

## ANNEXURE - D 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 5 directors out of which there is one Managing Director and 4 Non Executive directors, who are eminent personnel with wide range of skills and experience in business, finance and law. The Board comprises of 4 independent directors, out of four Independent Director 1 is women Independent Director. The Board normally meets once in a quarter, and additional meetings are held as and when required.

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

	Directors	Category	Attendance Particulars		No. of other Directorships and other committee memberships / chairmanships held in other public Ltd. Companies.		
			Board Meeting	Last AGM	Directorships	Committee Memberships	Committee Chairmanship
1	Mr. Dipak Patel	Managing Director	7	Yes	-	-	-
2	Mr. Rajesh I. Mody	Non-executive Independent Director	7	Yes	-	-	-
3	Mr. Narendrakumar H. Patel	Non-executive Independent Director	7	Yes	-	-	-
4	Mr. H. L. Joshi	Non-executive Independent Director	1	Yes	-	-	-
5	Mr. Neil Darshan Dalal	Non-executive Independent Director	3	No			
6	Mrs. Binaben Parasbhai Patel	Non-executive Independent Director	1	No			

(c) No. of Board meeting held and dates on which held : Seven Board Meetings were held during the year ended March, 2015 viz. on 30-05-2014, 27-08-2014, 14-11-2014, 23-12-2014, 30-01-2015, 13-02-2015 and 25-03-2015 .

Mr. H. L. Joshi Resigned w.e.f 30-01-2015. Mr. Neil Darshan Dalal appointed w.e.f from 30-01-2015 and Mrs. Binaben Parasbhai Patel appointed w.e.f 25-03-2015.

### **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, 2015. 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			
			30 <sup>th</sup> May, 2014	27 <sup>th</sup> Aug, 2014	14 <sup>th</sup> Nov, 2014	13 <sup>th</sup> Feb, 2015
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	Member of the committee	Graduate in Science and MBA having Sr. Management experience.	Yes	Yes	Yes	Yes

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

#### 4. **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 25 <sup>th</sup> March, 2015
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.

#### 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			
		30 <sup>th</sup> May, 2014	27 <sup>th</sup> Aug, 2014	14 <sup>th</sup> Nov, 2014	13 <sup>th</sup> Feb, 2015
Mr. Narendrakumar H. Patel	Member of the committee and non-executive Independent Director	Yes	Yes	Yes	Yes
Mr. Rajesh I. Mody	Member of the committee and non-executive Independent Director	Yes	Yes	Yes	Yes
Mr. H. L. Joshi	Member of the committee and non-executive Independent Director	No	No	No	No
Mr. Neil Darshan Dalal	Member of the committee and non-executive Independent Director	No	No	No	Yes

No Complaints of significant nature were received during the period 12 months ended on 31<sup>st</sup> March, 2015 and necessary actions were taken. Mr. Dipak N. Patel, Managing Director of the Company who is also appointed as Compliance Officer of the Company.

#### 5. **INDEPENDENT DIRECTORS MEETING**

Schedule IV to the Act, inter alia, prescribed that the Independent directors of the Company shall hold atleast one meeting in a year, without attendance of the management. During the year one meeting of independent director was held on 31<sup>st</sup> March, 2015. Mr. Neil Darshan Dalal was unanimously elected as the chairman of the meeting of the independent directors. At the meetings, the independent directors also review the performance of the non-independent directors (including chairperson).

#### 6. **GENERAL BODY MEETINGS:**

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

Financial Year	Date	Time	Location of the Meeting	Any Special Resolution Passed
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
2012-2013 (12 Months Period)	30/09/2013	05.00 p.m.	<b>TWENTYTH FIRST AGM</b> at Conference Hall, Mahisagar Snack Point, Thol Road, Tal. : Kadi, Dist.: Mehsana, (North Gujarat)	Yes
2013-2014 (12 Months Period)	30/09/2014	05.00 p.m.	<b>TWENTY SECOND AGM</b> at Conference Hall, Sankalp Express, Thol Road, Kadi, Taluka: Kadi, District - Mehsana: 382 715	Yes

#### 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](mailto: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](http://www.crestchemlimited.in).

