



Crestchem Limited

CIN : L24100GJ1991PLC015530

**28th
ANNUAL REPORT
2019-2020**

CRESTCHEM LIMITED
CIN - L24100GJ1991PLC015530

TWENTY EIGHTH ANNUAL REPORT
2019-2020

BOARD OF DIRECTORS	Shri Dipak N. Patel	- Managing Director (DIN – 02052080)
	Shri Nitinkumar Shantilal Shah	- Non Executive & Independent Director (DIN – 00027351)
	Shri Rajesh I. Mody	- Non Executive & Independent Director (DIN – 02054117)
	Smt. Binaben Parasbhai Patel	- Non Executive & Independent Director (DIN – 07131005) (Women Director)
	Khyati Vyas	- Company Secretary

BANKERS	BANK OF INDIA BHUUJ MERCANTILE CO-OP. BANK STATE BANK OF INDIA
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AUDITORS	M/s. Samir M. Shah & Associates Chartered Accountants Ahmedabad.
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FACTORY AND REGISTERED OFFICE	Sr. No. 550/1, Sub Plot Number 12, Village Indrad, Taluka – Kadi, District – Mehsana, Pin Code – 382 715 PHONE NUMBER 02764-278247 /09409119484 EMAIL ID info@crestchemlimited.in WEBSITE www.crestchemlimited.in.
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SHARE TRANSFER REGISTRAR	LINK INTIME INDIA PRIVATE LIMITED 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre Near ST Xavier's College Corner Off C G Road , Ellisebridge Ahmedabad - 380006 Telefax No. : 91-79 - 26465179/86/87 Email: ahmedabad@linkintime.co.in
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NOTICE

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

Date	: 24 th December, 2020
Day	: Thursday
Time	: 12.00 (Noon)
Place	: Through Video Conferencing (VC) or Other Audio Visual Means (OAVM),

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 31st March 2020, and the Director's and Auditor's Reports thereon.
- To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 Messrs Samir M. Shah & Associates Chartered Accountants, (Firm Registration No.-122377W) be and are hereby Reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, subject to ratification by the shareholders annually, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable taxes and reimbursement of out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS :

- APPOINTMENT OF MRS. BINABEN PARASBHAI PATEL (DIN: 07131005) AS AN INDEPENDENT DIRECTOR FOR A NEXT PERIOD OF FIVE YEARS.** To consider and if thought fit to pass with or without modification(s), the following resolution as Special Resolution:

'RESOLVED THAT Mrs. Binaben Parasbhai Patel (DIN: 07131005), appointed to hold office as an Independent Director of the Company, in the Annual General Meeting held on September 30, 2015, and that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 and applicable rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), it is hereby confirmed that the said appointment was for a period of 5 (five) consecutive years with effect from April 01, 2020 upto March 31, 2025.'
- APPOINTMENT OF MR. RAJESH I. MODY (DIN: 02054117) AS AN INDEPENDENT DIRECTOR FOR A NEXT PERIOD OF FIVE YEARS.** To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

'RESOLVED THAT Mr. Rajesh I. Mody (DIN: 02054117), was appointed to hold office as an Independent Director of the Company, in the Annual General Meeting held on September 30, 2014, and that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 and applicable rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), it is hereby confirmed that the said re-appointment was for a period of 5 (five) consecutive years with effect from April 01, 2019 upto March 31, 2024.'

- APPOINTMENT OF MR. NITIN S SHAH (DIN: 00027351) AS AN INDEPENDENT DIRECTOR FOR A NEXT PERIOD OF FIVE YEARS.** To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

'RESOLVED THAT Mr. Nitin S. Shah (DIN: 00027351), was appointed to hold office as an Independent Director of the Company, in the Annual General Meeting held on September 29, 2018, and that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 and applicable rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), it is hereby confirmed that the said re-appointment was for a period of 5 (five) consecutive years with effect from September 30, 2018 upto March 31, 2023.'

- TO CONSIDER AND APPROVE RECLASSIFICATION OF PROMOTERS**

The Board was informed that Mr. Kanubhai M Patel, Mr. Yagnesh Patel, Mr. Kamlesh J. Laskari and Mr. Dashrath R. Patel are forming part of promoter group (hereinafter referred to as "outgoing Promoters"). Further, the Company Secretary informed that above Outgoing Promoters request letters were received on September 23, 2020 for re-classification their status from "Promoter Category" to "Public Category" as per Regulation 31 (A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions. The Board discussed and considered the fact that the aforementioned outgoing promoters are not in control and management over the affairs of the Company, neither they have any say in the significant management decisions. Also, as on the date of receipt of re-classification request from the outgoing Promoters, it has been noted that none of them have any kind of special rights in the Company.

The Board discussed the matter in detail and passed the following resolution unanimously in favour of the reclassifying the outgoing promoters.

"RESOLVED THAT, in accordance with provisions of Regulation 31 A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, if any, and subject to necessary approvals from the Shareholders of the Company, Stock Exchanges, and other appropriate Statutory Authorities, as may be necessary, the consent of the Board be and is hereby accorded to re-classify the following persons from the Promoter Category to Public Category ("hereinafter referred to as the Outgoing Promoters)

Sr. No.	Name of Member	Holding	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)
1	Kanubhai M Patel	12500	0.42
2	Yagnesh Patel	10000	0.33
3	Kamlesh J Laskari	5000	0.17
4	Dasharath R Patel	200	0.01
	Total	27700	0.93

"RESOLVED FURTHER THAT it is hereby confirmed that the aforesaid persons neither individually nor together holds more than 10% of the paid-up Capital of the Company. the aggregate shareholding of the aforesaid Promoter / Promoter Group is only upto 0.93% of the equity share capital of the Company.

The aforesaid persons has not and will continue to not exercise direct or indirect control over the Company. None of the aforesaid persons have been or would be appointed as key managerial personnel of the Company. No special right were ever held and would not be ever held by the above reclassified above said persons / entity/Company.

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board or the officers authorised by the Board in this regard be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

7. APPOINTMENT OF CHAIRMAN

“**RESOLVED THAT** pursuant to Articles of Association of the company Shri Nitin S. Shah Independent Director (Non Executive Director) of the company be & is hereby appointed as a Non Executive Chairman of the Board of Directors with effect from ensuing Annual General Meeting and he shall remain as Chairman unless otherwise decided by the Board.”

By Order of the Board of Directors

Sd/-

Place : Indrad (Kadi)

Date : 23-09-2020

Khyati Vyas

Company Secretary

ACS-25742

NOTES :

- a. In view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No.14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through Video Conferencing (VC) or other Audio Visual Means (OAVM). Hence, the Members can attend and participate in the ensuing AGM through VC/OAVM. The detailed procedure for participation in the meeting through VC/ OAVM is annexed as a part of this notice.
 - b. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members with respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
 - c. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 - d. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
 - e. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is
 - f. not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
 - g. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars, the Notice of AGM a long with Annual Report 2019-20 is being sent only through electronic mode to those Members who see mail addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at <https://www.crestchemlimited.in/annual-reports/> The Notice can also be accessed from the websites of the BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
 - h. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- Instructions for e-voting and attending the AGM through VC/OAVM are annexed to this Notice.**
- i. Corporate members intending to send their authorised representative to attend the meeting are requested to send to the company a certified copy of the Board Resolution authorize their representative to attend and vote on their behalf at the meeting.
 - j. The Register of members and Share transfer book of the Company will remain closed from 17th December, 2020 to 24th December, 2020 (Both days inclusive).
 - k. 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.
 - l. Members are requested to intimate the Company's Registrar & Share Transfer Agent at **LINK INTIME INDIA PRIVATE LIMITED** 506-508, Amarnath Business Centre-1,(ABC-1), Besides Gala Business Centre, Near St Xavier's College Corner, Off C G Road, Ellisebridge, Ahmedabad - 380006.. **Telefax No : 91-79-26465179, Email ID : Ahmedabad@linkintime.co.in** in case:
 2. 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 them said accounts in to one account.
 3. Notify immediately the change in their registered address, if any, to the Company.
 - a. As the Company has adopted the practice of Green initiative, Members who have not registered their email addresses and PAN Number so far are requested to register their email address for receiving all communication including Annual Reports, Notices, Circulars, etc. from the Company electronically.
 - b. SEBI has amended the LODR regulations, giving investors time till 5th December, 2018 to switch from physical to demat mode, hence it is in interest of our valuable share holders to follow the same and demat their shares. For

any help please contact to Companies' or RTA's addressed and email id, as mentioned above. Those Share holders who have already dematted their share holding but their Email ID etc.. are not updated with respective depository participant (DP) and our Company or RTA, may please do that for receiving all communication including Annual Reports, Notices, Circulars, etc. from the Company electronically.

- c. Voting through electronic means:
- d. The Company is pleased to offer remote e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulation, 2015. Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the above provisions through e-voting services provided by Central Depository Services (India) Limited (CDSL) as per agreement with the Company. The forthcoming AGM will thus be held through Video Conferencing (VC) or other Audio Visual Means (OAVM). Hence, the Members can attend and participate in the ensuing AGM through VC/OAVM. The detailed procedure for participation in the meeting through VC/ OAVM is annexed as a part of this notice.

The detailed circular on procedure of E voting is being attached.

By Order of the Board of Directors

Sd/-

Place : Indrad (Kadi)
Date : 23-09-2020

Khyati Vyas
Company Secretary
ACS-25742

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

[Pursuant to Section 102 of the Companies Act, 2013 ('Act')] As required by Section 102 of the Act, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 6 of the accompanying Notice dated September 23, 2020.

3. To appoint Director Mrs. Binaben Parasbhai Patel (DIN – 07131005) being eligible offers herself for re-appointment.

Mrs. Binaben Parashbhai Patel was appointed as an Independent Director w.e.f 25-03-2015 in the Annual General Meeting held on September 30, 2015 in compliance of provisions of Sections 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013. Her appointment is proposed for further period of five years 30-09-2025 by the Board of Directors on recommendation of Nomination and Remuneration Committee. The Board recommends passing the resolution as set out as Special resolution to be approved in Annual General Meeting for next 5 years period of appointment. None of the Directors of the Company except Mrs Binaben Parasbhai Patel are interested in the said resolution.

4. To appoint a Director Mr. Rajesh I. Mody (DIN –02054117) being eligible offers himself for re-appointment.

Mr. Rajesh I. Mody was re-appointed as an Independent Director in 2014 in the Annual General Meeting held on September 30, 2014 in compliance of provisions of Sections 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013. His appointment was proposed for further five years 30-09-2024 by the Board of Directors on recommendation of Nomination and Remuneration Committee. The Board recommends passing the resolution

as set out as Special resolution as due to oversight inadvertently, the special resolution has not been put up for approval in last Annual General Meeting, Hence this resolution is taken in current AGM for a period of next 5 years appointment. None of the Directors of the Company except Mr Rajesh I. Mody are interested in the said resolution.

5. To appoint a Director in place of Mr. Nitin S. Shah (DIN – 00027351) and being eligible offers himself for re-appointment.

Mr. Nitin S Shah was appointed as an Independent Director in 2014 in the Annual General Meeting held on September 29, 2018 in compliance of provisions of Sections 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013. His appointment was proposed for further five years 30-09-2023 by the Board of Directors on recommendation of Nomination and Remuneration Committee. The Board recommends passing the resolution as set out as Special resolution as due to oversight inadvertently, the Special resolution approved in Annual General Meeting did not mentioned the period of appointment. None of the Directors of the Company except Mr Nitin S. Shah are interested in the said resolution.

