

GUJCHEM DISTILLERS INDIA LIMITED

(CIN: L24230GJ1939PLC002480)



78th ANNUAL REPORT 2016-2017

Directors

SMT. HEM MANISH, Managing Director
SHRI SHASHIKANT D. PANDYA, Director
SHRI TAPAN HARESH CHOKSHI, Director
SMT. SACHI DILIP PARIKH, Director

Auditors

SHARP & TANNAN
Chartered Accountants

Company Secretary

MRS. MANALI M. SHAH

Chief Financial Officer

TATU ARVIND

Bankers

DENA BANK

Registered Office

Office No. 6, 2nd Floor,
National Chambers,
Nr. City Gold, Ashram Road,
Ahmedabad-380009
Phone: +91 7926580893
E-mail : gujcheminvestors@gmail.com
(CIN: L24230GJ1939PLC002480)

**Registrar and
Share Transfer Agent**

Link Intime India Pvt. Ltd.
5th Floor, 506 to 508, Amarnath Business Centre,
Off C. G. Road, Ahmedabad - 380 009.
Phone : 079-2646 5179

GUJCHEM DISTILLERS INDIA LIMITED

(CIN: L24230GJ1939PLC002480)

Regd. Office : Office No. 6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad-380009

E-mail : gujchemdistillers@gmail.com Web : gujchemdistillers.com

NOTICE

NOTICE is hereby given that the 78th Annual General Meeting of the Members of the Company will be held on Friday, 1st September, 2017 at 4.00 p.m. at the Registered Office of the Company at Office No. 6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad-380009 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company including Balance Sheet as at 31st March, 2017, Statement of Profit and Loss and Cash Flow statement for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Smt. Hem Manish (holding DIN: 01428688), who retires by rotation and being eligible offers herself for re-appointment.
3. To consider and if thought fit to pass with or without modification(s), the following resolution as an

ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the provisions of the section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), SHAH KHAKHI AND ASSOCIATES, Chartered Accountants, Firm Registration Number: 126506W, Ahmedabad be and are hereby appointed as the Statutory Auditors of the Company, in place of Sharp & Tannan, Chartered Accountants, Mumbai, for a term of five consecutive years to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Annual General Meeting to be held for the financial year ending on 31st March, 2022, subject to the ratification of their appointment by the members at every Annual General Meeting, on the remuneration as may be decided by Smt. Hem Manish, Managing Director of the Company in consultation with the Statutory Auditors."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a

SPECIAL RESOLUTION.

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force read with schedule IV of the Companies Act, 2013 Shri Shashikant D. Pandya (holding DIN 01672981), Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and being eligible for re-appointment be and is hereby re-appointed as an Independent Director of the Company, for further term of 5 (Five) consecutive years up to March 31, 2022, and he shall not be liable to retire by rotation.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a

SPECIAL RESOLUTION.

RESOLVED THAT pursuant to the provisions of Section 94, other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to maintain the Register of Members together with the Index of members of the Company under section 88 of Act and copies of the Annual Returns under section 92 of the Act at the office premises of Link Intime India Pvt. Ltd., Registrar and Transfer Agent (RTA), 506-508, Amarnath Business Centre-1, (ABC-1), Beside Gala Business Centre, Near XT Xavier's College Corner, Navrangpura, Ahmedabad

- 380009, and such other places as the RTA, shift its office from time to time instead of the Registered Office of the Company.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto.

Date: 31st July, 2017

Place : Ahmedabad

Regd. Office:

Office No.6, 2nd Floor, National Chambers,

Nr. City Gold, Ashram Road, Ahmedabad 380009

By order of the Board,
FOR GUJCHEM DISTILLERS INDIA LIMITED

HEM MANISH

Managing Director

DIN-01428688

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.** The Proxies in order to be valid must be delivered at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. A person can act as the proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case the proxy is proposed to be appointed by a member holding more than 10% of total share capital of the Company then such proxy shall not act as a proxy for any other person or shareholder.
2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send the Company, a certified copy of Board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
4. Members holding shares in electronic form are requested to intimate immediately the change, if any in their registered address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to intimate any such change to the Company or its Share Transfer Agent i.e. Link Intime India Pvt. Ltd. quoting their folio numbers.
5. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their Bank details, NECS mandates, nominations, Power of attorney, Change of address/name, PAN details etc. to their Depository Participants only. However members holding shares in physical mode are required to notify any change pertaining their Bank details, NECS, mandates, nominations, Power of Attorney, change of address/ name, PAN details, etc. to Registrar and Share Transfer Agent i.e. M/s. Link Intime India Pvt. Limited, 5th Floor, 506 to 508 Amarnath Business Centre, Besides Gala Business Centre, Off C.G.Road, Navrangpura, Ahmedabad -380009.
6. Members / proxies are requested to bring the attendance slip send herewith duly filled in for attending the meeting and are also requested to bring the copy of Annual Report, to the meeting.
7. 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.
8. Only registered members of the Company or any proxy appointed by such registered member may attend the Annual General meeting as provided under the provisions of the Companies Act, 2013.
9. The annual accounts, the reports and all other documents required under the law to be annexed thereto and referred to in the accompanying Notice and the explanatory statement are available for inspection during working hours at the Registered Office of the Company on any working day up to the conclusion of this meeting. Members may also note that the notice of annual general meeting will also be available on the website of the Company i.e. www.gujchemdistillers.com for their download.
10. Members desiring to seek information on Financial Statements to be explained at the meeting are

requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the electronic form are, therefore, requested to submit their PAN to their Depository Participant. Members holding shares in physical form shall submit their PAN details to the Company or to their registrar.
12. The Ministry of Corporate Affairs (MCA), New Delhi has taken "Green initiatives in Corporate Governance" by allowing paperless compliance by the Companies and issued a circular clarifying that the service of documents to be made by a Company can be made through electronic mode. To support the green initiative of the Ministry of Corporate Affairs, members who have not yet registered their e-mail id are requested to register the same immediately. Members holding shares in physical form are requested to register their e-mail id by communicating the same to the Company mentioning their Folio number. Members holding shares in electronic form are requested to register their e-mail id with their Depository Participants in this regard.
13. Copies of the Annual Report for the year 2016-17 along with notice convening the Annual General Meeting are being sent by electronic mode to all the members whose email addresses are registered with the Company/DP. For members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members who have not registered their e mail address with the Company are requested to get their E-mail Ids registered with the Company.
14. Brief Particulars of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting of the Company pursuant to Regulation of 36 (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the ICSI:

Name of Director	Smt. Hem Manish	Shri Shashikant D. Pandya
Date of Birth	21/03/1967	08/09/1936
Age (Years)	50	81
Qualification Expertise and Experience	Commerce Graduate Expertise in the field of Administration & Finance.	He is a retired Deputy Commissioner of police. He is having a rich experience of varied fields including legal and administration.
Date of first appointment	16/04/2015	01/10/2004
Shareholding in the Company	61,727	50
Relationship with other Directors, Manager or KMP	Relative of Ms. Tatu Arvind, CFO	None
Number of meeting of the Board attended during the year	4	4
@ List of other Companies in which directorship is held	-	-
\$ List of other Companies in which Director is a Chairman/ Member of the Committee of the Board	-	-

@ Excludes alternate Directorship / Directorship of Private Limited Companies, Foreign Companies and Companies covered under Section 8 of the Companies Act, 2013.

\$ Member/Chairperson of Audit Committee and Stakeholders Relationship Committee only is considered.

15. In compliance with provisions of section 108 of the Act and Rule 20 of The Companies [Management and Administration] Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility of 'remote e-voting' to exercise their right to vote at the 78th Annual General Meeting (AGM). Necessary arrangements have been made by the Company with Central Depository Services [India] Limited [CDSL] to facilitate remote e-voting. The detailed process, instructions and manner for availing remote e-voting facility is as given under the notes. The Members can cast their vote online from 10.00 A.M on Tuesday, 29th August, 2017 to 5.00 P.M. on Thursday, 31st August, 2017 (Both days Inclusive).
16. A Route Map showing the Directions to reach the venue of the 78th Annual General Meeting is attached herewith as per the requirement of Secretarial Standards – 2 on General Meeting.
17. The Board of Directors have appointed Shri Umesh G. Parikh, Proprietor of M/s. Umesh Parikh & Associates, Practicing Company Secretary, (Membership No. 4152) as the Scrutinizer to scrutinize the remote e-voting and poll process at the Annual General Meeting in a fair and transparent manner. The scrutinizer shall, after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not being in the employment of the Company and make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Managing Director or a person authorized by her in writing who shall counter sign the same.
18. The result will be declared on receipt of Scrutinizer's Report. The result declared along with the scrutinizer's report will be available on the website of the Company www.gujchemdistillers.com and on the website of agency (www.evotingindia.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited [BSE] and Ahmedabad Stock Exchange Limited [ASE], where the equity shares of the Company are listed, within the prescribed period.
19. Shareholders holding Equity Shares shall have one vote per share as shown against their holding. The shareholders can vote for their entire voting rights as per their discretion.
20. The facility for voting through poll shall be made available to the members at the Annual General Meeting. The Members attending the meeting shall be able to exercise the voting rights at the meeting. Members who have cast their vote electronically prior to the Meeting may also attend the meeting, but shall not be entitled to cast their vote again. In case the member cast their vote through both the modes then the voting done through electronic mode shall prevail and vote cast through poll shall be treated as invalid. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently.
21. Members are requested to vote only through electronic system or through poll at the Annual General Meeting and in no other form.
22. Members who hold shares in electronic form are requested to write their DP ID and Client ID and those who hold shares in physical form are requested to write their Regd. Folio number in the Attendance Slip for attending the Annual General meeting to facilitate identification of membership at the Annual General meeting.
23. Any person, who acquires shares of the company after the dispatch of the Notice and holds shares as on cut-off date, may cast the vote after following the instructions for remote e-voting as provided in the notice convening the meeting. However if you are already registered with the CDSL for remote e-voting, then you can use the existing User-Id and password for casting your vote.
24. Shri Jayraj Chauhan, Officer of the Company, shall be responsible for addressing all the grievances in relation to this Annual General Meeting including remote e-voting. His contact details are - Email: gujchemdistillers@gmail.com Phone No. : (079) 26580893, Address: Office No. 6, 2ndFloor, National Chambers Nr. City Gold, Ashram Road, Ahmedabad – 380 009.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 10.00 A.M. on Tuesday, 29th August, 2017 and ends on 5.00 P.M. on Thursday, 31st August, 2017. 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 25th August, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID

a.	For CDSL: 16 digits beneficiary ID,
b.	For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c.	Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
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. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of Gujchem Distillers India Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT".

A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change

your vote, click on “CANCEL” and accordingly modify your vote.

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. 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 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.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

CONTACT DETAILS:

Company : GUJCHEM DISTILLERS INDIA LIMITED

Registrar and transfer agent : Link Intime India Pvt. Ltd.

E-voting Agency : Central Depository Services (India) Limited

E-mail ID : helpdesk.evoting@cdslindia.com

Scrutinizer : Shri Umesh G. Parikh (Proprietor of M/s. Umesh Parikh & Associates)
Practicing Company Secretary.

Email id : Helpdesk.evoting@cdslindia.com

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

ITEM NO.4:

The Board of Directors of the Company at its Meeting held on 10th February, 2017 appointed Shri Shashikant D. Pandya (DIN: 01672981) as an Additional Director of the Company, pursuant to Section 161 of the Companies Act, 2013 who shall hold office till the conclusion of the ensuing Annual General Meeting.

The Company has received a notice from member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing his candidature for appointment as an Independent Director of the Company. He has also given the declaration to the board that he fulfills the criteria of independence as provided under section 149(6) of the Act.

