

GUJCHEM DISTILLERS INDIA LIMITED



For Gujchem Distillers India Ltd.

Manish Narain
Managing Director

63rd Annual Report 2001-2002

Directors

SMT. DEVIKA NAVNITLAL, Chairperson
SHRI MANISH NAVNITLAL, Managing Director
SMT. BELA SANDIP JHAVERI
SMT. SARLA CHANDWANI (IFCI Nominee)

Auditors

SHARP & TANNAN
Chartered Accountants

Bankers

DENA BANK
BANK OF BARODA

Registered Office

'CHAITANYA', F-1, Sheth C.G. Road,
Ellisbridge,
Ahmedabad - 380006

Works

Bilimora, Dist. Valsad (Gujarat)
Ankleshwar, Dist. Bharuch (Gujarat)

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Monday, the 30th September, 2002 at 10.15 A.M. at The Seminar Room, Ahmedabad Textile Industry's Research Association, (ATIRA) Vastrapur, Ahmedabad-380015 to transact the following business :

ORDINARY BUSINESS :

- (1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2002 and Profit & Loss Account for the year ended on that date, together with the Directors' Report and the Auditors Report thereon.
- (2) To appoint a Director in place of Smt. Devika Navnitlal, who retires by rotation and being eligible, offers herself for reappointment.
- (3) To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

- (4) To Consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution.

" RESOLVED THAT Smt. Bela Sandip Jhaveri who was appointed as an Additional Director of the Company and who holds office up to the date of ensuing Annual General Meeting, be and is hereby appointed as a Director retiring by rotation."

NOTES

1. The explanatory statement under section 173(2) of the Company Act, 1956 in respect of special business is annexed herewith.

2. 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.
3. 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.
4. Members are requested to notify the change, if any in their registered address.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 26th September, 2002 to Monday, 30th September, 2002 (both days inclusive) for the Annual General Meeting.
6. Members are requested to bring their copy of Annual Report to the meeting.
7. 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.

Regd. Office :
 "Chaitanya" F/1,
 Sheth C.G. Road, Ellisbridge,
 Ahmedabad-380 006
 Date : 26th August, 2002

By Order of the Board
MANISH NAVNITLAL
 Managing Director

ANNEXURE TO THE NOTICE

Explanatory statement pursuant to Section 173 (2) of The Companies Act, 1956.

The following explanatory statement as required under section 173 (2) of the Companies Act, 1956, sets out all , material facts to the Special Business under item no 4 specified in the notice dated 26/8/2002.

ITEM NO. 4

Item No.4 relates to the appointment of Smt. Bela Sandip Jhaveri as a Director of the company. She was appointed as an Additional Director of the company by the Board of Directors on 17-05-2002.


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She holds office as an Additional Director of the company up to the date of ensuing Annual General Meeting of the company pursuant to the provisions of section 260 of the Companies Act, 1956 and of Article 97 of the Articles of Association of the company. Notices in writing along with deposit of Rs. 500, have been received by the company intending to propose her for the office of a Director retiring by rotation.

Smt. Bela Sandip Jhaveri herself and Smt. Devika Navnitlal & Shri Manish Navnitlal, being relatives are interested in this resolution.

Place : Ahmedabad.
Date : 26th August, 2002

By Order of the Board
MANISH NAVNITLAL
Managing Director

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED FOR 30TH SEPTEMBER 2002

As Required under the Listing Agreement.

Name of Director	Smt.Devika Navnitlal	Smt.Bela Sandip Jhaveri
Date of Birth	03-10-1933	11-5-1956
Date of Appointment	18-01-1978	17-05-2002
Qualification	M.Sc.	M.A.
Expertise in specific Functional area	Smt. Devika Navnitlal was Managing Director in Gujchem Distillers India Limited	Over-all Management & Administration
Other Directorship	Gujarat Alcohol and Allied Chemicals Ltd.	

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, 2002 which they trust will meet your approval.

