

GUJCHEM DISTILLERS INDIA LIMITED



65th ANNUAL REPORT 2003-2004



Directors

SMT. DEVIKA NAVNITLAL, Chairperson
SHRI MANISH NAVNITLAL, Managing Director
SMT. BELA SANDIP JHAVERI

Auditors

SHARP & TANNAN
Chartered Accountants

Bankers

DENA BANK
BANK OF BARODA

Registered Office

'CHAITANYA', F-1, Sheth C. G. Road,
Ellisbridge,
Ahmedabad - 380 006

Works

Bilimora, Dist. Navsari (Gujarat)

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Thursday, the 30th September 2004 at 10.15 A.M. at The Registered Office of the Company at "Chaitanya" F/1, Sheth C.G.Road, Ellisbridge, Ahmedabad-380006 to transact the following business:

ORDINARY BUSINESS

- (1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2004 and Profit and Loss Account for the year ended on that date together with the Directors' Report and the Audited Reports 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.

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 Tuesday 28th September, 2004 to Thursday 30th September, 2004 (both days inclusive) for the Annual General Meeting and for ascertaining entitlement for issue of new shares after restructuring the capital and reduction of share capital pursuant to BIFR order dated 16/09/2003.
- (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.

Regd. Office :

"Chaitanya" F/1. Sheth C. G. Road,
Ellisbridge, Ahmedabad 380 006
Date: 31st August, 2004

By order of the Board,

MANISH NAVNITLAL
Managing Director

DETAILS OF DIRECTOR SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED FOR 30TH SEPTEMBER 2004

| | |
|---------------------------------------|--|
| Name of Director | Smt. Devika Navnitlal |
| Date of Birth | 03-10-1933 |
| Date of Appointment | 18-01-1978 |
| Qualification | M.Sc. |
| Expertise in specific Functional area | Smt. Devika Navnitlal was Managing Director in Gujchem Distillers India Limited |
| 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, 2004 which they trust will meet your approval.

FINANCIAL RESULTS:

The working results of the Company for the year ended 31st March 2004 are briefly indicated below:

| | 2003-2004 | (Rs. in Lacs) 2002-2003 |
|--|-----------|----------------------------|
| | Rs. | Rs. |
| Profit (Loss) before interest depreciation and others: | (33.90) | (46.41) |
| Less : Interest | 6.65 | 5.80 |
| Less : Depreciation | 23.14 | - |
| Results in a Profit (Loss) after interest & Depreciation | (63.69) | (52.21) |
| Less : Depreciation of earlier year | (199.36) | - |
| Less : Extra Ordinary item | 234.29 | 53.09 |
| | (28.76) | 0.88 |
| Income Tax of earlier years | - | (12.85) |
| | (28.76) | (11.97) |
| Loss brought forward | (531.62) | (519.65) |
| Balance of (Loss) carried to Balance Sheets | (560.38) | (531.62) |

OPERATIONS AND FUTURE PROSPECTS

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) has sanctioned the Rehabilitation Scheme of the Company vide order letter dated 16/09/2003.

Implementation of Scheme is under process.

DIVIDEND

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

DEPOSITS

Re-payment of outstanding deposits would be made as per the Rehabilitation Scheme approved by BIFR.

AUDITORS OBSERVATIONS

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

DIRECTORS:

Smt. Devika Navnital retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Your Directors recommended her reappointment.

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, 2004, 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 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 2004 on a going concern basis.

CORPORATE GOVERNANCE

As per the rehabilitation scheme sanctioned by Hon'ble BIFR, company would be restructuring its operations and in view of that company would implement corporate Governance thereafter.

AUDITORS:

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

We are thankful to Hon'ble BIFR, 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, employers, suppliers and customers.

