



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



## TWENTY FIRST ANNUAL REPORT 2012-2013

### BOARD OF DIRECTORS

Shri Dipak N. Patel	- Managing Director
Shri Rajesh I. Mody	- Independent Director
Shri Narendrakumar H. Patel	- Independent Director
Shri H. L. Joshi	- Independent Director

### BANKERS

BANK OF INDIA

### AUDITORS

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

### FACTORY AND REGISTERED OFFICE

325, Village : Indrad,  
Chhatral - Kadi Road, Tal.: Kadi, Dist. : Mehsana,  
(NORTH GUJARAT) 382721.  
02764-277844  
[www.crestchemlimited.in](http://www.crestchemlimited.in).

### SHARE TRANSFER REGISTRAR

**LINK INTIME INDIA PRIVATE LIMITED**  
303, 3<sup>rd</sup> Floor, Shoppers Plaza V,  
Opp. Municipal Market, Off. C. G. Road,  
Navrangpura, Ahmedabad -380009  
Telefax No. : 91-79 - 26465179  
Email: ahmedabad@linkintime.co.in

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**FROM THE MANAGING DIRECTOR'S DESK**

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

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

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

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

Let us hope for the very best.

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

**Important Communication to Members**

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

## NOTICE

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

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

to transact the following business :

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Accounts of the Company for the period (12 months) ended on 31<sup>st</sup> March 2013, and the Director's and Auditor's Reports thereon.
2. To appoint a Director in place of Shri H.L. Joshi who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the board of directors to fix their remuneration.

**SPECIAL BUSINESS:**

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

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

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

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

By Order of the Board of Directors  
Sd/-

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

**Dipak N. Patel**  
Managing Director

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.
2. The Register of members and Share transfer book of the Company will remain closed from 26<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (Both days inclusive).
3. Members seeking any further information are requested to write to the Company at least 10 days before the meeting so as to enable management to keep the information ready at the meeting.
4. Members/Proxies are requested to bring with them duly filled attendance slip for attending the meeting.
5. Members are requested to intimate the Company's Registrar & Share Transfer Agent at **LINK INTIME INDIA PRIVATE LIMITED** 303, Shopper Plaza V, – Opp. Municipal Market, Off. C.G. Road, Navrangpura, Ahmedabad – 380 009. **Telefax No : 91-79-26465179 Email: Ahmedabad@linkintime.co.in** in case:
  - (a) Shares are held in the same name or in the same order or names, but in more than one account to enable the Company to club the said accounts in to one account.
  - (b) Notify immediately the change in their registered address, if any, to the Company.
6. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
7. The relevant Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 and also under the Code of Corporate Governance in respect of item No. 2 & 4 is annexed hereto.

By Order of the Board of Directors

Sd/-

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

**Dipak N. Patel**  
Managing Director

**ANNEXURE TO THE NOTICE**

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

**Item No. 2**

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

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

Shri H. L. Joshi is interested in this resolution as it relates to his re-appointment.

Resolution placed at Item No. 2 of the accompanying Notice, is recommended for your approval.

**Item No. 4**

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

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

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

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

**II. REMUNERATION:**

**A. SALARY :**

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

**B. PERQUISITES :**

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

**C. COMMISSION :**

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

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

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

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

**IV. DUTIES:**

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

**V. TERMINATION:**

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

**VI. COMPENSATION:**

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

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

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

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

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

**Item No. 5**

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

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

Hence, It is advisable to delist in ASE Platform.

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

By Order of the Board of Directors  
Sd/-

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

**Dipak N. Patel**  
Managing Director

## DIRECTOR'S REPORT TO THE MEMBERS

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

### 1. FINANCIAL RESULTS

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

### 2. DIVIDEND

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

### 3. OPERATIONS

The plant's utilization remained sub-optimal due to financial constraints and the time which was required to be devoted in technically perfecting the products / formulations, in the potential nutraceutical – Enteral and Pediatric nutrition field.

### 4. DIRECTORS

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

### 5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

### 7. OTHER INFORMATION

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

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

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

### 8. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- (b) Appropriate accounting policies have been selected and applied so as to give a true and fair view of the state of affairs of the Company as at March, 31<sup>st</sup> 2013 and of the loss of the Company for that period.
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The annual accounts have been prepared on a going concern basis.

### 9. DEPOSITS

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

### 10. FINANCE

The accumulated losses of the company are in excess of 50% of the net worth, as on 31<sup>st</sup> March, 2013. The company is not a sick industrial undertaking within the clause (O) of sub clause (i) of section 3 of sick industrial companies (Special Provision) Act, 1985. However, it is potentially sick under the meaning of section 23 of the said Act, and accordingly, as on date, no reference is made to the Board for Industrial and Financial Reconstruction. The said loss includes non cash – depreciation charges. Also the company has no outstanding term loans or working capital loans or any kind of loans from banks or financial institutions. There are no outstanding interest payments on above.

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

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

## 11. AUDITORS

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

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

## 12. COST AUDIT

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

## 13. PARTICULARS OF EMPLOYEES

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

## 14. INFORMATION REGARDING CONSERVATION OF ENERGY ETC.

Information required u/s. 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 form part of this report. However, as per the provisions of section 219(1)(b)

(iv), the reports and accounts are being sent to all shareholders of the Company excluding the information relating to conservation of energy, foreign exchange earnings and outgo, and the statement of particulars of employees. Any shareholder interested in obtaining such particulars may write to the Director / Company Secretary at the Registered Office of the Company.

