

GUJCHEM DISTILLERS INDIA LIMITED



74th ANNUAL REPORT 2012-2013

Directors	SMT. DEVIKA NAVNITLAL, Chairperson SHRI MANISH NAVNITLAL, Managing Director SHRI JAGAT D. SHAH, Director SHRI SHASHIKANT D. PANDYA, Director SHRI ASHWINI R. DEVPURA, Director
Auditors	SHARP & TANNAN Chartered Accountants
Bankers	DENA BANK
Registered Office	Office No. 6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad-380009 E-mail : gujcheminvestors@gmail.com
Registrar and Share Transfer Agent	Sharepro Services (India) Pvt. Ltd. 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad - 380 006. Phone : 079-26582381

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Thursday, the 12th September 2013 at 03.00 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 Statement of Accounts together with the Directors Report and Auditors Report thereon for the year ended 31st March 2013.
2. To appoint a Director in place of Smt. Devika Navnital who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Shri Jagat D. Shah who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

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 PROXY NEED NOT BE A MEMBER.
2. 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.
3. Members are requested to notify the change, if any in their registered address.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday 9th September 2013 to Thursday, 12th September 2013 (both days inclusive) for the Annual General Meeting.
5. Members are requested to bring their copy of Annual Report to the meeting.
6. Members desiring to seek information on Annual Accounts 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.
7. Details of the Directors seeking Appointment/Re-appointment in the Annual General Meeting fixed for 12th September 2013

Name of Director	Smt. Devika Navnital	Shri Jagat D. Shah
Date of Birth	03-10-1933	02-12-1962
Date of Appointment	18-01-1978	01-10-2004
Expertise	Administration & Finance	Administration
Shareholding in the Company	10028 Shares	31 Shares

Place : Ahmedabad
 Date : 09th May, 2013
Regd. Office :
 Office No. 6, 2nd Floor, National Chambers,
 Nr. City Gold, Ashram Road, Ahmedabad 380 009

By order of the Board,
MANISH NAVNITAL
 Managing Director

DIRECTORS' REPORT

To,
The Members,
GUJCHEM DISTILLERS INDIA LIMITED

Your Directors present the Annual Report together with the audited statement of accounts for the year ended 31st March 2013 which they trust will meet your approval.

FINANCIAL RESULTS:

The working results of the Company for the year ended 31st March 2013 are briefly indicated below:

	2012-2013	(Rs. in Lacs)
	Rs.	2011-2012
		Rs.
Profit (Loss) before depreciation and others:	24.47	34.14
Less: Depreciation	6.09	1.13
	18.38	33.01
Less : Provision for Income Tax	-	6.40
	18.38	26.61
Surplus in the statement of Profit & Loss Account brought forward	191.05	164.45
Balance of surplus carried forward	209.43	191.06

OPERATIONS AND FUTURE PROSPECTS

The Company has been able to generate revenue by undertaking commission based operations during the year under review. The management is exploring various alternatives for the manufacture of the products for which Company has technical knowhow.

DIVIDEND

Your Directors regret their inability to recommend dividend for the year under review.

DEPOSITS

During the year under review, company has not accepted any deposits falling within purview of section 58A of the Companies Act, 1956.

AUDITORS OBSERVATIONS

The observations of the auditors in their report are explained in the notes to the accounts which are self-explanatory.

DIRECTORS:

Smt. Devika Navnitlal and Shri Jagat D. Shah retires by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. Your Directors recommended their re-appointment.

EMPLOYEES

There are no employees in receipt of remuneration as mentioned in section 217(2A) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Director's responsibility statement, it is hereby confirmed:

1. That the preparation of the annual accounts for the financial year ended 31st March, 2013 the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the profit of the company for the year ended under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company for the year ended under review;
4. That the Directors have prepared the accounts for the financial year 31st March 2013 on a going concern basis.

CORPORATE GOVERNANCE

Your Company has complied with the Corporate Governance practice mandated by Clause 49 of the Listing Agreement. A report on the same is given separately.

AUDITORS:

The Company's Auditors M/s. Sharp & Tannan, Chartered Accountants will retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The members are requested to appoint M/s. Sharp & Tannan as Auditors for the current year and fix their remuneration.

The specific notes contained part of accounts referred in Auditor's Report are self-explanatory and give complete information.

SECRETARIAL COMPLIANCE CERTIFICATE

As per the provisions of section 383A of the Companies Act, 1956, the Secretarial Compliance Certificate from M/s. Umesh Parikh & Associates, Practicing Company Secretary is attached herewith.

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

Since there were no manufacturing activities during the year under review, details required under this clause are not applicable.

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

ACKNOWLEDGEMENT

Your Directors acknowledge with thanks the overall support extended by shareholders, employees, suppliers and customers.

FOR AND ON BEHALF OF THE BOARD

Place : Ahmedabad
Date : 9th May, 2013

Manish Navnitlal **Shashikant D. Pandya**
Managing Director Director

CORPORATE GOVERNANCE REPORT
(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

The Securities and Exchange Board of India (SEBI) has introduced a code of corporate governance for listed companies which is implemented through the listing Agreements with the Exchanges with which the Company is listed. The Company has complied with the corporate governance requirements set out in Clause 49 of the listing Agreement.

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 consists of Five Directors, of whom Smt. Devika Navnitlal is the Chairperson and Shri Manish Navnitlal is the Managing Director of the Company. The composition of Board of Directors is in compliant with the requirement of Clause 49 (IA) i.e. more than 50 % of Directors are non-executive Directors and Independent Directors.

The detailed composition of the Board and other related information is given in the table below.

Board meetings:

During the year, Four Board Meetings were held on 10-05-2012, 24-07-2012, 06-11-2012 and 11-02-2013.

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 other directorship and committee memberships 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 Members
1.	Smt. Devika Navnitlal	Chairperson non-executive	4	Yes	-	-
2.	Shri Manish Navnitlal	Managing Director	4	Yes	-	-
3.	Shri Jagat D. Shah	Director independent non-executive	4	Yes	-	-
4.	Shri Shashikant D. Pandya	Director Independent non-executive	4	Yes	-	-
5.	Shri Ashwini R. Devpura	Director independent non-executive	3	Yes	-	-

Directorship in Private Companies, Foreign Companies and Associates are excluded.