Based on the performance evaluation and on recommendation of Nomination and Remuneration Committee the re-appointment of Shri Shashikant D. Pandya as an Independent Director is proposed by the Board to the members in terms of Section 149 read with Schedule IV of the Companies Act, 2013.

All the relevant documents with regard to re-appointment of Shri Shashikant D. Pandya as an Independent Director shall be available for inspection without any fee to the members at the Registered Office of the Company during normal business hours on any day, excluding Saturday and Sunday till the date of Annual General Meeting.

The Board considered that the appointment of Shri Shashikant D. Pandya would be of immense benefit to the Company and it is desirable to continue to avail his service as a Director. Your Directors recommend the passing of the proposed Resolution.

Except Shri Shashikant D. Pandya, being an appointee, none of the other Directors, Key Managerial personnel and / or their relatives are concerned or interested, financially or otherwise in the proposed Resolution.

ITEM NO.5

As required under the provisions of Section 94 the Companies Act, 2013, certain documents such as the Register of Members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a general meeting of the Company.

Accordingly, the approval of the members is sought in terms of Section 94 of the Companies Act, 2013, for keeping the aforementioned registers and documents at the office of the Registrar and Transfer Agent ("RTA"), Link Intime India Pvt. Ltd., at 506-508, Amarnath Business Centre-1, (ABC-1), Beside Gala Business Centre, Off C G Road, Navrangpura, Ahmedabad - 380009, and such other places as the RTA, shift its office from time to time.

A copy of the proposed resolution will be forwarded in advance to the Registrar of Companies, Gujarat, Ahmedabad, as required under the said Section 94 (1) of the Companies Act, 2013.

The Directors recommends passing of the proposed special resolution.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives are concerned or interested financially or otherwise in the proposed resolution.

Date: 31st July, 2017

Place : Ahmedabad

Regd. Office:

Office No.6, 2nd Floor, National Chambers,

Nr. City Gold, Ashram Road, Ahmedabad 380009

By order of the Board,
FOR GUJCHEM DISTILLERS INDIA LIMITED

HEM MANISH
Managing Director
DIN- 01428688

DIRECTORS' REPORT

To,
The Members,
GUJCHEM DISTILLERS INDIA LIMITED

Your Directors present herewith the 78th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2017.

FINANCIAL RESULTS:

The operating results of the Company for the year ended on 31st March, 2017 are briefly indicated below:

	(Rs. in Lacs)	
	2016-2017	2015-2016
	Rs.	Rs.
Profit (Loss) before depreciation & Extra ordinary item	(37.01)	(32.98)
Less: Depreciation and amortization	8.12	8.18
Profit/(Loss)before extra ordinary item	(45.13)	(41.16)
Extra ordinary Item	—	372.47
Less :Current tax	—	137.00
Income tax of earlier years	1.24	—
Profit/ (Loss) for the year	(46.37)	194.31
Surplus in the statement of Profit & Loss Brought forward	334.31	139.99
Balance of surplus carried forward	287.93	334.31

DIVIDEND:

In view of losses, your Directors regret their inability to recommend dividend for the year under review.

TRANSFER TO RESERVE:

During the year under review, the Company has not transferred any amount to Reserves.

OPERATIONS / STATE OF COMPANY'S AFFAIRS:

During the year under review, there was gross revenue of Rs. 35.38 Lakhs (previous year Rs. 29.80 Lakhs) and has incurred net loss of Rs. 46.37 Lakhs (Previous year profit of Rs.194.31 Lakhs) including extra ordinary item, after providing Depreciation of Rs. 8.12 Lakhs (Previous year Rs. 8.18 Lakhs).

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION:

There were no material changes affecting the financial position of the Company occurred between the end of financial year to which the statement relates and the date of Directors' Report.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

The Management Discussions & Analysis Report forms part of the Corporate Governance report annexed to this report.

DEPOSITS:

The Company has not accepted or renewed any deposits from public falling within the purview of Section 73 of Companies Act, 2013 during the financial year under review.

CORPORATE SOCIAL RESPONSIBILITY:

Your Company does not fall under the criteria mentioned in the provision of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, and accordingly the Company is not required to constitute CSR Committee nor is it required to spend any amount in CSR Activity.

DIRECTORS:

In accordance with Section 152 of the Companies Act, 2013 and Rules framed thereunder, Smt. Hem Manish, (holding DIN: 01428688), retires by rotation and being eligible offers herself for re-appointment.

Shri Shashikant D. Pandya (holding DIN: 01672981) being eligible has been proposed to be re-appointed as an Independent Director for further term of five years w.e.f. 1st April, 2017.

Necessary resolution for his appointment as an Independent Director is proposed at the ensuing Annual General Meeting.

The Board recommends passing the proposed resolutions.

DECLARATION BY INDEPENDENT DIRECTORS:

The Independent Directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated in Section 149 (6) of the Companies Act, 2013 read with Rules framed there under and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

EXTRACT OF THE ANNUAL RETURN:

Extract of the Annual Return as on 31st March, 2017 in the prescribed form MGT - 9, pursuant to provisions of Section 92(3) of the Companies Act, 2013 and the Companies (Management and Administration) Rules 2014, is annexed to this report as **Annexure I**.

CORPORATE GOVERNANCE REPORT:

The Corporate Governance Report with Auditors' certificate thereon is attached as **Annexure II**, forming part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 with respect to the Directors' responsibility Statement, the Directors Confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the financial year;
- iii. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NUMBER OF BOARD MEETINGS:

During the year the Board of Directors duly met Four (4) times. The details of the Board Meetings are provided in the Corporate Governance Report which is annexed to the Report.

PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND INDEPENDENT DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and Rules framed thereunder read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 formal annual evaluation is to be made by the Board of its own performance and that of its Committees and Individual Directors. The Board after taking into consideration the criteria of evaluation laid down by the Nomination and Remuneration Committee in its policy such as Board Composition, level of involvement, performance of duties, attendance etc. had evaluated its own performance, the performance of its committees and Independent Directors (excluding the Director being evaluated).

The performance evaluation of the Managing Director & Non-Independent Directors was also carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process and performance of the Board as a whole.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

Pursuant to the requirements of Section 134 and 178 of the Companies Act, 2013, the policy on appointment of Board Members and policy on remuneration of the Directors, KMPs and other employees is attached as **Annexure III** to this report.

SECRETARIAL AUDIT REPORT:

M/s. Parikh Dave & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2016-17 pursuant to the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in prescribed form MR-3 is attached as **Annexure IV** to this report.

There are no qualifications /observations or remarks of the Secretarial Auditors in the Report issued by them for the financial year 2016-17 which call for any explanation from the Board of Directors.

CONTRACTS OR AGREEMENTS WITH RELATED PARTIES:

There were no material Related Party Transactions entered into during the financial year under review. Hence the Company is not required to report under this head. The Board has approved policy on related party transactions & the same has been uploaded on the website i.e. www.gujchemdistillers.com.

DISCLOSURE UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Details pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure V** to this report.

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY:

The Company has adopted internal control system considering the nature of its business and the size and complexity of operations. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures etc. The management is taking further steps to strengthen the internal control system.

RISK MANAGEMENT POLICY:

The Company has structured risk management policy as per the requirements of the Companies Act, 2013. The Risk management Policy is designed to safeguard the organization from various risks through timely actions.

In the opinion of the Board there has been no identification of element of Risk that may threaten the existence of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Details of loans, guarantees & investments made, if any, are disclosed in the notes forming part of Balance Sheet.

STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 (2) of the Companies Act, 2013 the existing Statutory Auditors M/s. Sharp & Tannan, Chartered Accountants, (FRN: 109982W), who have been acting as statutory auditors of the Company since more than ten years cannot be re-appointed as the Statutory Auditors for the year 2017-18.

In view of the said provisions of the Companies Act, 2013, the Company has approached M/s. SHAH KHAKHI and Associates, Chartered Accountants, Ahmedabad (Firm Registration No.: 126506W) for their appointment as Statutory Auditors of the Company. They have consented to act as the Statutory Auditors of

the Company and have also given the confirmation to the effect that their appointment, if made by the Company would be within the limits prescribed under Section 139 of the Companies Act, 2013.

Accordingly, a resolution seeking members' approval for their appointment as Statutory Auditors of the Company for the period of 5 consecutive years from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in the financial year 2022 is proposed. The Board recommends passing of the proposed resolution.

STATUTORY AUDITORS' OBSERVATIONS:

The Statutory Auditors' Report to the Shareholders for the year under review, does not contain any qualifications / observations requiring explanation from the Board of Directors.

COMPOSITION OF AUDIT COMMITTEE:

The Board has constituted the Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015. The details of Audit Committee are provided in the Corporate Governance report which is attached as an annexure to this report.

VIGIL MECHANISM :

Pursuant to provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower Policy. Through this policy Directors, Employees or business associates may report the unethical behavior, malpractices, wrongful conduct, frauds, violations of the Company's code etc. to the Chairman of the Audit Committee.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished herein below:

Conservation of energy-

Since there is no activity carried out during the year, there is nothing to be reported by Company here.

Technology absorption-

Since there is no activity carried out during the year, there is nothing to be reported by Company here.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

There is no foreign exchange earnings or outgo during the year under review.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the year under review, there were no significant or material order passed by any regulatory authority, court or tribunal which shall affect the going concern status of the Company's operations in future.

EMPLOYEE RELATIONS:

The Company has maintained cordial relations with the employees of the Company throughout the year. The Directors wishes to place on record sincere appreciation for the services rendered by the employees of the Company during the year.

The Company has not received any complaint under The Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT:

The Board acknowledges with thanks the overall support extended by the shareholders, employees, and other stakeholders.

Date : 31st July, 2017
Place : Ahmedabad

For and on behalf of Board,
FOR GUJCHEM DISTILLERS INDIA LIMITED
HEM MANISH **Shashikant D. Pandya**
Managing Director Director
DIN: 01428688 **DIN: 01672981**

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31st March, 2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.
I REGISTRATION & OTHER DETAILS:

i	CIN	L24230GJ1939PLC002480
ii	Registration Date	April 4, 1939
iii	Name of the Company	GUJCHEM DISTILLERS INDIA LIMITED
iv	Category/Sub-category of the Company	Company Limited by shares / Indian Non Government Company
v	Address of the Registered office & contact details	Office No.6, 2nd Floor, National Chambers, Ashram Road, Ahmedabad 380009
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. 5th Floor, 506 to 508 Amarnath Business Centre-1, Besides Gala Business Centre and Off. C.G. Road, Navrangpura, Ahmedabad 380009. Phone No.: 079 - 2646 5179 Email : ahmedabad@linkintime.co.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover
1		N.A	

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary Associate	% of Shares held	Applicable Section
N.A.					

