

GUJCHEM DISTILLERS INDIA LIMITED

(CIN: L24230GJ1939PLC002480)



77th ANNUAL REPORT 2015-2016

Directors

SMT. DEVIKA NAVNITLAL, Chairperson (upto 5.11.2015)
SMT. HEM MANISH, Managing Director
SHRI JAGAT D. SHAH, Director (upto 9.2.2016)
SHRI SHASHIKANT D. PANDYA, Director
SHRI TAPAN HARESH CHOKSHI, Director
SMT. SACHI DILIP PARIKH, Director

Auditors

SHARP & TANNAN
Chartered Accountants

Company Secretary

MRS. MANALI M. SHAH

Chief Financial Officer

TATU ARVIND

Bankers

DENA BANK

Registered Office

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

**Registrar and
Share Transfer Agent**

Link Intime India Pvt. Ltd.
Unit No. 303, Shoppers, Behind Shoppers Plaza II,
Off C. G. Road, Ahmedabad - 380 009.
Phone : 079-2646 5179

GUJCHEM DISTILLERS INDIA LIMITED

(CIN: L24230GJ1939PLC002480)

Regd. Office : Office No. 6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad-380009
E-mail : gujcheminvestors@gmail.com Web : gujchemdistillers.com

NOTICE

NOTICE is hereby given that the 77th Annual General Meeting of the Members of the Company will be held on Thursday, 29th September, 2016 at 4.00 P.M. at the Registered Office of the Company at Office No. 6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad-380009 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company including Audited Balance Sheet as at 31st March, 2016, Statement of Profit and Loss and Cash Flow statement for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Smt. Hem Manish (holding DIN: 01428688), who retires by rotation and being eligible offers herself for re-appointment.
3. To consider and if thought fit to pass with or without modification(s), the following resolution as an

ORDINARY RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, M/s. Sharp & Tannan, Chartered Accountants (Firm Reg. no. 109982W), Mumbai be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at such remuneration as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

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

ORDINARY RESOLUTION.

“**RESOLVED THAT** Shri Tapan Chokshi (DIN: 01246378), who was appointed as an Additional Director of the Company with effect from 30th January, 2016 by the Board of Directors and who holds office up to the date of ensuing Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“The Act”), and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

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

ORDINARY RESOLUTION.

“**RESOLVED THAT** Smt. Sachi Parikh (DIN: 07430807), who was appointed as an Additional Director of the Company with effect from 9th February, 2016 by the Board of Directors and who holds office up to the date of ensuing Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“The Act”), and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

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

SPECIAL RESOLUTION.

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, Schedule V and all the other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Articles of Association of the Company approval be and is hereby granted for revision in remuneration payable to Smt. Hem Manish, Managing Director of the Company with effect from 1st April, 2016 to Rs. 2,00,000/- per month with suitable breakup as per the rules /

policy of the Company with Annual increment of upto Rs. 40,000/- per month for the remaining tenure of her appointment. The first increment shall fall due on 1st April, 2017."

"RESOLVED FURTHER THAT all the other terms and conditions with regard to the appointment and remuneration shall remain unchanged."

"RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, where, in the event of loss or inadequacy of profits in any financial year, she shall be paid remuneration by way of salary and perquisites as specified above, however in any case, the total remuneration shall not exceed the limit as specified in Schedule V of the Companies Act, 2013 as modified from time to time."

"RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to take all necessary and ancillary steps to give effect to this resolution and to file necessary form(s) with the MCA/ROC in the matter."

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.** The Proxies in order to be valid must be delivered at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. A person can act as the proxy on behalf of members not exceeding fifty and in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies, partnership firms, etc., must be supported by appropriate resolution/authority letter/power of attorney, as applicable, issued by the member organization.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
4. Members holding shares in electronic form are requested to intimate immediately the change, if any in their registered address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to intimate any such change to the Company or its Share Transfer Agent.
5. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/name, PAN details, etc. to their Depository Participant only. However, members holding shares in physical mode are required to notify any change pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/name, PAN details, etc. to Registrar and Share Transfer Agent i.e. M/s. Link Intime India Private Limited, Unit No. 303, 3rd Floor, Shoppers , Behind Shoppers Plaza II, Off. C.G. Road, Ahmedabad – 380 009.
6. Members / proxies are requested to bring the attendance slip send herewith duly filled in for attending the meeting and members are also requested to bring the copy of Annual Report at the meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Only registered members of the Company or any proxy appointed by such registered member may attend the Annual General meeting as provided under the provisions of the Companies Act, 2013.
9. The annual accounts, the reports and all other documents required under the law to be annexed thereto and referred to in the accompanying Notice and the explanatory statement are available for inspection during working hours at the Registered Office of the Company on any working day up to the conclusion of this meeting. Members may also note that the notice of annual general meeting will also be available on the website of the Company i.e. www.gujchemdistillers.com for their download.