The Company did not have any pecuniary relationship or transactions with the non-executive Directors during the period under review. 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 meets at least once a quarter and interval between two meetings was not more than four months.

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. operating plans, capital budget and updates and reviews thereof,
2. quarterly results of the company and business segments,
3. Proposal for investments, disinvestments, restructuring,
4. Compliance of listing requirements & various statutory requirements.
5. Minutes of committee meetings.

3) Audit Committee

Audit Committee was constituted on 25-06-2005 and the said committee is reconstructed on 01-10-2009. The Audit Committee presently consists of 2 Independent Directors and one Managing Director. Shri Ashwini R. Devpura is a Chairman, Shri Jagatbhai D. Shah and Shri Manish Navnitlal are members of the said Committee.

The composition of Committee and the qualifications are in compliance with the requirements of Clause 49 of Listing Agreement. During the year, 4 (four) Committee Meetings were held on 10-05-2012, 24-07-2012, 06-11-2012, and 09-02-2013 which were attended by all committee members.

The functions of Audit Committee are as per the listing Agreement with the Stock Exchanges. Broadly the same are (i) oversee the financial reporting process (ii) recommend the 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.

The audit Committee met prior to the finalization of Accounts for the year ended 31-03- 2013.

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

4) Remuneration Committee

Remuneration Committee was constituted on 01-04-2004 and the said committee reconstituted on 01-10-2009. The Company's Remuneration Committee presently consists of three independent Directors. Shri Shashikant D. Pandya is a Chairman, Shri Jagat D. Shah and Shri Ashwini R. Devpura are the members of the said committee.

The scope / role of Remuneration Committee is to recommend to the Board of Directors remuneration payable to working Directors of the Company, as and when they come for review. During the year, one Committee Meeting was held on 24-07-2012.

Details of remuneration paid for the year ended 31-03-2013.

Name	Position held During the period	Salary and Allowances Rs. In lacs	Perquisites Rs. in Lacs	Total Remuneration Rs. in Lacs
Shri Manish Navnitlal	Managing Director	19.14	Nil	19.14

No remuneration except sitting fee of Rs 3000/- was paid to the non-executive Directors for Meeting attended by them during the year ended 31-3-2013.

5) Shareholders/ Investors Grievances cum Share Transfer Committee

The Board of Directors of the Company has constituted Shareholders/ Investors Grievances cum Share Transfer Committee which looks in to investor / shareholders grievances.

The committee presently consists of two independent Directors and one Non-executive Director. The members of the committee are Smt. Devika Navnitlal, Chairperson, Shri Jagat D. Shah and Shri Shashikant D. Pandya.

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 of shareholders and investors complaints and Grievances like transfer of shares, non-receipts of Balance-sheet. All the meetings of the committee were attended by all members.

6) Code of Conduct

The Company's code of conduct has been complied with by all the members of the Board and select employees of the Company. The Company has in place a prevention of Insider Trading Code based on SEBI (Insider Trading) Regulation, 1992. This code is applicable to all Directors and designated employees. The code ensures prevention of dealing in shares by persons having access to the unpublished price sensitive information.

7) 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 hopeful about its growth prospects in the future as it is exploring possibilities in the area of Research & Development in product and process development in Specialty Chemicals and Agriculture & plant life.

The company has curtailed expenditure substantially.

Segment

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

Risk and Concerns

Company is facing competition from established dealers and traders in the market. But company is equipped to meet the challenges by better marketing tactics and effective management of cost and expenses.

Internal control System and their adequacy

The company has an 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 your company. Systems are regularly reviewed to ensure effectiveness.

Financial Performance

Financial performance with respect to Operational Performance is discussed in the main part of the Director's report. The company's performance is lower compared to last year. Company 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.

8) General Body Meetings

The last three Annual General Meetings were held as under:-

Financial year ended	Date	Time	Venue
31-03-2012	29-09-2012	03.00 p.m.	Office No.6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad. 380009
31-03-2011	30-09-2011	04.00 p.m.	
31-03-2010	30-09-2010	10.15 a.m.	

No Special Resolution was put through postal ballot. At the forthcoming AGM, there is no item on the agenda that needs approval by Postal Ballot.

9) Disclosures

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.

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.

No strictures/ penalties have been imposed on the company by the stock exchange or SEBI or any statutory authority on any matters related to the capital market during last 3 years.

The Company's code of conduct has clearly laid down procedures for reporting unethical behavior, actual or suspected fraud or violation of the ethics policies. No employee of the company was denied access to the Audit Committee.

Of the non-mandatory requirements relevant to the Company, training of the Board members and mechanism for evaluation non-executive Board members had not been put in place.

10) Means of Communication

1. The Company has published its quarterly results in Western Times, Gujarati and English Edition.
2. The Management Discussion & Analysis forms part of the Annual Report, which is posted to all the members of the Company.
3. The information is also available on our website www.gujchemdistillers.com.

11) General Shareholder Information

Date, time and venue of AGM	12 th September, 2013 at 3.00 p.m. at Office No.6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad - 380009.
Dates of Book Closure	Monday,9 th September, 2013 to Thursday,12 th September, 2013 (both days inclusive)
Listing on Stock Exchanges	The Stock Exchanges at Mumbai & Ahmedabad.
Listing Fees	Company has paid listing fees to Bombay Stock Exchange.
ISIN No.	INE 218N01013
Stock Exchange's Script Code	
Bombay Stock Exchange	: No. 506640

Ahmedabad Stock Exchange	: No. 23010
Registered Office	Office No.6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad 380009.
Dividend Payment Date	Not Applicable
Compliance Officer	Mr. Jayraj S. Chauhan
Registrar and Share Transfer Agent	Sharepro Services (India) Pvt. Ltd. 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006.

12) Share price on The Stock Exchange, Mumbai

After revocation of suspension of trading, there was no material trading of shares, so no details are given. The price of equity share of Rs.10/- was quoted at Rs. 25/- on 15-06-2012.