FINANCIAL RESULTS:

The working results of the Company for the year ended 31st March, 2002 are briefly indicated below:

	(Rs. in Laacs)	
	<u>2001-2002</u>	<u>2000-2001</u>
	Rs.	Rs.
Profit (Loss) before Interest, Depreciation and others	(16.39)	(39.03)
Less : Interest	<u>5.45</u>	<u>2.52</u>
Results in a (Loss) after interest	(21.84)	(41.55)
Loss brought forward	<u>(497.81)</u>	<u>(456.26)</u>
Yours Director have appropriated (to)/from	(519.65)	(497.81)
Less : Amount transferred from General Reserve	Nil	Nil
Balance of (loss) carried to Balance Sheets.	<u>(519.65)</u>	<u>(497.81)</u>

OPERATIONS AND FUTURE PROSPECTS:

Since the accumulated losses of the Company exceeded the net worth, required reference under


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section 15 of Sick Industrial Companies Act, 1985 (SICA) was filed with the Board for Industrial & Financial Reconstruction (BIFR). The Company has been declared as a sick industrial company vide an order dated 08/12/2000 issued by BIFR under the provision of SICA and has appointed IFCI as an Operating Agency. Pursuant to the order of BIFR, Rehabilitation Proposal, has been prepared in consultation with the Operating Agency. The said proposal has been approved by the concerned secured lenders.

The said rehabilitation proposal of the company is at an advance stage of approval by BIFR. Your Directors propose to implement the same upon receipt of final acceptance and approval of BIFR in this regard.

DIVIDEND :

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

DEPOSITS :

In view of heavy losses since 1993-94, the company could not make repayment of outstanding deposits which had already matured during the year 1993-94 to 1997-98.

AUDITORS OBSERVATIONS :

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

DIRECTORS :

Shri Dineshbhai M. Patel, Director of the company has resigned for personal reason as a Director of the Company. The Board places on record the valuable services rendered by him. Smt. Devika Navnitlal retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment. Your Directors recommend her reappointment.

Smt. Bela Sandip Jhaveri was appointed as an Additional Director w.e.f. 17-5-2002. She holds office up to the date of ensuing Annual General Meeting and company has received notices from members u/s. 257 of the Act proposing her appointment as a Director.

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 Directors' Responsibility Statement, it is hereby confirmed:

1. That the preparation of the annual accounts for the financial year ended 31st March, 2002, 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 judgements 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 of the profit or loss 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 and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the accounts for the financial year ended 31st March,

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2002 on a going concern basis.

AUDITORS :

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

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

SECRETARIAL COMPLIANCE CERTIFICATE

As per the provision of Section 383A of the Companies Act, 1956, 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 :

We are thankful to Financial Institutions, Banks and Government Agencies for their continued support to the Company.

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

PLACE : AHMEDABAD. FOR AND ON BEHALF
DATE : 26th August, 2002 OF THE BOARD

DEVIKA NAVNITLAL
Chairperson

SECRETARIAL COMPLIANCE CERTIFICATE

To,

The Members,

GUJCHEM DISTILLERS INDIA LIMITED.
"CHAITANYA", F-1 Sheth C. G. Road.
Ellisbridge,
Ahmedabad -380 006.

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 thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2002. 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 thereunder and all entries therein have been duly recorded.
2. The Company has duly 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 has the minimum prescribed paid up share capital and compliance on the maximum number of members during the year under review are not required.
4. The Board of Directors duly met Four times on (1) 28th June 2001, (2) 28th August 2001, (3) 24th December 2001 and (4) 21st March 2002, 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.
5. The Company has closed its Register of Members from 4th October 2001 to 6th October 2001 and necessary compliance of section 154 of the Act has not been made during the year under review.
 6. The Annual General Meeting for the financial year ended on 31-03-2001 was held on 29-09-2001 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 year under review.
 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, during the year under review.
 11. As there were no instances falling within the purview of section 314 of the Act, the Company is not required to obtain any approvals 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 the share certificates on lodgement thereof for transfer and transmission and there was no allotment of securities.
 - (ii) The Company was not required to deposit any amount in 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 the interest accrued thereon which have remained unclaimed or unpaid for a period of 7 years to Investor Education and Protection Fund as there were no such 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 vacancies during the year under review.
 15. Since the paid-up Capital of the Company is less than prescribed share capital of Rs. 5 Crores, provision of section 269 of the Act is not applicable. However Company has already appointed Managing Director in the year 1999-2000. Company has not appointed any Managing Director / Whole-time Director / Manager during the year under review.
 16. The Company has not appointed any sole-selling agents during the year under review.
 17. In view of non-production, the Company has made necessary applications to the Department of Company Affairs, Cost Audit Branch, New Delhi, vide letter dated 10-08-2002 for exemption from appointing of Cost Auditor and submission of Cost Audit Report u/s 233B of the Act, in respect of products namely Chemicals and Indus-