6. Reclassification of promoters/ promoters group:

The Company had received the letter from the following persons falling under the category of Promoters/ Promoter Group of the Company requesting to be reclassified from Category of "Promoters/Promoters Group" to "Public Category"

Sr. No.	Name of Member	Holding	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)
1	Kanubhai M Patel	12500	0.42
2	Yagnesh Patel	10000	0.33
3	Kamlesh J Laskari	5000	0.17
4	Dasharath R Patel	200	0.01
	Total	27700	0.93

The aforesaid Promoter/ promoter group persons is holding very insignificant shareholding which constitutes altogether 0.93% of the total paid up capital of the Company. The aforesaid promoters/ promoter group persons do not exercise any control over the Company and is not engaged in the management of the Company. The aforesaid person neither have representation on the Board of Directors of the Company nor hold any key managerial position in the Company. The Company also not entered into any Shareholder Agreement with them. Further non of the aforesaid person has got any veto Rights as to voting power or control of the Company. They do not have any Special Information Rights.

The aforesaid person have requested to the Company to reclassify them from being a "Promoter Category" to "Public Category" Shareholder of the Company.

Based on the letter received from above promoter person, the matter was discussed by the Board Of Director at their meeting held on 23rd September, 2020 and Board decided to get the above promoter/ promoter group person reclassified from the "Promoter Category" to "Public Category" with the approval of stock exchanges.

Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (including any amendments made thereto) (hereinafter referred to as Listing Regulations") is the main regulation which deals with reclassification of promoter shareholding in to public Shareholding. It provides that the Stock exchanges allow reclassification of the status of promoter shareholders only if the following main conditions are satisfied.

- (i) Upon receipt of a request from the concerned listed entity or the concerned Shareholders.
- (ii) Upon receipt of all relevant evidence to be provided.
- (iii) On BSE being satisfied with the Compliance of conditions mentioned in Regulation 31A.

Regulation 31A (any other manner) means with the consent of the person wants to change reclassification.

A reclassification may also be permitted by the stock exchange under the main Listing regulations no. 31A itself with additional condition specified under the Regulation, the sum total of conditions under the sub regulation are as follows:

- (i) A request for reclassification to be made by the concerned listed entity or by the concerned shareholders/ to stock exchanges.
- (ii) All relevant evidence to be provided.

(iii) Reclassified promoter shall not directly or indirectly exercise control over the affair of Company.

(iv) Increase in the level of public shareholding pursuant to reclassification of promoters shall not be considered towards achieving compliances with minimum public shareholding requirement under Rule 19A of the Securities contract (Regulation) Rule, 1975 and

(v) The event of reclassification shall be disclosed the Stock exchange as a material event in accordance with the provisions of Listing Regulations.

All the conditions Specified under Regulation 31A of Listing Regulation have been duly complied with the Company.

None of the Directors, Key Managerial Persons of the Company and their relatives is/are concerned or interested in the resolution. The Board therefore commends the Resolution for approval of the members as Special Resolution.

Annexure to the Notice :

Information required under Regulation 36(3) of the SEBI (LODR) Regulation, 2015 with respect to the Directors retiring by rotation and being eligible seeking re-appointment is as under;

Name, Age and Qualification of the Director	Date of Appointment	Expert in functional Area	Names of the Companies in which he holds Directorships and Memberships of committee of the Board. Separately	No of shares held Jointly/
Smt. Binaben Parasbhai Patel	25/03/2015	She is qualified post graduate (M.Com.) and business experience running in professional coaching and classes. She is also duly registered vide Registration No. IDDB-DI-202007-030131 in "Independent director data bank" by Indian Institute of Corporate Affairs	Director in : 1) CRESTCHEM LIMITED Committee Membership :- Audit Committee-Nomination/Remuneration Committee-Shareholders'/Investors Grievances Committee	
Shri Rajesh I Mody	24/08/2004	He is Graduate and having wide business experience in the filed of Retailing and marketing in Petroleum Products and other items. He is also duly registered vide Registration No. IDDB-DI-202007-028822 in "Independent director data bank" by Indian Institute of Corporate Affairs	- Director in : 1) CRESTCHEM LIMITED Committee Membership :- Audit Committee-Nomination/Remuneration Committee-Shareholders'/Investors Grievances Committee	
Shri Nitn S Shah	24/11/2016	He is Graduate in commerce and Law, He is Associate Member of ICSI , he has wide experience in the filed of Companies Act, Legal aspects, Listing Agreement and other compliances. He is also duly registered vide Registration No. IDDB-DI- 202002-016639 in "Independent director data bank" by Indian Institute of Corporate Affairs	Director in : 1) CRESTCHEM LIMITED Committee Membership :- Audit Committee-Nomination/ Remuneration Committee-Shareholders'/ Investors Grievances Committee	

Number of Board Meeting attended, Directorship held in other companies and Membership in the various committees is given in the Director's Report and Corporate Governance Report.

By Order of the Board of Directors

Sd/-

Khyati Vyas
Company Secretary
ACS-25742

Place : Indrad (Kadi)
Date : 23-09-2020

CIRCULAR ON PROCEDURE OF E-VOTING

The instructions for e- voting and attending the AGM through VC/OAVM are as follows :

The instruction for Members for remote e- voting through electronic means are as under EVSN: 201127006:

- (i) The voting period begins on 21st December, 2020 (9:00 am) and ends on 23rd December, 2020 (5:00 pm) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off (record date) of date 16th December, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> · Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> · If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Crestchem Limited on which you choose to vote.

- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

- a. For Physical shareholders, please provide necessary details like folio number, name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to info@crestchemlimited.in
- b. For Demat shareholders, please provide demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (selfattested scanned copy of Aadhar Card) to info@crestchemlimited.in.

B. Instructions for Members attending the AGM through VC / OAVM are as under:

1. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of the Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / Ipads for better experience.
3. Further, shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to the meeting mentioning their name, demat account number/ folio number, email id, mobile number at

info@crestchemlimited.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance at least 5 days prior to the meeting mentioning their name, demat account number/ folio number, email id, mobile number at investors@crestchemlimited.in. These queries will be replied to by the Company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, among others) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter, among others, together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; info@crestchemlimited.in if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

The Company has appointed CS Mehul Raval, Practising Company Secretary (Membership No: A28155; CP No: 10500), to act as the Scrutiniser for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

If you have any queries or issues regarding attending AGM and e-voting from the e-voting system, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor,

Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022- 23058542/43.

SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- i.) The remote e-Voting period commences on 21st December, 2020 (9:00 am) and ends on 23rd December, 2020 (5:00 pm) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cutoff date (record date) of 16th December, 2020 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii.) The voting rights of shareholders shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.
- iii.) CS Mehul Raval, Practising Company Secretary (Membership No: A28155; CP No: 10500) has been appointed as the Scrutinizer to scrutinize the e-Voting process.
- iv.) The Chairman shall, at the AGM, at the end of discussion on the resolution on which voting is to be held, allow voting with the Assistants of Scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote Evoting facility.
- v.) The Scrutinizer shall immediately after the conclusion of voting at AGM first count the votes and cast the meeting, there after unblock the votes cast through E voting in the presence of at least two witness not in employment of the Company and make, not later than three days from the conclusion of the meeting a consolidated Scrutinizer’s report of the Total votes cast in favors or against if any, to the chairman or person authorized by him in writing who shall counter sign the same. Thereafter, the chairman or person authorised by him in writing shall declare the result of voting forthwith. The result will be hosted and declared will be communicated to the relevant authorities and to the Stock Exchange etc.
- vi.) The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- vii.) For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
- viii.) Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. They should also upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the vote.
- ix.) You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- x.) In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions (“FAQs”) and e-Voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board of Directors

Sd/-

Place : Indrad (Kadi)
Date : 23-09-2020

Khyati Vyas
Company Secretary
ACS- 25742

DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the **TWENTY EIGHTH ANNUAL REPORT** together with the Audited Accounts of the Company for the period of 12 months ended on 31st March, 2020.

1. FINANCIAL RESULTS

	(₹ In Lacs)	
	As at 31-03-2020 (12 Months)	As at 31-03-2019 (12 Months)
Operating Profit / (Loss) (before interest and depreciation)	59.49	(14.81)
Less : Interest	00.49	00.62
Profit / (Loss) before depreciation	59.00	(15.43)
Less : Depreciation	02.04	01.12
Profit / (Loss) before Tax	59.96	(16.55)
Less : Current Tax.	08.96	00.00
Deferred Tax	03.89	00.41
Profit/(Loss) after Tax	44.38	(16.96)

2. TRANSFER TO RESERVES:

The Company has transferred the above profit amount to the General Reserves during the period under review.

3. DIVIDEND

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

4. MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

5. OPERATIONS

The Operations of the company improved substantially on the back of new, successful, introduction of Caprylic/ Capric Triglyceride products in the domestic markets. This resulted into a turnaround of company with marked improvement in profitability. The Company is making all efforts to expand the customer base.

After the close of the Financial Year 2019-2020, the prolonged ill effect of covid-19 continued till the date of this report. However keen efforts of the company, continuous to maintain the business of the company as usual.

However dispatch of goods on account of Covid-19, lockdown did restrict the business of the company, over which we do not have any control.

The key operating data is as follows, during the period under report: (In Rupees)

1) Total income during the year Rs.	62295000
2) Taxes/ Duties etc. paid to Government Authorities	
a) Income tax paid (MAT)/other taxes	1258000
b) GST liability discharged	11156033
c) Listing fees (BSE)	300000
Fees paid to statutory authorities	21240
Total Paid	12735273
3) Net profit after Tax	4438000
4) Cash profit after Tax	4642000
5) Earning per share (EPS)	1.48

6. DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Binaben

Parasbhai Patel, Director of the Company, being eligible offers herself for further period of 5 years re-appointment.

7. 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.

8. SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Companies Act, 2013, the Secretarial Audit report for the financial year ended 31st March, 2020 given by Jignesh Shah, Practicing Company Secretary is annexed as Annexure B to this report.

9. NUMBER OF BOARD MEETINGS

During the year the Board of Directors met four times. The details of the Board meetings are provided in the Corporate Governance Report.

10. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, 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, 31st 2020 and of the profit 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, 2013 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.
- (e) The Directors have devised proper systems to ensure compliances with the provisions of applicable laws and such systems are adequate and operating effectively.

11. COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring minimal disruption, to the best of our abilities.

12. DECLARATION BY INDEPENDENT DIRECTORS

The Following Directors are independent in terms of section 149(6) of the Act and under SEBI (LODR) Regulation, 2015:

- 1) Shri Rajesh I. Mody
- 2) Smt. Binaben Parasbhai Patel
- 3) Shri Nitin Shantilal Shah

The Company has received requisite declarations/ confirmations from all the above Directors confirming their independence.

13. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Statement containing Particulars of Employees pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. However, as per the provisions of section 134 and 136 of the Companies Act, 2013, the Report and financial statement are being sent to the members and others entitled thereto, excluding

the statements containing Particulars of Employees, which is available for inspection by the members at the Registered office of the Company during business hours on all working days (except Saturdays), up to the date of ensuing Annual General Meeting. Any member interested in obtaining a copy of such statement may write to the Company at the registered office of the Company.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to section 135 of the Companies Act, 2013, which is not applicable to the company for the period under review, hence, no committee in this regard has been constituted.