10. Members desiring to seek information on 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.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the electronic form are, therefore, requested to submit their PAN to their Depository Participant. Members holding shares in physical form shall submit their PAN details to the Company.
12. The Ministry of Corporate Affairs (MCA), New Delhi has taken "Green initiatives in Corporate Governance" by allowing paperless compliance by the Companies and issued a circular clarifying that the service of documents to be made by a Company can be made through electronic mode. To support the green initiative of the Ministry of Corporate Affairs, members who have not yet registered their e-mail id are requested to register the same immediately. Members holding shares in physical form are requested to register their e-mail id by communicating the same to the Company mentioning their Folio number. Members holding shares in electronic form are requested to register their e-mail id and advised to approach their Depository Participants in this regard.
13. Copies of the Annual Report for the year 2015-16 along with notice convening the Annual General Meeting are being sent by electronic mode to all the members whose email addresses are registered with the Company/DP. For members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members who have not registered their e mail address with the Company are requested to get their E-mail ids registered with the Company.
14. Brief Particulars of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting of the Company pursuant to Regulation of 36 (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the ICSI:

Name of Director	Smt. Hem Manish	Shri Tapan Chokshi	Smt. Sachi Parikh
Date of Birth	21-03-1967	24-11-1962	22-10-1969
Age (Years)	49	54	47
Qualification & Expertise	B.Com. Administration & Finance	B.Com.Administration & Finance	B.Com.Administration & Finance
Shareholding in the Company	61,627	NIL	2
Relationship with other Directors, Manager or KMP	Daughter in law of Smt. Devika Navnitlal and Relative of Ms. Tatu Arvind, CFO	None	None
Number of meeting of the Board attended during the year	5	2	1
@ List of other Companies in which directorship is held	-	-	-
\$ List of other Companies in which Director is a Chairman/ Member of the Committee of the Board	-	-	-

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

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

15. In compliance with provisions of section 108 of the Act and Rule 20 of The Companies [Management and Administration] Rules, 2014 and the Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility of 'remote e-voting' to exercise their right to vote at the 77th Annual General Meeting (AGM). Necessary

arrangements have been made by the Company with Central Depository Services [India] Limited [CDSL] to facilitate e-voting. The detailed process, instructions and manner for availing e-Voting facility is as given under the notes. The Members can cast their vote online from 10.00 A.M on Monday, 26th September, 2016 to 5.00 P.M. on Wednesday, 28th September, 2016 (Both days Inclusive).

16. A Route Map showing the Directions to reach the venue of the 77th Annual General Meeting is attached herewith the notice as per the requirement of Secretarial Standards – 2 on General Meeting.
17. The Board of Directors has appointed Shri Umesh G. Parikh, Proprietor of M/s. Umesh Parikh & Associates, Practicing Company Secretary, (Membership No. 4152) as the Scrutinizer to scrutinize the e-voting and poll process at the Annual General Meeting in a fair and transparent manner. The scrutinizer shall, after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not being in the employment of the Company and make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Managing Director or a person authorized by her in writing who shall counter sign the same.
18. The result will be declared on receipt of Scrutinizer's Report. The result declared along with the scrutinizer's report will be available on the website of the Company www.gujchemdistillers.com and on the website of agency (www.evotingindia.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited [BSE] and Ahmedabad Stock Exchange Limited [ASE], where the equity shares of the Company are listed, within the prescribed period.
19. Shareholders holding Equity Shares shall have one vote per share as shown against their holding. The shareholders can vote for their entire voting rights as per their discretion.
20. The facility for voting through poll shall also be made available to the members at the Annual General Meeting. The Members attending the meeting shall be able to exercise the voting rights at the meeting. Members who have cast their vote electronically prior to the Meeting may also attend the meeting, but shall not be entitled to cast their vote again. In case the member cast their vote through both the modes then the voting done through electronic mode shall prevail and vote cast through poll shall be treated as invalid. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently.
21. Members are requested to vote only through electronic system or through poll at the Annual General Meeting and in no other form.
22. Members who hold shares in electronic form are requested to write their DP ID and Client ID and those who hold shares in physical form are requested to write their Regd. Folio number in the Attendance Slip for attending the Annual General meeting to facilitate identification of membership at the Annual General meeting.
23. Any person who acquires shares of the company after the dispatch of the Notice and holds shares as on cut-off date, may cast the vote after following the instructions for remote e-voting as provided in the notice convening the meeting. However if you are already registered with the CDSL for remote e-voting, then you can use the existing User-Id and password for casting your vote.
24. Smt. Manali Shah, Compliance officer of the Company, shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting. Her contact details are - Email: gujchemdistillers@gmail.com Phone No. : (079) 26580893 Address: Office No. 6, 2nd Floor, National Chambers Nr. City Gold, Ashram Road, Ahmedabad – 380 009