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				(% change during the year)	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	84329	0	84329	52.09	84329	0	84329	52.09	0	
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0	
c) Bodies Corporates	0	0	0	0	0	0	0	0	0	
d) Bank/FI	0	0	0	0	0	0	0	0	0	
e) Any other	0	0	0	0	0	0	0	0	0	
SUB TOTAL:(A) (1)	84329	0	84329	52.09	84329	0	84329	52.09	0	

(2) Foreign										
a) NRI- Individuals	0	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	84329	0	84329	52.09	84329	0	84329	52.09	0	
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	0	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	197	197	0.12	0	197	197	0.12	0	
C) Cenntal govt	0	1	1	0	0	1	1	0	0	
d) State Govt.	0	0	0	0	0	0	0	0	0	
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0	
f) Insurance Companies	1434	0	1434	0.89	1434	0	1434	0.89	0	
g) FIIS	0	0	0	0	0	0	0	0	0	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	
SUB TOTAL (B)(1):	1434	198	1632	1.01	1434	198	1632	1.01	0	
(2) Non Institutions										
a) Bodies corporates										
i) Indian	295	232	527	0.33	502	0	502	0.31	-0.02	
ii) Overseas	0	0	0	0	0	0	0	0	0	
b) Individuals										
i) Individual share-holders holding nominal share capital upto Rs.1 lakhs	7801	59197	66998	41.39	7584	59044	66628	41.16	-0.23	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0	0	0	0	0	0	
c) Others (Specify)										
i) Directors & Relative	5193	3176	8369	5.17	5193	3176	8369	5.17	0	
i) NON RESIDENT INDIANS (REPAT)	0	0	0	0	0	22	22	0.01	0.01	
ii) NON RESIDENT INDIANS (NON REPAT)	0	30	30	0.02	0	8	8	0.01	-0.01	
CLEARING MEMBER	0	0	0	0	0	0	0	0	0	
Hindu Undivided Family	0	0	0	0	395	0	395	0.24	0.24	
SUB TOTAL B(2):	13289	62635	75924	46.90	13674	62550	75924	46.90	0	
Total Public										
Shareholding (B)= (B)(1)+(B)(2)	14723	62833	77556	47.91	15108	62448	77556	47.91	0	
C. Shares held by										
Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	99052	62833	161885	100	99437	62448	161885	100	0	

(ii) SHARE HOLDING OF PROMOTERS

SN	Shareholders Name	Shareholding at the beginning of the year (01.04.2016)			Share holding at the end of the year (31.03.2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Smt. Devika Navnital	10028	6.19	0	10028	6.19	0	0.00
2	Shri Manish Navnital	100	0.06	0	0	0.00	0	-0.06
3	Smt.Hem Manish	61627	38.07	0	61727	38.13	0	0.06
4	Bela Sandeep	5305	3.28	0	5305	3.28	0	0.00
5	Chaula Navnital	2793	1.73	0	2793	1.73	0	0.00
6	Hemangini Sameer Sinha	4476	2.76	0	4476	2.76	0	0.00
	Total:	84329	52.09	0	84329	52.09	0	0.00

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Shri Manish Navnital				
	At the beginning of the year	100	0.06		
	Date wise Increase/Decrease in PromotersShareholding during the year specifying the reasonsfor increase / decrease (e.g.allotment / transfer /bonus/ sweat equity etc.)	Date: 16/05/2016 Reason: Transmission No. of shares: -100			
	At the end of the year	0	0.00	0	0.00
2	Smt.Hem Manish				
	At the beginning of the year	61627	38.07		
	Date wise Increase/Decrease in PromotersShareholding during the year specifying the reasonsfor increase / decrease (e.g.allotment / transfer /bonus/ sweat equity etc.)	Date: 16/05/2016 Reason: Transmission No. of shares: 100			
	At the end of the year	61727	38.13	61727	38.13

(iv) **Shareholding Pattern of top ten Shareholders
(other than Direcors, Promoters & Holders of GDRs & ADRs)**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	TATU ARVIND				
	At the beginning of the year	7493	4.63		
	At the end of the year			7493	4.63
2	RUPABEN BIPIN JHAVERI				
	At the beginning of the year	3009	1.86		
	At the end of the year			3009	1.86
3	LIFE INSURANCE CORPORATION OF INDIA				
	At the beginning of the year	1434	0.89		
	At the end of the year			1434	0.89
4	VISHWANATH SHANKAR SAPRE				
	At the beginning of the year	548	0.34		
	At the end of the year			548	0.34
5	CHANDRIKABEN DHIRESHCHANDRA PATEL				
	At the beginning of the year	584	0.36		
	Sold during the year	-100	-0.06	484	-0.06
	At the end of the year			484	0.30
6	RAEESABANU MOHAMEDHANIF MAHIDA				
	At the beginning of the year	453	0.28		
	At the end of the year			453	0.28
7	BHALCHANDRA RATILAL SHAH				
	At the beginning of the year	450	0.28		
	At the end of the year			450	0.28
8	NILESH CHIMANLAL SHAH				
	At the beginning of the year	NIL	0.00		
	Purchased during the year	425	0.26	425	0.26
	At the end of the year			425	0.26
9	BHARTI ARVIND				
	At the beginning of the year	411	0.25		
	At the end of the year			411	0.25
10	KALAVATI BHAGUBHAI				
	At the beginning of the year	410	0.25		
	At the end of the year			410	0.25

(v) Shareholding of Directors & KMP

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Smt. Hem Manish	61627	38.07		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Date: 16/05/2016 Reason: Transmission No. of shares: 100			
	At the end of the year	61727	38.13	61727	38.13
2	Shashikant D. Pandya				
	At the beginning of the year	50	0.03		
	At the end of the year			50	0.03
3	Sachi Parikh				
	At the beginning of the year	2	0.00		
	At the end of the year			2	0.00
4	Shri Tapan Choksi				
	At the beginning of the year	0	0.00		
	At the end of the year			0	0.00
5	Smt. Manali Shah,				
	Company Secretary				
	At the beginning of the year	0	0.00		
	At the end of the year			0	0.00
6	Tatu Arvind				
	At the beginning of the year	7493	4.63		
	At the end of the year			7493	4.63

VI INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	2692	0	0	2692
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	2692	0	0	2692
Change in Indebtedness during the financial year				
Additions	1,024,436	0	0	1,024,436
Reduction	0	0	0	0
Net Change	1,024,436	0	0	1,024,436
Indebtedness at the end of the financial year				
i) Principal Amount	1,027,128	0	0	1,027,128
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	10,27,128	0	0	10,27,128

VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole time director and/or Manager:

(In Rs.)

Sr. no.	Particulars of Remuneration	Name of the MD/WTD/Manager
1	Gross salary	Hem Manish Navnitlal
(a)	Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1,740,000
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	660,000
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission	
	as % of profit	-
	others (Group Insurance Premium)	40,400
5	Others, please specify Medical allows	13,636
	Total (A)	2,454,036
	Ceiling as per the Act (Within the limits prescribed under Schedule V)	8,400,000

B. Remuneration to other directors:
(In Rs.)

Sr. No	Particulars of Remuneration	Name of the Directors			Total Amount
		Shri Shashikant D. Pandya	Shri Tapan Chokshi	Smt. Sachi Parikh	
1	Independent Directors				
(a)	Fee for attending board committee meetings	4,000	4,000	4,000	12,000
(b)	Commission	0	0	0	0
(c)	Others, please specify	0	0	0	0
	Total (1)	4,000	4,000	4,000	12,000
2	Other Non Executive Directors				
(a)	Fee for attending board committee meetings		0		0
(b)	Commission		0		0
(c)	Others, please specify.		0		0
	Total (2)		0		0
	Total (B)=(1+2)	4,000	4,000	4,000	12,000
	Total Managerial Remuneration	0	0	0	24,66,036
	Overall Ceiling as per the Act (Within the limits prescribed under Schedule V excluding the sitting fees)	84,00,000			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
(In Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		M.D.	CEO	Company Secretary	CFO	
1	Gross Salary					
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	As given above	NA	36,000	96,000	132,000
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	as % of profit	-	-	-	-	-
	others, specify	-	-	-	-	-
5	Others, please specify					
	Gratuity premium			-	448	448
	PF Contribution	-	-	4,320	11,520	15,840
	HRA	-	-	54,000	36,000	90,000
	Conveyance	-	-	48,000	54,000	102,000
	Adhoc Allowance	-	-	48,000	24,000	72,000
	Adhoc conveyance			-	24,000	24,000
	Group insurance premium			-	13,035	13,035
	Total	-	-	190,320	259,003	449,323

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties / punishments / compounding of offences for the year ended on 31st March, 2017.

For and on behalf of Board,

FOR GUJCHEM DISTILLERS INDIA LIMITED
HEM MANISH
Shashikant D. Pandya

Managing Director

Director

DIN: 01428688
DIN: 01672981

Date : 31st July, 2017

Place : Ahmedabad

CORPORATE GOVERNANCE REPORT
1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company believes that good corporate governance leads to long term gain in shareholder's value. The Company is committed to maintain the highest standard of corporate governance in its conducts towards shareholders, employees and other stakeholders.

2) Board of Directors
Composition:

The Board of Directors of your Company as on 31st March, 2017 consists of Four Directors. Smt. Hem Manish is the Managing Director of the Company. The composition of Board of Directors is in compliant with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board meetings:

During the year, four meetings of the Board of Directors were held on 26-05-2016, 11-08-2016, 11-11-2016 and 10-02-2017. The Company has observed the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding meeting of Board of Directors and that the maximum gap between two consecutive board meetings was not more than one hundred and twenty days.

The composition of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting and also number of the directorship and committee Membership in other Companies are given below:

Sr. No.	Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	@No. of other Directorships	\$No. of other Committee Membership/ Chairmanship
1.	Smt. Hem Manish	Managing Director Promoter-Executive Director	4	Yes	-	-
2.	Shri Shashikant D. Pandya	Independent Director Non-executive	4	Yes	-	-
3.	Shri Tapan Chokshi	Director Independent Non-executive	4	Yes	-	-
4.	Smt. Sachi Parikh	Director (Independent Non -executive	4	Yes	-	-

@ Excludes alternate Directorship / Directorship of Private Limited Companies, Foreign Companies and Companies covered under Section 8 of the Companies Act, 2013.

§ Member/Chairperson of Audit Committee and Stakeholders Relationship Committee only is considered.

None of the Director of the Company is related to any other Director.

None of Directors on the Board are members in more than ten committees and they do not act as Chairman of more than five committees across all companies in which they are Directors.

The Board is presented with the extensive information on vital matters affecting the working of the Company and risk assessment and mitigation procedure. Among others, this includes:

1. Income Record keeping and Going concern status of the Company;
2. Quarterly results of the company;
3. Proposal for investments, disinvestments, restructuring;
4. Compliance of listing requirements & various statutory requirements;
5. Minutes of committee meetings.

Shareholding of Non-Executive Directors as on 31-03-2017 is as follows:

Name of the Directors	Number of Equity Shares
Shri Shashikant D. Pandya	50
Shri Tapan Chokshi	Nil
Smt. Sachi Parikh	2

The policy on familiarization programme of Independent Directors of the Company is available on the website of the Company i.e. www.gujchemdistillers.com.

3) Audit Committee

As required under Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has constituted an Audit Committee.

The composition of Committee and the qualifications of the members are in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year, 4 (four) Committee Meetings were held on 26-05-2016, 11-08-2016, 11-11-2016 and 10-02-2017.

The composition of the Audit Committee and the attendance of the Committee is as under:

Sr. No.	Name of Members	Designation	Number of Meeting Attended
1.	Shri Shashikant D. Pandya, Chairman	Independent Director	4
2.	Shri Tapan Choksi, Member	Independent Director	4
3.	Smt. Hem Manish, Member	Promoter -Executive Director	4

Terms of Reference:

The terms of reference of the Audit Committee covers the areas as contemplate in Section 177 of the Companies Act, 2013 readwith Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The brief terms of reference of the Audit Committee are as under:

- i. Oversee the financial reporting process,
- ii. Recommend the appointment/re-appointment of auditors,
- iii. Decide the audit fees, discuss the nature and scope of audit and ascertain area of concern,
- iv. Review the annual and quarterly financial statements.
- v. Review the changes in accounting policies etc.,
- vi. Review the adequacy of internal audit functions and discuss with them significant findings,
- vii. Review the disclosure of related party transactions,
- viii. Compliance with listing and other legal requirements relating to financial statements,
- ix. To oversee the working of vigil mechanism etc.

The interval between two meeting convened was not more than one hundred twenty days. The audit committee adheres to the SEBI guidelines in terms of quorum of its meetings, functioning, role and powers.