15. EXTRACT OF THE ANNUAL RETURN

Extract of the Annual Return for the Financial Year ended on 31st March, 2020 as required by Section 92(3) of the Act is annexed as Annexure C to this report.

16. RELATED PARTY TRANSACTIONS

Details of Contracts/arrangement with the Related Parties are appearing under Note no. 27 and form part of this report. All related party transactions that were entered into during the year under report were on arm's length basis and were in the ordinary course of business. The related party transactions made by the Company with erstwhile promoter companies have no potential conflict with the interest of the Company at large. Related Party Transactions are placed before the Audit Committee as also before the Board, wherever required, for approval. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. The Company's management ensures total adherence to the approved Policy on Related Party Transactions to establish Arm's Length Basis without any compromise. Pursuant to the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of material contracts and arrangements entered between the Company and the Related Parties are annexed herewith as Annexure A.

17. DEPOSITS

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

18. FINANCE

The company may have obtained overdraft (OD) facilities from the bank against Company Fixed Deposit (FD) with bank in the routine course of business, The company has returned / paid the OD as and when need fulfilled. There are no outstanding interest payments on above. Our Company is debt free. The Company has adopted Indian Accounting Standards (Ind AS) from 1st April, 2016.

26. DETAILS OF DIRECTORS/KMP WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

During the financial year 2019-20 following directors appointed.

Name	Designation	Appointment/Resignation	Date of Appointment/Resignation
Khyati Vyas	Chief Financial Officer, Company Secretary cum Compliance Officer	Appointed	01-04-2020

27. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND FORMAL ANNUAL EVALUATION

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy, inter alia, for nomination and appointment (including remuneration) of Directors, senior management and key managerial personnel of the Company. The details of Nomination and Remuneration Policy is stated in the Corporate Governance Report and uploaded on website of the company at <https://www.crestchemlimited.in/download/cd/remuneration-policy.pdf> The Board of Directors of the Company follows the criteria for determining qualification, positive attributes, independence of

19. AUDITORS

M/S Samir M. Shah & Associate, Chartered Accountants, will hold office for the period of five consecutive years till the conclusion of 30th Annual General meeting to be held in 2022.

20. COST AUDIT

The Central Government of India has not prescribed the maintenance of Cost Accounting Records under sub Section (1) of Section 148 of the Companies Act, 2013 and hence this clause is not applicable to the company.

21. INTERNAL FINANCIAL CONTROLS:

During the previous financial year the Company had in place internal financial control systems as per the general understanding, for smooth functioning. The Company has also appointed Internal Auditor. The same were reviewed and updated from time to time.

22. INFORMATION REGARDING CONSERVATION OF ENERGY ETC.

Information required u/s. 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, form part of this report. However, as per the provisions of section 134, 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.

23. CORPORATE GOVERNANCE REPORT

During the year under Report Securities & Exchange Board of India (SEBI) introduced new listing Regulation, SEBI (LODR) Regulation, 2015 effective from December 1, 2015. The Corporate Governance Report & practices followed by the Company are indicated separately in the Annexure D forming part of this report. A certificate from the Practicing Company Secretary of the Company, regarding the conditions of corporate governance.

24. WHISTLE BLOWER POLICY

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the listing agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company, is in place with the Company. Available on company's website (<https://www.dropbox.com/s/ckuqt7lv6skvcmi/WHISTLE%20BLOWER.pdf?dl=0>).

25. INDUSTRIAL RELATIONS, SAFETY AND ENVIRONMEN

During the year under review, the industrial relations remained harmonious and cordial.

Directors as per Nomination and Remuneration Policy and the Board Diversity Policy and other applicable policies of the Company.

Directors are appointed /re-appointed with the approval of the Members for a term in accordance with the provisions of the law and the Articles of Association of the Company. All Directors, other than Independent Directors, are liable to retire by rotation, unless otherwise specifically provided under the Articles of Association or under any statute or terms of appointment. One third of the Directors who are liable to retire by rotation, retire at every annual general Meeting and are eligible for re-appointment.

Further details on election process, appointment of Directors and the details of remuneration paid to Directors and Managerial Personnel forms part of the Corporate Governance Report.

28. 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 placed in the management of the Company.

29. Disclosure under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014.

There is no other permanent employees on the rolls of the Company as on 31st March, 2020. except Mr. Dipak N. Patel who is Managing Director of the Company, so ratio/ Mean remuneration compliance is not applicable to the Company.

30. GENERAL INFORMATION

1. The Company has taken an advantage of CFSS Scheme which is announced by MCA
2. AGM held during the financial year 2019-2020: 26th September, 2019.
3. Stock Exchange where the shares of the company are listed: BSE Ltd.
4. Scrip Code of the Company: 526269.
5. As per LODR compliances listed Company has to appoint Company Secretary and Chief Financial Officer and internal

Auditor, Accordingly the Company has appointed Internal auditor, Company secretary cum Compliance officer and CFO. Khyati Vyas has been Appointed as Company Secretary cum compliance officer and CFO on 01-04-2020. The Company has appointed Mr. Jignesh Shah, PCS as Secretarial Auditor on 14-02-2020, and The Company has appointed Mr. Divyesh Gajera as Internal Auditor on 14-11-2019.

6. The Company has appointed Khyati Vyas as Company Secretary cum Compliance officer on 01-04-2020. Previous active non compliant status has been removed The Company has filed Company Activation form-22A on 04-06-2020 vide SRN R40656720, So Company is a Active Compliant Company. BSE intimation has been given for the appointment of Khyati Vyas as Company Secretary cum Compliance Officer vide ack no. 1595501 dated 02-04-2020.
7. The Company has now appointed CDSL for monitoring of foreign investments and the System Driven Disclosures in Securities Market as per SEBI circular SEBI/HO/ISD/ISD/CIR/P/2020/168 dated September 09, 2020 regarding Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

For and on behalf of the Board

Sd/-

Dipak N. Patel

Chairman/Managing Director
(DIN – 02052080)

Place : Indrad (Kadi)

Date : 23-09-2020

ANNEXURE A
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development:

Your Company is engaged in the field of Processing / Manufacturing/trading and marketing , of specialty chemical ingredients, the Companies products Caprylic / Capric Triglycerides also finds uses in Industrial fields and such other uses in health food industry etc.like personal care products.

Opportunities, Threats, Risk and Concerns:

This is a developing field 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. However, considering all factors the Company has indentified two new products, namely Caprylic / Capric Triglycerides and Lactose Free products by indigenous technology efforts which seem promising in generating revenues and profits growth. The Company is making all efforts to expand the customer base. The product namely Caprylic / Capric Triglycerides is introduce by the Company in both oil and powder form offering wider choice to the customer in all industrial fields.

Financial Performance With Respect To Operational Performance:

The Operations have now stabilized during the financial year 2019-2020 has resulted into improved financial performance and company’s products are well accepted in domestic markets.

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 strives to maintain a professional work environment and emphasis the qualities of devotion and accuracy in caring out all activities of the Company.

Business Outlook:

The growth of our Companies business depends upon several factors as discussed above. Management is reasonably optimistic however, it is difficult to predict the market demand and its trend, due to critical economic conditions created by Covid -19.

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 i.e. that of Covid - 19 effect 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

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31-03-2020

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

To,
The Members,
CRESTCHEM LIMITED
CIN : L24100GJ1991PLC015530

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

Based on my/our verification of the **CRESTCHEM LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31/03/2020 mostly/largely complied with the statutory provisions listed hereunder and also that the Company has by enlarge and in general proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by **CRESTCHEM LIMITED** ("the Company") for the financial year ended on **31/03/2020** according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under.
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- III. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(The Company does not have ECB)**
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 notified with effect from May 15, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period);**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from December 1, 2015.
- VI. Other laws as may be applicable specifically to the company as per **ANNEXURE I**

I HAVE ALSO EXAMINED COMPLIANCE WITH THE APPLICABLE CLAUSES OF THE FOLLOWING:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India (Which is notified w.e.f. 1st July 2015)*.
- b. The Listing Agreements entered by the Company with Bombay Stock Exchange(s) as per revised norms till date,

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is constituted with Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. ** (During the year change in the Directorship but before the issue of the report the Company has appointed CS and CFO).

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, and other laws as stated.

CS Jignesh A. Shah
Company Secretary

Place : Ahmedabad
Date : 24/07/2020

M. No ACS 21389
COP No. 12140

ANNEXURE I

Management has identified and confirmed the following laws as specifically applicable to the Company.

- Contract Labour Laws
- Taxation Laws
- GST
- Negotiable Instrument Act
- Indian Contract Act
- Indian Trademarks Act-1999
- And other laws as may be applicable from time to time

During the period under review the Company has generally complied with the material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

*As per Information obtained The Secretarial Standards as issued by The Institute of Company Secretaries of India made applicable with effect from 1st July 2015 and the same is implemented.

** As per information provided to us and as per information available on the portal of MCA the Board of the Company has been constituted with following Directors.

DIN/PAN	Name	Begin date	Designation
00027351	NITINKUMAR SHANTILAL SHAH	14/11/2016	Non-Executive (Independent Director)
02052080	DIPAK NARENDRAPRASAD PATEL	01/02/2008	Managing Director
02054117	RAJESH ISHWARLAL MODY	24/08/2004	Non-Executive (Independent Director)
07131005	BINABEN PARASBHAI PATEL	25/03/2015	Non-Executive (Independent Director)

As per MCA Records none of the Director is disqualified under Section 164(2) of CA-2013. The Board is comprised with optimum combination of Executive and Non-Executive Directors.

CS Jignesh A. Shah
Company Secretary
M. No ACS 21389
COP No. 12140

PLACE :- AHMEDABAD
Date :- 24/07/2020

UDIN :- A021389B000498173

ANNEXURE II

To,
The Members
Crestchem Limited

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

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

CS Jignesh A. Shah
Company Secretary
M. No ACS 21389
COP No. 12140

PLACE :- AHMEDABAD
Date :- 24/07/2020

UDIN :- A021389B000498173

ANNEXURE III

Observations**Website of the Company**

- 1) There is a website of the Company i.e. <https://www.crestchemlimited.in/contact.html> We have not made detailed study of the same but as per our prima-facie observation the same is reflecting the needed information for the benefit of the shareholders at large.

MCA Compliances

- 2) The Company can take benefit of the CLFS Scheme and the Company has uploaded form MGT-14 on the portal of ROC under the said Scheme and filed Active tagging form after appointment of Company Secretary and Chief Financial Officer.
- 3) The Company has filed the necessary annual filings with office of Registrar of Companies-Gujarat.
- 4) The Form MR-1 & DPT-3 has been filed under the CLFS Scheme.

Observations from The Last Report.

- 5) The Company was required to be appointed the Company Secretary and Chief Financial Officer. In the last report the learned Company Secretary has made an observation and before the date of Signing this report as on even date, the Company has appointed Ms. Khyati Vyas has been appointed as a **CS and CFO** to comply the requirement of **Section 203 of CA-2013**.
- 6) After the Appointment of Company Secretary and Chief Finance Officer, the **Company has been made an Active Compliant. (The Company has taken an advantage of CLFS Scheme).**
- 7) **The Company has been advised to report the said thing to ROC with a point to be included in the Directors Report.**

CSR

- 8) The Company is not under the purview of CSR.

Notice Received from Bombay Stock Exchange and any observation.