## 15. CORPORATE GOVERNANCE REPORT

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

## 16. COMPLIANCE CERTIFICATE

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

## 17. INDUSTRIAL RELATIONS, SAFETY AND ENVIRONMENT

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

## 18. ACKNOWLEDGEMENT

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

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

For and on behalf of the Board  
Sd/-

**Dipak N. Patel**  
Managing Director

## ANNEXURE A

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Industry Structure and Development:

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

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

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

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

The plant's utilization remained sub-optimal due to financial constraints and the time which was required to be devoted in technically perfecting the products / formulations, in the potential nutraceutical – Enteral and Pediatric nutrition field.

#### Internal Control Systems and their adequacy:

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

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

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

#### Human Resource / Industrial Relations:

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

#### Business Outlook:

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

#### Cautionary Statement:

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

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



## **ANNEXURE - B**

### **CORPORATE GOVERNANCE**

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

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

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

#### **2. BOARD OF DIRECTORS:**

##### **(a) Composition of Board :**

The Board of directors of the Company consists of 4 directors out of which there is one Managing Director and 3 Non Executive directors, who are eminent personnel with wide range of skills and experience in business, finance and law. The chairman of the board expired during the year and 1 independent director was appointed in his place, due compliances have been made for the same. The Board comprises of 3 independent directors. The Board normally meets once in a quarter, and additional meetings are held as and when required.

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

	Directors	Category	Attendance Particulars		No. of other Directorships and other committee memberships / chairmanships held in other public Ltd. Companies.		
			Board Meeting	Last AGM	Directorships	Committee Memberships	Committee Chairmanship
1	Mr. Dipak Patel	Managing Director	6	Yes	-	-	-
2	Mr. Rajesh I. Mody	Non-executive Independent Director	6	Yes	-	-	-
3	Mr. Narendrakumar H. Patel	Non-executive Independent Director	6	Yes	-	-	-
4	Mr. H. L. Joshi	Non-executive Independent Director	6	Yes	-	-	-

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

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

#### **BOARD COMMITTEES**

#### **3. AUDIT COMMITTEE:**

The Audit Committee was constituted on 15-03-2003 consisting of three directors. The quorum is 2 members. The terms of the reference of the Audit committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting system, internal control systems, ensuring compliance with the regulatory guidelines, and reviewing the risk management policies of the Company. The Audit committee met prior to the finalization and approval of accounts for the year ended on 31<sup>st</sup> March, 2013. The committee has full access to all accounting records of the company.

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

Name of the Members	Designation and Category	Profession	Attendance at the Audit Committee meeting held on			
			15 <sup>th</sup> Jun, 2012	14 <sup>th</sup> Aug, 2012	9 <sup>th</sup> Nov, 2012	12 <sup>th</sup> Feb, 2013
Mr. Narendrakumar H. Patel	Chairman of the committee and non-executive Independent Director	Graduate in Accounts (Commerce) and having experience of Sr. Accountancy and Finance, besides marketing experience.	Yes	Yes	Yes	Yes
Mr. Rajesh I. Mody	Member of the committee and non-executive Independent Director	Graduate in Science and experienced businessman	Yes	Yes	Yes	Yes
Mr. Dipak N. Patel	Managing Director	Graduate in Science and MBA having Sr. Management experience.	Yes	Yes	Yes	Yes

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

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

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

Name of the Members	Designation and Category	Attendance at the Remuneration Committee meeting held on 31 <sup>st</sup> January, 2013
Mr. Rajesh I. Mody	Chairman of the Committee and Non-executive Independent Director	Yes
Mr. Narendrakumar H. Patel	Member and Non-executive Independent Director	Yes

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

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

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

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

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

Name of the Members	Designation and Category	Attendance at the Shareholder's/ Investor's Grievances meeting held on				
		23 <sup>rd</sup> Apr, 2012	15 <sup>th</sup> June, 2012	14 <sup>th</sup> Aug, 2012	9 <sup>th</sup> Nov, 2012	12 <sup>th</sup> Feb, 2013
Mr. Narendrakumar H. Patel	Member of the committee and non-executive Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Rajesh I. Mody	Member of the committee and non-executive Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. H. L. Joshi	Member of the committee and non-executive Independent Director	No	No	No	Yes	Yes

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

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

**6. GENERAL BODY MEETINGS:**

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

Financial Year	Date	Time	Location of the Meeting	Any Special Resolution Passed
2009-2010 (12 Months Period)	28/09/2010	05.00 p.m.	<b>EIGHTEENTH AGM</b> at Regd. Office of the Company at : 325, INDRAD - 382721, Tal. : Kadi, Dist.: Mehsana, (North Gujarat)	No
2010-2011 (12 Months Period)	30/09/2011	05.00 p.m.	<b>NINETEENTH AGM</b> at Regd. Office of the Company at : 325, INDRAD - 382721, Tal. : Kadi, Dist.: Mehsana, (North Gujarat)	No
2011-2012 (12 Months Period)	28/09/2012	05.00 p.m.	<b>TWENTIETH AGM</b> at Regd. Office of the Company at : 325, INDRAD - 382721, Tal. : Kadi, Dist.: Mehsana, (North Gujarat)	No

**7. MEANS OF COMMUNICATION:**

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