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

Day, Date & Time : Wednesday, 30th September, 2015 at 5.00 p.m.  
 Venue : Conference Hall, Sankalp Express, Thol Road, Kadi, Taluka: Kadi, District - Mehsana: 382 715 (NORTH GUJARAT)

**(ii) Financial Calendar period : 01-04-2014 to 31-03-2015****(iii) Date of Book Closure : 26th September, 2015 to 30th September, 2015 (Both days inclusive)****(iv) Listing on Stock Exchange :****(a) The Stock Exchange Mumbai (BSE)**

All Annual listing fees to BSE have been paid up to the Financial Year 2014-2015. Bombay Stock Exchange (BSE) has granted permission to commence Trading of Shares of CRESTCHEM LIMITED with effect from 01st October, 2012, on BSE Platform and Trading has also commenced in due course thereafter.

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

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

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

Bombay Stock Exchange, (BSE) 526269

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

Month	Highest (₹)	Lowest (₹)	BSE Sensex Highest	BSE Sensex Lowest	Number of shares traded
April, 2014	—	—	22,939.31	22,197.51	—
May, 2014	—	—	22,277.04	24,217.34	—
June, 2014	12.60	11.97	25,725.12	24,270.20	850
July, 2014	13.23	12.00	26,300.17	24,892.00	1750
August, 2014	—	—	26,674.38	25,232.82	—
September, 2014	—	—	27,354.99	26,220.49	—
October, 2014	—	—	27,894.32	25,910.77	—
November, 2014	—	—	28,822.37	27,739.56	—
December, 2014	13.33	12.00	28,809.64	26,469.42	1714
January, 2015	14.10	12.50	29,844.16	26,776.12	1499
February, 2015	13.00	9.90	29,560.32	28,044.49	4400
March, 2015	11.02	10.00	30,024.74	27,248.45	1766

**(viii) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments

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

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

**LINK INTIME INDIA PRIVATE LIMITED**

303, 3<sup>rd</sup> Floor, Shopper Plaza V, Opp. Municipal Market, Off. C. G. Road,

Navrangpura, Ahmedabad –380009

Telefax No. : 91-79 - 26465179 Email: ahmedabad@linkintime.co.in

**(x) Share Transfer System :**

All the share related work is being undertaken by R & T Agent, LINK INTIME INDIA PRIVATE LIMITED. Ahmedabad whose address is given above. The Share Transfers are registered and returned within 15 days from the date of receipt if relevant document are complete in all respects/ The shareholders/ Investor' grievances are also taken up by our R & T Agent.

**(xi) Share-Distribution Schedule as on 31-03-2015:**

No. of Equity Shares	No. of Share holders	% of share holders	No. of Share held	% of share holding
1 - 5000	10968	95.2911	1563249	52.1083
5001 - 10000	327	2.8410	276300	9.2100
10001 - 20000	99	0.8601	158674	5.2891
20001 - 30000	64	0.5560	163400	5.4467
30001 - 40000	12	0.1043	44915	1.4972
40001 - 50000	9	0.0776	44500	1.4833
50001 - 100000	13	0.1129	109000	3.6333
100001 - 999999990	18	0.1564	639962	21.3321
<b>Total</b>	<b>11510</b>	<b>100</b>	<b>30000000</b>	<b>100</b>

**(xii) Shareholding Pattern as on 31<sup>st</sup> March, 2015:**

Category	No. of Shares	% of holding
Non-Resident Indians	26,200	0.87
Nationalized Banks	3900	0.13
Bodies Corporate	13,320	0.44
Directors	2,33,100	7.77
Relatives of Directors	5,30,400	17.68
Others	21,93,080	73.11
<b>TOTAL</b>	<b>30,00,000</b>	<b>100.00</b>

99, 300 shares are in Demat Mode and the rest are in Physical Mode.

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

The Company has got permission for dematerialization of shares on 24<sup>th</sup> September, 2012 and ISIN Number was allotted to the Company. The Dematerialization process started thereafter and 99,300 shares are in dematerialized form, as on date.

