



**21<sup>ST</sup>  
ANNUAL REPORT  
2012-2013**





**FROM THE MANAGING DIRECTOR'S DESK**

**Message to our family of valued stakeholders of Crestchem Limited —**

First of all, I am very grateful to all our members for their patience, trust & their continued support, during the trying times, faced by the Company.

With the grace of God, and our determined efforts, I am happy to inform, that Crestchem Limited, has now regained its listing on BSE platform with effect from 1<sup>st</sup> October, 2013, whereby enhancing company's image and value, to the benefit of our shares holder.

Next step is to continue to strengthen our existing manufacturing activity and to extend the manufacturing in to the potential downstream products of the Enteral and Pediatric Nutrition range, which is pursued by us very actively, to improve the turnovers and profitability of the company in years to come.

Let us hope for the very best.

**DIPAK N. PATEL**  
**MANAGING DIRECTOR**

**Important Communication to Members**

1. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses to their concerned Depository Participants (DP). Members who hold shares in physical form are requested to inform their email ID address to the **Registrar and Transfer Agent's email ID : ahmedabad@linkintime.co.in or to the companies email ID : investor@crestchemlimited.in**. In the said email please mention relevant information like your name, ledger folio number, no. of shares held etc.
2. **All shareholders are requested to avail of demat facility through your respective depository participant (DPs).**

## NOTICE

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

Date	: 30 <sup>th</sup> September, 2013
Day	: Monday
Time	: 05.00 p.m.
Place	: Conference Hall, Mahisagar Snack point, Thol Road, Kadi, Taluka: Kadi, District - Mehsana: 382 715 (NORTH GUJARAT)

to transact the following business :

**ORDINARY BUSINESS:**

- To receive, consider and adopt the Audited Accounts of the Company for the period (12 months) ended on 31<sup>st</sup> March 2013, and the Director's and Auditor's Reports thereon.
- To appoint a Director in place of Shri H.L. Joshi who retires by rotation and being eligible offers himself for re-appointment.
- 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.

**SPECIAL BUSINESS:**

- To consider and if thought fit to pass the following Resolution as an ordinary resolution:

**"RESOLVED THAT** Subject to the approval of the members at the ensuing Annual General Meeting of the Company, and pursuant to the Articles of Association of the Company and the provisions of Sections 198, 269, 309, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Dipak N. Patel be and hereby re-appointed as Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> February, 2013 to 31<sup>st</sup> January, 2018 on the terms and conditions set out in the draft agreement of appointment submitted to this meeting duly initiated by the Chairman for identification, he be paid remuneration by way of salary, perquisites and commission not exceeding the amount thereof as set out in the accompanying explanatory statement which is permissible under Part II of Schedule XIII of the Companies Act, 1956 as may be decided by the Board of Directors of the Company from time to time be and is hereby approved."

- To consider and if thought fit to pass the following Resolution as a Special resolution:

**"RESOLVED THAT** subject to the provisions of the companies Act, 1956, Securities Contracts (Regulation) Act, 1956 and the rules framed there under, Listing Agreement, and all other applicable laws, rules, regulation, and guidelines and subject to such approvals, permissions and sanctions as may be necessary subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approval permissions and sanctioned, which Board of Directors of the Company be and is hereby authorised to agree to if acceptable to the Board the consent of the Company be and is hereby accorded to the Board to de-list the equity shares of the Company from the Ahmedabad Stock Exchange (ASE) with effect from 01<sup>st</sup> October, 2013 or any suitable date thereafter.

By Order of the Board of Directors

Sd/-

Place : Indrad (Kadi)  
Date : 30<sup>th</sup> May, 2013

**Dipak N. Patel**  
Managing Director

**NOTES :**

- 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.
- The Register of members and Share transfer book of the Company will remain closed from 26<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (Both days inclusive).
- 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.
- Members/Proxies are requested to bring with them duly filled attendance slip for attending the meeting.
- Members are requested to intimate the Company's Registrar & Share Transfer Agent at **LINK INTIME INDIA PRIVATE LIMITED** 303, Shopper Plaza V, – Opp. Municipal Market, Off. C.G. Road, Navrangpura, Ahmedabad – 380 009. **Telefax No : 91-79-26465179 Email:Ahmedabad@linkintime.co.in** in case:
  - 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.
  - Notify immediately the change in their registered address, if any, to the Company.
- Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
- 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 & 4 is annexed hereto.

By Order of the Board of Directors

Sd/-

Place : Indrad (Kadi)  
Date : 30<sup>th</sup> May, 2013

**Dipak N. Patel**  
Managing Director

**ANNEXURE TO THE NOTICE**

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

**Item No. 2**

Shri H. L. Joshi retires by rotation at the ensuing annual general meeting, and being eligible, has offered himself for re-appointment.

Shri H. L. Joshi is the Non-Executive Independent Director of your Company since 8<sup>th</sup> December, 2011. He is a BA (Honors), Diploma in Company Law and is a businessman having experience in the area of Marketing of chemicals, paints and of handling books distribution since many years. It will be in the interest of the company that Shri H. L. Joshi continues as a Director of the Company.

Shri H. L. Joshi 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.

**Item No. 4**

Shri Dipak N. Patel is having a degree in Chemistry in first class and he holds Master of Business Administration (M.B.A.) degree and he has over 34 years of rich experience in chemical and allied industries.

Shareholders may recall that in the 16th Annual General Meeting held on 30<sup>th</sup> September, 2008 Shri Dipak N. Pate1 was reappointed as Managing Director of the Company for a period of 5 years from 1st February, 2008 to 31st January, 2013. The Board of directors in their meeting held on 31<sup>st</sup> January, 2013 has, subject to approval of the members reappointed Shri Dipak N. Patel as Managing Director for period of 5 years i.e. from 1<sup>st</sup> February, 2013 to 31<sup>st</sup> January, 2018. The remuneration committee, at its meeting held on 31<sup>st</sup> January, 2013, has recommended to the board, the continuation of the services Mr. Dipak N. Patel, Managing Director for a further period of 5 years and has recommended the terms of his re-appointment and remuneration. This was also approved by the board in its meeting held on 31<sup>st</sup> January, 2013.

**The major terms and conditions of his reappointment are as under:**

**I. PERIOD:** For a period of 5 years from 1<sup>st</sup> February, 2013 to 31<sup>st</sup> January, 2018.

**II. REMUNERATION:**

**A. SALARY :**

The Managing Director shall be entitled to salary of ` 40,000/- per month w.e.f. 1st February, 2013, with authority to the board of directors to increase the salary up to ` 1,00,000/- per month during his tenure as Managing Director.

**B. PERQUISITES :**

1. Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the income-tax Act, 1961.
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
3. Encashment of leave at the end of the tenure.
4. Reimbursement of medical expenses as applicable to other senior executive of the Company.
5. Free use of Company's car for Company's business and free telephone facility at residence. If the MD is using his own car for company's business and / or his own telephone at residence, the expenditure for the same shall be reimbursed to him as per the actual Cash memos / fuel bills of the car and the actual telephone bills.
6. Leave travel concession for him and family once in a year in accordance with rules Specified by the Company.