4) Nomination and Remuneration Committee.

As required under Section 178 of the Companies Act, 2013 read with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has constituted the Nomination and Remuneration Committee.

During the year two committee meetings were held on 26-05-2016 and 10-02-2017. The Composition of Nomination and Remuneration Committee and the attendance of the Committee is as under:

Sr. No.	Name of the Members	Designation	Number of Meetings attended
1.	Shri Shashikant D. Pandya, Chairman	Independent Director	2
2.	Shri Tapan Choksi, Member	Independent Director	2
3.	Smt. Sachi Parikh, Member	Independent Director	2

The terms of reference of the Nomination and Remuneration Committee are as outlined in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee is inter alia authorised to identify persons who are qualified to become Directors, appointment at senior Management, evaluation of Directors performance, recommending policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees and granting of Stock options to senior Managerial Personnel.

Performance Evaluation of Independent Directors:

The Performance of the Independent Director is evaluated based on the criteria such as his knowledge, experience, integrity, expertise in any area, number of Board/ Committee meetings attended, time devoted to the Company, his participation in the Board/ Committee meetings etc. The Performance evaluation of the Independent Directors was carried out by the Board and while evaluating the performance of the Independent Directors, the Director who was subject to the evaluation did not participate.

Details regarding Remuneration to Directors:
Details of remuneration paid to the Executive Directors of the Company for the year ended 31-03-2017 is as under:-

Name of the Director	Designation	Salary and Allowances Rs. In lacs	Perquisites Rs. in Lacs	Total Remuneration Rs. in Lacs
Smt. Hem Manish	Managing Director	17.40	7.14	24.54

Service Contract and Notice Period: The appointment of Smt. Hem Manish as Managing Director of the Company is for the 3 years w.e.f. 16-04-2015, terminable by three months notice in writing by either side.

The Company has not formulated any scheme for giving any stock options to the employees.

Hence no stock options has been granted to the Managing Director and Executive Directors during the year ended on 31-03-2017.

During the year ended on 31-03-2017, the Company has paid the following amount towards sitting fees to the Non-Executive Directors of the Company for attending the Board / Committee meetings:

A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board/ Committee attended by him / her, of such sum which is within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

(Amt. In Rs.)

Name of the Director	Sitting Fees
Shri Shashikaant D. Pandya	4,000
Shri Tapan Chokshi	4,000
Smt. Sachi Parikh	4,000

Besides above, the Company does not pay any other commission or remuneration to its Non-Executive Directors.

The Company did not have any other pecuniary relationship or transactions with the Non-Executive Directors during the period under review.

Remuneration Policy:

In accordance with the provisions of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee recommended the remuneration policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees which was approved by the Board and forms the part of the Directors' Report.

5) Stakeholders Relationship Committee.

As required under Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted the Stakeholders Relationship Committee.

As a measure of good corporate governance and to focus on the Shareholders' grievances and towards strengthening investor relations and to expedite the transfer process in the physical segment, the committee deals with issue of duplicate share certificates, redressing shareholders' and investors' complaints and Grievances like transfer of shares, non-receipts of Balance-sheet etc..

The Composition of the Stakeholders Relationship Committee is as under:

Sr. No.	Name of the Members	Designation
1.	Shri Shashikant D. Pandya, Chairman	Independent Director
2.	Shri Tapan Chokshi	Independent Director
3.	Smt. Hem Manish	Promoter - Executive Director

Name and designation of the Compliance Officer of the Company:

Smt. Manali Shah, Company Secretary & Compliance Officer.

Details of the Complaints during the year ended on 31-03-2017:

Particulars	Number of Complaints
Shareholders Complaints received during the year	1
Shareholders Complaints resolved during the year	1
Shareholders Complaints not solved to the satisfaction of the Shareholder	Nil
Number of Pending Complaints	Nil

6) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As your company does not fall under the criteria mentioned in the provision of Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is not required to constitute CSR Committee.

7) INDEPENDENT DIRECTORS:

As per the provisions of the Schedule IV of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall hold at least one meeting in the year without attendance of the Non Independent Directors. The Independent Directors at their meeting held on 02-05-2017 has reviewed the performance of the Non Independent Directors (Including the Chairperson) and assessed the quality, quantity and timeliness of the flow of information between the Company and the Management.

The Independent Directors were satisfied with the performance of the Executive Directors of the Company and with the flow of information between the Company and the Management.

8) RISK MANAGEMENT POLICY:

The Board of Directors has framed, approved and implemented risk management policy of the company including identification of element of risk. The Primary purpose of the policy is to review the major risks identified by the Management along with the Mitigation plan, monitoring and reviewing the Company's risk Management plan and to apprise the Board on the risk assessment and minimization process. The Policy is available on the website of the Company www.gujchemdistillers.com.

9) VIGIL MECHANISM POLICY:

According to the provisions of Section 177(9) of the Companies Act, 2013 and the Rules made there under, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a vigil mechanism policy termed as Whistle Blower Policy, for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, which also provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the chairman of the Audit Committee in exceptional cases.

The Whistle Blower Policy is devised in such a manner that would enable the stakeholders, including individual employees and their representative bodies to freely communicate their concerns about illegal or unethical practices.

Also personnel of the Company have not been denied the access to the Audit Committee to report the genuine concern or grievance.

The Whistle Blower Policy is made available on the website of the Company www.gujchemdistillers.com.

10) INSIDER TRADING CODE: :

The Board of Directors has laid down a Code of fair Disclosure as required under SEBI (Prohibition of Insider Trading) Regulations, 2015 applicable to all the Designated employees of the Company. The code ensures prevention of dealing in shares by persons having access to the unpublished price sensitive information.

The Code of Conduct is made available on the website of the Company i.e. www.gujchemdistillers.com.

11) General Body Meetings

Annual General Meetings held in last three years were as under :-

Annual General Meeting:

Financial year ended	Date	Time	Venue
31-03-2016	29-09-2016	4.00 P.M.	Office No.6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad. 380009
31-03-2015	30-09-2015	4.00 p.m.	
31-03-2014	30-09-2014	4.00 p.m.	

During the last three years following special resolution was passed:

1. Increase in remuneration of Smt. Hem Manish, Managing Director of the Company.

No special resolution was passed last year through Postal ballot nor any resolution proposed to be passed by way of Postal Ballot at the forthcoming Annual General Meeting.

12) Disclosures

The company has partially adopted the non- mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the mandatory requirements as mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been complied with by the Company.

The Company does not have any Subsidiary Company.

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company i.e. www.gujchemdistillers.com.

In preparation of financial statements, the Company has followed the applicable Accounting Standards. The significant accounting policies that are consistently applied have been set out in the Notes to the Accounts.

There are no related party transactions during the year under review.

Business risk evaluation and managing such risk is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the company to mitigate the risks.

Due to not carrying on any operations and having low volume and price rise in the shares of the Company, the BSE Ltd. vide its order dated 24-08-2015 had suspended the trading of securities w.e.f. 27-08-2015.

On the basis of several explanations and presentations made by the Board of Directors of the Company, BSE Limited revoked the suspension of trading of equity shares of the Company w.e.f. 28-06-2016.

The Company is not dealing in any activity which may have commodity price Risk or Foreign Exchange Risk, nor it is undertaking any hedging activity.

13) Means of Communication:

1. Financial Results:

The Company has published its quarterly, half yearly and Annual results in Western Times, Gujarati and English Edition and are displayed on the website of the Company i.e. www.gujchemdistillers.com.

2. News Releases, Presentations etc:

Official News releases, press releases and presentation made to the Analysts, institutional investors etc. (if any) are displayed on the website of the Company www.gujchemdistillers.com.

Website:

The Company's website www.gujchemdistillers.com contains as separate section "Company's Communication" where useful information for the shareholders are available.

The Management Discussion & Analysis forms part of the Annual Report, which is posted to all the members of the Company. The information is also available on our website www.gujchemdistillers.com.

14) General Shareholder Information

Date, time and venue of AGM	1 st September, 2017 at 4.00 p.m. at Office No.6, 2 nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad - 380009.
Financial Year	01-04-2016 to 31-03-2017
Listing on Stock Exchanges	BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 AND Ahmedabad Stock Exchange Limited (ASE) A-2, Kamdhenu Complex, Opposite Sahajanand College, 120 Feet Ring Rd, Panjara Pol, Ambawadi, Ahmedabad – 380 015

Listing Fees	Company has paid listing fees to BSE Ltd.
ISIN No.	INE 218N01013
Stock Exchange's Script Code	
BSE Ltd.	: 506640
Ahmedabad Stock Exchange	: 23010
Registered Office	Office No.6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad 380009.
Dividend Payment Date	Not Applicable
Compliance Officer	Mrs. Manali Shah
Registrar and Share Transfer Agent	Link Intime India Pvt. Ltd. 5th Floor,506 to 508, Amarnath Business Centre-1, Besides Gala Business Centre, & Off. C.G. Road, Navrangpura, Ahmedabad – 380009

15) SHARE PRICE ON BSE LTD. WAS RS. 352.80 PER SHARE AS ON 29-03-2017.

The equity shares of the company were been thinly traded and details of high low are given as under:

Sr. No.	Month	High (Rs.)	Low (Rs.)
1.	July,2016	123.40	114.10
2.	August,2016	138.85	125.85
3.	September,2016	144.60	141.60
4.	October ,2016	187.95	147.45
5.	November,2016	228.35	187.95
6.	December,2016	267.50	236.75
7.	January, 2017	347.75	280.85
8.	February, 2017	352.80	352.80
9.	March, 2017	352.80	352.80

16) Financial Calendar 2017-2018 (tentative)

Annual General Meeting	On or before September 30, 2017
Results for quarter ending June 30, 2017	On or before 14th August, 2017
Results for quarter ending September 30, 2017	On or before 14th November, 2017
Results for quarter ending December 31, 2017	On or before 14th February, 2018
Results for year ending March 31, 2018	On or before 30th May, 2018

17) Distribution of Shareholding as on 31-03-2017

No. of Shares	No. of Shareholders	% of holders	No. of Shares	% of Shares
Up to 500	5033	99.78	65267	40.32
501 - 1000	1	0.02	548	0.34
1001 - 2000	3	0.06	3732	2.30
2001 - 3000	1	0.02	2793	1.73
3001 - 4000	1	0.02	3009	1.86
4001 - 5000	1	0.02	4476	2.76
5001 - 10000	2	0.04	10405	6.43
10001 and above	2	0.04	71655	44.26
Total	5044	100%	161885	100%

18) Pattern of Shareholding as on 31-03-2017

Sr. No	Category	No. of Shares	(%)
1.	Promoters group	84,329	52.09
2.	Financial Institutions/Banks	1631	1.01
3.	Body Corporate	502	0.31
4.	NRI	30	0.02
5.	Others	75368	46.57
	Total	1,61,885	100.00

Dematerialization of Shares, Registrar & Transfer Agent & Share Transfer System.
(i) Share Transfer System

The process of transfer / transmission / transposition etc. of equity shares in physical form including dispatch of the share certificates is completed within a period of 15 days if the documents are in order in all respects.

(ii) Dematerialization of shares, Registrar & Transfer system:

The equity shares of the Company are available for dematerialization through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Entire Share transfer and dematerialization / re-materialization work is assigned to RTA, M/s. Link Intime India Pvt. Ltd. a SEBI registered Share transfer agent. Request for Share transfer, dematerialization and re-materialization shall be sent to RTA at 5th Floor, 506 to 508, Amarnath Business Centre, Beside Gala Business Centre & St. Xaviers' College corner, Off. C.G. Road, Navrangpura, Ahmedabad-380009. RTA is dealing in securities of the Company in physical and Electronic Mode.