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 10.00 A.M. on Monday, 26th September, 2016 and ends on 5.00 P.M. on Wednesday, 28th September, 2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID

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

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

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) · Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN No. 160824002 Gujchem Distillers India Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

CONTACT DETAILS:

Company : GUJCHEM DISTILLERS INDIA LIMITED
Registrar and transfer agent : Link Intime India Pvt. Ltd.
E-voting Agency : Central Depository Services (India) Limited
E-mail ID : helpdesk.evoting@cdslindia.com
Scrutinizer : Shri Umesh G. Parikh (Proprietor of M/s. Umesh Parikh & Associates)
Practicing Company Secretary.
Email id : evoting@parikhdave.com

Date: 26th May, 2016
Place : Ahmedabad
Regd. Office:
Office No.6, 2nd Floor, National Chambers,
Nr. City Gold, Ashram Road, Ahmedabad 380009

By order of the Board,
FOR GUJCHEM DISTILLERS INDIA LIMITED

HEM MANISH
Managing Director

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

ITEM NO.4:

The Board of Directors of the Company has appointed Shri Tapan Chokshi (DIN: 01246378) as an Additional Director (Independent Director) of the Company with effect from 30th January, 2016 In terms of the provisions of Section 161 of the Companies Act, 2013, Shri Tapan Chokshi will hold office up to the date of the ensuing Annual General Meeting. The Company has received from him requisite consent, intimation and a declaration that he meets the criteria of independence as provided under section 149(6) of the Act, in connection with his appointment as an Independent Director.

Smt. Hem Manish has submitted the notice along with the deposit of requisite amount under Section 160 of the Act proposing his candidature as a Director of the Company.

The Board considered that the appointment of Shri Tapan Chokshi would be of immense benefit to the Company and it is desirable to continue to avail his service as a Director.

Your Directors recommend the passing of the proposed Resolution.

Brief Profile of Director seeking appointment is as mentioned in the notes to the Notice herein above.

Except Shri Tapan Chokshi, none of the other Directors and Key Managerial personnel and / or their relatives is concerned or interested, financially or otherwise in the proposed Resolution.

ITEM NO.5

The Board of Directors of the Company has appointed Smt. Sachi Parikh (DIN: 07430807) as an Additional Director (Independent Director) of the Company with effect from 9th February, 2016. In terms of the provisions of Section 161 of the Companies Act, 2013, Smt. Sachi Parikh will hold office up to the date of the ensuing Annual General Meeting. The Company has received from her requisite consent, intimation and a declaration that she meets the criteria of independence as provided under section 149(6) of the Act, in connection with her appointment as an Independent Director.

Smt. Hem Manish has submitted the notice along with the deposit of requisite amount under Section 160 of the Act proposing her candidature as a Director of the Company.

The Board considered that the appointment of Smt. Sachi Parikh would be of immense benefit to the Company and it is desirable to continue to avail her service as a Director.

Your Directors recommend the passing of the proposed Resolution.

Brief Profile of Director seeking appointment is as mentioned in the notes to the Notice herein above.

Except Smt. Sachi Parikh, none of the other Directors and Key Managerial personnel and / or their relatives is concerned or interested, financially or otherwise in the proposed Resolution.

Item No. 6:

Smt. Hem Manish been appointed as the Managing Director of the Company w.e.f. 16th April, 2015 for the term of 3 years at remuneration as approved by the shareholders at Annual General Meeting held on 30th September, 2015.

In view of increased responsibility, the Board has considered for increase in remuneration payable to her. Remuneration payable to her has been approved and recommended by the Nomination and Remuneration committee.

Pursuant to provisions of section 196, 197, Schedule V and all the other applicable provisions of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the revision in remuneration payable to Managing Director requires the approval of the Shareholders in General Meeting by way of Special Resolution and hence necessary resolution has been proposed for your approval.

Your Directors hereby declare that Company has not made any default in repayment of any of its debts including public deposits and interest thereon.

Your Directors recommend the resolution as embodied in the notice to be passed with or without modifications as Special Resolution.