- 9) The Company had received a notice from Bombay Stock Exchange for the late submission of Share Holding Pattern. The same was suitably replied.
- 10) We have not found out the Secretarial Audit Report for the last year on the portal of BSE.

Charge In favour of Bank/Financial Institution.

- 11) As per information there has been no secured loan obtained from any Bank and Financial Institution and none of the property of the Company has been mortgaged or hypothecated in favour of Banks and Financial Institutions. The said information is confirmed through the portal of MCA.

CS Jignesh A. Shah
Company Secretary
M. No ACS 21389
COP No. 12140

PLACE :- AHMEDABAD
Date :- 24/07/2020

UDIN :- A021389B000498173

ANNEXURE C
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24100GJ1991PLC015530
2.	Registration Date	26/04/1991
3.	Name of the Company	CRESTCHEM LIMITED
4.	Category/Sub-category of the Company	Public Company Limited by Shares
5.	Address of the Registered office & contact details	Sr. No.550/1, Sub Plot No. 12, Village – Indrad, Taluka – Kadi, District – Mehsana, Pin code – 382715, Gujarat Ph. 02764-278247 / 9409119484 Email : info@crestchemlimited.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PRIVATE LIMITED 506-508, Amarnath Business Centre-1(ABC-1), Besides Gala Business Centre, Near ST Xavier's College Corner, Off C G Road, Ellisebridge, Ahmedabad - 380006. Telefax No : 91-79-26465179 Email:ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Speciality chemical products (Caprylic/ Capric Triglyceride Oils and powders)	20299	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	-	-	-	-	-
2.	-	-	-	-	-
3.	-	-	-	-	-
4.	-	-	-	-	-

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

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	301395	573700	875095	29.16	378687	517500	896087	29.86	0.69
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A1)	301395	573700	875095	29.16	378687	517500	896087	29.86	0.69

(2) Foreign									
NRIs-Individuals	-	42500	42500	1.41	-	42500	42500	1.41	-
Other-Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other....	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A2)	-	42500	42500	1.41	-	42500	42500	1.41	-
Total shareholding of Promoter(A1)+ (A2)	301395	616200	917595	30.58	378687	559900	938587	31.28	0.69
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	3900	3900	0.13	-	3900	3900	0.13	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	3900	3900	0.13	-	3900	3900	0.13	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	189464	1848500	2037964	67.93	205212	1813600	2018812	67.29	-0.63
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	1000	26200	27200	0.90	1300	26200	27500	0.91	0.01
Overseas Corporate Bodies	3500	8500	12000	0.40	1601	8500	10101	0.33	-0.06
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	240	-	240	0.00	-	-	-	-	-0.00
Trusts	100	-	100	0.00	100	-	100	0.00	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
HUF	1001	-	1001	0.33	1000	-	1000	0.03	0.00
Sub-total (B)(2):-	195305	1883200	2078505		209213	1848300	2057513		
Total Public Shareholding (B)=(B)(1)+ (B)(2)	195305	1887100	2082405		209213	1848300	2057513		
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	496700	2503300	3000000	100	587900	2412100	3000000	100	-

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Share of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Share of the company	% of Shares Pledged/encumbered to total shares	
1	Narendraprasad C. Patel	303900	10.13	-	303900	10.13	-	-
2	Dipak N. Patel	411995	13.73	-	440987	14.70	-	1.87
3	Arunprasad P. Patel	10100	0.34	-	10100	0.34	-	-
4	Dineshchandra B. patel	5100	0.17	-	5100	0.17	-	-
5	Kusum N. Patel	16700	0.56	-	16700	0.56	-	-
6	Sonali N. Patel	14600	0.49	-	14600	0.49	-	-
7	Jatan L. Patel	28900	0.96	-	28900	0.96	-	-
8	Parul D. Patel	1000	0.03	-	1000	0.03	-	-
9	Nirmit D. Patel	5500	0.18	-	0	0	-	-
10	Sushila L. Patel	500	0.02	-	500	0.02	-	-
11	Kusum Bhagubhai	35100	1.17	-	35100	1.17	-	0.00
12	Pranay A. Patel	5000	0.17	-	5000	0.17	-	-
13	Rahul A. Patel	5000	0.17	-	5000	0.17	-	-
14	Leenaben A. Patel	8000	0.27	-	8000	0.27	-	-
15	Rakesh A. Parikh	7300	0.24	-	7300	0.24	-	-
16	Kokilaben A. Parikh	3700	0.12	-	3700	0.12	-	-
17	Kamlesh J. Lashkari	5000	0.17	-	5000	0.17	-	-
19	Narendra G. Patel	2500	0.08	-	2500	0.08	-	-
20	Padmini N. Patel	2500	0.08	-	2500	0.08	-	-
21	Tillotama Bhagubhai	10000	0.33	-	10000	0.33	-	-
24	Suryakant B. Patel	10000	0.33	-	10000	0.33	-	-
25	Deepesh S. Patel	10000	0.33	-	10000	0.33	-	-
26	Dasharath R. Patel	200	0.01	-	200	0.01	-	-
27	Kanubhai M. Patel	12500	0.42	-	12500	0.42	-	-
28	Yagnesh Patel	10000	0.33	-	10000	0.33	-	-
		917595	30.59	-	938587	31.29	-	1.21

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr No.	Particulars	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No.Of Shares Held	% Of Total Shares Of The Company	Date Of Transaction	No. Of Shares	No Of Shares Held	% Of Total Shares Of The Company
1	Mr Dipak Narendraprasad Patel	411995	13.73			411995	13.73
				05 Apr 2019	188	412183	13.73
				12 Apr 2019	3502	415685	13.84
				26 Apr 2019	13084	428769	14.28
				24 May 2019	116	428885	14.28
				31 May 2019	191	429076	14.29
				07 Jun 2019	3809	432885	14.42
				14 Jun 2019	200	433085	14.42
				21 Jun 2019	300	433385	14.43
				05 Jul 2019	374	433759	14.45
				23 Aug 2019	2728	436487	14.54
				20 Sep 2019	100	436587	14.54
				27 Sep 2019	1075	437662	14.58
				30 Sep 2019	725	438387	14.60
				22 Nov 2019	1000	439387	14.63
				06 Dec 2019	500	439887	14.65
				13 Dec 2019	100	439987	14.65
21 Feb 2020	600	440587	14.67				
20 Mar 2020	200	440787	14.68				
27 Mar 2020	100	440887	14.68				
27 Mar 2020	100	440987	14.68				
33	Nirmit D Patel	5500	0.1833	19 Apr 2019	(5500)		0.18
34	Narendra Ganpatram Patel	2500	0.0833	19 Apr 2019	(2500)	2500	34

Note : In addition to above Promoters' Shareholding, 560 shares which have been purchased by promoters [Dipak Narendraprasad Patel Account and duly declared in disclosures under Regulation 29(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011/ Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (2) read with Regulation 6(2)], However, the same would be under the process of transfer, have not yet been transferred in the name of Dipak Narendraprasad Patel)Hence, not included in the above.]

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Name of Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
KAMAL DALAL	10000	0.33	0	0
SAVITA PARMANAND PATEL	5200	0.17	5200	0.17
MADHUSUDAN MEHTA	5100	0.17	0	0
PARVATIBEN ISHWARLAL PATEL	5000	0.16	0	0
RAMESHWAR NATH PANDEY	4102	0.13	4102	0.13
KIRTI S AMIN	4000	0.13	0	0.13
BANK OF INDIA A/C. BOI MUTUAL FUND	0	0	0	0.12
BIMAL CHANDRAKANT SHAH	3300	0.11	3300	0.11
MANISH SHAH	3300	0.11	3300	0.11
PRAFULLA PATEL	3100	0.10	3100	0.10

E) Shareholding of Directors and Key Managerial Personnel:

Sr No.	Particulars	Shareholding at the beginning of the year		Date	Increase/ Decrease / in share holding	Cumulative Shareholding at the end of the year - 2020	
		No. of shares at the beginning / end of the year	% Of Total Shares Of The Company			No Of Shares Held	% Of Total Shares Of The Company
1	Mr Dipak Narendraprasad Patel	411995	13.73.4998			411995	13.73
				05 Apr 2019	188	412183	13.73
				12 Apr 2019	3502	415685	13.84
				26 Apr 2019	13084	428769	14.28
				24 May 2019	116	428885	14.28
				31 May 2019	191	429076	14.29
				07 Jun 2019	3809	432885	14.42
				14 Jun 2019	200	433085	14.42
				21 Jun 2019	300	433385	14.43
				05 Jul 2019	374	433759	14.45
				23 Aug 2019	2728	436487	14.54
				20 Sep 2019	100	436587	14.54
				27 Sep 2019	1075	437662	14.58
				30 Sep 2019	725	438387	14.60
				22 Nov 2019	1000	439387	14.63
				06 Dec 2019	500	439887	14.65
				13 Dec 2019	100	439987	14.65
				21 Feb 2020	600	440587	14.67
				20 Mar 2020	200	440787	14.68
				27 Mar 2020	100	440887	14.68
				27 Mar 2020	100	440987	14.68
2	Shah Nitinkumar Shantilal	200	0.0067		200		200

F) **INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-
Change in Indebtedness during the financial year				
# Addition	-	-	-	-
# Reduction	-	-	-	-
Net change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

XI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Dipak Narendraprasad Patel(MD)		
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,00,000	-	12,00,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify			
	Total (A)	12,00,000	-	12,00,000
	Ceiling as per the Act			

B. Remuneration to other directors

Sr. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Rajesh Ishwarlal Mody	Binaben Parasbhai Patel	Nitin ShantilalShah	
1	Independent Directors	-	-	-	
	Fee for attending board committee meetings	2000	1500	2000	5500
	Commission	-	-	-	
	Others, please specify	-	-	-	
	Total (1)	-	-	-	
2	Other Non-Executive Directors	-	-	-	
	Fee for attending board committee meetings	-	-	-	
	Commission	-	-	-	
	Others, please specify	-	-	-	
	Total (2)	-	-	-	
	Total (B)=(1+2)	-	-	-	
	Total Managerial Remuneration	2000	1500	2000	5500
	Overall Ceiling as per the Act	Within ceiling limit			

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

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE - D
CORPORATE GOVERNANCE

[Pursuant to clause 49 of the listing agreement with the Stock Exchange. / Pursuant to Regulation 27(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

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 Independent directors, who are eminent personnel with wide range of skills and experience in business, finance and law. The Board comprises of 3 independent directors, out of three Independent Director 1 is women Independent Director. 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	4	Yes	-	-	-
2	Mr. Rajesh I. Mody	Non-executive Independent Director	4	Yes	-	-	-
3	Mr. Nitin Shantilal Shah	Non-executive Independent Director	4	Yes	-	-	-
4	Mrs. Binaben Parasbhai Patel	Non-executive Independent Director	3	No	-	-	-

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

Four Board Meetings were held during the year ended March, 2020 viz. on 18-05-2019, 13-08-2019, 14-11-2019 and 14-02-2020.