Total 99,437 equity shares comprising of 61.42 % of the total equity shares of the Company are in dematerialized form.

(iii) Investors Correspondence:

All shareholders' queries are sent to the Company at its Registered office at Office No. 6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad - 380009 or to the Registrar & Transfer Agent at aforementioned address. Queries can also be sent by e-mail on gujcheminvestors@gmail.com or ahmedabad@linkintime.co.in.

(iv) The Stakeholders Relationship Committee Specifically looks into the redressal of Shareholders complaints, transfer of shares and other related matter including Mandatory/ Non-Mandatory Requirements.

The Company has not issued any outstanding Depositories / warrants / convertible instruments and hence there are no outstanding GDRs/ADRs/Warrants or any convertible instruments as on date.

Commodity Risk or Foreign Exchange Risk: The Company is not dealing in any activity which may have commodity price risk or Foreign Exchange risk nor it is undertaken any hedging activities.

19) MANAGEMENT DISCUSSION AND ANALYSIS REPORT:
Industry structure and Developments:

The Company was primarily engaged in the business of manufacturing and sale of various chemical products based on molasses and industrial alcohol. Due to change in the Government policy by way of decontrol of molasses and alcohol, the Company's products range had become non-profitable. Thus the Company had become sick company and was registered with Board for Industrial and Financial Reconstruction (BIFR). During the year 2010-11 as per order issued by the Board for Industrial and Financial Reconstruction the company has been ceased to be a sick industrial company, as its net worth turned positive and its revival is sustainable. Presently, the Company has been carrying out trading and commission related activities.

Opportunities and outlook:

The Company is exploring possibilities of undertaking activity relating to trading business and commission based activities. Under the present scenario the said segment of activities are appeared to be profitable to the Company.

The company has curtailed expenditure substantially.

Segment:

There are no different segments and hence details are not provided.

Risk and Concerns:

As the Company is not carrying on any activities, there is no operational or market risk attracted to the Company.

Internal control System and their adequacy:

The company has adequate system of internal control commensurate with the size and nature of business of the company.

The system of internal control of the company is adequate keeping in mind the size and current activities of the company.

Financial Performance:

Financial performance with respect to its income is discussed in the main part of the Director's report. The profits of the Company are lower compared to last year, however the hopes for better results in future.

Material Developments in Human Resources / Industrial Relations:

Upon finalization of future activities, the company would build technical team with high quality talent. Present team is well verse with operations being carried out by the company. The company is putting thrust on providing training both in –house and outside.

The company maintains cordial and harmonious relation with its employees.

20) Secretarial Audit for Reconciliation of Capital:

As stipulated by SEBI, Practising Company Secretaries carry out 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. This audit is carried out every quarter and report thereon is submitted to the Stock Exchange(s) where shares of the Company are listed. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

21) CEO and CFO Certification

The CEO / CFO of the Company has given certification on the financial reporting and internal controls to the Board in terms of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015. The CEO/CFO has also given quarterly certification on financial results to the Board in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

22) Declaration for Compliance of Code of conduct

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and according to the information provided/available, it is hereby confirmed that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2016-2017. The Code of Conduct is also posted on the website of the Company i.e. www.gujchemdistillers.com

For and on behalf of Board,
FOR GUJCHEM DISTILLERS INDIA LIMITED

Date : 31st July, 2017
Place : Ahmedabad

Hem Manish
Managing Director
DIN: 01428688

Shashikant D. Pandya
Director
DIN: 01672981

AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
GUJCHEM DISTILLERS INDIA LIMITED
CIN: L24230GJ1939PLC002480
Office No. 6, 2nd Floor, National Chambers,
Nr. City Gold, Ashram Road,
Ahmedabad – 380009

We have examined all relevant records of **GUJCHEM DISTILLERS INDIA LIMITED** for the purpose of certifying compliance of conditions of Corporate Governance as stipulated in para C of Schedule V read with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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, the Company has complied with the condition of the Corporate Governance as stipulated in para C of Schedule V read with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES

Place : Ahmedabad
Date : 31st July, 2017

UMESH PARIKH
PARTNER
FCS No.: 4152 C. P. No.: 2413

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

In terms of Section 178 of the Companies Act, 2013 Regulation 19.f SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 the policy on nomination and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

- I. The following matters of provisions of the Companies Act, 2013 have been included and considered while formulating the Remuneration Policy for the Company.
- (a) Criteria determining the qualifications, positive attributes and independence of a Director.
 - (b) Appointment and removal of Directors, Key Managerial Personnel, Senior Management.
 - (c) Remuneration for the Directors, Key Managerial Personnel, Senior Management and other employees.
 - (d) Evaluation of performance of the Directors of the Company.
 - (e) Scope and Role of the Nomination and Remuneration Committee
 - (f) Disclosures in the Directors' Report

II. **OBJECTIVE:**

- (1) The key objective of this Policy is to enable a framework that allows attracting and retaining competitive and skilled human resource in the Company and for competitive and fair rewards for the achievement of key deliverables and also aligns with practice in the industry and shareholders' expectations. The policy reviews the compensation package payable to the Executive and Non-Executive Directors, Key Management Personnel, the Senior Management and other employees of the Company
- (2) When deciding remuneration, the Committee will consider the market scenario, business performance of the Company and the remuneration practices in Industry.

III. **REMUNERATION TO NON-EXECUTIVE DIRECTORS:**

The general policy of the Board is to provide fees in line with market practice for similar Non-Executive Director roles in the comparable corporate and institutions in India. Fees paid to the Non-Executive Directors also takes account of the Company's complexity, the significant travel and time commitments required for attending Board and other meetings in India and the risk profile of the Company. The Remuneration, if any paid to the non-executive Directors will be as per the provisions of the Companies Act, 2013 and related rules framed there under.

IV. **REMUNERATION TO EXECUTIVE DIRECTORS:**

Components:

Base Salary
Short-term incentive
Long-term incentive
Retrial Benefits

V. **REMUNERATION TO KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EMPLOYEES:**

Components:

Fixed Remuneration

Annual Allowances

Retrial benefits

VI. CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTOR AND IN SENIOR MANAGEMENT:

In accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of listing agreement, the Nomination and Remuneration Committee is required to formulate the criteria for determining the qualification, positive attribute and independence of a Director.

The criteria adopted by the Nomination and Remuneration Committee are as under:

Qualification:

A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

Positive Attributes:

A person should be the person of high integrity, ethical standards, devote the sufficient time to the Company, and have the required skills, expertise and experience and shall perform duties in a bona-fide manner.

CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS INDEPENDENT DIRECTOR:

The criteria adopted by the Nomination and Remuneration Committee are as under:

Qualification:

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

Positive attributes:

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

Independence of Independent Director:

An Independent director should meet the requirements of Section 149, Schedule IV of the Companies Act, 2013 and Clause 49(II) (B) of the Listing Agreement.

For and on behalf of the Board,
FOR GUJCHEM DISTILLERS INDIA LIMITED

Date : 31st July, 2017
Place : Ahmedabad

Hem Manish
Managing Director
DIN: 01428688

Shashikant D. Pandya
Director
DIN: 01672981

**Form No. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED March 31, 2017

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

To,
The Members,
GUJCHEM DISTILLERS INDIA LIMITED
Office No. 6, 2nd Floor, National Chambers,
Nr. City Gold, Ashram Road,
Ahmedabad - 380009

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit; we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- There was no Overseas Direct Investment / External Commercial Borrowings made by the Company during the Audit period under review;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009-Not applicable as the Company has not issued any shares during the year under review;
 - (d) The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014 - Not Applicable as the Company has not issued any Shares / options to the Directors / Employees under the said Regulations during the year under review;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable as the Company has not issued any debt securities during the year under review;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable as the Company has not delisted its Equity Shares from any Stock Exchanges during the year under review;
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 - Not Applicable as the Company has not bought – back any of its securities during the year under review;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- I. Secretarial Standards with respect to the Meetings of the Board of Directors and Committee Meetings of the Board (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- II. The Uniform Listing Agreement entered into by the Company with BSE Limited (BSE).

Since the paid-up Share Capital of the Company is not exceeding Rupees Ten Crore and net worth of the Company is not exceeding Rupees Twenty Five Crore as on the last day of previous financial year, the Compliance with the Corporate Governance provisions as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V, shall not apply to the Company. However as a good corporate governance practice, the Company has been complying with the aforesaid provisions / regulations voluntarily.

During the Audit period under review, the Company has complied with all material aspects of the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that:

During the audit period under review there were no specific laws which were exclusively applicable to the Company.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board that took place during the year under review were carried out in compliance of the provisions of Act.

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

Decisions at the meetings of Board of Directors/ Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members' on any of the matters during the year that were required to be captured and recorded as part of the minutes.

We further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines such as Labour Laws, The Trade Marks Act, 1999 and The Indian Copyright Act, 1957.

We further report that:

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, have not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditor(s) and other designated professionals.

We further report that:

There were no instances of:

- a) Public issue / Right issue of Shares / Debentures / Sweat Equity etc;
- b) Redemption / Buy – Back of Securities;
- c) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013;
- d) Merger / amalgamation / Reconstruction etc;
- e) Foreign Technical Collaboration.

**For Parikh Dave & Associates
Company Secretaries**

**Place : Ahmedabad
Date : 24th July, 2017**

**UMESH PARIKH
Partner
Practicing Company Secretary
FCS No. 4152 C. P. No.: 2413**

Note: This report is to be read with our letter of even date which is annexed as **Annexure – A** and forms an integral part of this report.

ANNEXURE – A

To,
The Members,
**GUJCHEM DISTILLERS INDIA LIMITED
CIN: L24230GJ1939PLC002480**

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

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

**For Parikh Dave & Associates
Company Secretaries**

**Place : Ahmedabad
Date : 24th July, 2017**

**UMESH PARIKH
Partner
Practicing Company Secretary
FCS No. 4152 C. P. No.: 2413**

DISCLOSURE UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i. **Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31st March, 2017;**

Sr. No.	Director	Remuneration	Median Remuneration	Ratio
1.	Hem Manish	24.54 Lacs	7.75 Lacs	3.17: 1

- ii. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**

Sr. No.	Key Managerial Personnel	% increase
1.	Hem Manish- Managing Director	64.92%
2.	Ms. Tatu Arvind, Chief Financial Officer	NIL
3.	Ms. Manali Shah, Company Secretary	NIL

- iii. **The percentage increase in the median remuneration of employees in the financial year;** NIL
- iv. **The number of permanent employees on the rolls of company;** 3 Employees.
- v. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**
There is no increase in the salary of employees other than Managerial Personnel & also the increase in remuneration of Managerial personal is as per the existing Remuneration Policy of the Company, hence there is nothing to be reported here.
- vi. **The key parameters for any variable component of remuneration availed by the directors;**
The Managing Director have not availed any variable remuneration components.
- vii. **Affirmation that the remuneration is as per the remuneration policy of the company;**
It is affirmed that the remuneration paid is as per the remuneration policy of the company.
- viii. **Disclosure under Rule 5(2)**

During the year under review there were no employees drawing remuneration in excess of the threshold limit prescribed under the aforesaid rules.

Details of employees in terms of remuneration drawn are as under:

Employee Name	Designation	Remuneration Received	Nature of Employment	Qualification	Age	Total Experience (in Years)	Date of Commencement of Employment	Particulars of Previous Employment		
								Organization	Designation	Period for which last post held
Tatu Arvind	Chief Financial Officer	2,59,003	Permanent	B.Com.	48	6	11-08-2014		NIL	
Jayraj Chauhan	Manager	3,25,737	Permanent	B.Com.	55	25	11-08-2014	Dwarkesh Marketing Pvt Ltd	Account Assistant	5
Manali Shah	Company Secretary	1,90,320	Permanent	C.S.	27	1.50	12-08-2015		NIL	

Ms. Tatu Arvind, relative of Smt. Hem Manish-Managing Director of the Company, holds 4.63% of the paid up share capital of the Company as on 31st March, 2017.