FOR AND ON BEHALF OF THE BOARD

Place : Ahmedabad
Date : 31st August, 2004

DEVKA 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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2004. 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 FOUR times on (1) 28th June 2003, (2) 19th August 2003, (3) 22nd October 2003 and (4) 10th January 2004, 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 26th September 2003 to 30th September 2003 during the year under review and necessary compliance of section 154 of the Act has not been made.
6. The Annual General Meeting for the financial year ended on 31 - 03 - 2003 was held on 29 - 11 - 2003 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, 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 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 lodgment thereof for transfer and transmission and there was no allotment of 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 the 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. On the basis of opinion obtained from Advocate, Directors are not disqualified from being appointed as a Director of the Company.
15. Since the paid-up Capital of the Company is less than prescribed share capital of Rs. 5 Crores, provisions of section 269 of the Act to that extent are not applicable. However Company has already appointed Managing Director during the year 1999-2000. The 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. a) The Company has obtained necessary exemption order dated 12.01.2004 from The Department of Company Affairs, New Delhi granting exemption for Cost Audit U/s. 233B of the Act, for the product – Industrial Alcohol for the financial year 2002-2003. Company has also obtained necessary exemption orders dated 12.01.2004 from Department of Company Affairs, New Delhi granting exemption for Cost Audit U/s. 233B of the Act, for the product – chemicals for the financial year 2002-2003.
- b) The Company has obtained necessary approval from Registrar of Companies, Gujarat vide letter dated 10 - 09-2003 granting extension of time to hold Annual General Meeting for the financial year 2002-2003 on or before 30 -11-2003.
- c) 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 29-07-2004 for granting exemption from appointment of Cost Auditor and submission of Cost Audit Report u/s 233B of the Act, in respect of products namely chemicals and Industrial Alcohol for the year 2003-2004. 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 during the year under review. Pursuant to rehabilitation scheme, approved by BIFR vide order letter dated 16-09-2003, part of the debentures were repaid 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. In respect of Deposits already accepted in earlier years under section 58 A of the Act, the Company has filed Return of Deposits as on 31-03-2003 and 31-03-2004 with ROC on 03-07-2003 and 29-07-2004 respectively. As regards repayment of deposits, the BIFR vide its order letter dated 16-09-2003 has directed the repayment of principal amount of fixed deposits without interest in four yearly installments commencing from F.Y. 2004-05.
24. The Company has not borrowed any amounts during the year under review and the amount already borrowed by the Company from Directors, members, public, financial institutions, bank and others is within borrowing limits of the Company and that necessary resolutions as per section 293(1)(d) of the Act, have been passed at 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. 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. 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.
34. Pursuant to order letter dated 16-09-2003 passed by BIFR paid up share capital of the Company, as stated in the said order is reduced by 90% during the year under review.

**FOR UMESH PARIKH & ASSOCIATES
COMPANY SECRETARIES**

**DATE : 31.08.2004
PLACE : AHMEDABAD**

**UMESH PARIKH
Proprietor
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 Registers | Relevant Section under the Companies Act, 1956 |
|----------------|--|---|
| 1. | Register of Deposit. | 58A |
| 2. | Register of Transfers. | 108 |
| 3. | Register of Charges. | 143 |
| 4. | Register of Members. | 150 |
| 5. | Copies of Annual Returns. | 159 |
| 6. | Register of Contracts. | 301 |
| 7. | Register of Directors. | 303 |
| 8. | Register of Directors' Shareholding. | 307 |
| 9. | Register of Investments. | 372A |
| 10. | Minutes of the General Meetings and Meetings of Board of Directors. | 193 |
| 11. | Attendance Register of Board Meetings and General Meetings of the Company. | --- |

Annexure "B"

Name of the Company : **GUJCHEM DISTILLERS INDIA LIMITED.**
 Registration No. : **04 - 2480**
 Authorised Share Capital : **Rs. 10,00,00,000**

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 31-03-2004.

| SR. NO. | FORM NO./ RETURN | FILED UNDER SECTION | DESCRIPTION | DATE OF FILING | WHETHER FILED WITH IN PRESCRIBED TIME YES / NO | IF DELAY IN FILING WHETHER REQUISITE ADDITIONAL FEE PAID YES / NO |
|----------------|-------------------------|----------------------------|---|-----------------------|---|--|
| 1. | C.C. | 383A | Secretarial Compliance Certificate for the year 2001-2002. | 18-08-2003 | No | Yes |
| 2. | Return of Deposit | 58(A) | Return of Deposit as on 31-03-2003. | 03-07-2003 | No | Yes |
| 3. | Sch.VI | 220 | Annual Report for the financial year ended 31-03-2003. | 04-12-2003 | Yes | N.A. |
| 4. | C.C. | 383A | Secretarial Compliance Certificate for the year 2002-2003. | 04-12-2003 | Yes | N.A. |
| 5. | Sch.V Part-II | 159(1) | Annual Return made up to 29-11-03. | 27-01-2004 | Yes | N.A. |
| 6. | 17 & 13 | 138 | Original charge of Bank of Baroda dated 09-04 -1973 for Rs. 20 lacs was satisfied on 08 - 01- 2004. | 06-02-2004 | Yes | N.A. |
| 7. | 17 & 13 | 138 | Original charge of Bank of Baroda dated 13-10 -1978 for Rs. 15 lacs was satisfied on 08 - 01- 2004. | 06-02-2004 | Yes | N.A. |