13) Financial Calendar 2013-2014 (tentative)

Annual General Meeting	First week of September 2013
Results for quarter ending June 30, 2013	On or before 14th August, 2013
Results for quarter ending September 30, 2013	On or before 14th November, 2013
Results for quarter ending December 31, 2013	On or before 14th February, 2014
Results for year ending March 31, 2014	On or before 30 th May, 2014

14) Distribution of Shareholding as on 31-03-2013

No. of Shares	No. of Shareholders	% of holders	No. of Shares	% of Shares
Up to 500	5259	99.25	75557	46.67
501 - 1000	14	0.26	9444	5.83
1001 - 2000	14	0.26	19472	12.03
2001 - 3000	3	0.06	6978	4.31
3001 - 4000	5	0.09	17527	10.83
4001 - 5000	2	0.04	8685	5.37
5001 - 10000	1	0.02	5100	3.15
10001 and above	1	0.02	19122	11.81
Total	5299	100%	161885	100%

15) Pattern of Shareholding as on 31-03-2013

Sr. No	Category	No. of Shares	(%)
1.	Promoters group	84329	52.09
2.	Financial Institutions/Banks	197	0.12
3.	Body Corporate	592	0.37
4.	NRI	37	0.02
5.	Others	76730	47.40
	Total	161885	100.00

There is no outstanding GDRs/ADRs/Warrants or any convertible instruments as on date.

16) Dematerialisation 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) Dematerialisation of shares, Registrar & Transfer system:

As on 31-03-2013, 11023 shares of the company are in dematerialised form and 1,50,862 shares are in physical form.

The Company's Shares are available for dematerialization through NSDL and CDSL under ISIN NO : INE218N01013.

Sharepro Services (India) Pvt. Ltd. having its office at 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad - 380 006 as Registrar and Share Transfer Agents being a common Agency for Physical and Electronic modes.

(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 - 380 009. or to the Registrar & Transfer Agent as aforementioned address. Queries can also be sent by e-mail on gujcheminvestors@gmail.com or sharepro.ahmedabad@shareproservices.com.

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

17) Secretarial Audit for Reconciliation of Capital:

As stipulated by SEBI, Practicing Company Secretaries carry out Secretarial Audit to reconcile 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 physical form.

18) Mandatory / Non-Mandatory Requirements

During the year the Company duly complied with all the mandatory requirements of the revised clause 49 of the Listing agreement.

The Company did not adopt any of non-mandatory requirements of Clause 49 of the Listing Agreement other than Constituting the Remuneration Committee.

19) Declaration for Compliance of Code of conduct

Code of conduct for Board members and Senior Management personnel was approved at the Board meeting held on 20-08-2010.

Company has obtained confirmation for the compliance of code of conduct from all the Board members and senior Management Personnel of the Company on an annual basis.

This is a declaration as required by Circular No. SEBI / CFD/DIL/CG/1/2004/12/10 dated 29th October 2004 – annexure – I – Clause I (D) (II).

FOR AND ON BEHALF OF THE BOARD
FOR GUJCHEM DISTILLERS INDIA LTD.

Place : Ahmedabad
Date : 9th May, 2013

Manish Navnitlal
Managing Director

To,
The Board of Directors
Gujchem Distillers India Limited
Office No. 6, 2nd Floor, National Chambers,
Nr. City Gold, Ashram Road,
Ahmedabad - 380 009.

1. We have reviewed the Balance Sheet, Profit and Loss Account and all its Schedules and Notes on Accounts, as well as Cash Flow Statements as at 31st March, 2013 and certify that to the best of our knowledge and belief :
 - (i) These Statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
 - (ii) These Statements read together present a true and fair view of the Company's Affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. No transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
4. We do further certify that there had been :
 - (i) no significant changes in internal control during the year;
 - (ii) no significant changes in accounting policies during the year; and
 - (iii) no instances of significant fraud, of which we are aware during the period.

Place : Ahmedabad
Date : 9th May, 2013

Manish Navnitlal
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
GUJCHEM DISTILLERS INDIA LIMITED.

We have examined the compliance of conditions of Corporate Governance by Gujchem Distillers India Limited for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that no investor grievance(s) is/are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Cum Share Transfer Committee.

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

**FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES**

**Place: Ahmedabad
Date : 9th May, 2013**

**UDAY G. DAVE
Partner
C. P. No.: 7158**

SECRETARIAL COMPLIANCE CERTIFICATE

To,
The Members,
GUJCHEM DISTILLERS INDIA LIMITED.
Office No. 6, 2nd Floor, National Chambers,
Nr. City Gold, Ashram Road,
Ahmedabad -380 009.

We have examined the registers, records, books and papers of GUJCHEM DISTILLERS INDIA LIMITED, (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31-03-2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents and to the best of our knowledge and belief, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act, and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Gujarat.
3. The Company being a Public Limited Company, comments on maximum number of members are not required.
4. The Board of Directors duly met 4 times on (1) 10-05-2012 (2) 24-07-2012 (3) 06-11-2012 (4) 11-02-2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

The Audit Committee duly met on (1) 10-05-2012 (2) 24-07-2012 (3) 06-11-2012 and (4) 11-02-2013 in respect of which meeting proper notice was given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose
5. The Company has closed its Register of Members from 24-09-2012 to 29-09-2012 during the year under review and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31-03-2012 was held on 29-09-2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act, during the year under review.
10. The Company was not required to make any entries in the register maintained under section 301 of the Act, in respect of the contracts falling within the purview of the section 297 of the Act, during the year under review.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approval from the Board of Directors, members or Central Government, during the year under review.
12. The Company has not issued any duplicate share certificates during the year under review.
13. During the year under review:
 - (i) the Company has delivered all the certificates on lodgment there of for transfer /transmission of shares in accordance with the provisions of the Act and there was no allotment of Shares or securities;
 - (ii) the Company was not required to deposit any amount in a separate Bank account as no dividend was declared;
 - (iii) the Company was not required to post warrants to any of its members as no dividend was declared;

- (iv) the Company has not transferred any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there were no amounts outstanding;
- (v) the Company has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the year under review.
 15. The Company's Paid-up Share Capital being less than the prescribed limit of Rs. 5 Crores, it is not required to appoint any Managing Director / Whole – time Director / Manager and accordingly provisions of Section 269 of the Act, are not applicable. However company has appointed Shri Manish Navnitlal as the Managing Director.
 16. The Company has not appointed any sole-selling agents during the year under review.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the year under review.
 18. The Directors have disclosed their interest in other firms/ Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The Company has not issued any shares, debentures or other securities during the year under review.
 20. The Company has not bought back any shares during the year under review.
 21. There was no redemption of preference shares or debentures during the year under review.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the year under review.
 23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58 A of the Act, during the year under review.
 24. The amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the year under review is within the borrowing limits of the Company and that necessary resolution as per section 293(1)(d) of the Act, has been passed at duly convened Annual General Meeting held on 20-09-1991.
 25. During the year under review, the Company has granted loans and made investment and consequently entries have been made in the register kept for the purpose, and the company has not given guarantees or provided securities to other bodies corporate.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under review.
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under review.
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under review.
 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under review.
 30. The Company has not altered its Articles of Association during the year under review.
 31. There was no prosecution initiated against the Company and no fines or penalties or any punishment was imposed on the Company during the year under review, for offences under the Act.
 32. The Company has not received any money as security from its employees during the year under review.
 33. The Company has not constituted any separate provident fund of employees or any class of employees as envisaged under section 418 of the said Act.