For and on behalf of Board,
FOR GUJCHEM DISTILLERS INDIA LIMITED

Date : 31st July, 2017
Place : Ahmedabad

HEM MANISH Managing Director
DIN: 01428688

Shashikant D. Pandya Director
DIN: 01672981

INDEPENDENT AUDITORS' REPORT

To the Members of Gujchem Distillers India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Gujchem Distillers India Limited** (the 'Company'), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss, and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to:

- (a) Note 27 to the financial statements in respect of the financial statements has been prepared on a *going concern* basis, and
- (b) Note 28 to the financial statements in respect of non-provisioning for doubtful loans and deposits.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure 'A'**, a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act; and
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**;
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 1) the Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 21 to the Financial Statements);
 - 2) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - 3) there is no amount required to be transferred to Investor Education and Protection Fund by the Company.
 - 4) the Company has provided requisite disclosures in the financial statements as to holdings as well as in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the management - (Refer Note 30 to the financial statements).

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

By the hand of

Edwin P. Augustine

Partner

Membership No. 043385

Ahmedabad, 30th May, 2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management, which in our opinion is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanation given to us, the Company did not carry any inventory during the year. Accordingly, the Paragraph 3(ii) of the order is not applicable to the Company.
- (iii) According to the information and explanations give to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3(iii) of the order is not applicable to the Company.
- (iv) According to the information and explanations given to us and the records examined by us, the Company has not given loans, made investments, provided guaranties and security which requires compliance of the provisions of Sections 185 and 186 of the Act. Accordingly, the Paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us and the records examined by us, the Company has not accepted any deposits during the year. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, as there are no manufacturing activities carried out during the year, the requirements of maintenance of cost records under Section 148(1) of the Act are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, cess and any other statutory dues, where applicable, to the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records examined by us, the particulars of duty of excise as at 31st March, 2017 which have not been deposited on account of a dispute pending, are as under:

Nature of the Statute	Nature of the disputed dues	(Rs. lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise and Salt Act, 1944	Excise duty	16.62	1985-86 & 1986-87	A.O. Central Excise Department

- (viii) According to the information and explanations given to us and as per the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from Government. The Company has not issued any debentures. Accordingly, the Paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, the Paragraph 3(ix) of the Order is not applicable to the Company.

- (x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the relevant details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the Paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, compliance with the provisions of Section 192 of the Act is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

By the hand of

Edwin P. Augustine

Partner

Membership No. 043385

Ahmedabad, 30th May, 2017

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our report of even date)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013.

We have audited the internal financial controls over financial reporting of **Gujchem Distillers India Limited** (the 'Company') as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial

Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Disclaimer of Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

By the hand of

Edwin Augustine

Partner

Membership No. 043385

Ahmedabad, 30th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Equity and Liabilities			
1. Shareholders' funds			
(a) Share capital	3	16,33,545	16,33,545
(b) Reserves and surplus	4	4,59,34,293	5,05,71,594
		4,75,67,838	5,22,05,139
2. Non-current liabilities			
(a) Long-term provisions	5	50,000	50,000
		50,000	50,000
3. Current liabilities			
(a) Short-term borrowings	6	10,27,128	2,692
(b) Trade payables	7		
Due to micro and small enterprises		-	-
Due to creditors other than micro and small enterprises		8,62,962	10,59,886
(c) Other current liabilities	8	38,747	77,250
(d) Short-term provisions	9	16,000	33,77,022
		19,44,837	45,16,850
Total		4,95,62,675	5,67,71,989
Assets			
(1) Non-current assets			
(a) Property, plant and equipment			
(i) Tangible assets	10	27,09,789	35,22,074
(ii) Non-current investments	11	1,01,722	4,26,722
(iii) Long-term loans and advances	12	1,84,940	15,83,783
		29,96,451	55,32,579
(2) Current assets			
(a) Current investments	13	4,40,413	5,24,072
(b) Cash and cash equivalents	14	3,58,80,425	4,03,84,149
(c) Short-term loans and advances	15	89,72,951	92,01,305
(d) Other current assets	16	12,72,435	11,29,884
		4,65,66,224	5,12,39,410
Total		4,95,62,675	5,67,71,989
Contingent liabilities and commitments	21		
Significant Accounting Policies	2		
Other notes forming part of the financial statements 3-32			

Notes referred to above form an integral part of the financial statements.

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

By the hand of

Edwin P. Augustine

Partner

Membership No. 043385

Place : Ahmedabad

Date : 30th May, 2017

HEM MANISH
Managing Director

TATU ARVIND
Chief Financial Officer

Place : Ahmedabad
Date : 30th May, 2017

SHASHIKANT D. PANDYA
Director

MANALI M. SHAH
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	2016-17 Rupees	2015-16 Rupees
Revenue from operations (gross)		-	-
Less: Excise duty		-	-
Revenue from operations (net)		-	-
Other income	17	35,37,877	29,80,992
Total Revenue		35,37,877	29,80,992
Expenses			
Raw materials consumed		-	-
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods and work-in-progress		-	-
Employee benefits expense	18	32,43,213	27,68,055
Finance costs	19	42,253	45,930
Depreciation expenses		8,12,285	8,17,649
Other expenses	20	39,53,644	34,65,097
Total Expenses		80,51,395	70,96,731
Profit / (Loss) before extraordinary items and tax		(45,13,518)	(41,15,739)
Extra ordinary item (Refer Note 24)		-	3,72,47,001
Profit(Loss) before tax		(45,13,518)	3,31,31,262
Tax expense:			
Current tax		-	1,37,00,000
Income tax of earlier years		1,23,783	-
Deferred tax (Refer Note 25)		-	-
Total Tax expenses		1,23,783	1,37,00,000
Profit(Loss) for the year		(46,37,301)	1,94,31,262
Earnings per share (Face value of equity shares of Rs. 10 each):			
Basic and Diluted		(28.65)	120.03

Significant Accounting Policies 2

Notes forming part of the financial statements. 3-32

Notes referred to above form an integral part of the financial statements.

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

By the hand of

Edwin P. Augustine

Partner

Membership No. 043385

Place : Ahmedabad

Date : 30th May, 2017

HEM MANISH

Managing Director

TATU ARVIND

Chief Financial Officer

Place : Ahmedabad

Date : 30th May, 2017

SHASHIKANT D. PANDYA

Director

MANALI M. SHAH

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	2016-17 Rupees	2015-16 Rupees
Cash flows from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(45,13,518)	(41,15,739)
Adjustments for:		
Depreciation expense	8,12,285	8,17,649
Finance costs	42,253	45,930
Interest income	(33,03,363)	(29,73,967)
Dividend income	(5,721)	(7,025)
Investments written-off	3,38,000	-
Net (gain) / loss on sale of investments	(18,007)	-
Provisions no longer required written-back	(1,25,793)	-
Capital and other advances written-off	14,12,897	-
Adjustments to the carrying amount of investments	(84,993)	26,449
Operating profit / (loss) before working capital changes	(54,45,960)	(62,06,703)
<u>Changes in working capital:</u>		
Adjustments for		
(Increase) / Decrease in Short-term loans and advances	(1,04,35,593)	1,20,26,872
(Increase) / Decrease in Long-term loans and advances	96,060	(54,000)
	(1,03,39,533)	1,19,72,872
Adjustment for :		
Increase / (Decrease) in Trade payables	(71,131)	3,53,418
Increase / (Decrease) in Other current liabilities	(38,503)	38,431
Increase / (Decrease) in Other long-term liabilities	-	10,000
Increase / (Decrease) in Short-term provisions	1,03,38,978	-
	1,02,29,344	4,01,849
Cash flows from extraordinary items	-	3,72,70,120
Cash generated from operations	(55,56,149)	4,34,38,138
Direct tax (paid) / refunds	(32,69,950)	(1,03,88,401)
Cash generated from / (used in) operating activities (A)	(88,26,099)	3,30,49,737
Cash flows from investing activities		
Purchase of current investments	(19,500)	-
Proceeds from sale of current investments (net)	1,93,159	-
Interest received		
- Others	31,60,812	21,26,918
Dividend received		
- Others	5,721	7,025
Cash generated from / (used in) investing activities	33,40,192	21,33,943

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	2016-17 Rupees	2015-16 Rupees
Cash flows from financing activities		
Proceeds from other short-term borrowings	10,24,436	(2,761)
Finance cost	(42,253)	(45,930)
Net cash flows from / (used in) financing activities	9,82,183	(48,691)
Net increase / (decrease) in Cash and cash equivalents	(45,03,724)	3,51,34,989
Cash and cash equivalents at the beginning of the year	4,03,84,149	52,49,160
Effective of exchanges differences on restatement of foreign currency	-	-
Cash and cash equivalents at the end of the year (Refer Note 14)	3,58,80,425	4,03,84,149

Note :

- The Cash flows statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 Cash Flow Statements, as specified in the Companies (Accounting Standards) Rules, 2006, as amended.
- Figures for the previous year have been regrouped wherever necessary.

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

By the hand of

Edwin P. Augustine

Partner

Membership No. 043385

Place : Ahmedabad

Date : 30th May, 2017

HEM MANISH
Managing Director

TATU ARVIND
Chief Financial Officer

Place : Ahmedabad
Date : 30th May, 2017

SHASHIKANT D. PANDYA
Director

MANALI M. SHAH
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS : 2016-17**1. CORPORATE INFORMATION**

Gujchem Distillers India Limited is a public limited company has been incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the stock exchange. The Company is engaged in the manufacturing and selling of Industrial Alcohol, Acetaldehyde, Acetic Acid and Auxiliaries & Chemicals and also provides services as commission agent.

2. SIGNIFICANT ACCOUNTING POLICIES**2.1 (1) BASIS OF PRESENTATION AND PRESENTATION OF FINANCIAL STATEMENTS:**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with the Generally Accepted Accounting Principles ('GAAP') in compliance with the provisions of the Companies Act, 2013 (the 'Act') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India are also considered, wherever applicable.

2.1 (2) USE OF ESTIMATES:

The preparation of financial statements in conformity with Indian GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

2.2 PROPERTY, PLANT AND EQUIPMENT:

The Company has adopted cost model as its accounting policy and has accordingly applied the same to the entire class of property, plant and equipment.