Except Smt. Hem Manish being an appointee, Ms. Tatu Arvind Key Managerial Personnel being relative, none of the other Directors and Key Managerial personnel and / or their relatives is concerned or interested, financially or otherwise in the proposed Resolution.

Brief Profile of Directors seeking appointment/ re-appointment is as mentioned in Note -1 attached hereunder.

Statement containing information required to be given as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013.

I. General Information:

- (1) *Nature of Industry:* Manufacturing and selling of Industrial Alcohol, Acetaldehyde, Acetic acid and Auxiliaries & Chemicals and also provides services as commission agent.
- (2) *Commercial operations:* Commercial operations were started long back however presently, the company is not carrying on any manufacturing activities.
- (3) The Company is not a new Company
- (4) *Financial performance:*

(Rs. in Lacs)

PARTICULARS	Years ended (Audited) 31-03-2016	Years ended (Audited) 31-03-2015
Revenue from operations	NIL	NIL
Other income	29.81	36.17
Net profit after Tax (including extra ordinary item)	194.31	(46.42)

- (5) There are no foreign investments in the Company and the Company has not entered in to foreign collaboration.

II. *Information about the appointee:*

- (1) *Background details:* Smt. Hem Manish was the Chief Executive of the Company and had been appointed as the Managing Director of the Company w.e.f. 16th April, 2015 and the same been approved by the members at their meeting held on 30th September, 2015.
- (2) *Past Remuneration:* As a Managing Director she was drawing Rs. 1,25,000/- per month along with other perquisites.
- (3) *Recognition and awards:* Nil
- (4) *Job profile and her suitability:* The Managing Director is responsible for managing the overall affairs of the Company. Considering her experience and level of operations, her position will be very much suitable to manage the affairs of the Company in right manner.
- (5) *Remuneration proposed:* As per details given in the notice.
- (6) There are no companies of the same size in the industry as such there is no statistics available of comparative remuneration profiles.
- (7) Besides the remuneration and to the extent of shareholding, the Managing Director has no pecuniary relationship directly or indirectly with the Company. Further she is related to Ms. Tatu Arvind, Chief Financial Officer of the Company.

III. *Other information:*

The Company is presently not carrying on any major business activities. Due to higher administrative expenses presently the Company is not able to generate revenue.

However the Company is keen for curtailing expenditure and to start up the operation and finding the appropriate market etc. This would help the Company to generate profitability.

Disclosures : As required, the information is provided under Corporate Governance Report annexed to the Directors' Report.

Date: 26th May, 2016

Place : Ahmedabad

Regd. Office:

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

Nr. City Gold, Ashram Road, Ahmedabad 380009

By order of the Board,
FOR GUJCHEM DISTILLERS INDIA LIMITED

HEM MANISH
Managing Director

DIRECTORS' REPORT

To,
The Members,
GUJCHEM DISTILLERS INDIA LIMITED

Your Directors are pleased to present herewith the 77th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2016.

FINANCIAL RESULTS:

The operating results of the Company for the year ended on 31st March, 2016 are briefly indicated below:

	(Rs. in Lacs)	
	2015-2016	2014-2015
	Rs.	Rs.
Profit (Loss) before depreciation and others:	(32.98)	(38.24)
Less: Depreciation and amortization	8.18	8.18
Profit/(Loss)before extra ordinary item	(41.16)	(46.42)
Extra ordinary Item	372.47	-
Less : Provision for Income Tax	137.00	-
Profit/ Loss for the year	194.31	(46.42)
Surplus in the statement of Profit & Loss Account brought forward	139.99	186.41
Balance of surplus carried forward	334.30	139.99

DIVIDEND:

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

TRANSFER TO RESERVE:

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

OPERATIONS / STATE OF COMPANY'S AFFAIRS:

During the year under review, your Company achieved gross revenue of Rs. 29.81 Lac (previous year Rs. 36.16 Lac) and has earned net profit of Rs. 194.31 Lac (Previous year loss of Rs. 46.41 Lac) including extra ordinary item and after providing Depreciation and Amortization of Rs. 8.18Lac (Previous year Rs. 8.18 Lac).

PERFORMANCE OF THE COMPANY & FUTURE PROSPECTS:

The managerial of the company is considering and exploring possibility to undertake the business activities related in the field of chemicals and other auxiliaries.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION:

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

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

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

DEPOSITS:

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

CORPORATE SOCIAL RESPONSIBILITY:

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

DIRECTORS:

Smt. Devika Navnitlal, has tendered her resignation from the office of the Director of the Company w.e.f. 5th November, 2015 and Shri Jagatbhai D. Shah has also tendered his resignation from the office of Director of the Company w.e.f. 1st February 2016 on account of their pre-occupancy. The Board wishes to place on record its sincere appreciation for the services rendered by them during their tenure.