**FOR UMESH PARIKH & ASSOCIATES
COMPANY SECRETARIES**

**Date : 9th May,2013
Place: Ahmedabad**

**UMESH PARIKH
Proprietor
C. P. No.: 2413**

Annexure "A"
List of Registers as maintained by the Company:

Sr.	Name of Registers
1.	Register of Deposit under Section 58A
2.	Register of Transfers under Section 108.
3.	Register of Charges under Section 143.
4.	Register of Members under Section 150.
5.	Copies of Annual Returns under Section 159.
6.	Register of Contracts under Section 301.
7.	Register of Directors under Section 303.
8.	Register of Directors' Shareholding under Section 307.
9.	Register of Investments under Section 372A.
10.	Minutes of the General Meetings and Meetings of Board of Directors under Section 193.
11.	Attendance registers of all the meetings of Board and General Meeting of the Company.

Annexure "B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities for and during the financial year ended on 31-03-2013.

SR. NO	FORM NO./ RETURN	FILED UNDER SECTION	DESCRIPTION	DATE OF FILING	WHETHER FILED WITHIN PRESCRIBED TIME YES/NO	IF DELAY IN FILING WHETHER REQUISITE ADDITIONAL FEE PAID YES/NO
1.	23	269,198, 309,310, Sch XIII & 314	Board Resolution for re-appointment of Shri Manish Navnitlal as the Managing Director of the company	23-08-2012	Yes	N.A
2.	23	269,198, 309,310, Sch XIII & 314	Special resolution passed at AGM for re-appointment of Shri Manish Navnitlal, as the Managing Director of the company.	22-10-2012	Yes	N.A
3.	25C	169(2) & Sch. XIII	Re-appointment of Shri Manish Navnitlal as the Managing Director of the Company.	23-10-2012	Yes	N.A
4.	66	383A	Secretarial Compliance Certificate for the financial year ended 31-03-2012.	22-10-2012	Yes	N.A
5.	20B	159	Annual Return made up to 29-09-2012.	28-11-2012	Yes	N.A.
6.	23AC/ ACA XBRL	220	Annual Report for the financial year ended 31-03-2012.	09-01-2013	Yes	N.A.

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, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 standards referred to in Section 211(3C) of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 and as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Companies Act, 1956, we report that:
 - a) we have obtained all 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 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956; and
- e) on the basis of the written representations received from directors of the Company as on 31st March, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956.

SHARP & TANNAN
Chartered Accountants
Registration No. 109982W
By the hand of
Milind P. Phadke
Partner
Membership No. 033013

Mumbai, 9th May, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' 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, all the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed of any substantial part of its fixed assets during the year so as to affect its going concern status.
- (ii) (a) As explained to us, the Company did not carry any inventory during the year. Accordingly, the Paragraphs 4(ii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the Paragraphs 4(iii) (b), (c) and (d) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the Paragraphs 4(iii) (f) and (g) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system.

- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been entered.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contract or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year.
- (vi) In our opinion and according to the information and explanations given to us, during the year the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. During the year, no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) The Company had appointed an independent firm of chartered accountants as internal auditors up till for the year 1993-94. Due to stoppage of the manufacturing activities of the Company, the internal audit function has not been carried out since then.
- (viii) As there are no manufacturing activities carried out during the year, the requirements of the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 are not applicable to the Company.
- (ix) (a) According to the information and explanations given to us, in our opinion, the Company has been regular in depositing undisputed statutory dues including investor education and protection fund, wealth tax, service tax, sales tax, vat, custom duty, excise duty, cess wherever applicable with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of excise duty, income tax, wealth tax, customs duty, excise duty and cess except service tax of Rs. 26,285 were in arrears, as at 31st March, 2013 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, the following disputed dues have not been deposited since the matters are pending with the relevant forum are:

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

- (x) The accumulated losses of the Company are not more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xi) 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 dues to banks. The Company did not have any outstanding dues to any financial institutions. The Company has not issued any debentures. Accordingly, the Paragraph 4(xi) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the Paragraph 4(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.

- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the Paragraph 4(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, the Paragraph 4(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company has not availed any term-loan during the year. Accordingly, the Paragraph 4(xvi) of the Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year. Accordingly, the Paragraph 4 (xviii) of the Order is not applicable to the Company.
- (xix) The Company has not issued any debentures during the year. Accordingly, the Paragraph 4(xix) of the Order is not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the Paragraph 4(xx) of the Order is not applicable to the Company.
- (xxi) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Mumbai, 9th May, 2013

SHARP & TANNAN
Chartered Accountants
Registration No. 109982W
By the hand of
Milind P. Phadke
Partner
Membership No. 033013

