



22ND
ANNUAL REPORT
2013-2014



TWENTY SECOND ANNUAL REPORT 2013-2014

BOARD OF DIRECTORS Shri Dipak N. Patel - Managing Director (DIN – 02052080)
 Shri Rajesh I. Mody - Independent Director (DIN – 02054117)
 Shri Narendrakumar H. Patel - Independent Director (DIN–02054077)
 Shri H. L. Joshi - Independent Director (DIN – 05156058)

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) 382715.
 02764-277844
 investor@crestchemlimited.in
www.crestchemlimited.in.

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

CIN **L24100GJ1991PLC015530**

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NOTICE

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

Date	: 30 th September, 2014
Day	: Tuesday
Time	: 05.00 p.m.
Place	: Conference Hall, Sankalp Express, 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 31st March 2014, and the Director's and Auditor's Reports thereon.
2. To appoint a Director in place of Shri Rajesh I. Mody (DIN – 02054117) who retires by rotation and being eligible offers himself for re-appointment.
3. 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 Talati & Talati, Chartered Accountants, (Firm Registration No. 110758W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 23rd 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 service tax and reimbursement of out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS:

4. **Appointment of Shri Rajesh I. Mody (DIN – 02054117) as an Independent Director.**

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

"RESOLVED THAT pursuant to the provisions of sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013, Shri Rajesh I. Mody (DIN 02054117), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31,2019".

5. **Appointment of Shri Narendrakumar H. Patel (DIN – 02054077) as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013, Shri Narendrakumar H. Patel (DIN 02054077), Director of the Company, liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office

of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31,2019".

6. **Appointment of Shri H. L. Joshi (DIN – 05156058) as a Independent Director**

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

"RESOLVED THAT pursuant to the provisions of sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013, Shri H. L. Joshi (DIN 05156058), Director of the Company, liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31,2019".

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

"RESOLVED THAT pursuant to the Provisions of Section 180(1)(a) of the Companies Act 2013 and the Rules made there under and all applicable provisions, for the time being in force subject to the enabling provisions of Memorandum and Articles of Association of the Company, Consent of the Company be and is here by accorded to the Board of Directors of the Company, to sell, lease or otherwise dispose off Part or whole or substantially the whole of the Undertaking(s) of the Company comprising of its any of its facilities / offices / divisions / Factories / Plant / Land or other assets / Properties or any substantial part of the Properties wherever situated, to any other Company, firm or any other entities and/or conferring the power to finalize the terms of such sell, lease or otherwise dispose off Part or whole or substantially the whole of the Undertaking(s) of the Company and that on behalf of Board of Directors, Mr. Dipak N. Patel (DIN 02052080) Managing Director and/or any one of the Director of the Company be and is/are hereby jointly/severally authorized to enter in to any agreement with the concerned party to sell/lease or otherwise dispose off the Part or whole or substantially whole of the undertaking(s) of the Company for the benefit of the Company."

"RESOLVED FURTHER THAT on behalf of the Board of Directors of the Company, Mr. Dipak N. Patel (DIN 02052080), Managing Director and/or any one of the Director of the Company be and is/are hereby jointly/severally authorized to do such acts/deeds and things and to sign/seal/execute and deliver all such documents, agreements, assignment, conveyances, deeds and writings as may be necessary for the expedient and incidental there to give aforesaid resolution and for the matter connected with and incidental there to."

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

"RESOLVED THAT, pursuant to the Provisions of 180 (1)(a) and Section 179 of the Companies Act 2013 and the Rules made there under and all applicable provisions, for the time being in force subject to the enabling provisions of Memorandum and Articles of Association of the Company, Consent of the Company be and is here by accorded to the Board of Directors of the Company, to the creation of such mortgages, Charges, hypothecations and floating charges in such form and such manner as may be agreed to between the Board of Directors and the Company's lender on all or any of the movable and immovable properties of the Company both



present and future of every nature and kind whatsoever and the undertaking of the Company in certain events, to secure term loans/ working capital facilities / External Commercial Borrowings/ Debentures/ any other form of finance etc. not exceeding ` 15 Crores (Rupees Fifteen Crores) at any one point of time from the Financial institution / Banks and other agencies/ parties / person with interest thereon, commitment charges, Liquidated damages, charges, expenses and other monies, such mortgages and / or charges already created or to be created in future by the Company in such manner as may be thought expedient by the Board of Directors."