- trial Alcohol for the year 2001-2002. Applications are pending with concerned Department.
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 Companies Act, 1956, during the year under review. However Company has not filed Return of Deposits with ROC, Gujarat, during current year in respect of existing deposits.
24. The amount borrowed by the Company from directors, members, public, financial institutions, bank and others during the year under review is within the borrowing limits of the Company and that necessary resolutions as per section 293(1)(d) of the Act, have been passed in duly convened Annual General Meeting held on 20-09-1991.
25. During the year under review, the Company has not made any loans, investments or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
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. During the year under review, Company has received following show cause notices :
- (a) Show Cause notices received from ROC, Gujarat dated 7-11-2001, 20-11-2001 and 29-11-2001, in respect of violation of Section 58 A(9) of the Act, for delay in making repayment of fixed deposits pursuant to order passed by Hon'ble CLB.
- The Company has already made repayment of deposits and submitted proper reply alongwith required affidavits with the Registrar of Companies, Gujarat.
- (b) Show cause notice received from the Department of Company Affairs, Cost Audit Branch, New Delhi, dated 07-12-2001 in respect of violation of Section 233B of the Act, relating to appointment of Cost Auditor / submission of cost Audit report, in respect of Chemicals for the year 1998-99 & onwards.
- The Company has submitted proper reply

requesting for necessary exemption for the same as no production of Chemicals was made during the period covered under notice and necessary applications are pending with the Department.

- (c) Show cause notice received from the Department of Company Affairs, Cost Audit Branch, New Delhi, dated 29-10-2001 in respect of violation of Section 233B of the Act, relating to appointment of Cost Auditor / submission of cost Audit report, in respect of Industrial Alcohol for the year 1995-96 & onwards.

The Company has already been granted exemption for the year 1996-97 and 1997-98 and had already made applications for exemption for the year 1995-96, 1998-99 and 1999-00 and Company has also approached for exemption for the year 2000-2001 as no production of Industrial Alcohol was made during the period covered under notice and necessary applications are pending with the Department.

There was no prosecution initiated against the Company and no fines or penalties or any other punishment was imposed on the Company during the year under review.

32. The Company has not received any money as security from its employees during the year under review.
33. During the year under review the Company has not been regular in depositing Provident Fund with the prescribed authority.

FORUMESH PARIKH & ASSOCIATES
COMPANY SECRETARIES
UMESH PARIKH

DATE : 24-08-2002

Proprietor

PLACE: AHMEDABAD.

C. P. No. : 2413

ANNEXURE "A"

Name of the Company : GUJCHEM DISTILLERS INDIA LIMITED.

Registration No. : 04 - 2480

Authorised Share Capital : Rs. 10,00,00,000

Registers as maintained by the Company :

Sr. No.	Name of the Registers	Relevant Section Under the Companies Act, 1956.
1.	Register of Transfers.	108
2.	Register of Members.	150
3.	Copies of Annual Returns.	159
4.	Registers of Contracts.	301
5.	Register of Directors.	303
6.	Register of Directors' Shareholding	307
7.	Minutes of the General Meetings and Meetings of the Board of Directors.	193
8.	Attendance Register of Board Meetings and General Meetings.	-----