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 31st March, 2019. 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			
			18 th May, 2019	13 th August, 2019	14 th November, 2019	14 th February, 2020
Mr. Rajesh I. Mody	Chairman /Member of the committee and non-executive Independent Director	Graduate in Science and experienced businessman	Yes	Yes	Yes	Yes
Mrs. Binaben Paraskumar Patel	Member of the committee and non-executive Independent Director	Post graduate	Yes	Yes	Yes	No
Mr. Nitin Shantilal Shah	Member of the committee	Company Secretary	Yes	Yes	Yes	Yes
Mr. Dipak N. Patel	Member of the committee	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. **NOMINATION AND REMUNERATION COMMITTEE :**

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 14 th February, 2020
Mr. Rajesh I. Mody	Chairman of the Committee and Non-executive Independent Director	Yes
Mr. Nitin Shantilal Shah	Member and Non-executive Independent Director	Yes
Mrs. Binaben Parasbhai Patel	Member and Non-executive Independent Director	No
Mr. Dipak N. Patel	Member and Non-executive	Yes

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

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

5. **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Committee looks into redressal of Stakeholders Relationship Committee, 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 Shareholders Relationship Committee meeting held on			
		18 th May, 2019	13 th August, 2019	14 th November, 2019	14 th February, 2020
Mr. Rajesh I. Mody	Chairman of the committee and non-executive Independent Director	Yes	Yes	Yes	Yes
Mr. Nitin Shantilal Shah	Member of the committee and non-executive Independent Director	Yes	Yes	Yes	Yes
Mr. Dipak Narendraprasad Patel	Member of the committee and executive director	Yes	Yes	Yes	Yes
Mr. Binaben Paraskumar Patel	Member of the committee and non-executive Independent Director	Yes	Yes	Yes	No

No Complaints were pending during the year ended on 31st March, 2020 and necessary actions are taken. Mr. Dipak N. Patel, Managing Director of the Company who is also appointed as Compliance Officer of the Company.

5. **INDEPENDENT DIRECTORS MEETING**

Schedule IV to the Act, inter alia, prescribed that the Independent directors of the Company shall hold atleast one meeting in a year, without attendance of the management. During the year one meeting of independent director was held on 14th February, 2020. Mr. Rajesh I. Mody was unanimously elected as the chairman of the meeting of the independent directors. At the meetings, the independent directors also review the performance of the non-independent directors (including chairperson).

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
2016-2017 (12 Months Period)	10/08/2017	05.00 p.m	TWENTY FIFTH AGM at Conference Hall, Sankalp Express, Thol Road, Kadi, Taluka: Kadi, District - Mehsana: 382 715	No
2017-2018 (12 Months Period)	29/08/2018	05.00 p.m	TWENTY SIXTH AGM at CBanquet Hall, Hotel Gangotri Palace, Opp. Swastik Ceramic, Beside Sardar Patel Cotton Market, Kadi-Chhatral Road, Kadi-382715, Gujarat	Yes
2018-2019 (12 Months Period)	26/09/2019	05.00 p.m	TWENTY SEVENTH AGM at CBanquet Hall, Hotel Gangotri Palace, Opp. Swastik Ceramic, Beside Sardar Patel Cotton Market, Kadi-Chhatral Road, Kadi-382715, 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 the Listing Agreement and LODR, 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 : Thursday, 24th December, 2020 at 12.00 (Noon)
 Venue : Video Conferencing (VC) or Other Audio Visual Means (QAVM)

(ii) Financial Calendar period : 01-04-2019 to 31-03-2020**(iii) Date of Book Closure : 17th December, 2020 to 24th December, 2020 (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 2018-2019. 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.

(v) Stock Code / Symbol :

Bombay Stock Exchange, (BSE) 526269

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

Month	Highest Price	Lowest Price	BSE Sensex Highest	BSE Sensex Lowest	Close	Number of shares traded
April, 2019	15.25	14.25	39487.45	38460.25	39031.55	2190
May, 2019	15.6	15.45	40124.96	36956.1	39714.2	3600
June, 2019	15.5	14	40312.07	38870.96	39394.64	3906
July, 2019	14.7	13.5	40032.41	37128.26	37481.12	1900
August, 2019	14.7	13	37807.55	36102.35	37332.79	928
September, 2019	13.12	12.25	39441.12	35987.8	38667.33	2298
October, 2019	13.12	12	40392.22	37415.83	40129.05	2400
November, 2019	12	10.55	41163.79	40014.23	40793.81	2000
December, 2019	11.65	11.05	41809.96	40135.37	41253.74	2450
January, 2020	12.07	11	42273.87	40476.55	40723.49	3005
February, 2020	10.5	10.5	41709.3	38219.97	38297.29	100
March, 2020	10.5	10.5	39083.17	25638.9	29468.49	100

(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

506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near ST Xavier's College Corner, Off C G Road, Ellisebridge, Ahmedabad - 380006.

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. 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 31-03-2020:**

No. of Equity Shares	No. of Share holders	% of share holders	No. of Share held	% of share holding
1 - 500	10666	95.7881	1514233	50.47
5001 - 1000	300	2.6942	251436	8.38
1001 - 2000	86	0.7723	132500	4.42
2001 - 3000	48	0.4311	127730	4.09
3001 - 4000	7	0.0629	24950	0.83
4001 - 5000	6	0.0539	29102	0.97
5001 - 10000	10	0.0898	82200	2.740
10001 - *****	12	0.1078	842849	27.095
Total	11135	100.0000	3000000	100.0000

(xii) **Shareholding Pattern as on 31st March, 2020:**

Category	No. of Shares	% of holding
Non-Resident Indians	26200	0.87
Nationalized Banks	3900	0.13
Bodies Corporate	10101	0.40
Directors	425587	14.18
Relatives of Directors	454800	15.16
Others	2079412	69.31
TOTAL	30,00,000	100.00

587900 shares are in Demat Mode and the rest are in Physical Mode.

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

The Company has got permission for dematerialization of shares on 24th September, 2012 and ISIN Number was allotted to the Company. The Dematerialization process started thereafter and 5,87,900 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. : 550/1, Sub Plot Number 12
 Village : INDRAD
 Taluka : Kadi
 District : Mehsana – 382 715 (NORTH GUJARAT)
 Phone : 02764 – 278247/09409119484

(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. : 550/1, Sub Plot Number 12
 Village : INDRAD
 Taluka : Kadi
 District : Mehsana – 382 715 (NORTH GUJARAT)
 Phone : 02764 – 278247/09409119484
 Email : info@crestchemlimited.in
 Website : 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 and KMP etc. that may have potential conflict with interests of the Company at large. The related party transactions are duly disclosed in the Note 27 to the Financial Statements.

(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.

The Company has adopted Indian Accounting Standards (Ind AS) from 1st April, 2016. The figures for the Quarter and Year ended 31st March, 2016 are Ind AS compliant.

(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 the Listing Agreement and forms part of the Annual Report. The Company has complied with the mandatory requirements 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 personnel have been denied access to the audit committee.

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

(H) None of the Shares of the Company are pledged or encumbered.**(I) CEO/CFO Certification**

A certificate from the CEO (MD) of the Company, on the financial statement and other matters of the Company for the financial year ended March 31, 2020, was placed before Board at its the meeting held on 24-07-2020.

(J) Auditor's/ Practicing Company Secretaries Report on Corporate Governance

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

9. 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.

10. CEO/CFO CERTIFICATION :

Managing Director (CEO) AND Chief Financial Officer (CFO) Certification

We Dipak N. Patel, Chairman and Managing Director and Khyati Vyas, Company Secretary & CFO (Finance) of Crestchem Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet as at 31st March 2020 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 : 23-09-2020

Dipak N. Patel
Managing Director/CEO

Khyati Vyas
Chief Financial Officer (CFO)

11. COMPLIANCE CERTIFICATE FROM THE PRACTISING COMPANY SECRETARY OF THE COMPANY:

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

12. DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT :

The Board Members and the Senior Management personnel have confirmed compliance with the code of conduct for the financial year ended 31st March, 2020.

For and on behalf of the Board

Sd/-

Dipak N. Patel
Managing Director
(DIN – 02052080)

Place : Indrad (Kadi)
Date : 23-09-2020

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, 2020, as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24 A 25, 26, 27 clauses (b) to (i) of sub-regulation (2) of regulation 46, para C, D and E of Schedule V and Part E of Schedule II of LODR of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015').

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 as per the representation given by the Managing Director and the Board of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

During the Year under the review the Company had no Company Secretary and Chief Financial Officer However w.e.f. 1st April 2020 i.e. before the date of certification the Company has appointed Company Secretary and Chief Financial Officer.

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

Place : Ahmedabad
Date : 07/09/2019

For, JIGNESH SHAH
Company Secretary
C. P. No. : 12140
UDIN :- A021389B000683215

INDEPENDENT AUDITORS' REPORT

To the Members of
CRESTCHEM LIMITED
Indrad (Kadi)

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Crestchem Limited** ('the Company'), which comprise the balance sheet as at **31st March, 2020**, the statement of profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. However, we have no such matters to be reported under this para.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls

system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt

with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 2014 except Ind AS 19 – Employee Benefits to the extent of non provision of liability of gratuity benefits. As the necessary documentary evidences are not provided the same is not quantifiable.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For SAMIR M. SHAH & ASSOCIATES
Chartered Accountants
FIRM REG. No.: 122377W
SAMIR M. SHAH
(PARTNER)
MEMBERSHIP No.: 111052
UDIN: 20111052AAAAKT6708

Place : Ahmedabad
Date : 24th July, 2020

ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT :
Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Crestchem Limited ("the Company") as of 31 March, 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SAMIR M. SHAH & ASSOCIATES
Chartered Accountants
FIRM REG. No.: 122377W
SAMIR M. SHAH
(PARTNER)
MEMBERSHIP No.: 111052
UDIN:20111052AAAKT6708

Place : Ahmedabad
Date : 24th July, 2020

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the period ended **31st March, 2020**, we report that:

- (i) Fixed assets :
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets. In accordance with this programme, certain fixed assets were verified during the period. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) There was no material discrepancies were noticed on such physical verification by us.
- (ii) Inventories :
- (a) The inventories have been physically verified during the year by the management in our opinion, the frequency of verification is reasonable.
 - (b) The Procedure 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 inventory, we are of opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and books records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted secured or unsecured loans to the companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') so this clause is not applicable.
- (iv) According to the information and explanations given to us, there were no transactions made in respect of loans, investments, guarantees, and security in respect to section 185 and 186 of the Companies Act, 2013 so this clause is not applicable.
- (v) According to the information and explanations given to us, the company has not accepted deposits and hence no question arises on compliance of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder, where applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) In respect of Statutory Dues :
- (a) According to the records provided by the Company, the company has been regular in depositing undisputed statutory dues, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues arrears of any outstanding statutory dues as at 31st March, 2020 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations provided to us, there were no undisputed demands payable in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax and no amount has been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank and Government.
- (ix) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and also has no term loan during the period so this clause is not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or no material fraud on the Company by its officers or employees was noticed or reported during the period.
- (xi) According to the information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review so this clause is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 so this clause is not applicable.