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
Equity and Liabilities			
Shareholders' funds			
Share capital	3	16,33,545	16,33,545
Reserves and surplus	4	3,80,74,300	3,62,36,413
		<u>3,97,07,845</u>	<u>3,78,69,958</u>
Share application money pending allotment			
		-	-
Non-current liabilities			
Long-term provisions	5	4,55,000	4,55,000
		<u>4,55,000</u>	<u>4,55,000</u>
Current liabilities			
Short-term borrowings	6	26,77,916	38,16,086
Trade payables	7	8,17,552	6,25,382
Other current liabilities	8	1,25,028	11,68,537
Short-term provisions	9	7,89,738	7,89,738
		<u>44,10,234</u>	<u>63,99,743</u>
Total		<u>4,45,73,079</u>	<u>4,47,24,701</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	58,86,804	64,95,602
Non-current investments	11	4,17,000	4,17,000
Long-term loans and advances	12	63,67,298	61,27,298
		<u>1,26,71,102</u>	<u>1,30,39,900</u>
Current assets			
Current investments	13	5,47,739	4,92,276
Trade receivables	14	2,94,711	2,60,400
Cash and cash equivalents	15	1,44,03,704	2,41,50,228
Short-term loans and advances	16	1,49,91,702	63,98,056
Other current assets	17	16,64,121	3,83,841
		<u>3,19,01,977</u>	<u>3,16,84,801</u>
Total		<u>4,45,73,079</u>	<u>4,47,24,701</u>
Significant Accounting Policies	2		
Notes forming part of the financial statements.	3-30		

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

As per our report attached
SHARP & TANNAN

Chartered Accountants
Registration No. 109982W
By the hand of
Milind P. Phadke
Partner

Membership No. 33013
Place : Mumbai
Date : 9th May, 2013

MANISH NAVNITLAL
Managing Director

ASHWINI R. DEVPURA
SHASHIKANT D. PANDYA
JAGAT D. SHAH
Directors

Place : Ahmedabad
Date : 9th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	2012-13 Rupees	2011-12 Rupees
Continuing Operations			
Other income	18	<u>70,82,943</u>	94,84,566
Total		<u>70,82,943</u>	<u>94,84,566</u>
Expenses			
Employee benefits	19	<u>22,80,315</u>	21,78,369
Finance costs	20	<u>4,06,641</u>	1,02,356
Depreciation and amortisation		<u>6,08,786</u>	1,12,960
Other expenses	21	<u>40,85,083</u>	37,90,646
Total		<u>73,80,825</u>	<u>61,84,331</u>
Profit before tax		<u>-2,97,882</u>	33,00,235
Tax expense:			
Current tax		-	6,40,000
Income tax of earlier years		<u>-21,35,769</u>	-
Total Tax expense		<u>-21,35,769</u>	<u>6,40,000</u>
Profit for the year		<u>18,37,887</u>	<u>26,60,235</u>
Earnings per share (of 10 each):			
Basic and Diluted			
(i) Continuing operations		<u>11.35</u>	16.43
(ii) Total operations		<u>11.35</u>	16.43
Earnings per share (excluding extraordinary items) (of 10 each):			
Basic and Diluted			
(i) Continuing operations		<u>11.35</u>	16.43
(ii) Total operations		<u>11.35</u>	16.43
Significant Accounting Policies	2		
Notes forming part of the financial statements.	3-30		

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

As per our report attached
SHARP & TANNAN

Chartered Accountants
Registration No. 109982W
By the hand of
Milind P. Phadke
Partner

Membership No. 33013
Place : Mumbai
Date : 9th May, 2013

MANISH NAVNITLAL
Managing Director

ASHWINI R. DEVPURA
SHASHIKANT D. PANDYA
JAGAT D. SHAH
Directors

Place : Ahmedabad
Date : 9th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-13 Rupees	2011-12 Rupees
Cash flows from operating activities		
Net Profit / (Loss) before extraordinary items and tax	-2,97,882	33,00,235
Adjustments for:		
Depreciation and amortisation	6,08,786	1,12,960
(Profit) / loss on sale / write off of assets	-49,987	-
Finance costs	4,06,641	1,02,356
Interest income	-53,86,282	-20,68,827
Dividend income	-6,952	-6,378
Net (gain) / loss on sale of investments	-8,929	-7,079
Provisions no longer required written back	-22,920	-1,698
Adjustments to the carrying amount of investments	1,29,403	-
Allowance for doubtful trade and other receivables, loans and advances	-	11,30,185
Other non-cash charges - Sundry balances written off	-	27,038
Operating profit / (loss) before working capital changes	-46,28,122	25,88,792
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	-34,311	13,87,073
Short-term loans and advances	35,213	35,30,817
Long-term loans and advances	-2,40,000	-
Other current assets	-4,759	-
	-2,43,857	49,17,890
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	2,15,090	2,36,374
Other current liabilities	-10,43,509	-3,24,523
Short-term provisions	-	3,500
	-8,28,419	-84,649
Cash flows from extraordinary items	-	-
Cash generated from operations	-57,00,398	74,22,033
Net income tax (paid) / refunds	15,06,910	-84,888
Net cash flows from / (used in) operating activities (A)	-41,93,488	73,37,145
Cash flows from investing activities		
Capital expenditure on fixed assets, including capital advances	-	-55,47,629
Proceeds from sale of fixed assets	49,999	2,16,00,000
Proceeds from sale of current investments (net)	-1,75,937	7,079
Loans given		
- Others	-80,00,000	-45,00,000
Interest received		
- Others	41,09,971	18,26,321
Dividend received		
- Others	7,742	5,588
Net cash flows from / (used in) investing activities	-40,08,225	1,33,91,359

Particulars	2012-13 Rupees	2011-12 Rupees
Cash flows from financing activities		
Share application money received / (refunded)	-	-76,00,000
Proceeds from other short-term borrowings	-11,38,170	38,16,086
Finance cost	-4,06,641	-1,02,356
	-15,44,811	-38,86,270
Net cash flows from / (used in) financing activities	-15,44,811	-38,86,270
Net increase / (decrease) in Cash and cash equivalents	-97,46,524	1,68,42,234
Cash and cash equivalents at the beginning of the year	2,41,50,228	73,07,994
Cash and cash equivalents at the end of the year (Refer Note 15)	1,44,03,704	2,41,50,228

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.
- Cash and Cash equivalents represents Cash and bank balances.
- Figures for the previous year have been regrouped wherever necessary.

As per our report attached
 SHARP & TANNAN
 Chartered Accountants
 Registration No. 109982W
 By the hand of
 Milind P. Phadke
 Partner
 Membership No. 33013
 Place : Mumbai
 Date : 9th May, 2013

MANISH NAVNITLAL
 Managing Director

ASHWINI R. DEVPURA
 SHASHIKANT D. PANDYA
 JAGAT D. SHAH
 Directors

Place : Ahmedabad
 Date : 9th May, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS : 2012-13**1. CORPORATE INFORMATION**

Gujchem Distillers India Limited is a public limited company and is deemed to have 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 BASIS OF PRESENTATION :**

The accounts have been prepared using historical cost convention and ongoing concern, with revenues recognized and expenses accounted on accrual including for committed obligations. Insurance and other claims by and against the company are accounted for as and when admitted by the appropriate authorities. Sales include sale of waste and by products also.