Tangible Assets:

- a) Tangible assets are stated at cost, net of tax / duty credit availed, if any, less accumulated depreciation, amortisation and impairment, if any. Costs directly attributable to acquisition are capitalised until the assets are ready for use as intended by the management. Subsequent upgradations / enhancements which results in an increase in the future benefits from such assets, beyond the previously assessed standard of performance, are also capitalised. Machinery spares which can be used only in connection with an item of tangible assets and whose use is not regular in nature are capitalised and written-off over the estimated useful life of the relevant asset.
- b) Administrative and other general overheads that are specifically attributable to construction or acquisition of tangible assets or bringing the tangible assets to working condition necessary for it to be capable of operating in the manner intended by the management are allocated and capitalised as a part of tangible assets.
- (c) Pre-operative expenses, including interest on borrowings upto the date of commercial operations, are treated as part of project cost and capitalised.
- (d) Self-constructed tangible assets are capitalised at factory cost, including excise duty, and appropriate share of overheads, where applicable.
- (e) Tangible assets not ready for intended use on the date of the balance sheet are disclosed as Capital work-in-progress.
- (f) Where cost of an asset ('asset component') is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.
- (g) Capital expenditure on tangible assets for research and development is classified under tangible assets and is depreciated on the same basis as other tangible assets.
- (h) Tangible assets are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in case retirement of assets and gains or losses arising from

NOTES FORMING PART OF THE FINANCIAL STATEMENTS : 2016-17

- disposal of tangible assets are recognised in the statement of profit and loss in the year of occurrence.
- (i) Useful lives and residual values of the assets are determined by the management at the time the asset is acquired and reviewed periodically including at each financial year end.
- 2.3 DEPRECIATION:**
- (a) Owned assets:**
Depreciation on tangible assets carried at historical costs is provided on straight line method on the basis of the useful life of assets as specified in Schedule II to the Companies Act, 2013. In case of tangible assets which are added / disposed off during the year, the depreciation is provided on *pro-rata* basis with reference to the month of addition / deletion.
- (b) Leased assets:**
- (i) Leasehold lands are amortised over the period of lease.
- (ii) Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period is beyond the life of the building.
- (iii) In other cases, buildings constructed on leasehold land is amortised over the primary lease period of the land.
- 2.4 INVESTMENTS:**
Investments that are readily realisable and are intended to be held for not more than one year from the date of acquisition are classified as current investments. Cost of investments includes acquisition charges, if any, and are stated at lower of cost and fair value determined on individual basis.
Any reduction in the carrying amount or any reversals of such reduction is charged or credited to the statement of profit and loss.
- 2.5 EMPLOYEE BENEFITS:**
Provident Fund and Superannuation Contribution are accrued each year in terms of contracts with the employees. Provision for Gratuity is determined and accrued on the basis of actuarial valuation by Life Insurance Corporation of India. Leave encashment benefit to employees has been provided on an estimated basis.
- 2.6 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS AND COMMITMENTS:**
- (a) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:
- (1) the Company has a present obligation as a result of a past event;
- (2) it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation; and
- (3) a reliable estimate can be made of the amount of obligation.
- (b) Reimbursement by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtually certain that reimbursement will be received if the enterprise settles the obligation.
- (c) Contingent liability is disclosed in the case of:
- (1) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- (2) a present obligation arising from past events, when no reliable estimate is possible;
- (3) a possible obligation arising from past events, where the probability of outflow of resources is remote.
- (d) Contingent assets are neither recognised nor disclosed.
- (e) Commitments are future liabilities for contractual expenditure. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- (f) Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.7 TAXES ON INCOME:

- (a) Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments / appeals.
- (b) Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.
- (c) Deferred tax assets relating to unabsorbed depreciation / business losses are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- (d) Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- (e) The carrying amount of deferred tax asset is reviewed at each balance sheet date for any write down as considered appropriate.

2.8 BORROWING COSTS:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period over twelve months of time to get ready for its intended use or sale

All other borrowing costs are recognized as expense in the period in which they are incurred.

2.9 REVENUE RECOGNITION:

- (a) Interest income:
Interest income on deposits, securities and loans is recognised at the agreed rate on time proportionate basis.
- (b) Dividend income:
Dividend income on investments is recognised as and when received.

Notes forming part of the Financial Statements : 2016-17

Particulars	As at 31-3-2017 Rupees	As at 31-3-2016 Rupees
3. Share Capital		
Authorised :		
96,00,000 Equity Shares of Rs.10 each	9,60,00,000	9,60,00,000
15,00,000 11 % Cumulative Redeemable Preference Shares of Rs.100 each - First Issue	15,00,000	15,00,000
20,00,000 11 % Cumulative Redeemable Preference Shares of Rs.100 each - Second Issue	20,00,000	20,00,000
50,00,000 Unclassified Shares of Rs.10 each	5,00,000	5,00,000
	<u>10,00,00,000</u>	<u>10,00,00,000</u>
Issued, Subscribed and Called up and Paid Up :		
1,61,885 Equity Shares of Rs.10 each fully paid up	16,18,850	16,18,850
	16,18,850	16,18,850
Add : Forfeited shares	14,695	14,695
	<u>16,33,545</u>	<u>16,33,545</u>

(a) Reconciliation of the shares outstanding at the beginning and end of the reporting year

	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	Rupees	No. of Shares	Rupees
Equity Shares				
At the beginning of the year	1,61,885	16,18,850	1,61,885	16,18,850
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>1,61,885</u>	<u>16,18,850</u>	<u>1,61,885</u>	<u>16,18,850</u>

(b) Terms / Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs. 10 each. Each shareholder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of Shareholders holding more than 5% shares in the Company

	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	% Holding	No. of Shares	% Holding
Devikaben Navnitlal Patel	10,028	6.19%	10,028	6.19%
Hem Manishbhai Patel	61,727	38.13%	61,627	38.07%

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

- (d) There are no bonus shares issued / shares bought back
- (e) There are no shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.
- (f) No securities are issued which are convertible into equity/preference shares during the year.
- (g) There are no calls unpaid on issued share capital.

Notes forming part of the Financial Statements : 2016-17

Particulars	As at 31-3-2017 Rupees	As at 31-3-2016 Rupees
4. Reserves and Surplus		
Capital Reserve		
As per the last balance sheet	1,71,30,990	1,71,30,990
Investment Reserve		
As per the last balance sheet	9,972	9,972
Surplus in the Statement of Profit and Loss		
As per the last balance sheet	3,34,30,632	1,39,99,370
Profit / Loss for the year	(46,37,301)	1,94,31,262
	2,87,93,331	3,34,30,632
	4,59,34,293	5,05,71,594
5. Long Term Provisions		
Provision for leave encashment	50,000	50,000
	50,000	50,000
6. Short-Term Borrowings		
Overdraft facilities from bank	10,27,128	2,692
	10,27,128	2,692
Note : Overdraft facility from Bank carries interest rate, (8% to 10% p.a.). The loan is secured by lien on Company's fixed deposits.		
7. Trade Payables		
Due to micro and small enterprises	-	-
Due to creditors other than micro and small enterprises	8,62,962	10,59,886
	8,62,962	10,59,886
Note : As at 31st March, 2017, there are no amounts outstanding in respect of suppliers registered as micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.		
8. Other Current Liabilities		
Statutory liabilities	38,747	77,250
	38,747	77,250
9. Short-Term Provisions		
Provision for taxation (net of advance tax)	-	27,61,022
Provision for leave encashment	-	6,00,000
Provision for bonus	16,000	16,000
	16,000	33,77,022

Notes forming part of the Financial Statements : 2016-17
10. Property, Plant & Equipments

Particulars	Gross Block				Depreciation				Net Block	
	As at 1.4.2016	Addi- tions	Deduc- tions	As at 31.3.2017	Up to 31.3.2016	For the Year	Deduc- tions	Up to 31.3.2017	As at 31.3.2017	As at 31.3.2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets										
Land *	63,800	-	-	63,800	-	-	-	-	63,800	63,800
Building *	7,59,633	-	-	7,59,633	4,58,724	14,083	-	4,72,807	2,86,826	3,00,909
Plant and machineries *	77,48,775	-	-	77,48,775	77,48,769	-	-	77,48,769	6	6
Furniture and fixtures *	6,97,053	-	-	6,97,053	6,80,173	3,388	-	6,83,561	13,492	16,880
Office equipments	1,84,186	-	-	1,84,186	1,29,499	9,115	-	1,38,614	45,572	54,687
Vehicles	58,26,879	-	-	58,26,879	27,41,087	7,85,699	-	35,26,786	23,00,093	30,85,792
Total	1,52,80,326	-	-	1,52,80,326	1,17,58,252	8,12,285	-	1,25,70,537	27,09,789	35,22,074
*Includes assets retired from active use (Previous year)	83,94,059	-	-	83,94,059	81,18,083	9,181	-	81,27,264	2,66,795	2,75,976
	(83,94,059)	-	-	(83,94,059)	(81,08,902)	9,181	-	(81,18,083)	(2,75,976)	

Particulars	As at 31-3-2017 Rupees	As at 31-3-2016 Rupees
-------------	---------------------------------------	---------------------------------------

11. Non Current Investments
Trade Investments (Unquoted - At cost)

32,500 Equity shares of Rs.10 each of Gujarat Alcohol and Allied Chemicals Private Limited.	3,25,000	3,25,000
Less : Investment written-off	3,25,000	-
	-	3,25,000

Non-trade Investments (Unquoted)
Equity Shares (Fully paid up - At cost)

10 shares of Rs.100 each of Baroda Chemical Industries Limited	972	972
90 shares of Rs.100 each of Kaveri Engineers Limited	9,000	9,000
1,080 shares of Rs.25 each of Co-operative Bank of Ahmedabad Ltd.	27,000	27,000
850 shares of Rs.25 each of Nutan Nagrik Sahakari Bank Limited	21,250	21,250
600 shares of Rs.25 each of Kalupur Commercial Co-operative Bank Ltd.	15,000	15,000
100 shares of Rs.10 each of The Kapole Commercial Co-operative Bank Limited	1,000	1,000
1,100 shares of Rs.25 each of Textile Traders Co-operative Bank Limited	27,500	27,500
	1,01,722	4,26,722
Aggregate of Unquoted Investments - Book Value	1,01,722	4,26,722

12. Long-Term Loans and Advances
(Unsecured, considered good)

Capital advances	10,00,000	10,00,000
Less : written-off during the year	10,00,000	-
	-	10,00,000
Loans to related parties	32,940	69,000
Loans to employee	1,50,000	2,10,000
Security deposits	76,450	76,450
Less : written-off during the year	74,450	-
	2,000	76,450
Balances with VAT and excise authorities	2,28,333	2,28,333
Less : written-off during the year	2,28,333	-
	-	2,28,333
	1,84,940	15,83,783

Notes forming part of the Financial Statements : 2016-17

Particulars	As at 31-3-2017 Rupees	As at 31-3-2016 Rupees
13. Current Investments		
Units of Mutual Funds (Unquoted)		
5595.943 Units of Franklin Templeton Investments, Franklin India Income Opportunities Fund	74,276	74,276
Other Investments (Unquoted)		
Government Securities :		
Rs.2,000 12 Years National Defence Certificate (deposited as security deposit with central excise, matured but not encashed)	2,000	2,000
Rs.6,000 7 Years National Savings Certificate (deposited as security deposit with central excise, matured but not encashed)	6,000	6,000
Rs.5,000 6 Years National Savings Certificate (deposited as security deposit with sales tax authorities, matured but not encashed)	5,000	5,000
	13,000	13,000
Less : Amount written-off	13,000	-
	-	13,000
Equity Shares (Fully paid up - At cost) - Quoted		
Nil (P.Y. 200) Shares of Tata Steel Ltd. of Rs. 10 each	-	87,290
500 (P.Y. 1000) Shares of L&T Finance Holdings Ltd. of Rs. 10 each	38,748	77,496
1700 (P.Y. 1700) Shares of Sintex Ltd. of Rs. 1 each	1,40,754	1,47,236
150 (P.Y. 150) Shares of Thomas Cook Ltd. of Rs. 1 each	21,732	21,732
1000 (P.Y. 1000) Shares of Adani Power Ltd. of Rs. 10 each	61,308	61,308
2000 (P.Y. 2000) Shares of Bharat Immunologicals and Biologicals Corporation Ltd. of Rs. 10 each	46,152	46,152
1000 (P.Y. 1000) Shares of Dena Bank Ltd. of Rs. 10 each	84,485	84,485
500 (P.Y. 500) Shares of Reliance Communication Ltd. of Rs. 5 each	67,475	67,475
Nil (P.Y. 100) Shares of Vedanta Ltd. of Rs. 1 each	-	23,132
50 (P.Y. 50) Shares of Neuland Laboratories Ltd. of Rs. 10 each	22,204	22,204
	4,82,858	6,38,510
Less : Provision for diminution in value of investments	1,16,721	2,01,714
	3,66,137	4,36,796
	4,40,413	5,24,072
(a) Aggregate amount of quoted investments and market value thereof;		
Market Value	4,93,358	4,56,030
Book Value	4,82,858	6,38,510
(b) Aggregate amount of unquoted investments		
Book Value	74,276	87,276
(c) Aggregate provision for diminution in value of investments is Rs. 1,16,721 (Previous year : Rs. 2,01,714)		