For SAMIR M. SHAH & ASSOCIATES
Chartered Accountants
FIRM REG. No.: 122377W
SAMIR M. SHAH
(PARTNER)
MEMBERSHIP No.: 111052
UDIN:20111052AAAKT6708

Place : Ahmedabad
Date : 24th July, 2020

BALANCE SHEET AS AT 31ST MARCH 2020

Amount in ₹

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	4	10,22,571	11,71,576
(b) Financial assets			
(i) Others	5	5,11,741	4,28,926
(c) Deferred Tax Assets (Net)	6	-	2,68,384
(d) Other non-current assets	7	7,50,550	7,50,550
(2) Current assets			
(a) Inventories	8	62,940	66,740
(b) Financial assets			
(i) Trade receivables	9	4,14,733	8,22,241
(ii) Cash and cash equivalents	10	4,81,664	6,93,735
(iii) Bank balances other than (ii) above	11	59,00,000	23,00,000
(c) Other current assets	12	20,91,812	23,81,131
Total Assets		1,12,36,011	88,83,283
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	3,00,00,000	3,00,00,000
(b) Other equity	14	(2,08,16,489)	(2,52,54,600)
LIABILITIES			
(1) Non-current liabilities			
(a) Provisions		-	-
(b) Deferred tax liabilities (Net)	6A	1,20,501	-
(2) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	15	1,52,602	28,37,912
(ii) Trade payables	16		
1. Total outstanding dues of micro enterprises and small enterprises		-	-
2. Total outstanding dues of creditors other than micro enterprises and small enterprises		5,01,112	1,86,025
(b) Other current liabilities	17	3,89,513	31,406
(c) Provisions	18	8,88,772	10,82,540
Total Equity and Liabilities		1,12,36,011	88,83,283

The accompanying Notes 1 to 30 are integral part of these Financial Statements.

As per our report of even date attached.

For Samir M Shah & Associates

Chartered Accountants

Firm Regn No. 122377W

Samir Shah

Partner

Membership No. 111052

Place : Ahmedabad

Date : 24th July, 2020

For and on behalf of the Board of Directors

sd/-

Dipak N. Patel

Managing Director

(DIN – 02052080)

sd/-

Rajesh Mody

Director

(DIN - 02054117)

Khyati Vyas

(Company Secretary)

Place : INDRAD (Kadi)

Date : 24th July, 2020

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31st March 2020

		Amount in ₹	
Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
I. Revenue From Operations	19	6,20,44,736	10,43,930
II Other Income	20	2,50,297	2,03,222
III Total Income (I +II)		6,22,95,033	12,47,152
IV Expenses			
Cost of Materials Consumed	21	4,88,77,300	2,10,935
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	22	(18,370)	(19,570)
Employee Benefits Expense	23	12,92,457	12,52,000
Finance Costs	24	49,232	62,275
Depreciation and Amortization Expense	4	2,03,942	1,12,563
Other Expenses	25	61,94,704	12,84,622
Total Expenses (IV)		5,65,99,265	29,02,825
V Profit before tax (III- IV)		56,95,768	(16,55,673)
VI Tax expense			
(1) Current Tax		8,68,772	-
(2) Deferred Tax	6	3,88,885	40,694
VII Profit for the period (V -VI)		44,38,111	(16,96,367)
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Income for the period (VII + VIII) (Comprising Profit and Other Comprehensive Income for the period)		44,38,111	(16,96,367)
X Paid-up Equity Share Capital (Face Value of ₹ 10/- each)		3,00,00,000	3,00,00,000
XI Earnings per equity share (EPS) in ₹			
Basic & Diluted	26	1.48	(0.57)

The accompanying Notes 1 to 30 are integral part of these Financial Statements.

As per our report of even date attached.

For Samir M Shah & Associates

Chartered Accountants

Firm Regn No. 122377W

Samir Shah

Partner

Membership No. 111052

Place : Ahmedabad

Date : 24th July, 2020

For and on behalf of the Board of Directors

sd/-

Dipak N. Patel

Managing Director

(DIN – 02052080)

sd/-

Rajesh Mody

Director

(DIN - 02054117)

Khyati Vyas

(Company Secretary)

Place : INDRAD (Kadi)

Date : 24th July, 2020

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

(Amount in ₹)

Particulars	Amount
Balance as at 1st April, 2019	3,00,00,000
Changes during the year	-
Balance as at 31st March, 2020	3,00,00,000

B. OTHER EQUITY

(Amount in ₹)

Particulars	Retained Earnings	Other Comprehensive Income	Total
Balance as at 1st April, 2019	(2,52,54,600)	-	(2,52,54,600)
Profit for the year	44,38,111	-	44,38,111
Balance as at 31st March, 2020	(2,08,16,489)	-	(2,08,16,489)

As per our report of even date attached.

For Samir M Shah & AssociatesChartered Accountants
Firm Regn No. 122377W**Samir Shah**Partner
Membership No. 111052Place : Ahmedabad
Date : 24th July, 2020**For and on behalf of the Board of Directors**sd/-
Dipak N. Patel
Managing Director
(DIN – 02052080)sd/-
Rajesh Mody
Director
(DIN - 02054117)**Khyati Vyas**
(Company Secretary)Place : INDRAD (Kadi)
Date : 24th July, 2020

Company Overview & Significant Accounting Policies

NOTE : 1

Reporting Entity

Crestchem Limited (the 'Company') is a company domiciled in India with its registered office situated at 550/1, Sub Plot No. 12, Village-Indrad, Taluka- Kadi, Mahesana- 382715, Gujarat, India. The Company has been incorporated under the provisions of Companies Act applicable in India and its equity shares are listed on the Bombay Stock Exchange (BSE) in India. The Company is primarily involved in manufacturing of Nutrition- Chemical Products.

NOTE : 2

Basis of preparation

Statement of compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements were authorized for issue in accordance with a resolution of the directors on 24th July, 2020. Details of Significant accounting policies are included in the Note 3

(a) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the functional currency.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis.

(c) Use of Estimates and Judgements:

In preparing these financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

Estimates: Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized prospectively.

Judgements: There are no significant judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.

Assumptions and estimation uncertainties: Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, if any are included in the respective note.

(d) Measurement of fair value:

The Company has established policies with respect to the measurement of fair values. The Company regularly reviews significant valuation adjustments. Significant valuation issues are reported to the Company's Board of Directors.

NOTE : 3.

Significant Accounting Policies

(a) Financial instruments

1. Financial Assets:

i) Classification

The Company classifies its financial assets in the following measurement categories:

- Those measured at 'Amortized cost' and
- Those to be measured subsequently at either 'Fair value through other comprehensive income' (FVTOCI) or 'Fair value through profit or loss' (FVTPL).

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

- A financial asset is measured at amortized cost if it meets both following conditions and is not designated as at FVTPL:
 - the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
 - the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A debt investment is measured at FVOCI if it meets both following conditions and is not designated as at FVTPL:
 - the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets are not reclassified after their initial recognition except if and in the period the Company changes its business model for managing financial assets.

ii) Measurement : At initial recognition, the company measures a financial asset when it becomes a party to the contractual provisions of the instruments and measures at its fair value except trade receivables which are initially measured at transaction price. Transaction costs are incremental costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. A regular way purchase and sale of financial assets are accounted for at trade date.

iii) Subsequent measurement and gains and losses

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized method

These assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

- iv) **De-recognition** : The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset is transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.
If the Company enters transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognized.

2. Financial liabilities:

- i) **Classification, subsequent measurement and gains and losses** : Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.
- ii) **De-recognition** : The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the profit or loss.

3. **Offsetting** : Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(b) Property, plant and equipment

1. **Recognition and measurement** : Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

2. **Transition to Ind AS** : On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

3. **Subsequent expenditure** : Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

4. **Depreciation** : Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognized in the statement of profit and loss.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from /upto the date on which asset is ready for use / disposed off.

- (c) **Inventories** : Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

Related items or items of the similar nature are grouped for comparison of cost and net realizable value.

(d) Impairment of assets

1. Impairment of financial assets

The Company recognizes loss allowances for financial assets measured at amortized cost using expected credit loss model.

At each reporting date, the Company assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset, have occurred.

For trade receivables, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

For all other financial assets, the Company measures loss allowances at an amount equal to twelve months expected credit losses unless there has been a significant increase in credit risk from initial recognition in which those are measured at lifetime expected credit risk.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial asset. Twelve months expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the twelve months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve months)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

2. Impairment of non-financial assets : The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

In respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(e) Employee benefits Salary Gratuity PF Cliams settled

1. Short term employee benefits : Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

2. Defined contribution plan : A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to State plans and will have no legal or constructive obligation to pay further amounts. The Company makes contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

3. Defined benefit plan : A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's obligation in respect of defined benefit plans is calculated by estimating the amount of benefit that employees have earned in the current and prior periods.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

- (f) **Provisions (other than employee benefits), Contingent Liabilities and Contingent Assets** : A provision is recognized when the Company has a present legal obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the Current best estimates.

Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed if inflow of economic benefit is probable.

(g) **Revenue Recognition**

1. **Sale of goods**: Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

The timing of transfers of risks and rewards varies depending on the individual terms of sale. For sale of Chemical and Nutrition products, usually such transfer occurs when the product is received at the customer's warehouse. Generally, for such products buyer has no right to return.

2. **Rendering of services**: Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. Under this method, revenue is recognized in the accounting periods in which the services are rendered.

(h) **Recognition of dividend income, interest income**

Dividend on Financial Instruments is recognized as and when realized. Interest is recognized on accrual basis.

- (i) **Income tax** : Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

1. **Current tax** : Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

2. **Deferred tax** : Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets - unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the way the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets or liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on net basis or their tax assets and liabilities will be realized simultaneously.

- (j) **Cash and Cash Equivalents** : Cash and Cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

- (k) **Borrowing cost** : Borrowing cost are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of cost of asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

- (l) **Earnings per share** : Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares outstanding during the year.

Diluted earnings per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year plus potential equity shares.

- (m) **Cash Flow Statement** : Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

Note - 4 Property, Plant and Equipment

(Amount in ₹)

Sr. No.	Particulars	Plant and Equipments	Furniture and Fixtures	Office Equipments	Electrical Installations	Vehicles	Software	Land	TOTAL
1	Cost of Assets								
	As at 1st April, 2019	53,61,286	4,65,982	37,795	3,09,625	7,47,204	16,949	1,60,000	70,98,841
	Addition	-	31,500	23,437	-	-	-	-	54,937
	Disposal / Adjustments	-	-	-	-	-	-	-	-
	As at 31st March, 2020	53,61,286	4,97,482	61,232	3,09,625	7,47,204	16,949	1,60,000	71,53,778
2	Depreciation								
	As at 1st April, 2019	50,15,904	4,42,683	35,732	2,93,983	1,35,898	3,065	-	59,27,265
	Charge for the year	-	2,033	608	1,620	1,90,910	8,771	-	2,03,942
	Disposal / Adjustments	-	-	-	-	-	-	-	-
	As at 31st March, 2020	50,15,904	4,44,716	36,340	2,95,603	3,26,808	11,836	-	61,31,207
3	Net Block								
	As at 31st March, 2019	3,45,382	23,299	2,063	15,642	6,11,306	13,884	1,60,000	11,71,576
	As at 31st March, 2020	3,45,382	52,766	24,892	14,022	4,20,396	5,113	1,60,000	10,22,571

	As at	As at
	31st March, 2020	31st March, 2019

Note - 5 Other Financial Assets

1	Fixed Deposit with maturity of more than 12 Months	5,11,741	4,28,926
	Total	5,11,741	4,28,926

Note - 6 Deferred Tax Assets (NET)

1	Deferred Tax Liabilities		
	Temporary Difference of Depreciation as per Income Tax	-	(1,51,863)
2	Deferred Tax Assets		
	Temporary Difference of carry forward of losses as per Income Tax	-	4,20,246
	Total	-	2,68,384

Note - 6A Deferred Tax liability (NET)

1	Deferred Tax Liabilities		
	Temporary Difference of Depreciation as per Income Tax	1,20,501	-
2	Deferred Tax Assets		
	Temporary Difference of carry forward of losses as per Income Tax	-	-
	Total	1,20,501	-