Where changes in presentation are made, comparative, figures for the previous year are re-grouped accordingly.

2.2 FIXED ASSETS :

- a) Capitalised at acquisition cost including directly attributable costs such as freight, insurance and specific installation charges for bringing the assets to its working condition for use.
- b) Expenditure relating to existing fixed assets is added to the cost of the assets where it increases the performance / life of the assets as assessed earlier.
- c) Fixed assets are eliminated from financial statements either on disposal or when retired from active use. Generally such retired assets are disposed off soon thereafter.
- d) Pre-operative expenses including interest on specific loans for expansion / new Expenditure projects incurred till the completion of the expansion or new projects are ready for commercial production are capitalised.

2.3 INVESTMENTS:

Long term investments are valued at cost of acquisition.

2.4 INVENTORIES

Inventories are valued at the lower of cost or replacement value after providing for obsolescence and damages.

- a) In the case of raw materials and components cost represents purchase price and other costs incurred for bringing inventories up to their present location and condition as is determined in First in First Out basis.
- b) In the case of work -in -progress and finished goods cost represents cost of raw materials and components added to the cost of conversion such as direct labour, direct expenses, and all the production overheads including depreciation which are specifically attributable to the production.

2.5 RESEARCH AND DEVELOPMENTS:

Expenditure on research and development such as salaries and wages, cost of materials and other costs are charged to Profit & Loss Account in the year in which they are incurred. Depreciation on assets used specifically for development purposes is charged at the rates applicable to similar class of assets.

2.6 EXCISE DUTY:

Excise duty liability accruing on manufacture is accounted for as and when the liability for payment arises under the Central Excise and Salt Act, 1944.

2.7 RETIREMENT 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS : 2012-13**2.8 DEPRECIATION:**

- a) Depreciation is provided on fixed assets at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 on a straight line method.
- b) Lumpsum amounts paid for leasehold land are amortised and charged to depreciation over the respective lease period.

2.9 DEFERRED REVENUE EXPENDITURE:

Deferred revenue expenditure pertaining to notice pay and retrenchment compensation is amortised over a period of five years.

2.10 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

Provisions are recognized for liabilities that can be measured by using substantial degree of estimation only if the company has a present obligation as a result of past event and it is probable that there will be outflow of resources to settle the obligation.

Contingent liability is disclosed in case it is not probable that an outflow of resources will be required to settle the present obligation arising from past event or the probability of outflow of resources is remote for a possible obligation.

Contingent Assets are neither disclosed nor recognized.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each balance sheet date.

2.11 ACCOUNTING FOR TAXES ON INCOME:

Current tax is determined as an amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets arising due to timing differences, being the differences between taxable income and accounting income which originate in one year and are capable of reversal in one year or more subsequent years. Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of their realization.

2.12 IMPAIRMENT OF ASSETS :

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated.

An impairment loss is recognized wherever the carrying amount of an asset or its cash generating units exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow generated from the continuing use of the asset and from its disposal at the end of its useful life discounted to their present values.

The impairment loss is reversed if there has been a change in the estimates made to determine and recognize the recoverable amount in the earlier year.

2.13 INTANGIBLE ASSETS AND AMORTISATION :

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS)26 Intangible Assets and are amortised as follows :

Leasehold land : Over a period of lease

Other intangible assets : Over a period of five years

2.14 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.

Notes forming part of the Financial Statements : 2012-13

Particulars	As at 31-3-2013 Rupees	As at 31-3-2012 Rupees
3. Share Capital		
Authorised :		
96,00,000 Equity Shares of Rs.10 each	9,60,00,000	9,60,00,000
15,000 11 % Cumulative Redeemable Preference Shares of Rs.100 each - First Issue	15,00,000	15,00,000
20,000 11 % Cumulative Redeemable Preference Shares of Rs.100 each - Second Issue	20,00,000	20,00,000
50,000 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
	<u>16,18,850</u>	<u>16,18,850</u>
Add : Forfeited shares	14,695	14,695
	<u>16,33,545</u>	<u>16,33,545</u>

Reconciliation of the shares outstanding at the beginning and end of the reporting year

	As at 31.03.2013		As at 31.03.2012	
	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>

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.

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

	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	% Holding	No. of Shares	% Holding
Devikaben Navnital Patel	10,028	6.20%	10,028	6.20%
Manishbhai Navnital Patel	61,727	38.13%	53,709	33.18%

Note :

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.

Notes forming part of the Financial Statements : 2012-13

Particulars	As at 31-3-2013 Rupees	As at 31-3-2012 Rupees
4. Reserves and Surplus		
Investment Reserve		
As per the last balance sheet	9,972	9,972
Deducted as per Contra	9,972	9,972
	-	-
Capital Reserve		
As per the last balance sheet	1,71,30,990	1,71,30,990
Closing balance	1,71,30,990	1,71,30,990
Capital Reduction Account		
As per the last balance sheet	-	1,64,45,188
Less : Deducted as per Statement of profit and loss account as per contra/		
Transferred to Statement of profit and loss	-	1,64,45,188
Closing balance	-	-
Surplus in the Statement of Profit and Loss		
As per the last balance sheet	1,91,05,423	-
Transferred from Capital Reduction Account	-	1,64,45,188
Profit for the year	18,37,887	26,60,235
Net surplus in the Statement of profit and loss	2,09,43,310	1,91,05,423
	3,80,74,300	3,62,36,413
5. Long Term Provisions		
Provision for leave encashment	4,55,000	4,55,000
	4,55,000	4,55,000
6. Short-Term Borrowings		
Overdraft facilities from bank	26,77,916	38,16,086
	26,77,916	38,16,086
Overdraft facilities from Bank is taken during the year and carries interest rate 10% to 12% p.a. The loan is repayable on demand. The loan is secured by lien on fixed deposits of the Company.		
7. Trade Payables		
Trade payables	8,17,552	6,25,382
	8,17,552	6,25,382
8. Other Current Liabilities		
Statutory liabilities	1,25,028	11,68,537
	1,25,028	11,68,537
9. Short-Term Provisions		
Provision for taxation	7,77,738	7,77,738
Provision for bonus	12,000	12,000
	7,89,738	7,89,738