**C. COMMISSION :**

The Managing Director shall be entitled to commission at the rate of 1% of the Net Profit of the Company with the overall ceiling laid down under section 198 and 309 of the Companies Act, 1956.

The Board of Directors at their discretion may expend the amount of Commission as aforesaid for any financial year towards purchase of Deferred Annuity policy (DAP) from Life Insurance Corporation of India providing for payment of an annuity for a particular number of years and the first annuity payment to commence from the date of his retirement from the Company or from the date of his death whichever shall occur first provided always that no benefit shall accrue to the Managing Director or

his dependents as the case may be nor shall he or his dependents be entitled to any benefit or for any right, lien or interest under the aforesaid policies until the date of the payment of annuity.

**III.** The Managing Director shall not, so long as he function as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

**IV. DUTIES:**

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Managing Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.

**V. TERMINATION:**

The managing Director may be removed from his office for gross negligence, breach of duty or trust if a Special Resolution to that effect is passed by the Company in its General Meeting. The Managing Director may resign from his office by giving 90 days notice to the Company.

**VI. COMPENSATION:**

In the event of termination of office of Managing Director takes place before the expiration of tenure thereof. Managing Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 318 of the Companies Act, 1956.

As per the provision of Sections 198, 269, 314 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company accorded by Special Resolution is necessary for holding office as Managing Director of the Company on remuneration.

The terms and conditions mentioned in the above explanatory statement may be treated as abstract of the terms of proposed contract under Section 302 of the Companies Act. 1956.

Mr. Dipak N. Pate1 is concerned or interested in the business since it relates to his appointment as Managing Director of the Company.

Resolution placed at Item No. 4 of the accompanying Notice, is recommended for your approval.

**Item No. 5**

The Company is duly listed on BSE which is in order and the listing is fully functional. As per the Law, the Company is not required to maintain it is listing on other regional stock exchanges like Ahmedabad Stock Exchange (ASE). Also the ASE itself is not in routine operation as far as the listings and investor services are concerned.

Hence, it serves no purpose to continue our company's listing in ASE.

Hence, It is advisable to delist in ASE Platform.

Resolution placed at Item No. 5 of the accompanying Notice, is recommended for your approval.

By Order of the Board of Directors

Sd/-

Place : Indrad (Kadi)  
Date : 30<sup>th</sup> May, 2013

**Dipak N. Patel**  
Managing Director

## DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the **TWENTY FIRST ANNUAL REPORT** together with the Audited Accounts of the Company for the period of 12 months ended on 31<sup>st</sup> March, 2013.

### 1. FINANCIAL RESULTS

	(` In Lacs)	
	As at 31-03-2013 (12 Months)	As at 31-03-2012 (12 Months)
Operating Profit / (Loss) (before interest and depreciation)	2.47	12.93
Less : Interest	1.94	0.13
Profit / (Loss) before depreciation	0.53	12.8
Less : Depreciation	8.52	8.67
Profit / (Loss) before Tax	(7.99)	4.13
Less : Provision for Taxation / FBT.	0.00	0.00
Profit/(Loss) after Tax	(7.99)	4.13
Amount of Profit and Loss		
A/c brought forward	(248.67)	(252.80)
Amount available for appropriations carried to Balance Sheet	(256.66)	(248.67)

### 2. DIVIDEND

Your directors regret their inability to recommend any dividend on the equity shares in view of the losses during the period under review.

### 3. OPERATIONS

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 potential nutraceutical – Enteral and Pediatric nutrition field.

### 4. DIRECTORS

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

### 5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchanges is enclosed as Annexure A.

### 6. LISTING OF EQUITY SHARES ON BOMBAY STOCK EXCHANGE ( BSE) SCRIP CODE : 526269

The Company's equity shares are listed on The Bombay Stock Exchange Limited. The Company had received permission to commence trading of equity Shares of the Company. It has relisted with BSE w.e.f 01-10-2012. Company has paid listing fees for the year 2013-14. Company is registered with NSDL & CDSL and was allotted ISIN No. INE293N01016.

### 7. OTHER INFORMATION

The Company has created its own website: [www.crestchemlimited.in](http://www.crestchemlimited.in). For the benefit of its equity shareholders and public at large.

The Company has appointed Compliance Officer for better services of the equity shareholders.

The Company's equity shares has been relisted and traded on BSE.

### 8. 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> 2013 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.

### 9. DEPOSITS

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

### 10. FINANCE

The accumulated losses of the company are in excess of 50% of the net worth, as on 31<sup>st</sup> March, 2013. 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.

- a. 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.

- b. The company has not incurred any cash losses during the year 2011-12 & 2012- 2013.

#### 11. 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.

#### 12. COST AUDIT

The Company has not maintained Cost Accounting Records required to be maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956. However, the Company is actively in the process of preparing the Cost Records as required above.

#### 13. 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.

#### 14. 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 earnings 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.

#### 15. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report & practices followed by the Company are indicated separately in the Annexure B forming part of this report. A certificate from the Practicing Company Secretary of the Company, regarding the conditions of corporate governance as stipulated under clause 49 of the listing agreement is annexed to this report.

#### 16. 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.

#### 17. INDUSTRIAL RELATIONS, SAFETY AND ENVIRONMENT

During the year under review, the industrial relations remained harmonious and cordial. The Directors wish to place on record the unstinted efforts and dedicated services extended by the employees at all levels. With their support the Company looks forward to a brighter future.

#### 18. ACKNOWLEDGEMENT

The Directors extend their sincere thanks to the Bankers, Central and State Government Authorities, Customers, Shareholders and all other who have been associated with the Company, for their co-operation, continued support and for the confidence reposed in the management of the Company.

Place : Indrad (Kadi)  
Date : 30<sup>th</sup> May,2013

For and on behalf of the Board

Sd/-

**Dipak N. Patel**  
Managing Director

## ANNEXURE A

### 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 an 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 potential nutraceutical – Enteral and Pediatric nutrition field.

#### Internal Control Systems and their adequacy:

Your Company has adequate internal controls for its business across departments to ensure efficiency of operations, compliances with internal policies and

applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions.

The internal control system is supplemented by extensive internal checking system, regular reviews by management and standard policies and guidelines to ensure the reliability of financial and all other records.

#### Human Resource / Industrial Relations:

Your Company believes that it is the employee's skills and capabilities which will provide the necessary cutting edge to face challenges and market competition. Your Company re-emphasizing philosophy that employee well-being is extremely important, welfare activities have been given a boost. Your Company strives to maintain a professional work environment where every employee feels satisfied and appreciated.

#### 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:

Certain statements in this report may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local, political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements.

