



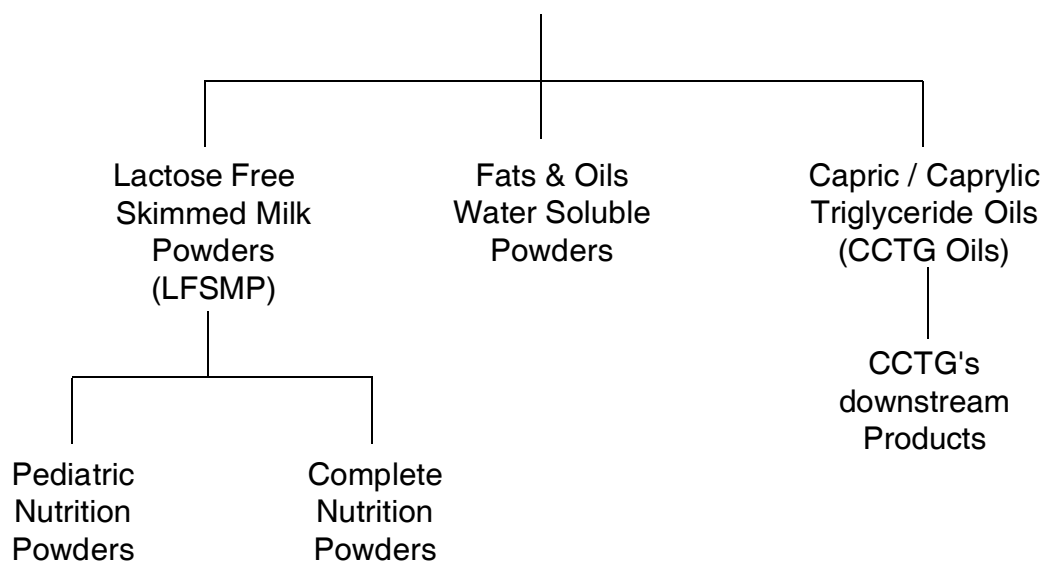
***Crestchem Limited***

**CIN : L24100GJ1991PLC015530**

**24<sup>th</sup>  
ANNUAL REPORT  
2015-2016**



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



**CRESTCHEM LIMITED**  
**CIN - L24100GJ1991PLC015530**

**TWENTY FOURTH ANNUAL REPORT**  
**2015-2016**

**BOARD OF DIRECTORS** Shri Dipak N. Patel - Managing Director (DIN – 02052080)  
Shri Neil Darshan Dalal - Whole Time Director (DIN – 07072376)  
Shri Rajesh I. Mody - Independent Director (DIN – 02054117)  
Smt. Binaben Parasbhai Patel - Independent Director (DIN – 07131005)

**BANKERS** BANK OF INDIA  
BHARATIYA MAHILA BANK  
BHUJ MERCANTILE CO-OP. BANK

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

**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** investor@crestchemlimited.in  
**WEBSITE** [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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## NOTICE

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

Date	: 30 <sup>th</sup> September, 2016
Day	: Friday
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 31<sup>st</sup> March 2016, and the Director's and Auditor's Reports thereon.
2. To appoint a Director in place of Shri Rajesh Iswarlal 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 24th 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."

By Order of the Board of Directors

Sd/-

Place : Indrad (Kadi)  
Date : 05<sup>th</sup> July, 2016

**Dipak N. Patel**  
Managing Director  
(DIN – 02052080)

**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 24th September, 2016 to 30th September, 2016 (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 ID :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 them 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 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.
11. Voting through electronic means:

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 detailed circular on procedure of E voting is being attached.

