st</sup> April, 2010	101918	223446
Cash and Cash equivalents as at 31 <sup>st</sup> March, 2011	132043	101918

Note : The above cash flow statement has been prepared under 'Indirect Mehod' as set out in the Accounting Standard-3 notified in Company (Accounting Standard) Rules, 2006  
As per our report of even date attached

For, TALATI & TALATI  
Chartered Accountant

Sd/-

Umesh H. Talati  
Partner  
Membership No. 34834  
Place : Ahmedabad Date : 27/05/2011

For and on behalf of the Board Directors  
Sd/-

Narendra C. Patel  
- Chairman  
Dipak N. Patel  
- Managing Director

Place : INDRAD (Kadi)  
Date : 27/05/2011

**CRESTCHEM LIMITED**

19<sup>th</sup> Annual General Meeting

ATTENDANCE SLIP

Friday, the 30<sup>th</sup> September, 2011 at 5.00 p.m.

Place : 325, Village : Indrad, Tal. : Kadi, Dist. : Mehsana (NORTH GUJARAT) 382721

Folio No. : \_\_\_\_\_

Signature of Member/Proxy

Attending the Meeting \_\_\_\_\_

Notes :

1. This meeting is only for members, please, therefore, do not bring any person in the meeting who is not a member.
2. Please bring this attendance slip duly signed and hand it over to the representative of the Company at the entrance of the meeting place.

CRESTCHEM LIMITED

Regd. Office :

325, Village : Indrad, Tal. : Kadi, Dist. : Mehsana (NORTH GUJARAT) 382721

**FORM OF PROXY**

Folio No. \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_

in the district of \_\_\_\_\_ being member/s of the above named

Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_

in the district of \_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

as my/our Proxy to attend and vote for me/our behalf at the 19<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 30<sup>th</sup> September, 2011 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Affix  
Rs. 1  
Revenue  
Stamp

Signature \_\_\_\_\_

N.B. : This Proxy must be deposited at the Registered Office of the Company at Village : 325-Indrad, Tal. : Kadi, Dist. : Mehsana (NORTH GUJARAT) 382721 not less than 48 hours before the time of the meeting.

← Tear here

**To,**

If undelivered, Please return to :

**CRESTCHEM LIMITED**

325, Village : Indrad,

Chhatral Kadi Road,

Tal.: Kadi,

Dist. : Mehsana (North Gujarat) 382721