Note - 7 Other Non-Current Assets

1	Advance given for purchase of Land	7,50,550	7,50,550
	Total	7,50,550	7,50,550

Note - 8 Inventories (As taken, valued & certified by the Management)
 (At lower of Cost or Net Realisable Value)

1	Raw Materials	25,000	47,170
2	Finished Goods	37,940	19,570
	Total	62,940	66,740

Note - 9 Trade Receivables

1	Unsecured , Considered Good		
	(a) Outstanding for more than six months	-	-
	(b) Others	4,14,733	8,22,241
	Total	4,14,733	8,22,241

Note - 10 Cash & Cash Equivalents

1	Cash on Hand	3,93,554	6,77,154
2	Others		
	(a) In Fixed Deposit	-	-
3	In Current Accounts	88,110	16,581
	Total	4,81,664	6,93,735

	As at 31st March, 2020	Amount in ₹ As at 31st March, 2019
Note - 11 Other Bank Balances		
1 Fixed Deposits with Banks		
(a) More than 3 months but less than 12 months	59,00,000	23,00,000
(b) More than 12 months	5,11,741	4,28,926
	64,11,741	27,28,926
Less : Bank FD for more than 12 months transferred to Other Financial Assets	(5,11,741)	(4,28,926)
Total	59,00,000	23,00,000

Note - 12 Other Current Assets

1 Advances other than capital advances		
(a) Security Deposits	-	-
(b) Other Advances		
(i) Balance with Government Authorities	-	4,64,039
(ii) Advances to Suppliers	11,00,000	7,00,000
(iii) Advance tax	9,00,000	11,64,800
(vi) TDS Receivable	71,521	-
2 Others		
UGVCL	20,291	20,291
Vat @ 1%	-	6,370
Vat @ 4%	-	25,631
Total	20,91,812	23,81,131

Note - 13 Equity Share Capital

1 AUTHORIZED SHARE CAPITAL		
4000000 Equity Shares of ₹ 10/- each (Previous Year 4000000 Equity Shares of ₹ 10/- each)	4,00,00,000	4,00,00,000
Total	4,00,00,000	4,00,00,000
2 ISSUED , SUBSCRIBED & FULLY PAID UP CAPITAL		
3000000 Equity Shares of ₹ 10/- each fully paid up (Previous Year 3000000 Equity Shares of ₹ 10/- each fully paid up)	3,00,00,000	3,00,00,000
Total	3,00,00,000	3,00,00,000

13.1 The reconciliation of the number of Equity Shares outstanding as at 31st March 2020 is set out below :

Particulars	As at 31st March, 2020	
	No. of shares	₹
Shares outstanding at the beginning of the year	30,00,000	3,00,00,000
Add: Shares issued during the year	-	-
Shares outstanding at the end of the year	30,00,000	3,00,00,000
Particulars	As at 31st March, 2019	
	No. of shares	₹
Shares outstanding at the beginning of the year	30,00,000	3,00,00,000
Add: Shares issued during the year	-	-
Shares outstanding at the end of the year	30,00,000	3,00,00,000

13.2 Rights, preferences and restrictions attached to Equity Shares

The company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding .

13.3 The details of shareholders holding more than 5% shares are set out below

Name of the shareholders	As at 31st March, 2020	
	No. of Shares	% of holding
1 Narendraprasad C. Patel	3,03,900	10.13%
2 Dipak N. Patel	4,40,987	14.70%
Name of the shareholders	As at 31st March, 2019	
	No. of Shares	% of holding
1 Narendraprasad C. Patel	3,03,900	10.13%
2 Dipak N. Patel	4,11,995	13.73%

Amount in ₹

	As at 31st March, 2020	As at 31st March, 2019
Note - 14 Other Equity		
A Retained Earnings		
Balance as per last Financial year	(2,52,54,600)	(2,35,58,233)
Add : Profit for the year	44,38,111	(16,96,367)
Less: Appropriations		
B Other Comprehensive Income	-	-
Total	<u>(2,08,16,489)</u>	<u>(2,52,54,600)</u>
Note - 15 Borrowings		
1 Loans repayable on demand (Secured)		
(a) From Banks *	1,52,602	9,87,912
(b) From other parties	-	-
2. Loans repayable on demand (Unsecured)		
(a) From Bank	-	-
(b) From other parties	-	18,50,000
Total	<u>1,52,602</u>	<u>28,37,912</u>
*Secured against Fixed Deposits		
Note - 16 Trade Payables		
1 Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,01,112	1,86,025
Total	<u>5,01,112</u>	<u>1,86,025</u>
* The Company has not received information from the Suppliers regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosures, if any relating to amounts unpaid as at the balance sheet date together with interest paid or payable as per the requirement under the said Act, have not been made.		
Note - 17 Other Current Liabilities		
1 Revenue received in Advance	-	-
2 Other Advances		
(a) Advance for sale of assets	-	-
3 Creditors for expenses	-	-
4 Others*	-	-
5 Statutory dues		
- taxes payable (other than income taxes)	3,89,513	31,406
- Employee Recoveries and Employer Contributions	-	-
Total	<u>3,89,513</u>	<u>31,406</u>
* This also includes Statutory Dues		
Note - 18 Provisions		
1 Provision for employee benefits		
Provision for Gratuity	-	-
2 Others		
Provision for Income tax	8,68,772	10,40,000
Provision for Expense	20,000	42,540
Total	<u>8,88,772</u>	<u>10,82,540</u>
Note - 19 Revenue from Operations		
1 Sale of Products	6,10,44,736	2,80,930
2 Other Operating revenue		
(a) Commission	10,00,000	7,63,000
Total	<u>6,20,44,736</u>	<u>10,43,930</u>
Note - 20 Other Income		
1 Interest Income	2,48,571	1,84,969
2 Other Non Operating Income		
(a) Interest received on Income Tax Refund	1,703	17,900
(b) Miscellaneous Income	23	353
Total	<u>2,50,297</u>	<u>2,03,222</u>

Particulars	Year ended 31st March, 2020 ₹	Year ended 31st March, 2019 ₹
Note - 21 Cost of Materials Consumed		
Opening Stock	47,170	-
Add : Purchases	4,88,55,130	2,58,105
Sub Total	4,89,02,30	2,58,105
Less: Closing Stock	25,000	47,170
Total	4,88,77,300	2,10,935
Note - 22 Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress		
Finished Goods		
Opening Stock	19,570	-
Less: Closing Stock	37,940	19,570
Total	(18,370)	(19,570)
Note - 23 Employee Benefits Expense		
1 Salaries and Wages	12,92,457	12,52,000
Total	12,92,457	12,52,000
Note - 24 Finance Costs		
1 Interest Expense		
Interest Charges	44,813	61,149
Bank Charges	4,419	1,126
Total	49,232	62,275
Note - 25 Other Expenses		
1 Travelling and Conveyance	4,75,748	1,50,760
2 Telephone Expense	17,186	11,457
3 Electricity Expense	10,297	12,869
4 Stationery and Printing Expense	64,887	66,766
5 Payment to Auditors		
As Auditor:		
Statutory Auditor	30,000	35,400
In other capacity:		
For Other Services	93,502	37,497
	1,23,502	72,897
6 Listing Fees	3,00,000	2,65,194
7 ROC Fees	12,200	4,900
8 Director's Sitting Fees	4,500	7,500
9 Rent Expense	90,000	36,000
10 Professional Fees	5,600	5,720
11 Professional Charges	78,500	-
12 Legal Fees & Professional Fees	3,70,717	3,87,962
13 Miscellaneous Expenses	90,896	14,005
14 TDS Penalty	-	10
15 Account Fees	18,000	84,000
16 Insurance Expense	15,150	17,529
17 Advertisement, Promotion & Selling Expenses	27,820	32,000
18 Courier Charges	13,435	94,803
19 Freight Ex	8,12,446	-
20 Factory Exp	29,320	-
21 ROC Late Fees & Other Penalty	14,000	-
22 Commission Exp	28,77,000	-
23 Excess Of VAT/ST/Others	5,05,495	-
24 Postage Expense	1,31,371	-
25 Reimbursement of Exp	93,280	17,000
26 Vera Samadhan Yojna	3,104	-
27 Web Site Exp	10,250	3,250
Total	61,94,704	12,84,622
Note - 26 Earning Per Share		
1 Net Profit attributable to the Equity Shareholders	44,38,111	(16,96,367)
2 Weighted average number of Equity Shares outstanding during the period	30,00,000	30,00,000
3 Nominal value of Equity Shares (₹)	10	10
4 Basic/Diluted Earnings per Share (₹)	1.48	(0.57)

Note - 27 Related party disclosures

(A) Key management personnel:

Sr. No.	Name	Designation
1	Mr. Dipak N. Patel	Managing Director

(B) Other related parties:

Sr. No.	Particulars	Nature of relationship
1	Mrs. Parul D. Patel	Relatives of key management personnel
2	Mr. Nimit D. Patel	
3	Mrs. Kusum N Patel	

27.1 Disclosures of Transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2020 :

Sr. No.	Nature of Transaction	Key management personnel ‘	Other related parties ‘
1	Directors’ Remuneration and perquisites (Previous Year)	12,57,155	-
	Amount receivable at the year end (As at 31st March, 2020)	12,00,000	-
	(As at 1st April, 2019)	-	-
	Amount payable at the year end (As at 31st March, 2020)	-	-
	(As at 1st April, 2019)	1,47,155	-
		90,000	-

27.2 Disclosures in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

Sr. No.	Description	Year ended 31st March,2020	Year ended 31st March,2019
1	Directors’ Remuneration and perquisites (Mr Dipak N Patel)	12,57,155	12,00,000

Note - 28 Operating Segment

(a) Information about Reportable segment:

The Company operates mainly in manufacturing of Nutrition Chemical products. Hence there are no separate reportable Segment.

(b) Major customers

The details of the major customers generating more than or equal to 10% of the total revenue for the year are given in the following table.

Sr. No.	Amount of revenue ‘	Percentage of total revenue%
1	86,05,500	14
2	5,10,00,000	82
Total	5,96,05,500	96

Note - 29

(A) Financial Risk Management Objectives and Policies

The Company’s principal financial liabilities, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company’s operations. The Company’s principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company’s senior management oversees the management of these risks and ensures that Company’s financial risks are identified, measured and governed in accordance with the Company’s policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk that affects the Company comprises of one element: Interest rate risk. Financial instruments affected by market risk include loans, borrowings and deposits.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to short term debt obligations with fixed interest rates.

(ii) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities including deposits with banks and other financial instruments.

Trade Receivables

Customer credit risk is managed by the Company's policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset disclosed in respective note. The Company does not hold collateral as security.

Cash deposits

Credit risk from balances with banks is managed by the Company in accordance with its policies. These policies are set to minimize concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(iii) Liquidity Risk

The Company manages its liquidity risk by using liquidity planning and balancing funds requirement vis a vis funds available. Various lines of credit available are used to optimize funding cost and ensuring that adequate funds are available for business operations.

(B) Capital Risk Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to equity shareholders.

The Company monitors capital using a ratio of adjusted net debt to equity. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Equity comprises all components of equity.