"RESOLVED FURTHER THAT on behalf of the Board of Directors of the Company, Mr. Dipak N. Patel (DIN 02052080), Managing Director and/or any one of the Director of the Company be and is/are hereby jointly/severally authorized to do such acts/deeds and things and to sign/seal/execute and deliver all such documents, agreements, assignment, conveyances, deeds and writings as may be necessary for the expedient and incidental there to give aforesaid resolution and for the matter connected with and incidental there to."

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

"RESOLVED THAT pursuant to the Provisions of Section 180 (1)(C) of the Companies Act, 2013 and the Rules made there under and all applicable provisions, for the time being in force subject to the enabling provisions of Memorandum and Articles of Association of the Company, Consent of the Company be and is here by accorded to the Board of Directors of the Company to Borrow monies for the purpose of business of the Company from any Bank, Financial Institution or any person, such sum or sums monies as they may deem necessary, notwithstanding the fact that the monies so borrowed from time to time apart from temporary loans obtained by the Company exceed the aggregate of the paid up capital of the Company and its free reserves i.e reserves not set apart for any specific purpose, provided that the total outstanding amount of such borrowings shall not exceed ` 15 Crores (Rupees Fifteen Crores only) over and above the aggregate of paid up capital of the Company and its Free reserves at any time."

"RESOLVED FURTHER THAT on behalf of the Board of Directors of the Company, Mr. Dipak N. Patel (DIN 02052080), Managing Director and/or any one of the Director of the Company be and is/are hereby jointly/severally authorized to do such acts/deeds and things and to sign/seal/execute and deliver all such documents, agreements, assignment, conveyances, deeds and writings as may be necessary for the expedient and incidental there to give aforesaid resolution and for the matter connected with and incidental there to."

By Order of the Board of Directors

Sd/-

Place : Indrad (Kadi)
Date : 30th May, 2014

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.

A person can act as Proxy on behalf of the members not exceeding fifty and holding the aggregate not more than 10 percent of the total share capital of the company carrying voting right. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint as a single person as proxy and such person shall not act as proxy for any other person or shareholder.

2. 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.
3. The Register of members and Share transfer book of the Company will remain closed from 26th September, 2014 to 30th September, 2014 (Both days inclusive).
4. 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.
5. Members/Proxies are requested to bring with them duly filled attendance slip for attending the meeting.
6. In case of joint holders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote.
7. 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.
8. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
9. The relevant Explanatory Statement as required under Section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
10. As the Company has adopted the practice of Green initiative, Members who have not registered their email addresses so far are requested to register their email address for receiving all communication including Annual Reports, Notices, Circulars, etc. from the Company electronically.
11. Voting through electronic means:
The Company is pleased to offer 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 Clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force). 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 detailed circular on procedure of E voting is being attached.
12. For the benefit of members who do not have access to e-voting facility can use the postal ballot form is enclosed along with Annual Report.

By Order of the Board of Directors

Sd/-

Place : Indrad (Kadi)
Date : 30th May,2014

Dipak N. Patel
Managing Director

Crestchem Limited

Reg. office : 325, Indrad, Chhatral – Kadi,

Dist. : Mehsana – 382715, Gujarat.

Phone : +91-02764-277844 Email : info@crestchemlimited.in

CIN Number : L24100GJ1991PLC015530

CIRCULAR ON PROCEDURE OF E-VOTING

The Instructions for members for voting electronically are as under:

SECTION A - E-VOTING PROCESS -

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "CRESTCHEM LIMITED" from the drop down menu and click on "SUBMIT"
- (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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly 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 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - 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 Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and 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 same.
- In case of members receiving the physical copy:
- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (B) The voting period begins September 25, 2014 (9.00 a.m.) and ends on September 27, 2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 29TH August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (C) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

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

- i) The e-Voting period commences on September 25, 2014 (9.00 a.m.) and ends on September 27, 2014 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cutoff date (record date) of August, 29, 2014 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 Dhara Shah, Practicing Company Secretary (Membership No.: ACS 30237; COP No: 11187) has been appointed as the Scrutinizer to scrutinize the e-Voting process.
- iv. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses



- not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit forth with to the Chairman of the Company.
- v.) The Results shall be declared on the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.crestchemlimited.in and on the website of CDSL <https://www.evotingindia.co.in> within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited, where the shares of the Company are listed.
- 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/-

Dipak N. Patel
Managing Director

Place : Indrad (Kadi)
Date : 28th August, 2014

Particulars of the Directors seeking appointment / re – appointment at the ensuing Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