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

**(xiv) Plant Location :**

Survey No. : 325  
 Village : INDRAD  
 Taluka : Kadi  
 District : Mehsana – 382 715 (NORTH GUJARAT)  
 Phone : 02764 – 277844

**(xv) Address for Correspondence:**

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

Name of the Company : **CRESTCHEM LIMITED**  
 Survey No. : 325  
 Village : INDRAD  
 Taluka : Kadi  
 District : Mehsana – 382 715 (NORTH GUJARAT)  
 Phone : 02764 – 277844  
 Email : [info@crestchemlimited.in](mailto:info@crestchemlimited.in)  
 Website : [www.crestchemlimited.in](http://www.crestchemlimited.in).

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

There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives and KMP etc. that may have potential conflict with interests of the Company at large. The related party transactions are duly disclosed in the Note 23 to the Financial Statements.

**(B) Disclosure of accounting treatment**

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

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

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

**(D) Management**

The Management Discussion and Analysis Report, published as a separate section of this report is prepared in accordance with the requirements laid out in Clause 49 of the Listing Agreement and forms part of the Annual Report. The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement. The risk management policies of the company are periodically reviewed by the Audit Committee of the Board of Directors of the company and by the Board. The risk management issues are mentioned in the Management Discussion and Analysis Report.

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

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

**(F) Statutory Compliance**

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

No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or other Statutory Authority, on any matter related to capital market.

**(G) Whistle Blower Policy and affirmation that personnel have been denied access to the audit committee.**

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

**(I) CEO/CFO Certification**

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

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

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

**(H) None of the Shares of the Company are pledged or encumbered.****10. MANDATORY AND NON-MANDATORY REQUIREMENTS :****(a) Status of compliance to the mandatory requirements :**

The Company has adopted mandatory requirements of compliances on Corporate Governance. A certificate from Mr. Dipak N. Patel, the managing director of the company was placed before the board detailing the compliances done. The Auditor's/ Company Secretary Certificate regarding compliances of Corporate Governance by the company are annexed to this Corporate Governance report.

**(b) Status of compliance to the non-mandatory requirements :**

The Company, so far, has not adopted the non-mandatory suggestions of (1) sending six – monthly results information to each household of shareholders, (2) training of board members, (3) mechanism of evaluating the performance of non-executive board members. The company has however adopted the non-mandatory suggestion of having a Remuneration Committee.

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

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

**12. CEO/CFO CERTIFICATION :**

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

We Dipak N. Patel, Managing Director and CFO of Crestchem Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet as at 31<sup>st</sup> March 2015 and Profit & Loss account, and all its schedules and Notes on accounts, as well as the cash flow statement and the Director's Report for the year ended on that date.
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or do not contain any statement that might be misleading;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as on, and for the year presented in this report and are in compliance with the existing accounting standards and /or applicable laws and regulations;
4. To the best of our knowledge and belief, no transaction entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have;
  - a. evaluated the effectiveness of the Company's disclosure, controls and procedures pertaining to financial reporting;
  - b. disclosed in this report any change in the Company's internal controls over financial reporting that occurred during the Company's most recent accounting year that may have materially affected, or is reasonably likely to affect, the Company's internal control pertaining to financial reporting.
6. We have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors;

- a. Deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors, any material weakness in internal control over financial reporting including any corrective actions with regard to such deficiencies, if any;
  - b. Significant changes in internal controls during the year covered by this report, if any;
  - c. All significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements;
  - d. No instances of significant fraud of which we are aware, involving management or other employees who have significant role in the Company's internal control system;
7. We further declare that all the Board Members and senior management personnel have affirmed compliance with the code of conduct during the year.

Place : Indrad (Kadi)  
Date : 07<sup>th</sup> August,2015

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

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

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

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

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel have confirmed compliance with the code of conduct for the financial year ended 31<sup>st</sup> March, 2015.

**For and on behalf of the Board**

Sd/-

Place : Indrad (Kadi)  
Date : 07<sup>th</sup> August,2015

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

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## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members  
CRESTCHEM LIMITED

We have examined the compliance of conditions of 'Corporate Governance' by CRESTCHEM LIMITED for the year ended March, 31, 2015 as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances was pending for a period of one month against the Company as per the records maintained by the Company.

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

Place : Ahmedabad  
Date : 07<sup>th</sup> August,2015

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