The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



**ANNEXURE - B**  
**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 expired during the year and 1 independent director was appointed in his place, due compliances have been made for the same. The Board comprises of 3 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. Dipak Patel	Managing Director	6	Yes	-	-	-
2	Mr. Rajesh I. Mody	Non-executive Independent Director	6	Yes	-	-	-
3	Mr. Narendrakumar H. Patel	Non-executive Independent Director	6	Yes	-	-	-
4	Mr. H. L. Joshi	Non-executive Independent Director	6	Yes	-	-	-

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

Six Board Meetings were held during the year ended March, 2013 viz. on 23rd April, 2012, 15<sup>th</sup> June, 2012, 14<sup>th</sup> August, 2012, 09<sup>th</sup> November, 2012, 31<sup>st</sup> January, 2013 and 12<sup>th</sup> February, 2013.

**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, 2013. 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			
			15 <sup>th</sup> Jun, 2012	14 <sup>th</sup> Aug, 2012	9 <sup>th</sup> Nov, 2012	12 <sup>th</sup> Feb, 2013
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
Mr. Rajesh I. Mody	Member of the committee and non-executive Independent Director	Graduate in Science and experienced businessman	Yes	Yes	Yes	Yes
Mr. Dipak N. Patel	Managing Director	Graduate in Science and MBA having Sr. Management experience.	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.

#### 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 31 <sup>st</sup> January, 2013
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.

Mr. Dipak Patel, Managing Director of the Company's reappointment and remuneration was approved by Remuneration Committee on 31<sup>st</sup> January, 2013 for the period of five years from 01<sup>st</sup> February, 2013 to 31<sup>st</sup> January, 2018.

#### 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				
		23 <sup>rd</sup> Apr, 2012	15 <sup>th</sup> June, 2012	14 <sup>th</sup> Aug, 2012	9 <sup>th</sup> Nov, 2012	12 <sup>th</sup> Feb, 2013
Mr. Narendrakumar H. Patel	Member of the committee and non-executive Independent 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. H. L. Joshi	Member of the committee and non-executive Independent Director	No	No	No	Yes	Yes

During the year under review, the Company has looked into the redressal of shareholders and investor's complaints like transfer / transmission of shares, non -receipt of balance sheet, demat etc. The details of complaints received and resolved are given in the following table.

Complaints Received	Complaints Resolved	Pending on 31 <sup>st</sup> day of March, 2013
3	3	NIL

#### 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
2009-2010 (12 Months Period)	28/09/2010	05.00 p.m.	<b>EIGHTEENTH AGM</b> at Regd. Office of the Company at : 325, INDRAD - 382721, Tal. : Kadi, Dist.: Mehsana, (North Gujarat)	No
2010-2011 (12 Months Period)	30/09/2011	05.00 p.m.	<b>NINETEENTH AGM</b> at Regd. Office of the Company at : 325, INDRAD - 382721, Tal. : Kadi, Dist.: Mehsana, (North Gujarat)	No
2011-2012 (12 Months Period)	28/09/2012	05.00 p.m.	<b>TWENTIETH AGM</b> at Regd. Office of the Company at : 325, INDRAD - 382721, Tal. : Kadi, Dist.: Mehsana, (North Gujarat)	No

#### 7. MEANS OF COMMUNICATION:

- The quarterly, half yearly and full year results are prepared. Audited – annual reports are sent to the shareholders.
- Pursuant to the requirement of Clause 47 (F) of the Listing Agreement, the company has also created email address for making investor's grievance directly i.e. investor@crestchemlimited.in
- The management discussion and analysis report forms part of Directors Report.
- Quarterly and annual results are published in Gujarati and English News papers.
- The data and information relating to the Company can be accessed from the following websites : www.crestchemlimited.in.

**8. GENERAL SHAREHOLDER INFORMATION:**
**(i) Annual General Meeting**

Day, Date & Time : Monday, 30<sup>th</sup> September 2013 at 5.00 p.m.  
 Venue : Conference Hall, Mahisagar Snack point, Thol Road, Kadi, Taluka: Kadi, District - Mehsana: 382 715 (NORTH GUJARAT)

**(ii) Financial Calendar period : 01-04-2012 to 31-03-2013**
**(iii) Date of Book Closure : 26<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (Both days inclusive)**
**(iv) Listing on Stock Exchange :**
**(a) The Stock Exchange Mumbai (BSE)**

All Annual listing fees to BSE have been paid up to the Financial Year 2013-2014. Bombay Stock Exchange (BSE) has granted permission to commence Trading of Shares of CRESTCHEM LIMITED with effect from 01st October, 2012, on BSE Platform and Trading has also commenced in due course thereafter.

**(b) The Delhi Stock Exchange Ltd (DSE)**

All Annual listing fees to DSE have been paid up to financial year 2012-2013. Under the Amnesty Scheme of DSE, the said stock exchange has revoked the suspension in the trading of securities of our company, to the benefit of our company. However, the DSE itself is yet not in operation.

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

Bombay Stock Exchange, (BSE) 526269  
 Delhi Stock Exchange Ltd., Delhi (DSE) 7118

**(vi) ISIN No. INE 293 N 01016 was granted by CDSL.**
**(vii) Market Price Data :**
**BSE (BOMBAY STOCK EXCHANGE)**

Month	Highest (₹)	Lowest (₹)	BSE Sensex Highest	BSE Sensex Lowest	Number of shares traded
November, 2012	10.95	8.5	19372.70	18255.69	3000
December, 2012	8.45	8.45	19612.18	19149.03	300
January, 2013	10.18	8.8	20203.66	19508.93	2000
February, 2013	10.16	10.0	19966.69	18793.97	400
March, 2013	10.25	10.0	19754.66	18568.43	700

**(viii) 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

**(ix) Registrar & Share transfer Agents :**

The Company has appointed a Registrar and Share Transfer Agent (RTA), to handle Physical and Dematerialized shares. For Share Transfer, Demat & any other Communications relating to Share Certificates, Change of address, Investor Grievances etc. to be sent to:

**LINK INTIME INDIA PRIVATE LIMITED**

303, 3<sup>rd</sup> Floor, Shopper Plaza V, Opp. Municipal Market, Off. C. G. Road,  
 Navrangpura, Ahmedabad –380009  
 Telefax No. : 91-79 - 26465179 Email: ahmedabad@linkintime.co.in

**(x) Share Transfer System :**

All the share related work is being undertaken by R & T Agent, LINK INTIME INDIA PRIVATE LIMITED. Ahmedabad whose address is given above. A Share Transfer Committee having the MD of the Company as one of the member of the said committee approves the share transfer, transmission, split and consolidation, among others, of shares. The Share Transfers are registered and returned within 15 days from the date of receipt if relevant document are complete in all respects/ The shareholders/ Investor' grievances are also taken up by our R & T Agent.