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.
Shri Rajesh I. Mody	24th August, 2004	He is having wide business experience in the field of Retailing and marketing in Petroleum Products and other items	Director in : 1) CRESTCHEM LIMITED Committee Membership : Audit Committee 1) Crestchem Limited - Member Remuneration Committee 1) Crestchem Limited - Chairman Shareholders'/Investors' Grievances Committee 1) Crestchem Limited – Member
Shri Narendrakumar H. Patel	24 th August, 2004	He is having wide experience in the field of accounts, finance & marketing.	Director in : 1) CRESTCHEM LIMITED Committee Membership : Audit Committee 1) Crestchem Limited - Chairman Remuneration Committee 1) Crestchem Limited - Member Shareholders' / Investors' Grievances Committee 1) Crestchem Limited – Member
Shri H. L. Joshi	8 th December, 2011	He is having wide experience in the field of Marketing of chemicals, paints and of handling books distribution.	Director in : 1) CRESTCHEM LIMITED Committee Membership : Audit Committee 1) Crestchem Limited - Member Remuneration Committee 1) Crestchem Limited - Member Shareholders' / Investors' Grievances Committee 1) Crestchem Limited – Member

ANNEXURE TO THE NOTICE**Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 & also under Corporate Governance:****In respect of item No. : 2 & 4**

Shri Rajesh I. Mody (DIN – 02054117) is the Non-Executive Independent Director of your Company since 24th August, 2004. He is a graduate in science and is a businessman having wide experience in marketing.

Shri Rajesh I. Mody (DIN – 02054117) retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Rajesh I. Mody being eligible and offering himself for appointment is proposed to be appointed as independent director for Five Consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31,2019".

A notice has been received from a member proposing him as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Rajesh I. Mody (DIN – 02054117) fulfills the condition specified in the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company. His continuing guidance is very valuable to your company. It will be in the interest of the company that Shri Rajesh I. Mody (DIN – 02054117) continues as a Director of the Company.

Except Shri Rajesh I. Mody (DIN – 02054117), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no. 2 & 4.

The Board recommends the special resolutions set out at item no 2 & 4 of the notice for approval by the shareholders.

In respect of item No.: 5

Shri Narendrakumar H. Patel (DIN – 02054077) is the Non-Executive Independent Director of your Company since 24th August, 2004. He is a graduate in commerce and is a businessman having wide experience in accounts, finance & marketing.

Shri Narendrakumar H. Patel (DIN – 02054077), director liable to retire by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Shri Narendrakumar H. Patel (DIN – 02054077) being eligible and offering himself for appointment is proposed to be appointed as independent director for Five Consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31,2019".

A notice has been received from a member proposing him as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Narendrakumar H. Patel (DIN – 02054077) fulfills the condition specified in the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company. His continuing guidance is very valuable to your company. It will be in the interest of the company that Shri Narendrakumar H. Patel (DIN – 02054077) continues as a Director of the Company.

Except Shri Narendrakumar H. Patel (DIN – 02054077), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no. 5.

The Board recommends the special resolutions set out at item no 5 of the notice for approval by the shareholders.

In respect of item No. : 6

Shri H. L. Joshi (DIN – 05156058) is the Non-Executive Independent Director of your Company since 8th 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.

Shri H. L. Joshi (DIN – 05156058, director liable to retire by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Shri H. L. Joshi (DIN – 05156058) being eligible and offering himself for appointment is proposed to be appointed as independent director for Five Consecutive years for a term up to the conclusion of Annual General Meeting that may be held for the financial year ending March 31,2019".

A notice has been received from a member proposing him as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri H. L. Joshi (DIN – 05156058) fulfills the condition specified in the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company. His continuing guidance is very valuable to your company. It will be in the interest of the company that Shri H. L. Joshi (DIN – 05156058) continues as a Director of the Company.

Except Shri H. L. Joshi (DIN – 05156058), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no. 6.

The Board recommends the special resolutions set out at item no 6 of the notice for approval by the shareholders.