Notes forming part of the Financial Statements : 2016-17

Particulars	As at 31-3-2017 Rupees	As at 31-3-2016 Rupees
14. Cash and Cash Equivalents		
Balance with banks in current accounts	2,57,354	20,59,513
Balance with banks in fixed deposit accounts (includes deposits with maturity for more than 12 months Rs. 2,15,00,000 Previous year Rs. 60,12,944)	3,55,97,534	3,80,12,944
Cash on hand	25,537	3,11,692
	<u>3,58,80,425</u>	<u>4,03,84,149</u>
Note : Deposits of Rs. 25,00,000 (P.Y. 25,00,000) are under lien with bank.		
15. Short-Term Loans and Advances (Unsecured, considered good)		
Tax deducted at source	3,85,145	-
Loans repayable on demand (Refer Note 28)	55,00,000	60,00,000
Inter corporate deposits (Refer Note 28)	30,00,000	30,00,000
Advances recoverable in cash or in kind or for value to be received	87,806	2,01,305
	<u>89,72,951</u>	<u>92,01,305</u>
16. Other Current Assets		
Interest accrued but not due on deposits	12,72,435	11,29,884
	<u>12,72,435</u>	<u>11,29,884</u>
	2016-2017	2015-2016
	Rupees	Rupees
17. Other Income		
Interest on bank deposits and other interest (including T.D.S. Rs. 3,13,535 (P.Y. Rs.6,64,095))	33,03,363	29,55,522
Dividend income	5,721	7,025
Interest on income tax refunds	-	18,445
Profit on sale of investments (net)	18,007	-
Provision for diminution in value of investments reversed	84,993	-
Provisions no longer required written-back	1,25,793	-
	<u>35,37,877</u>	<u>29,80,992</u>
18. Employee Benefit Expenses		
Salaries, wages and bonus	30,56,000	21,62,540
Contribution to provident fund	30,240	28,672
Contribution to gratuity / superannuation fund	895	4,00,910
Contribution to Employee State Insurance	7,410	-
Leave encashment	-	10,000
Staff welfare expenses	1,48,668	1,65,933
	<u>32,43,213</u>	<u>27,68,055</u>

Notes forming part of the Financial Statements : 2016-17

	2016-2017	2015-2016
	Rupees	Rupees
19. Finance Costs		
Interest		
On borrowings	42,248	42,575
Others	5	3,355
	42,253	45,930
20. Other Expenses		
Electricity	10,220	15,790
Repairs and maintenance	23,978	6,55,513
Insurance	1,00,029	95,468
Rates and taxes	53,669	1,04,949
Auditors remuneration :		
Audit fees	40,000	40,000
Tax audit fees	-	22,000
Certification fees	10,500	10,500
	50,500	72,500
Professional fees	9,91,334	13,13,857
Printing and stationery	65,446	63,492
Communication expenses	1,01,242	1,27,347
Travelling and conveyance	1,65,716	2,33,777
Listing and Registration fees	2,68,980	2,45,330
Capital and other advances written-off	14,12,897	-
Miscellaneous expenses	3,71,633	5,10,625
Investments written-off	3,38,000	-
Provision for diminution in value of investments	-	26,449
	39,53,644	34,65,097
21. Contingent liabilities and commitments :		
Claims against the Company not acknowledge as debts:		
	31-03-2017	31-03-2016
	Rupees	Rupees
a) By certain customers for price difference on sales	40,47,343	40,47,343
b) Stamp Duty on immovable properties (since settled)	-	4,28,697
Contingent liability not provided for on account of:		
a) Excise duty disputed by the Company pending disposal	16,62,494	16,62,494
Notes:		
1. The Company does not expect any reimbursements in respect of the above contingent liabilities.		
2. It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at above pending resolution of the arbitration /appellate proceedings. Further, the liability mentioned above excludes interest and penalty in cases where the Company has determined that the possibility of such levy is remote.		
22. Remuneration to Managing Directors charged to accounts including perquisites as per Income Tax Rules	24,54,036	16,14,636
(Remuneration has been paid in accordance with the provisions of Companies Act, 2013.)		
23. The Company is primarily engaged in business of manufacturing and selling of Industrial Alcohol, Acetaldehyde, Acetic Acid and Auxiliaries & Chemicals. Since the inherent nature of activities as a whole are governed by the same set of risk and returns these have been grouped as a single segment, the results of which are reflected in the financial statements. The said treatment is in accordance with the Accounting Standard (AS) 17 Segment Reporting.		

Notes forming part of the Financial Statements : 2016-17

24. During the financial year 2015-16, the Company has sold one of its building resulted in a profit of Rs. 3,72,47,001. The said profit is disclosed as an extra-ordinary item in the financial statements for the year ended 31st March, 2016.
25. No provision is made for taxes in view of losses during the year.
Deferred tax assets representing past losses have not been recognized following the principles of prudence due to uncertainty of the quantum of future profits.
Further, no deferred tax has been recognized for items pertaining to timing differences.

26. Related Party Disclosures
(a) Relationship :

i. **There is no Related Party over which the Company exercises its control**

ii. **Key Management Personnel :**

Hem Manishbhai (Managing Director, also controls majority of voting powers of the Company).

Tatu Arvind (Chief Financial Officer).

iii. **Relatives of Key Management Personnel :**

Devikaben Navnitlal Patel (Mother in Law of Hem Manishbhai Patel), Bela Sandip Jhaveri (Sister in Law of Hem Manishbhai Patel), Chaula Navnitlal Patel (Sister in Law of Hem Manishbhai Patel), Hemangini Sameer Sinha (Sister in Law of Hem Manishbhai Patel), Bharati Arvind (Mother of Hem Manishbhai Patel) and Tatu Arvind (Sister of Hem Manishbhai Patel)

iv. **Enterprises over which key management personnel alongwith relatives is able to exercise significant influence :**

(1) Gujarat Alcohol and Allied Chemicals Pvt. Ltd.

(2) Saurabh Distributors Pvt. Ltd.

(b) Transactions: Details of aggregate of transactions with the related parties referred to in (a) above:-

Type of Transactions	Referred to in (a)(ii) above	Referred to in (a)(iii) above
Remuneration	24,54,036	2,59,003
Outstanding balances at the close of the year :		
Amounts due on account of remuneration	-	-
Amount Payable	-	-
As Unsecured Loan - Taken	-	-
Loans & advances – Receivables	-	32,940

27. The financial statements of the Company are prepared on a going concern basis in spite of its main business operation has been suspended and losses. The management has decided to conduct a detailed study to explore various avenues for reviving its business operations. The management is of the opinion that the Company will be able to revive the business and it is possible to wipe-off these losses in the near foreseeable future.
28. Short-term loans and advances includes loans of Rs. 55,00,000 and inter corporate deposit of Rs.30,00,000 for which there is no stipulations with respect to its repayments. The management is of the view that the said loans and deposit are repayable on demand and are confirmed by the borrowers/ recipients. Accordingly no provision has been made for doubtful loans and deposit.
29. Earning per share :

	2016-17	2015-16
	Rupees	Rupees
Profit (Loss) for the Year	(46,37,301)	1,94,31,262
Weighted average No. of shares outstanding during the year	1,61,885	1,61,885
Nominal value of shares	10	10
Basic / Diluted Earning Per share	(28.65)	120.03

30. Details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016 :

	SBNs	Other denomination notes	Total
	Rs.	Rs.	Rs.
Closing cash in hand as on 8.11.2016	15,40,000	6,695	15,46,695
(+) Permitted receipts	-	70,000	70,000
(-) Permitted payments	-	36,745	36,745
(-) Amount deposited in Banks	15,40,000	-	15,40,000
Closing cash in hand as on 30.12.2016	-	39,950	39,950

31. Corporate Social Responsibility :

- (a) Gross amount required to be spend by the Company during the year is Rs. Nil.
 (b) Amount spent by the Company during the year is Rs. Nil

32. Figures for the previous year are re-grouped wherever necessary.

Signatures to Note 1 to 32

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

By the hand of

Edwin P. Augustine

Partner

Membership No. 043385

Place : Ahmedabad

Date : 30th May, 2017

HEM MANISH
 Managing Director

TATU ARVIND
 Chief Financial Officer

Place : Ahmedabad
 Date : 30th May, 2017

SHASHIKANT D. PANDYA
 Director

MANALI M. SHAH
 Company Secretary

Gujchem Distillers India Limited

 Regd Office: Office No.6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad- 380009
 CIN : L24230 GJ1939PLC002480

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

 I/We hereby record my / our presence at the 78th Annual General Meeting of the members of the Company to be held on Friday, 1st September, 2017 at the registered office at 4.00 p.m.

Full name of the Member : _____

Address of the Member: _____

Folio No. _____ *DP ID No. _____ *Client ID NO. _____ No. of shares held _____

Full name of the Proxy (If attending the meeting): _____

Member's /Proxy's Signature: _____

Notes:

- Please complete the Folio / DP ID-Client No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
- Shareholders are requested to advise to indicate their folio No., DP ID*, Client ID*, the change in their address, if any, to the Registrar & Share Transfer Agents, at Link Intime India Private Limited.

*Applicable for investors holding shares in Electronic (Demat) form.

Gujchem Distillers India Limited

 Regd Office: Office No.6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad- 380009
 CIN : L24230 GJ1939PLC002480

PROXY FORM

FORM NO. MGT-11

(Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule 2014)

Name of the member(s) : _____

Registered Address : _____

E-mail ID : _____

Folio No./Client ID/DPID : _____

No. of Shares : _____

I/ we, being the member(s) of the above named company, hereby appoint:

1. Name : _____

Address _____

E-mail ID: _____ Signature _____ or failing him

2. Name : _____

Address _____

E-mail ID: _____ Signature _____ or failing him

3. Name : _____

Address _____

E-mail ID: _____ Signature _____

 as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 78th Annual General Meeting of the Company, to be held on Friday, 1st September, 2017 at 4.00 p.m. at the registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above proxy to vote in the manner as indicated in the box below:

Resolution No.	Particulars of Resolution	Optional	
		For	Against
	ORDINARY BUSINESS		
1.	To consider and adopt the Audited Financial Statements of the Company for the year ended on March 31, 2017 and the Directors' report and Auditors' report thereon.		
2.	Re-appointment of Smt. Hem Manish (DIN: 01428688), as a Director who retires by rotation.		
3.	Appointment of Statutory Auditors and fixing their remuneration.		
	SPECIAL BUSINESS		
4	To appoint Shri Shashikant D. Pandya (DIN: 01672981) as an Independent Director. (Special Resolution)		
5	Approval of keeping the registers, returns etc. at the place other than the registered office of the Company. (Special Resolution)		

Signed this _____ day of _____ of 2017

Signature of Shareholder

Signature of Proxy holder(S)



Notes :

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
- **It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
- Appointing the proxy does not prevent a shareholder from attending the meeting in person if he so wishes.
- Please complete all details including details of member (s) in the above box before submission.

To,

If undelivered, please return to :

GUJCHEM DISTILLERS INDIA LIMITED

Registered Office

Office No. 6, 2nd Floor, National Chambers, Nr. City Gold,
Ashram Road, Ahmedabad-380009

Phone: +91 7926580893

(CIN: L24230GJ1939PLC002480)

E-mail : gujcheminvestors@gmail.com

Web : gujchemdistillers.com