**(xi) Share-Distribution Schedule as on 31-03-2013:**

No. of Equity Shares	No. of Share holders	% of share holders	No. of Share held	% of share holding
1 - 5000	11066	95.2570	1574638	52.4879
5001 - 10000	340	2.9267	289000	9.6333
10001 - 20000	97	0.8350	156000	5.2000
20001 - 30000	64	0.5509	163300	5.4433
30001 - 40000	12	0.1033	45200	1.5067
40001 - 50000	9	0.0775	44500	1.4833
50001 - 100000	11	0.0947	95000	3.1667
100001 - 999999990	18	0.1549	632362	21.0787
<b>Total</b>	<b>11617</b>	<b>100</b>	<b>30000000</b>	<b>100</b>

35,200 shares are in Demat Mode and the rest are in Physical Mode.

**(xii) Shareholding Pattern as on 31<sup>st</sup> March, 2013:**

Category	No. of Shares	% of holding
Non-Resident Indians	26,400	0.88
Nationalized Banks	3900	0.13
Bodies Corporate	16000	0.54
Directors	216700	7.22
Relatives of Directors	530400	17.68
Others	2206600	73.55
<b>TOTAL</b>	<b>3000000</b>	<b>100.00</b>

35,200 shares are in Demat Mode and the rest are in Physical Mode.

**(xiii) Dematerialization of equity shares:**

The Company has recently got permission for dematerialization of shares on 24<sup>th</sup> September, 2012 and ISIN Number was allotted to the Company. The Dematerialization process started thereafter and 35,200 shares are in dematerialized form, as on date.

For Dematerialization of their shares the share holders are requested to contact the Depository Participants / R & T Agent whose address is mentioned above .

**(xiv) Plant Location :**

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

**(xv) Address for Correspondence:**

Besides the address of R & T Agent mentioned above, If required, the Share Holders are requested to contact the following address :

Name of the Company : **CRESTCHEM LIMITED**  
 Survey No. : 325  
 Village : INDRAD  
 Taluka : Kadi  
 District : Mehsana – 382 721 (NORTH GUJARAT)  
 Phone : 02764 – 277844  
 Email : [info@crestchemlimited.in](mailto:info@crestchemlimited.in)  
 Website : [www.crestchemlimited.in](http://www.crestchemlimited.in).

**9. DISCLOSURES:****(A) Related party transactions**

There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with interests of the Company at large. The related party transactions are duly disclosed in the Notes to the Accounts.

**(B) Disclosure of accounting treatment**

The Company has followed all applicable Accounting Standards while preparing the financial statements subject to notes thereon. No treatment different from the Accounting Standards, prescribed by the Institute of Chartered Accountants of India, has been followed in the preparation of Financial Statements.

**(C) Proceeds from public issues, right issues, preferential issues etc.**

During the year, the Company has not raised funds through public issues, right issues or preferential issue.

**(D) Management**

The Management Discussion and Analysis Report, published as a separate section of this report is prepared in accordance with the requirements laid out in Clause 49 of the Listing Agreement and forms part of the Annual Report. The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement. 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.

**(E) Disclosure of Directors seeking appointment / reappointment**

The details pertaining to Directors seeking appointment / reappointment are furnished as Annexure to Notice convening the Annual General Meeting.

**(F) Statutory Compliance**

Bombay Stock Exchange (BSE) has granted permission to commence Trading of Shares of CRESTCHEM LIMITED with effect from 01st October, 2012, on BSE Platform.

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.

**(G) Whistle Blower Policy and affirmation that no personnel have been denied access to the audit committee.**

At present the Company has no whistle-blower policy. However, no personnel have been denied access to the audit committee.

**(I) CEO/CFO Certification**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges the Whole-time Director / Managing Director of the Company has certified to the Board, compliance with Clause 49 (V) regarding CEO/CFO certification only on an annual basis.

(J) **Auditor's Report on Corporate Governance**

Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance, as stipulated in clause 49 of the Listing Agreement of the Bombay Stock Exchange in India, forms part of this report.

(H) **None of the Shares of the Company are pledged or encumbered.**

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 Governance 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. **SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL:**

A qualified practicing Company Secretary carried out quarterly secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirmed that the total issued / paid-up capital was in agreement with the aggregate of the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

12. **CEO/CFO CERTIFICATION :**

Managing Director (CEO) and Chief Finance Officer (CFO) Certification

We Dipak N. Patel, Managing Director and Satish D. Panchal, Manager (F & A) of Crestchem Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet as at 31<sup>st</sup> March 2013 and Profit & Loss account, and all its schedules and Notes on accounts, as well as the cash flow statement and the Director's Report for the year ended on that date.
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or do not contain any statement that might be misleading;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as on, and for the year presented in this report and are in compliance with the existing accounting standards and /or applicable laws and regulations;
4. To the best of our knowledge and belief, no transaction entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have;
  - a. evaluated the effectiveness of the Company's disclosure, controls and procedures pertaining to financial reporting;
  - b. disclosed in this report any change in the Company's internal controls over financial reporting that occurred during the Company's most recent accounting year that may have materially affected, or is reasonably likely to affect, the Company's internal control pertaining to financial reporting.
6. We have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors;
  - a. Deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors, any material weakness in internal control over financial reporting including any corrective actions with regard to such deficiencies, if any;
  - b. Significant changes in internal controls during the year covered by this report, if any;
  - c. All significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements;
  - d. No instances of significant fraud of which we are aware, involving management or other employees who have significant role in the Company's internal control system;
7. We further declare that all the Board Members and senior management personnel have affirmed compliance with the code of conduct during the year.

Place : Indrad (Kadi)  
Date : 30<sup>th</sup> May, 2013

Dipak N. Patel  
Managing Director

Satish D. Panchal  
Manager (Finance)

13. **COMPLIANCE CERTIFICATE FROM THE PRACTISING COMPANY SECRETARY OF THE COMPANY:**

Certificate from Dhara S. Shah, Company Secretary, confirming compliance with the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement, is annexed to this report forming part of the Annual Report.

14. **DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT :**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel have confirmed compliance with the code of conduct for the financial year ended 31<sup>st</sup> March, 2013.

**For and on behalf of the Board**

Sd/-

Place : Indrad (Kadi)  
Date : 30<sup>th</sup> May, 2013

Dipak N. Patel  
Managing Director

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CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members  
CRESTCHEM LIMITED

We have examined the compliance of conditions of 'Corporate Governance' by CRESTCHEM LIMITED for the year ended March, 31, 2013 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.