Notes forming part of the Financial Statements : 2012-13
10. Fixed Assets

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1.4.2012 Rs.	Addi- tions Rs.	Deduc- tions Rs.	As at 31.3.2013 Rs.	Up to 31.3.2012 Rs.	For the Year Rs.	Deduc- tions Rs.	Up to 31.3.2013 Rs.	As at 31.3.2013 Rs.	As at 31.3.2012 Rs.
Tangible Assets										
Land *	63,800	-	-	63,800	-	-	-	-	63,800	63,800
Building * (a)	8,49,384	-	-	8,49,384	4,31,062	13,844	-	4,44,906	4,04,478	4,18,322
Plant and machineries*	1,06,21,500	-	28,72,725	77,48,775	1,05,25,808	23,563	28,72,713	76,76,658	72,117	95,692
Furniture and fixtures*	6,97,053	-	-	6,97,053	6,69,639	1,929	-	6,71,568	25,485	27,414
Office equipments	1,84,186	-	-	1,84,186	58,129	15,987	-	74,116	1,10,070	1,26,057
Vehicles	58,26,978	-	-	58,26,978	62,661	5,53,463	-	6,16,124	52,10,854	57,64,317
Total	1,82,42,901	-	28,72,725	1,53,70,176	1,17,47,299	6,08,786	28,72,713	94,83,372	58,86,804	64,95,602

*Includes assets retired from active use 1,12,66,784 - 28,72,725 **83,94,059** 1,08,22,917 32,399 28,72,721 **79,82,595** **4,11,464** 4,43,867

(a) Includes cost of ownership flats in a co-operative societies Rs.2,35,052.

Particulars	As at 31-3-2013 Rupees	As at 31-3-2012 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

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

9,972 9,972

Less : Deducted as per contra **9,972** 9,972

5 shares of Rs.50 each of Sukh Shanti Co-operative Housing Society Ltd. **250** 250

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

4,17,000 4,17,000

4,17,000 4,17,000

Aggregate of Unquoted Investments - Book Value **4,17,000** 4,17,000

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

Capital advances **55,00,000** 55,00,000

Advances recoverable in cash or in kind or for value to be received - -

Balance with excise authorities **2,28,333** 2,28,333

Loans to staff **2,40,000** 2,40,000

Security deposits **3,98,965** 3,98,965

63,67,298 61,27,298

Notes forming part of the Financial Statements : 2012-13

Particulars	As at 31-3-2013 Rupees	As at 31-3-2012 Rupees
13. Current Investments		
Units of Mutual Funds (Unquoted)		
68.438 Units of Franklin Templeton Investments, Templeton India Short Term Income Retail Plan - Monthly Dividend Payout Scheme	74,276	74,276
Nil (P.Y.1466.9927) Units of J.P. Morgan JF Greater China Equity Off Shore Fund - Growth Plan	-	15,000
Nil (P.Y. 1466.993) Units of Franklin Templeton Investments, Franklin Build India Fund - Growth Plan	-	15,000
1466.993 Units of DSP Black Rock World Energy Fund Regular Plan - Dividend	15,000	15,000
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
Equity Shares (Fully paid up - At cost) - Quoted		
500 (P.Y. Nil) Shares of Tata Steel Ltd. of Rs. 10 each	1,89,849	-
500 (P.Y. Nil) Shares of Atlas Cycle Industries Ltd. of Rs. 10 each	1,81,619	-
1250 (P.Y. Nil) Shares of Hindalco Industries Ltd. of Rs. 1 each	1,40,559	-
750 (P.Y. Nil) Shares of L&T Finance Holdings Ltd. of Rs. 10 each	62,839	-
	<u>5,74,866</u>	-
Less : Diminution in value of investments	1,29,403	-
	<u>4,45,463</u>	-
Fixed Deposits :		
In Fixed Deposit with Sardar Sarovar Nigam Limited	-	3,60,000
	<u>5,47,739</u>	<u>4,92,276</u>
Aggregate of Quoted Investments - Market Value	4,45,463	-
Aggregate of Quoted Investments - Book Value	5,74,866	-
Aggregate of Unquoted Investments - Book Value	1,02,276	4,92,276
14. Trade Receivables		
Trade Receivables (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	2,94,711	1,64,690
Considered doubtful	-	-
Other debts, considered good	-	95,710
	<u>2,94,711</u>	<u>2,60,400</u>

Notes forming part of the Financial Statements : 2012-13

Particulars	As at 31-3-2013 Rupees	As at 31-3-2012 Rupees
15. Cash and Cash Equivalents		
Cash on hand	3,75,601	2,96,525
Balance with banks in current accounts	40,28,103	23,53,703
Balance with banks in fixed deposit accounts		
Deposits with maturity for more than 12 months	-	75,00,000
Deposits with maturity for more than 3 months but less than 12 months	1,00,00,000	1,40,00,000
	<u>1,44,03,704</u>	<u>2,41,50,228</u>
Balance with banks in fixed deposit accounts with a carrying amount of Rs. 75,00,000 (P.Y. 50,00,000) are subject to first charge to secure the Company's borrowings.		
16. Short-Term Loans and Advances (Unsecured, considered good)		
Tax deducted at source	21,62,288	17,78,606
Loans	25,00,000	-
Inter corporate deposits	1,00,00,000	45,00,000
Advances recoverable in cash or in kind or for value to be received	3,29,414	1,19,450
	<u>1,49,91,702</u>	<u>63,98,056</u>
17. Other Current Assets		
Interest accrued but not due	16,59,362	3,83,051
Dividend receivable	-	790
Other receivable	4,759	-
	<u>16,64,121</u>	<u>3,83,841</u>
	2012-2013	2011-2012
	Rupees	Rupees
18. Other Income		
Commission income	9,47,873	74,00,584
(including T.D.S. of Rs. 1,03,072 (P.Y. Rs.8,12,673))		
Interest on bank deposits and other interest	30,40,951	19,78,541
(including T.D.S. Rs. 2,80,611 (P.Y. Rs.1,87,676))		
Dividend income	6,952	6,378
Rent	6,60,000	-
Interest on income tax refunds	23,45,331	90,286
Profit on sale of investments	8,929	7,079
Profit on sale of fixed assets	49,987	-
Provisions no longer required written back	22,920	1,698
	<u>70,82,943</u>	<u>94,84,566</u>
19. Employee Benefit Expenses		
Salaries, wages, bonus and allowances	18,50,500	17,09,470
Contribution to provident fund	1,64,338	1,39,680
Contribution to employees state insurance scheme	6,840	6,840
Contribution to gratuity / superannuation fund	1,70,598	1,70,580
Leave encashment	-	-
Staff welfare expenses	88,039	1,51,799
	<u>22,80,315</u>	<u>21,78,369</u>