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio at 31st March, 2020 was as follows:

Particulars	Year ended	Year ended
	31st March, 2020	31st March, 2019
	₹	₹
Total liabilities	19,31,999	41,37,883
Less: cash and cash equivalents	(4,81,664)	(6,93,735)
Adjusted net debt	14,50,335	34,44,148
Equity	91,83,511	47,45,400
Equity	91,83,511	47,45,400
Adjusted net debt to equity ratio	0.16	0.73

Note - 29 (b)**(i) Consumption of Raw Materials:**

Particulars	2019-20	2018-19
	Amount (₹)	Amount (₹)
MCT Oil/PowderAcid	4,88,77,300	2,10,935
Malto Dextrin Powder	-	-
Total	4,88,77,300	2,10,935

(ii) Work in Progress:

Corn Fat Powder	-	-
MCT FAT Powder	-	-
Total	-	-

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

Particulars	Sales / Transfer		Opening Stock		Closing Stock	
	2019-20 Amount(₹)	2018-19 Amount(₹)	2019-20 Amount(₹)	2018-19 Amount(₹)	2019-20 Amount(₹)	2018-19 Amount(₹)
MCT FAT Powder	6,180	-	19,570	-	14,440	19,570
MCT FAT Powder 50%	3,750	20,680	-	-	-	-
MCT FAT Powder 70%	42,230	-	-	-	-	-
MCT FAT Powder 70% with Protine	41,926	1,54,800	14,000	-	-	14,000
MCT Oil (Caprylic/capric Triglyceride)	49,57,200	-	-	-	23,500	-
Lactase	-	-	25,000	-	25,000	25,000
MCT Oil	1,49,94,500	61,800	-	-	-	-
Plastic Carboys	8,170	-	8,170	-	-	8,170
Caprylic Acid	-	12,600	-	-	-	-
High Oleic Sunflower Oil Powder 70%	-	450	-	-	-	-
MCT FAT Powder 70% with GUM	-	20,600	-	-	-	-
Malto Dextrin Powder	-	-	-	-	-	-
Total	2,00,53,956	2,70,930	66,740	-	62,940	66,740

Particulars	2019-20 Amount (₹)	2018-19 Amount (₹)
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(iv) Details of Goods Traded:

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

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

(vi) Expenditure in foreign currency during the financial year:

(i) Technical Know how / Professional Fees / Consultancy Fees	-	-
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(vii) Value of Raw Materials, Stores, Chemical & Spares consumed during the year:

Particulars	Amount(₹)		% of Total Consumption	
	2019-20	2018-19	2019-20	2018-19
Raw Materials				
(i) Imported	-	-	-	-
(ii) Indigenous	4,88,77,300	2,10,935	100%	100%
Total	4,88,77,300	2,10,935	100%	100%
Stores, Spares & Consumables				
(i) Imported	-	-	-	-
(ii) Indigenous	-	-	-	-
Total	-	-	-	-

Particulars	2019-20 Amount (₹)	2018-19 Amount (₹)
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(viii) Earnings in Foreign Currency :

F.O.B. Value of Earning	-	-
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(ix) Remittance in Foreign Currency :

Expenditure in Foreign Currency	-	-
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Note - 30

Previous Year's figures have been regrouped / reclassified wherever necessary to confirm to current year presentation.

As per our report of even date attached.

For and on behalf of the Board of Directors

For Samir M Shah & Associates

Chartered Accountants
Firm Regn No. 122377W

Samir Shah
Partner
Membership No. 111052
Place : Ahmedabad
Date : 24th July, 2020

sd/-
Dipak N. Patel
Managing Director
(DIN – 02052080)
Khyati Vyas
(Company Secretary)
sd/-
Rajesh Mody
Director
(DIN - 02054117)
Place : INDRAD (Kadi)
Date : 24th July, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

PARTICULARS	Year ended 31st March, 2020 ₹	Year ended 31st March, 2019 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	56,95,768	(16,55,673)
Adjustment for :		
Interest and Finance Charges	44,813	61,149
Depreciation (Including adjusted to General Reserve)	2,03,942	1,12,563
Interest Income	(2,48,571)	(1,84,969)
Income tax Expense	(1,84,969)	-
	<u>56,95,952</u>	<u>(16,66,930)</u>
Working Capital Adjustments :		
(Increase) in trade receivables	4,07,508	1,39,149
(Increase) / decrease in inventories	3,800	(66,740)
(Increase) / decrease in other current asset	2,89,319	(10,27,408)
Increase / (decrease) in trade payables	3,15,087	1,50,625
Increase / (decrease) in Short term borrowings	(26,85,310)	14,11,406
Increase / (decrease) in other current liability	3,58,107	(21,887)
(Decrease) in provisions	(1,93,768)	8,68,344
Cash Generated From operating activities	<u>41,90,695</u>	<u>(2,13,441)</u>
Income tax paid (net)	-868772	-
Net cash used in operating activities (A)	<u>33,21,923</u>	<u>(2,13,441)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Received	2,48,571	1,84,969
Advance given for purchase of Fixed Assets	-	1,60,000
Proceeds on maturity of Fixed Deposits	(36,00,000)	-
Investment in Fixed Deposits	(82,815)	(93,410)
Capital expenditure on fixed assets, including capital advances	(54,937)	(1,76,949)
Net cash from investing activities (B)	<u>(34,89,181)</u>	<u>74,611</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest and Finance Charges paid	(44,813)	(61,149)
Net cash flow from Financing Activities (C)	<u>(44,813)</u>	<u>(61,149)</u>
Net Increase/ (Decrease) In Cash & Cash Equivalents Total (A+B+C)	<u>(2,12,072)</u>	<u>(1,99,979)</u>
Add : Cash and Cash Equivalents balance as at 1st April, 2019	<u>6,93,736</u>	8,93,715
Cash and Cash Equivalents as at 31st March 2020	<u>4,81,664</u>	<u>6,93,736</u>

The accompanying Notes 1 to 30 are integral part of these Financial Statements.

The Company has used profit or loss after tax as the starting point for presenting operating cash flows using the indirect method. In our view, the statement can also be prepared with profit or loss before tax as the starting point.

As per our report of even date attached.

For Samir M Shah & Associates

Chartered Accountants

Firm Regn No. 122377W

Samir Shah

Partner

Membership No. 111052

Place : Ahmedabad

Date : 24th July, 2020

For and on behalf of the Board of Directors

sd/-

Dipak N. Patel
Managing Director
(DIN – 02052080)

sd/-

Rajesh Mody
Director
(DIN - 02054117)

Khyati Vyas

(Company Secretary)

Place : INDRAD (Kadi)

Date : 24th July, 2020



CRESTCHEM LIMITED

CIN : L24100GJ1991PLC015530

Registered Office : Sr. No. 550/1, Sub Plot Number 12, Village Indrad, Taluka – Kadi, District – Mehsana,
Pin Code – 382 715 Tel : (0264) – 278247/09409119484 E-mail : info@crestchemlimited.in
Website : www.crestchemlimited.com

***This Request your immediate attention and action. Please do not ignore
Please Contact for any help : +91-9409119484 Email Id : info@crestchemlimited.in***

Dear Shareholder (s),

Sub : Updation of PAN, Bank Account, Email and Contact Number in respect of shares held by you in Crestchem Limited, in Physical / Demat form.

As per SEBI has mandated that the PAN and Bank account details to be collected by the Company/RTA. Also as per Section 88 of Companies Act, 2013, The register members is also to be updated with details and in terms of Rule 18 of the Companies (Management & Administration) Rules, 2014, the share holders are to be provided with opportunity to register their email ids and opt for receipts of all communication electronically.

Further, As per the amended provision of SEBI (LODR) Regulation 2015, The Shares are to be traded compulsorily in demat form effective from 05th December, 2018, except in case of transmission and transposition of securities, requests for effecting transfer of securities shall not processed unless the securities are held in dematerialized form. **Kindly take steps for dematerializing the shares at an early date.**

For and on behalf of the Board

Sd/-

Dipak N. Patel

Chairman / Managing Director
(DIN – 02052080)

Place : Indrad (Kadi)

Date : 23-09-2020

CUT HERE

**TO BE FILLED IN BY THE SHARE HOLDER AND RETURNED TO US
PAN DETAILS – PLEASE PROVIDE AND ENCLOSED SELF ATTESTED PAN CARD COPY.**

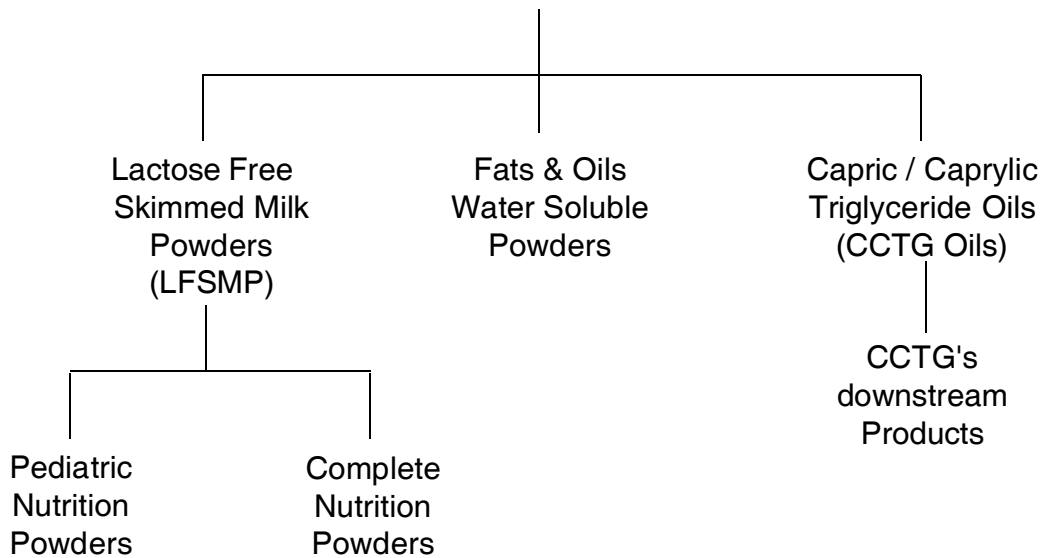
Folio Number/DPID :		Name of the Company : Crestchem Limited									
NAME OF THE HOLDER(s)		INCOME TAX PAN NUMBER									
FIRST											
SECOND											
THIRD											
EMAIL ID :											
CONTACT NUMBER :											
NAME OF THE BANK:											
ADDRESS :											
BANK ACCOUNT NUMBER :											
IFSC CODE :											
MICR/ECS CODE:											

The Above details true to be best of my knowledge and belief. Give my consent to receive the communications from the Company/ RTA electronically through Specified Email ID.

Please post to our registered office address i.e : Sr. No. 550/1, Sub Plot Number 12, Village Indrad, Taluka – Kadi, District – Mehsana, Pin Code – 382 715 or sent on our **Email ID i.e info@crestchemlimited.in**

Signature of the Sole/First Shareholder

**OUTLINES OF THE EXISTING AND
FUTURE PRODUCTS & PROJECTS ENVISAGED
BY THE COMPANY**



**BOOK-POST
PRINTED MATTER**

To,

If undelivered, please return to :

Crestchem Limited

CIN : L24100GJ1991PLC015530

REGISTERED OFFICE

Sr. No. 550/1, Sub Plot Number 12, Village Indrad, Taluka – Kadi,

District – Mehsana, Pin Code – 382 715

Tel : (0264) – 278247 / 9409119484 E-mail : info@crestchemlimited.in

Website : www.crestchemlimited.com