For **DHARA SHAH & ASSOCIATES**  
Company Secretary  
**(DHARA S. SHAH)**  
Proprietor  
**C. P. No. : 11187**

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013

## SECRETARIAL 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 : ` 4,00,00,000/-

Paid-up Capital : ` 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, 2013. 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 6 (six) times on 23rd April, 2012, 15<sup>th</sup> June, 2012, 14<sup>th</sup> August, 2012, 09<sup>th</sup> November, 2012, 31<sup>st</sup> January, 2013 and 12<sup>th</sup> February, 2013 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 2012 to 28<sup>th</sup> September 2012 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 2012 was held on 28<sup>th</sup> September 2012 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.
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 made transfers of shares but no transmission of shares was made 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 any payment/posting of warrants for dividend to any of the members.
  - (d) There was no unpaid or unclaimed dividend in any of the previous year's 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 change in the Board of Directors during the financial year.
15. The Company is having paid up capital less than Rs. 5 Crore, the provisions of Section 269 of the Act was not 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 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.
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. No prosecution was initiated against the company. No fines and no 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 : **30<sup>th</sup> May, 2013**

For **DHARA SHAH & ASSOCIATES**  
Company Secretary  
**(DHARA S. SHAH)**  
Proprietor  
C. P. No. : **11187**



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**ANNEXURES FORMING PART OF COMPLIANCE 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 2013:

With Registrar of Companies:

1. Form No. 66 for the financial year ended on 31/03/2012 was filed on 11/10/2012.
2. Form No. 23AC and 23ACA XBRL for the financial year ended on 31/03/2012 was filed on 31/10/2012.
3. Form No. 20 B for the financial year ended on 31/03/2012 (AGM: 28/09/2012) was filed on 08/11/2012.
4. Form No. 20 B for the financial year ended on 31/03/2011 (AGM: 30/09/2011) was filed on 28/04/2012.
5. Form 23B for the financial year ended on 31/03/2012 was filed on 11/10/2012.
6. Form 32 was filed on 26/10/2012
7. Form 23 was filed on 12/02/2013.
8. Form 25C was filed on 21/02/2013

With Regional Director: NIL – N.A.

With Central Government: NIL – N.A.

For **DHARA SHAH & ASSOCIATES**

Company Secretary

**(DHARA S. SHAH)**

Proprietor

C. P. No. : 11187

Place : Ahmedabad  
Date : **30<sup>th</sup> May, 2013**

## INDEPENDENT AUDITORS' REPORT

**To the Members of**  
CRESTCHEM LIMITED  
Indrad(Kadi)

### Report on the Financial Statements

We have audited the accompanying financial statements of Crestchem Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:

- a We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
- e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

**For TALATI & TALATI**  
Chartered Accountants  
(Firm Reg. No 110758W)

**(UMESH H.TALATI)**  
PARTNER  
M.NO. 34834

AHMEDABAD  
DATE: 30<sup>th</sup> May, 2013

### ANNEXURE

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.
- (e) 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. 12,10,000/- and the year end balance of loan taken from such parties was Rs. 29,45,598/-.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (g) 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 prices are available.
- (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 Company has not maintained Cost Accounting Records required to be maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956.*
- (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 explanations given to us and on the basis of records produced before us, FBT of Rs 42,540/- & TDS of Rs.3720/- are outstanding for more than six months. Except above there are no undisputable amount payable in respect of Income Tax, Wealth Tax, Sales Tax, custom duty and excise duty and cess were outstanding as at 31st March, 2013 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 and 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 is 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 explanations 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.

**For TALATI & TALATI**  
Chartered Accountants  
(Firm Reg. No 110758W)

AHMEDABAD  
DATE: 30<sup>th</sup> May, 2013

**(UMESH H.TALATI)**  
PARTNER  
M.NO. 34834

## BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Refer Note No.	As at March 31,2013	As at March 31,2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	30,000,000	30,000,000
(b) Reserves and Surplus	3	(25,665,201)	(24,866,372)
<b>(2) Current Liabilities</b>			
(a) Short-term borrowings	4	3,020,598	2,586,598
(b) Trade payables	5	342,450	990,380
(c) Other current liabilities	6	2,188,219	854,856
(d) Short-term provisions	7	307,935	531,663
<b>Total</b>		<b>10,194,001</b>	<b>10,097,125</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<i>(a) Fixed assets</i>			
(i) Tangible assets	8	5,443,306	6,330,722
(b) Other non-current assets	9	2,028,000	238,000
		<b>6,568,722</b>	<b>7,557,534</b>
<b>(2) Current assets</b>			
(a) Inventories	10	144,096	241,198
(b) Trade receivables	11	301,478	726,390
(c) Cash and cash equivalents	12	319,323	2,015,981
(d) Short-term loans and advances	13	498,901	504,957
(e) Other Current Asset	14	1,458,897	39,877
<b>Total</b>		<b>10,194,001</b>	<b>10,097,125</b>

The accompanying notes are an integral part of these financial statements. 1 to 34

As per our separate report of even date attached.

**For Talati & Talati**

Chartered Accountants  
(Firm Reg No: 110758W)

**Umesh H. Talati**

Partner  
Mem. No. 34834

Place : Ahmedabad  
Date : 30/05/2013

**For and on behalf of the Board of Directors**

**Dipak N. Patel**  
Managing Director

**Narendrakumar H. Patel**  
Director

Place : INDRAD (Kadi)  
Date : 30/05/2013

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March 2013**

Particulars	Refer Note No.	2012-13	2011-12
I. Revenue From Operations			
Sale of products	15	882,308	1,184,550
Sale of services		-	40,257
<u>Less:</u>			
Excise duty		-	-
		<b>882,308</b>	1,224,807
II. Other income	16	2,155,904	2,775,600
<b>III. Total Revenue (I + II)</b>		<b>3,038,212</b>	4,000,407
IV. Expenses:			
Cost of materials consumed	17	272,306	664,725
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	18	162,488	17,972
Employee benefits expense	19	591,000	531,125
Finance costs	20	194,223	12,643
Depreciation and amortization expense	8	851,548	867,497
Other expenses	21	1,765,476	1,493,380
<b>Total expenses</b>		<b>3,837,041</b>	3,587,342
<b>V. Profit before tax (III- IV)</b>		<b>(798,829)</b>	413,065
VI Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
		-	-
<b>VII Profit (Loss) for the period</b>		<b>(798,829)</b>	413,065
VIII Earnings per equity share:			
Basic & Diluted		(0.27)	0.14

The accompanying notes are an integral part of these financial statements. 1 to 34

As per our separate report of even date attached.

**For Talati & Talati**  
Chartered Accountants  
(Firm Reg No: 110758W)

**Umesh H. Talati**  
Partner  
Mem. No. 34834

Place : Ahmedabad  
Date : 30/05/2013

**For and on behalf of the Board of Directors**

**Dipak N. Patel**  
Managing Director

**Narendrakumar H. Patel**  
Director

Place : INDRAD (Kadi)  
Date : 30/05/2013

**NOTE : 1****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 rewards 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.