Notes forming part of the Financial Statements : 2012-13

	2012-2013	2011-2012
	Rupees	Rupees
20. Finance Costs		
Interest		
On borrowings	3,95,113	1,01,944
Others	11,528	412
	4,06,641	1,02,356
21. Other Expenses		
Rates, taxes & insurance	1,06,846	75,176
Directors' travelling expenses	1,90,106	81,619
Auditors' remuneration :		
Audit fees	40,000	44,120
Tax audit fees	20,000	22,060
Certification fees	14,071	1,52,542
	74,071	2,18,722
Advertisement	52,682	51,784
Office and general expenses	1,96,465	1,27,707
Commission	42,500	2,00,000
Legal fees expenses	2,95,000	4,17,000
Professional and consulting fees	9,17,802	6,24,838
Printing and stationery	40,625	95,858
Post, telegram and telephone	77,866	1,70,043
Travelling and conveyance	3,38,290	1,44,957
Electricity	11,154	12,545
Repairs and maintenance	1,58,927	2,05,225
Listing and Registration fees	13,00,259	1,55,581
Miscellaneous expenses	1,53,087	52,368
Allowance for receivables	-	11,30,185
Provision for diminution in value of investments	1,29,403	-
Sundry balances written off (net)	-	27,038
	40,85,083	37,90,646
22. Claims against the Company not acknowledge as debts :		
	31-03-2013	31-03-2012
	Rupees	Rupees
a) By certain customers for price difference on sales	40,47,343	40,47,343
b) Stamp Duty on immovable properties	4,28,697	4,28,697
23. Contingent liability not provided for on account of:		
i) Excise Duty disputed by the Company pending disposal	16,62,494	16,62,494
ii) Drainage charges disputed by the Company pending disposal	-	8,80,975
iii) Back wages and reinstatement demand made by certain dismissed workers at Ankleshwar factory, pending adjudication.	Amount not Ascertainable	Amount not Ascertainable
24. Remuneration to Managing Directors charged to accounts including perquisites as per Income Tax Rules where applicable (Remuneration has been paid as minimum remuneration in accordance with the provisions of schedule XIII of the Companies Act, 1956.)	19,14,454	18,02,292
25. As at 31st March, 2013, there are no amounts outstanding in respect of suppliers registered as Micro, Small and Medium Enterprises.		

Notes forming part of the Financial Statements : 2012-13

26. 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 .

27. Related Party Disclosures
(a) Relationship :
i. Key Management Personnel :

Manish Navnital Patel – Managing Director (Also controls majority of voting powers of the Company)

ii. Relatives of Key Management Personnel :

Devika Navnital Patel (Mother), Hem Manish Patel (Wife), Bela Sandip Jhaveri (Sister), Chaula Navnital Patel (Sister) and Hemangini Sameer Sinha (Sister)

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

Gujarat Alcohol and Allied Chemicals Pvt. Ltd. / Mahalaxmi Trading Agency.

(b) Transactions :

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

Type of Transactions	Referred to in (a) (i) above	Referred to in (a) (ii) above	Referred to in (a) (iii) above
Remuneration (including contribution towards provident fund, superannuation fund and leave salary)	19,14,454	-	-
Outstanding balances at the close of the year :			
Amounts due on account of remuneration	-	-	-
As unsecured loans – taken	-	-	-
Loans & advances – Receivables	-	-	-

28. Net deferred tax assets, mainly representing past losses and unabsorbed depreciation, have not been recognized following the principles of prudence due to uncertainty of the quantum of future profits in terms of Accounting Standard (AS) 22 Accounting for taxes on income.

29. Earning per share :	2012-13 Rupees	2011-12 Rupees
Profit / (-) Loss for the Year	18,37,887	26,60,235
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 before extra ordinary items	11.35	16.43
Basic / Diluted Earning Per share after extra ordinary items	11.35	16.43

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

Signatures to Note 1 to 30

SHARP & TANNAN

Chartered Accountants
Registration No. 109982W
By the hand of
Milind P. Phadke
Partner
Membership No. 33013
Place : Mumbai
Date : 9th May, 2013

MANISH NAVNITAL
Managing Director

Place : Ahmedabad
Date : 9th May, 2013

ASHWINI R. DEVPURA
SHASHIKANT D. PANDYA
JAGAT D. SHAH
Directors

FORM OF PROXY

Gujchem Distillers India Limited

Registered Office : Office No. 6, 2nd Floor, National Chambers, Nr. City Gold,
Ashram Road, Ahmedabad - 380 009

Registered Folio No.	
Client ID No.	

I/We _____
of _____ in the district of _____
being member/s of the above named Company hereby appoint
Mr./Mrs. _____ of _____ in the
district of _____ or failing him /her Mr./Mrs. _____ of
_____ in the district of _____
as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be
held on Thursday, the 12th September, 2013.

Signed the _____ day of _____ 2013.

Signature _____

Affix
Revenue
Stamp

This proxy form must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the Meeting. Unless otherwise instructed, the proxy will vote as he/she thinks fit.

----- Tear here -----

Gujchem Distillers India Limited

Registered Office : Office No. 6, 2nd Floor, National Chambers, Nr. City Gold,
Ashram Road, Ahmedabad - 380 009

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Full name of the
Member attending : _____

Name of Proxy : _____

I hereby record my presence at the Annual General Meeting being held at the Registered Office of the Company on Thursday, the 12th September, 2013.

Registered Folio No.	
Client ID No.	
No. of Shares held	

Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

Note : Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

**BOOK-POST
PRINTED MATTER**

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 - 380 009