| Sr. No. | Form No./Return | Filed Under Section | Description | Date of Filing | Whether Filed with in Prescribed Time Yes / No | If Delay in Filing Whether Requisite Additional Fee Paid Yes / No |
|---------|-----------------|---------------------|--|----------------|--|---|
| 8. | 17 & 13 | 138 | Original charge of IFCL dated 04-11 -1993 for Rs. 1,000 lacs was satisfied on 19 - 02- 2004. | 15-03-2004 | Yes | N.A. |
| 9. | 8 & 13 | 125/127/135 | Charge modified on 19-02-2004 of IFCL created on 29-08-1991 for Rs. 50 lacs. | 15-03-2004 | Yes | N.A. |
| 10. | 8 & 13 | 125/127/135 | Charge modified on 19-02-2004 of IFCL created on 30-01-1991 for Rs. 198 lacs. | 15-03-2004 | Yes | N.A. |
| 11. | 8 & 13 | 125/127/135 | Charge modified on 19-02-2004 of IFCL created on 11-12-1989 for Rs. 40 lacs. | 15-03-2004 | Yes | N.A. |
| 12. | 8 & 13 | 125/127/135 | Charge modified on 19-02-2004 of GLIC Ltd., created on 11-01-1977 for Rs. 30 lacs. | 15-03-2004 | Yes | N.A. |
| 13. | 8 & 13 | 125/127/135 | Charge modified on 19-02-2004 of Dena Bank, as a debenture trustee created on 31-03-1987 for Rs.90 lacs. | 15-03-2004 | Yes | N.A. |
| 14. | 8 & 13 | 125/127/135 | Charge modified on 19-02-2004 of GLIC, Ltd. created on 20-02-1979 for Rs. 24.60 lacs. | 15-03-2004 | Yes | N.A. |
| 15. | 8 & 13 | 125/127/135 | Charge modified on 19-02-2004 of GLIC Ltd., created on 19-04-1980 for Rs. 45 lacs. | 15-03-2004 | Yes | N.A. |
| 16. | 8 & 13 | 125/127/135 | Charge modified on 19-02-2004 of Bank of Baroda, created on 01-10-1990 for Rs. 88,08,200/-. | 16-03-2004 | Yes | N.A. |
| 17. | 8 & 13 | 125/127/135 | Charge modified on 19-02-2004 of Bank of Baroda created on 01-10-1990 for Rs. 35 lacs. | 16-03-2004 | Yes | N.A. |
| 18. | 8 & 13 | 125/127/135 | Charge modified on 19-02-2004 of Bank of Baroda created on 22-10-1991 for Rs. 85 lacs. | 16-03-2004 | Yes | N.A. |
| 19. | 8 & 13 | 125/127/135 | Charge modified on 19-02-2004 of Dena Bank created on 21-09-1992 for Rs. 20 lacs. | 16-03-2004 | Yes | N.A. |
| 20. | 8 & 13 | 125/127/135 | Charge modified on 19-02-2004 of Dena Bank created on 31-03-1993 for Rs. 10 lacs. | 16-03-2004 | Yes | N.A. |
| 21. | 8 & 13 | 125/127/135 | Charge modified on 19-02-2004 of Dena Bank created on 18-03-1986 for Rs. 245 lacs. | 16-03-2004 | Yes | N.A. |
| 22. | 8 & 13 | 125/127/135 | Charge modified on 19-02-2004 of Dena Bank created on 22-10-1991 for Rs. 335 lacs. | 16-03-2004 | Yes | N.A. |