**k) Cash and Cash Equivalents :**

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

	As at March 31, 2013	As at March 31, 2012
<b>2 SHARE CAPITAL :</b>		
<b>Authorised Capital:</b>		
40,00,000 Equity Shares of ` 10/- each (PY 40,00,000 Equity Shares of ` 10/- each)	40,000,000	40,000,000
<b>Issued, Subscribed &amp; Fully Paid up Capital :</b>		
30,00,000 Equity shares of ` 10/- each fully paid (PY 30,00,000 Equity Shares of ` 10/- each fully paid)	30,000,000	30,000,000
	<u>30,000,000</u>	<u>30,000,000</u>
<b>(a) Reconciliation of number of shares :</b>		
<b>Equity shares:</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>No of Shares</b>	<b>Amount</b>
	<b>No of Shares</b>	<b>Amount</b>
Shares outstanding at the beginning of the year	3,000,000	30,000,000
Add: shares issued during the year	-	-
Add : Shares bought back during the year	-	-
Shares outstanding at the end of the year	3,000,000	30,000,000
<b>(b) Details of share holders holding more than 5% shares in the company:</b>		
<b>Sr</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
<b>No. Name of share holders</b>	<b>No of Shares held</b>	<b>% of holding</b>
	<b>No of Shares held</b>	<b>% of holding</b>
1 Dipak N. Patel	216,700	7.22%
	184,700	6.16%
<b>(c) Terms/rights, preferences and restrictions attached to securities:</b>		
<b>Equity Shares:</b>		
The company has only one class of equity shares having a face value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The company declared and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
During the year ended 31 March 2013 the amount of per share dividend recognized as distributions to equity shareholders is ` 0/-.		
In the events of liquidation of the company, the holders of equity shares will be entitled to remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportions to the number of equity share held by the shareholders.		
	As at March 31, 2013	As at March 31, 2012
<b>3 RESERVES &amp; SURPLUS :</b>		
<b>Surplus in Statement of Profit &amp; Loss Account</b>		
Balance as per last accounts	(24,866,372)	(25,279,437)
Profit for the year	(798,829)	413,065
Less: Appropriations		
Proposed dividend on Equity Shares for the year	-	-
Dividend distribution tax on Proposed dividend	-	-
Transfer to General Reserve	-	-
<b>Total</b>	<u>(25,665,201)</u>	<u>(24,866,372)</u>
<b>4 SHORTTERM BORROWINGS:</b>		
<b>Unsecured :</b>		
From Directors	2,945,598	1,735,598
From Others	-	-
<b>Deposits</b>		
Trade deposits	75,000	851,000
<b>Total</b>	<u>3,020,598</u>	<u>2,586,598</u>
<b>Terms of repayment for unsecured borrowings</b>		
The company has taken interest free loans and advances from Directors which is repayable on demand.		

	<u>As at March 31,2013</u>	<u>As at March 31,2012</u>
<b>5 TRADE PAYABLES:</b>		
- Due to Micro Small & Medium Enterprises (*)	-	-
- For Goods & services	164,286	559,006
- Others	178,164	431,374
<b>Total</b>	<b><u>342,450</u></b>	<b><u>990,380</u></b>
(*) In the absence of the complete information regarding the status of the suppliers as Micro, Small & Medium Enterprise as per the Micro, Small & 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>6 OTHER CURRENT LIABILITIES:</b>		
<b>Other Payables:</b>		
- Bank Over Draft	2,146,692	374,402
- Statutory dues	40,802	56,354
- Other Liabilities	725	24,100
- Advance from Customers	-	400,000
<b>Total</b>	<b><u>2,188,219</u></b>	<b><u>854,856</u></b>
<b>7 SHORTTERM PROVISIONS:</b>		
<b><u>Provision for employee benefits:</u></b>		
Provision for Provident Fund	-	225,988
Provision for gratuity	262,895	262,895
<b><u>Others:</u></b>		
Provision for fringe benefit tax	42,540	42,540
Provision For Exp.	2,500	240
<b>Total</b>	<b><u>307,935</u></b>	<b><u>531,663</u></b>

**Note - 8 : TANGIBLE ASSETS**

Particulars	Land	Factory Building	Plant & Machinery	Electric Installation	Furniture & Fixtures	Office Equipment	Total
<b>Cost of assets</b>							
At 1 April 2011	254,369	6,020,457	13,754,190	703,255	920,548	115,978	<b>21,768,797</b>
Additions	-	-	-	-	-	-	-
Disposal / Adjustment	109,015	-	365,159	390,418	354,566	74,683	1,293,841
Exchange Differences	-	-	-	-	-	-	-
<b>At 31 March 2012</b>	<b>145,354</b>	<b>6,020,457</b>	<b>13,389,031</b>	<b>312,837</b>	<b>565,982</b>	<b>41,295</b>	<b>20,474,956</b>
Additions	-	-	59,850	-	-	-	59,850
Disposal / Adjustment	-	-	449,067	-	-	-	449,067
Exchange Differences	-	-	-	-	-	-	-
<b>At 31 March 2013</b>	<b>145,354</b>	<b>6,020,457</b>	<b>12,999,814</b>	<b>312,837</b>	<b>565,982</b>	<b>41,295</b>	<b>20,085,739</b>
<b>Depreciation</b>							
At 1 April 2011	-	3,049,760	9,689,013	506,639	883,356	82,495	14,211,263
Charge for the year	-	201,083	641,967	21,262	-	3,186	867,498
Disposal / Adjustment	-	-	269,110	264,705	345,673	55,038	<b>934,526</b>
<b>At 31 March 2012</b>	<b>-</b>	<b>3,250,843</b>	<b>10,061,870</b>	<b>263,196</b>	<b>537,683</b>	<b>30,643</b>	<b>14,144,235</b>
Charge for the year	-	201,083	633,643	14,860	-	1,962	<b>851,548</b>
Disposal / Adjustment	-	-	353,350	-	-	-	<b>353,350</b>
<b>At 31 March 2013</b>	<b>-</b>	<b>3,451,926</b>	<b>10,342,163</b>	<b>278,056</b>	<b>537,683</b>	<b>32,605</b>	<b>14,642,433</b>
<b>Net Block</b>							
<b>At 31 March 2012</b>	<b>145,354</b>	<b>2,769,614</b>	<b>3,327,161</b>	<b>49,641</b>	<b>28,299</b>	<b>10,652</b>	<b>6,330,722</b>
<b>At 31 March 2013</b>	<b>145,354</b>	<b>2,568,531</b>	<b>2,657,651</b>	<b>34,781</b>	<b>28,299</b>	<b>8,690</b>	<b>5,443,306</b>



