

**GUJCHEM DISTILLERS INDIA LIMITED**



**74th ANNUAL REPORT 2012-2013**

<b>Directors</b>	SMT. DEVIKA NAVNITLAL, Chairperson SHRI MANISH NAVNITLAL, Managing Director SHRI JAGAT D. SHAH, Director SHRI SHASHIKANT D. PANDYA, Director SHRI ASHWINI R. DEVPURA, Director
<b>Auditors</b>	SHARP & TANNAN Chartered Accountants
<b>Bankers</b>	DENA BANK
<b>Registered Office</b>	Office No. 6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad-380009 E-mail : gujcheminvestors@gmail.com
<b>Registrar and Share Transfer Agent</b>	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 12<sup>th</sup> September 2013 at 03.00 P.M. at the Registered Office of the Company at "Office No.6, 2<sup>nd</sup> 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 31<sup>st</sup> March 2013.
2. To appoint a Director in place of Smt. Devika Navnitlal 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 9<sup>th</sup> September 2013 to Thursday, 12<sup>th</sup> 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 12<sup>th</sup> September 2013

Name of Director	Smt. Devika Navnitlal	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 : 09<sup>th</sup> 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 NAVNITLAL**  
 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 31<sup>st</sup> March 2013 which they trust will meet your approval.

**FINANCIAL RESULTS:**

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

	2012-2013	(Rs. in Lacs)
	Rs.	2011-2012
		Rs.
Profit (Loss) before depreciation and others:	<b>24.47</b>	34.14
Less: Depreciation	<b>6.09</b>	1.13
	<b>18.38</b>	33.01
Less : Provision for Income Tax	-	6.40
	<b>18.38</b>	26.61
Surplus in the statement of Profit & Loss Account brought forward	<b>191.05</b>	164.45
Balance of surplus carried forward	<b>209.43</b>	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 31<sup>st</sup> 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 31<sup>st</sup> 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 : 9<sup>th</sup> 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](http://www.gujchemdistillers.com).

**11) General Shareholder Information**

Date, time and venue of AGM	12 <sup>th</sup> 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 <sup>th</sup> September, 2013 to Thursday,12 <sup>th</sup> 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 <sup>th</sup> 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
	<b>Total</b>	<b>161885</b>	<b>100.00</b>

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