In respect of item No. : 7 & 8 & 9

Pursuant to section 180 (1)(a) of the Act, consent of the Company, by Special Resolution, is required to be obtained by the Board of Directors to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking(s) of the Company. In current competitive times the Company has to remain abreast and relevant with respect to the changing technological and business environment. Hence, obsolete and/or inefficient plant/Machinery/ Buildings/facilities etc. which may not be well compliant with the current norms and systems may have to be disposed off from time to time and may have to be replaced by new modern Plant and Buildings. Many of the plant and machineries that the Company has are now about more than 20 years old and opportunity is likely and may come up in near future regards to sell, lease or otherwise dispose off of the part or whole or Substantially whole of the undertaking situated at 325, Indrad, Chhatral, Kadi Road, Kadi, Mehsana – 382715, to the benefit of the Company. Hence, this resolution is recommended by the Board of Directors to be passed by way of Special Resolution.

Also the invocation of security / mortgage by the lender may be regarded as a disposal of the undertaking of the Company in favour of the institution/ Bank, it is necessary for members to pass special resolution under section 180(1)(a) and section 179 of the Companies Act, 2013 before creation of the said charges / mortgages. Hence, this resolution is recommended by the Board of Directors to be passed by way of Special Resolution.

For the Growth of the business, the Board is of the opinion that the company may, in near future require to borrow funds for both organic and inorganic growth. Hence, in compliances to requirements of section 180 (1)(C) or other applicable provision of the companies Act, 2013 the Board of Directors recommended and this resolution to be passed by way of special resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no. 7, 8 & 9.

The Board recommends the special resolutions set out at item no 7, 8 & 9 of the notice for approval by the shareholders.

By Order of the Board of Directors

Sd/-

Place : Indrad (Kadi)
Date : 30th May,2014

Dipak N. Patel
Managing Director



DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the **TWENTY SECOND ANNUAL REPORT** together with the Audited Accounts of the Company for the period of 12 months ended on 31st March, 2014.

1. FINANCIAL RESULTS

	(` In Lacs)	
	As at 31-03-2014 (12 Months)	As at 31-03-2013 (12 Months)
Operating Profit / (Loss) (before interest and depreciation)	8.18	2.47
Less : Interest	2.42	1.94
Profit / (Loss) before depreciation	5.76	0.53
Less : Depreciation	8.35	8.52
Profit / (Loss) before Tax	(2.59)	(7.99)
Less : Provision for Taxation / FBT.	0.00	0.00
(Excess)/ Short Provision for earlier year	(0.007)	0.00
Profit/(Loss) after Tax	(2.59)	(7.99)
Amount of Profit and Loss A/c brought forward	(256.66)	(248.67)
Amount available for appropriations carried to Balance Sheet	(259.25)	(256.66)

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 Operations 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. However, during the year substantial technical work was completed on updating the existing products as also expanding the number of products in the industrial food ingredients product range. Also new products which will be introduced in the subsequent years in branded retail packages have been technically perfected and will add to our product lines, whereby there will be better profitability in subsequent years. The Company has also applied for Trademarks on these products and out of them one trademark has already been approved by the Trademark authority in India.

4. DIRECTORS

The terms of all the directors except the Managing Director are subject to retirement by rotation. Now, The Companies Act, 2013 provides that independent Directors are not liable to retire by rotation and their term of appointment can be up to five consecutive years. Accordingly, Mr. Rajesh I. Mody, Mr. Narendrakumar H. Patel, Mr. H.L Joshi being independent directors is being appointed for a term of Five years.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Shri Rajesh I.

Mody a Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

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. 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, 31st 2014 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.

7. DEPOSITS

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

8. FINANCE

The accumulated losses of the company are in excess of 50% of the net worth, as on 31st March, 2014. 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 2011-2012, 2012-13 & 2013- 2014.

9. 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 139 and 141 of the Companies Act, 2013. Your Directors recommend their re-appointment.

In the opinion of directors, the observations made in the Auditor's Report are self Explanatory and the notes to the accounts are self explanatory and adequately explain the matters, which are dealt with by the auditors.

10. 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 233B of the Companies Act, 2013. However, the Company is actively in the process of preparing the Cost records as required above and M/s. Vishal Yagnik & Associates, Cost Accountants, Ahmedabad, are appointed as Cost Auditors of the Company for the Financial year ended 31st March, 2014.

11. PARTICULARS OF EMPLOYEES

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

12. 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.

13. 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.

14. 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.

15. 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.

16. 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 : 30th May, 2014

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 a 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 Operations 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. However, during the year substantial technical work was completed on updating the existing products as also expanding the number of products in the industrial food ingredients product range. Also new products which will be introduce in the subsequent years in branded retail packages have been technically perfected and will add to our product lines, whereby there will be better profitability in subsequent years. The Company has also applied for Trademarks on these products and out of them one trademark has already been approved by the Trademark authority in India.

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.