	As at March 31,2013	As at March 31,2012
<b>9 OTHER NON - CURRENT ASSETS</b>		
Fixed Deposit with maturity of more than 12 months	2,028,000	238,000
<b>Total</b>	<u>2,028,000</u>	<u>238,000</u>
<b>10 INVENTORIES:</b>		
(valued at lower of cost or net realizable value)		
Raw materials:	79,592	71,170
Packing materials	2,326	-
Oil	54,638	-
Finished goods	7,540	170,028
<b>Total</b>	<u>144,096</u>	<u>241,198</u>
<b>11 TRADE RECEIVABLES:</b>		
(Unsecured, considered good, unless otherwise stated)		
Outstanding for a period exceeding 6 months from the date they are due for payment		
Others	301,478	726,390
<b>Total</b>	<u>301,478</u>	<u>726,390</u>
<b>12 CASH AND BANK BALANCES:</b>		
<b><u>Cash and cash equivalent :</u></b>		
Balance with Banks :		
- In Current accounts	4,531	-
- In FD (Deposit with maturity of less than 3 months)	-	10,000
Cash on hand	104,792	5,981
	<u>109,323</u>	<u>15,981</u>
<b><u>Other bank balances:</u></b>		
Fixed Deposit with maturity of more than 3 months but less than 12 months	210,000	2,000,000
Fixed Deposit with maturity of more than 12 months	2,028,000	238,000
	2,238,000	2,238,000
Less : Amount disclosed under Other Non Current Assets (Note No. 10)	(2,028,000)	(238,000)
	<u>210,000</u>	<u>2,000,000</u>
<b>Total</b>	<u>319,323</u>	<u>2,015,981</u>
<b>13 SHORT-TERM LOANS AND ADVANCES:</b>		
Unsecured considered good, unless otherwise stated:		
Other loans and advances:		
- Advances recoverable in cash or kind	-	13,512
- Deposit to Suppliers	1,400	1,400
- Balances with government authorities	464,039	475,824
- Advance tax	33,366	14,221
- Prepaid Expense	96	-
<b>Total</b>	<u>498,901</u>	<u>504,957</u>
<b>14 Other Current Asset</b>		
Unsecured considered good, unless otherwise stated:		
Others :		
Intrest accrued on Fixed Deposit	28,897	39,877
Receivables for sale of Assets	1,430,000	-
<b>Total</b>	<u>1,458,897</u>	<u>39,877</u>

	<u>2012-13</u>	<u>2011-12</u>
<b>15 REVENUE FROM OPERATIONS:</b>		
<b><u>Sale of products</u></b>		
Corn FAT Powder	369,808	852,900
MCT FAT Powder	493,500	303,150
Groundnut FAT Powder	19,000	28,500
	<u><b>882,308</b></u>	<u>1,184,550</u>
<b><u>Sale of services</u></b>		
Processing Charges	-	40,257
<b>Total</b>	<u><b>882,308</b></u>	<u>1,224,807</u>
<b>16 OTHER INCOME:</b>		
Interest Income	186,774	146,670
<b>Other Non Operating Income :</b>		
Profit on sale of Land	-	1,441,985
Profit on sale of other fixed assets	1,734,283	749,701
Sundry Balance written off	234,847	437,244
<b>Total</b>	<u><b>2,155,904</b></u>	<u>2,775,600</u>
<b>17 COST OF MATERIALS CONSUMED:</b>		
<b>Opening Stock</b>	71,170	173,945
	<u>71,170</u>	<u>173,945</u>
<b>Add : Purchases</b>	280,728	561,950
	<u>351,898</u>	<u>735,895</u>
<b>Less : Closing Stock</b>	79,592	71,170
<b>Total</b>	<u><b>272,306</b></u>	<u>664,725</u>
<b>18 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Closing Stock</b>		
Finished goods	7,540	170,028
Work in process	-	-
Total ( A )	<u><b>7,540</b></u>	<u>170,028</u>
<b>Opening Stock</b>		
Finished goods	170,028	-
Work in process	-	188,000
Total ( B )	<u><b>170,028</b></u>	<u>188,000</u>
<b>Total (A-B)</b>	<u><b>162,488</b></u>	<u>17,972</u>
<b>19 EMPLOYEE BENEFITS EXPENSE:</b>		
Salary & Wages	591,000	505,100
Staff welfare expense	-	26,025
<b>Total (A-B)</b>	<u><b>591,000</b></u>	<u>531,125</u>
<b>20 FINANCE COSTS:</b>		
Interest Charges	189,877	9,877
Bank Charges	4,346	2,766
<b>Total</b>	<u><b>194,223</b></u>	<u>12,643</u>

	<u>2012-13</u>	<u>2011-12</u>
<b>21 OTHER EXPENSES:</b>		
Consumption of stores & spare parts	32,849	25,575
Consumption of Power & Fuel	364,507	526,092
Consumption of packing materials	27,949	7,393
Factory Expense	19,401	25,677
<u>Repairs and maintenance :</u>		
Machinery	43,300	500
Building	65,674	8,000
Others	14,213	11,385
	<b>123,187</b>	19,885
Rates & Taxes	20,390	-
Travelling & Conveyence	28,249	64,879
Telephone Expense	21,179	27,568
Stationary & Printing Expense	42,935	21,490
Payment to Auditors	60,674	41,904
Admission processing and Custodial Fees	-	42,957
Listing Fees	481,296	45,673
Reinstatement Fees	-	220,600
R.O.C fees	9,600	24,800
Rent Expense	2,100	-
Legal, Consultancy and Professional Fees	181,226	273,420
Miscellaneous expenses	145,406	125,459
Insurance Premium	1,276	-
Interest on Provident Fund	199,012	-
Interest on VAT	252	-
Interest on TDS	2,228	8
License Fees	1,760	-
<b>Total</b>	<b><u>1,765,476</u></b>	<b><u>1,493,380</u></b>
<b>Payment to auditors</b>		
As auditor:		
Statutory auditor	30,337	30,337
Tax auditor	-	-
In other capacity :		
For taxation matters	7,865	11,567
For company law matters	-	-
For other services	22,472	-



(iii) Sales, Opening and Closing Stock of Finished Goods:

Product	Sales		Opening Stock		Closing Stock	
	2012-13 Amount	2011-12 Amount	2012-13 Amount	2011-12 Amount	2012-13 Amount	2011-12 Amount
Corn Fat Powder	369,808	852,900	154,800	-	3960	154,800
MCT FAT Powder	493,500	303,150	15,228	-	2820	15,228
Groundnut FAT Powder	19000	28,500	-	-	760	-
Malto Dextrin Powder	-	-	-	-	-	-
<b>TOTAL</b>	<b>882,308</b>	<b>1184550</b>	<b>170,028</b>	<b>-</b>	<b>7540</b>	<b>170,028</b>

(iv) Details of Goods Traded:

Particulars	2012-13 Amount (₹)	2011-12 Amount (₹)
Good Purchased	Nil	Nil

(v) Value of imports calculated on C.I.F. basis during the financial year in respect of:

(i) Raw Materials	Nil	Nil
(ii) Components – spare parts	Nil	Nil
(iii) Chemical	Nil	Nil
(iv) Capital Goods	Nil	Nil

31 Expenditure in foreign currency during the financial year:

(i) Technical Know how / Professional Fees / Consultancy Fees	NIL	NIL
---	-----	-----

32 Value of Raw Materials, Stores, Chemical & Spares consumed during the year:

Particulars	Amount		% of Total Consumption	
	2012-13	2011-12	2012-13	2011-12
<b>Raw Materials</b>				
(i) Imported	-	-	-	-
(ii) Indigenous	272,306	664,725	100%	100%
<b>Total</b>	<b>272,306</b>	<b>664,725</b>	<b>100%</b>	<b>100%</b>
<b>Stores, Spares &amp; Consumables</b>				
(i) Imported	-	-	-	-
(ii) Indigenous	32,849	25,575	100%	100%
<b>Total</b>	<b>32,849</b>	<b>25,575</b>	<b>100%</b>	<b>100%</b>

33 Earnings in Foreign Currency :

	2012-13 Amount	2011-12 Amount
F.O.B. Value of Earning	Nil	Nil

34 Previous year figures have been re-arranged, reclassified and re-grouped, wherever necessary to make them comparable.

As per our separate report of even date attached.