By Order of the Board of Directors

Sd/-

Place : Indrad (Kadi)  
Date : 05<sup>th</sup> July, 2016

**Dipak N. Patel**  
Managing Director  
(DIN – 02052080)

## Crestchem Limited

**Reg. office :** Sr. No. 550/1, Sub Plot Number 12, Village - Indrad,  
Taluka – Kadi, District – Mehsana, Pin Code – 382 715.  
**Phone :** +91-02764-278247 Email ID: [info@crestchemlimited.in](mailto:info@crestchemlimited.in)  
website : [www.crestchemlimited.in](http://www.crestchemlimited.in)  
**CIN Number : L24100GJ1991PLC015530**

### CIRCULAR ON PROCEDURE OF E-VOTING

The Instructions for members for voting electronically are as under:  
- EVSN – (160708007)

#### SECTION A - E-VOTING PROCESS -

- (i) The voting period begins on September 27, 2016 (9.00 a.m.) and ends on September 29, 2016 (5.00 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 (record date) of 23-09-2016 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](http://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](http://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"> <li>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.</li> </ul>
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"> <li>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).</li> </ul>

- (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 <Company Name> 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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 scrutinizer to verify the same.
- (xx) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

- i.) The remote e-Voting period commences on September 27, 2016 (9.00 a.m.) and ends on September 29, 2016 (5.00 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 23rd September, 2016 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 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 the 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 favours or against if any, to the chairman or person authorised 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](mailto: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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board of Directors

Sd/-

Place : Indrad (Kadi)  
Date : 05th July, 2016

**Dipak N. Patel**  
Managing Director  
(DIN – 02052080)

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.
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 <b>Committee Membership : Audit Committee</b> 1) Crestchem Limited -Chairman/Member <b>Nomination/Remuneration Committee</b> 1) Crestchem Limited – Chairman/Member <b>Shareholders'/ Investors Grievances Committee</b> 1) Crestchem Limited – Chairman/Member

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

## DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the **TWENTY FOURTH ANNUAL REPORT** together with the Audited Accounts of the Company for the period of 12 months ended on 31<sup>st</sup> March, 2016.

### 1. FINANCIAL RESULTS

	(₹ In Lacs)	
	As at 31-03-2016 (12 Months)	As at 31-03-2015 (12 Months)
Operating Profit / (Loss) (before interest and depreciation)	13.44	74.83
Less : Interest	1.62	1.65
Profit / (Loss) before depreciation	11.82	73.18
Less : Depreciation	0.02	4.88
Profit / (Loss) before Tax	11.80	68.3
Less : Current Tax.	3.25	7.15
(Excess)/ Short Provision for earlier year	0.00	(0.00)
Profit/(Loss) after Tax	8.55	61.15
Amount of Profit and Loss A/c brought forward	(198.1)	(259.25)
Amount available for appropriations carried to Balance Sheet	(189.55)	(198.1)

### 2. TRANSFER TO RESERVES:

The Company has not transferred any sum 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 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. New products which will be introduced in the subsequent years in branded retail packages have been technically perfected whereby there will be better profitability in subsequent years. The Company is now ready with one of the branded product which will be introduced in the market shortly, for which the trademark final registration has been approved and granted to the Company by the Trademark Authority of India. Further, The Company has also developed two other products namely lactose free skimmed milk powder and capric/caprylic triglycerides, which will be also introduced shortly in the market.

### 6. DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Rajesh I. Mody Director of the Company, retires by rotation and being eligible offers himself for 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 31<sup>st</sup> March, 2016 given by M/S Dhara Shah & Associates, Practicing Company Secretary is annexed as Annexure B to this report.

### 9. NUMBER OF BOARD MEETINGS

During the year the Board of Directors met five 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:

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- 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> 2016 and of the profit of the Company for that period.
- 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.
- The annual accounts have been prepared on a going concern basis.
- The Directors have devised proper systems to ensure compliances with the provisions of applicable laws and such systems are adequate and operating effectively.

### 11. DECLARATION BY INDEPENDENT DIRECTORS

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

- Shri Rajesh I. Mody
- Smt. Binaben Parasbhai Patel

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

### 12. 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.

### 13. 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.



**14. EXTRACT OF THE ANNUAL RETURN**

Extract of the Annual Return for the Financial Year ended on 31<sup>st</sup> March, 2016 as required by Section 92(3) of the Act is annexed as Annexure C to this report.

**15. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered in to during the year under report were on arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company during the year.

Details of related party transactions entered into by the Company during the financial year 2015-2016 are provided in Note 23 to the Financial Statements.