**For Talati & Talati**  
Chartered Accountants  
(Firm Reg No: 110758W)

**Umesh H. Talati**  
Partner  
Mem. No. 34834

Place : Ahmedabad  
Date : 30/05/2013

**For and on behalf of the Board of Directors**

**Dipak N. Patel**  
Managing Director

**Narendrakumar H. Patel**  
Director

Place : INDRAD (Kadi)  
Date : 30/05/2013

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

PARTICULARS	2012-13 Rupees	2011-12 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Tax		
As Per Profit & Loss Account	(798,829)	413,065
Add/ Less Adjustments For:		
<b>Add:</b>		
Depreciation	851,548	867,497
Interest Paid	189,877	9,877
<b>Less:</b>		
Interest Income	(186,774)	(146,670)
Profit On Sale Of Fixed Assets	(1,734,283)	(2,191,686)
<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<b>(1,678,461)</b>	<b>(1,047,917)</b>
<b>Adjustments For Working Capital:</b>		
Increase/Decrease In Current Assets	(871,804)	(2,481,141)
Increase/Decrease In Current Liabilities	895,705	825,770
<b>Cash Generated from operations</b>	<b>(1,654,560)</b>	<b>(2,703,288)</b>
Less : Taxes Paid	(19,145)	(14,221)
<b>Net Cash Flows From Operating Activities (A)</b>	<b>(1,673,705)</b>	<b>(2,717,509)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase Of Fixed Assets	(59,850)	-
Sale Of Fixed Assets	1,830,000	2,551,000
Interest Recveived	186,774	146,670
<b>Net Cash Generated From Investing Activities (B)</b>	<b>1,956,924</b>	<b>2,697,670</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Interest Paid	(189,877)	(9,877)
<b>Net cash flow from Financing Activities (C)</b>	<b>(189,877)</b>	<b>(9,877)</b>
<b>Net Increase/ (Decrease) In Cash &amp; Cash Equivalentstotal (A+B+C)</b>	<b>93,342</b>	<b>(29,716)</b>
<b>Cash &amp; Cash Equivalentst At The Beginning Of The Year</b>		
Cash On Hand	5,981	45,697
Bank Balance	-	-
Fixed Deposits For Less Than 3 Months	10,000	-
	<b>15,981</b>	<b>45,697</b>
<b>Cash &amp; Cash Equivalentst At The End Of The Year</b>		
Cash On Hand	104,792	5,981
Bank Balance	4,531	-
Fixed Deposits For Less Than 3 Months	-	10,000
	<b>109,323</b>	<b>15,981</b>

## Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 issued by The Institute of Chartered Accountants of India.
- The figures in brackets represent outflows.
- Previous periods figures have been regrouped/ reclassified, wherever necessary, to confirm to current year presentation.

**The accompanying notes are an integral part of Financial Statements**

As per our separate report of even date attached.

For and on behalf of the Board of Directors

**For Talati & Talati**Chartered Accountants  
(Firm Reg No: 110758W)**Dipak N. Patel**  
Managing Director**Narendrakumar H. Patel**  
Director**Umesh H. Talati**Partner  
Mem. No. 34834Place : Ahmedabad  
Date : 30/05/2013Place : INDRAD (Kadi)  
Date : 30/05/2013

**CRESTCHEM LIMITED****REGISTERED OFFICE**

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

**ATTENDANCE SLIP**

Regd. Folio No / DP Client ID : \_\_\_\_\_

No. of Shares : \_\_\_\_\_

I certify that I am a registered shareholder / proxy for the registered shareholder of the company.

I hereby record my / our presence at the Twentieth First Annual General Meeting of the Company held at Conference Hall, Mahisagar Snack point, Thol Road, Taluka: Kadi, District - Mehsana: 382 715 (North Gujarat) on Monday, the 30<sup>th</sup> September, 2013 at 5.00 p.m.\_\_\_\_\_  
**Member's / Proxy's name in BLOCK letters**\_\_\_\_\_  
**Member's / Proxy's Signature****Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall.****CRESTCHEM LIMITED****REGISTERED OFFICE**

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

**FORM OF PROXY****Annual General Meeting**

Regd. Folio No / DP Client ID : \_\_\_\_\_

No. of Shares : \_\_\_\_\_

I / We, \_\_\_\_\_ of \_\_\_\_\_ being a member / members of the above named Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ as my / our proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on Monday, the 30<sup>th</sup> September, 2013 at Conference Hall, Mahisagar Snack point, Thol Road, Kadi, Taluka: Kadi, District - Mehsana: 382 715 (North Gujarat), at 5.00 p.m. and at any adjourned meeting thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2013

<b>Affix Re. 1 Revenue Stamp</b>
--

\_\_\_\_\_  
**Signature(s) across the Stamp****Notes:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
2. A proxy need not be a member.
3. This form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not later than Forty-Eight hours before the meeting.
4. In case of multiple proxies, proxy later in time shall be accepted.

**BOOK-POST  
PRINTED MATTER**

To,

*If undelivered, please return to :*

 ***restchem Limited***

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



# CRESTCHEM LIMITED

Reg. office : 325, Indrad, Chhatral – Kadi, Dist. : Mehsana – 382715, Gujarat.

Phone : +91-02764-277844 Email : [info@crestchemlimited.in](mailto:info@crestchemlimited.in)

CIN Number : L24100GJ1991PLC015530

## FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	CRESTCHEM LIMITED
2.	Annual Financial Statement for the year ended	31 <sup>st</sup> March 2013
3.	Type of Audit Qualification	Qualified
4.	Frequency of Qualification	Repetitive since 2012
5.	Draw attention to the relevant notes in the annual financial statements and management response to the qualification in the Directors' Report:	<p>The Company has not maintained Cost Accounting Records required to be maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956. (Refer Page Number 17 of Annual Report 2012-2013 i.e Annexure to Audit Report point no. viii.)</p> <p>With reference to above the Director's Report refer to page Number – 5 of Annual report 2012-2013 has reported as below:</p>



		<p>The Company has not maintained Cost Accounting Records required to be maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956.</p> <p>However, the Company is actively in the process of preparing the Cost Records as required above.</p>
6.	Additional comments from the Board / Audit Committee Chair:	Same as given in point number 5
7	<p>To be signed by-</p> <ul style="list-style-type: none"> <li>• CEO / Managing Director</li> <li>• CFO</li> <li>• Auditor of the Company</li> <li>• Audit Committee Chairman</li> </ul>	<p>For, CRESTCHEM LIMITED</p> <p><i>Dipak</i></p> <p>Dipak Patel (Managing Director)</p>