**16. DEPOSITS**

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

**17. FINANCE**

The accumulated losses of the company have gone down substantially but are still in excess of 50% of the net worth, as on 31<sup>st</sup> March, 2016. 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. 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.

The company has not incurred any cash losses during the year 2013-2014, 2014-15 & 2015-2016.

**18. 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.

**19. 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.

**20. INTERNAL FINANCIAL CONTROLS:**

During the previous financial year the Company had in place internal financial control systems as per the general understanding of the same by the company and was not mandatory, during the previous financial year 2014-15.

To the best of our understanding, reporting on internal financial controls is not covered under the standards of Auditing issued by the ICAI and also because of the fact that no frame work has been prescribed under the Companies Act, 2013 and rules

there under for the evaluation of internal financial controls. Hence, as reported by the ICAI in its "forward" to the guidance note, they have said that "A need was felt for providing appropriate guidance on the section so that the requirements and expectations of the section can be fulfilled in letter and spirit by the auditors".

Hence, the matters was unclear in the mind of the Company as well as in the minds of accounting professionals by enlarge. Only after August 25<sup>th</sup>, 2015 that the guidance note by ICAI on audit of internal financial control systems over Financial reporting was available in the market. Hence, by end of August, 2015 almost 5 months of the current financial year had passed away in ambiguity on the said matter. The time then available was not sufficient to preparing appropriate documents pertaining to internal financial control systems by us and also to get it reviewed by our statutory auditors; hence the same could not be made available by us to the statutory auditors. The same is under the process of preparation at our end.

Further, Our Companies Total revenues in the current financial year 2015-2016 is very less just amounting to only Rs. 0.33 crores, as company is in reorientation phase by discontinuing old products and developing advance products in the same overall business line. Hence, to the statutory auditors disclaimer opinion, our Board of directors (BOD) has given the above detailed explanation.

**21. 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.

**22. 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.

**23. 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 ([http://www.crestchemlimited.in/index.php?option=com\\_content&view=article&id=55&Itemid=66](http://www.crestchemlimited.in/index.php?option=com_content&view=article&id=55&Itemid=66)).

**24. INDUSTRIAL RELATIONS, SAFETY AND ENVIRONMEN**

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.



**25. DETAILS OF DIRECTORS/KMP WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR & LIABLE TO RETIRE BY ROTATION**

During the financial year 2015-16 following directors appointed.

Name	Designation	Appointment/Resignation	Date of Appointment/Resignation
Binaben Parasbhai Patel	Woman Director –Independent Director	Appointment	30-09-2015
Neil Darshan Dalal	Whole time director	Appointment	30-09-2015
Neil Darshan Dalal	CFO	Appointment	01-10-2015

\* Appointed as an Independent Director at the AGM.

\* Appointed as an whole time director at the AGM

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are Mr. Dipak N. Patel, Managing Director, Mr. Neil Darshan Dalal, whole time Director, Mr. Neil Darshan Dalal, Chief Financial Officer. There has been no change in the key managerial personnel during the year.

**26. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND FORMAL ANNUAL EVALUATION**

The policy of the company on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website ([http://www.crestchemlimited.in/index.php?option=com\\_content&view=article&id=55&Itemid=66](http://www.crestchemlimited.in/index.php?option=com_content&view=article&id=55&Itemid=66)).

There has been no change in the policy since the last fiscal year. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the company.

The evaluation of all the directors and the board as a whole was conducted based on the criteria and framework adopted by the board. The board approved the evaluation results as collected by the nomination and remuneration committee.

**27. 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.

**27. GENERAL INFORMATION**

AGM held during the financial year: 30TH SEPTEMBER, 2015.

For and on behalf of the Board

Sd/-

**Dipak N. Patel**

Chairman / Managing Director  
(DIN – 02052080)

Place : Indrad (Kadi)

Date : 14<sup>th</sup> August, 2016

## ANNEXURE A

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Industry Structure and Development:

Your Company is engaged in the field of Processing / 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. The company has developed to new products namely lactose free skimmed milk powder and capric/caprylic triglycerides

#### 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.

#### 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. 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.

#### 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.

#### 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.