The Board appointed Shri Tapan Chokshi as an Additional Director of the Company w.e.f. 30th January, 2016 and Mrs. Sachi Parikh as an Additional Director of the Company w.e.f. 9th February, 2016. Necessary resolutions for their appointment as Independent Directors is proposed at ensuing Annual General Meeting. The Board recommends to pass the resolution.

During the year under review Mrs. Manali Shah has been appointed as a Company Secretary of the Company w.e.f. 12th August, 2015

EXTRACT OF THE ANNUAL RETURN:

Extract of the Annual Return as on 31st March, 2016 in the prescribed form MGT - 9, pursuant to provisions of Section 92(3) of the Companies Act, 2013 and the Companies (Management and Administration) Rules 2014, is annexed to this report as **Annexure I**.

CORPORATE GOVERNANCE REPORT:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. in the preparation of the annual accounts for the financial year 2015-16, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- iii. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;

- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NUMBER OF BOARD MEETINGS:

During the year the Board of Directors duly met Six (6) times. The details of the Board Meetings are provided in the Corporate Governance Report which is annexed to the Report.

DECLARATION BY INDEPENDENT DIRECTORS:

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

PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND INDEPENDENT DIRECTORS:

Pursuant to the provisions of Companies Act, 2013 and Rules made thereunder read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of listing agreement and on recommendation of Nomination and Remuneration Committee (NRC), the Board of Directors of the Company has laid down the criteria for evaluation of its own performance, its Committees and individual Directors including Independent Directors.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated.

The performance evaluation of the Chairperson and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

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

SECRETARIAL AUDIT REPORT:

M/s. Parikh Dave & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2015-16 pursuant to the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in prescribed form MR-3 is attached as **Annexure IV** to this report.

There are no qualifications or other observations or remarks of the Secretarial Auditors in the Report issued by them for the financial year 2015-16 which call for any explanation from the Board of Directors.

CONTRACTS OR AGREEMENTS WITH RELATED PARTIES:

The Company has not entered into any Related Party Transaction falling within the purview of Section 188 of the Companies Act, 2013 and the rules framed there under. Hence the Company is not required to report under this head. The Board has approved policy on Related party transactions & the same has been uploaded on the website i.e. www.gujchemdistillers.com.

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

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

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY:

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

RISK MANAGEMENT POLICY:

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

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

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

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

STATUTORY AUDITORS:

M/s. Sharp & Tannan, Chartered Accountants, (FRN: 109982W) Statutory Auditors of the Company retires at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment. The Board recommends their re-appointment at the ensuing Annual General Meeting.

AUDITORS' OBSERVATIONS:

There Auditors' Report to the Shareholders for the year under review, does not contain any qualifications / observations.

COMPOSITION OF AUDIT COMMITTEE:

For details, kindly refer the Corporate Governance Report annexed to this Report.

VIGIL MECHANISM :

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

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

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

(A) Conservation of energy-	Since there is no activity carried out during the year, there is nothing to be reported by Company here.
(i) the steps taken or impact on conservation of energy;	
(ii) the steps taken by the company for utilizing alternate sources of energy;	
(iii) the capital investment on energy conservation equipments	
(B) Technology absorption-	Since there is no activity carried out during the year, there is nothing to be reported by Company here.
(i) the efforts made towards technology absorption;	
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year:- (a) the details of technology imported; (b) the year of import (c) whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	
(iv) the expenditure incurred on Research and Development	NIL

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

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

The Company has not received any significant or material orders passed by any regulatory authority, court or tribunal which shall affect the going concern status of the Company's operations.

INDUSTRIAL RELATIONS:

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

ACKNOWLEDGEMENT:

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

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

Date : 26th May, 2016
Place : Ahmedabad

HEM MANISH
Managing Director

Tapan Chokshi
Director

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31st March, 2016
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.
I REGISTRATION & OTHER DETAILS:

i	CIN	L24230GJ1939PLC002480
ii	Registration Date	4/4/1939
iii	Name of the Company	GUJCHEM DISTILLERS INDIA LIMITED
iv	Category/Sub-category of the Company	Company Limited by shares / Indian Non Government Company
v	Address of the Registered office & contact details	Office No.6, 2nd Floor, National Chambers, Ashram Road, Ahmedabad 380009
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Sharepro Services (India)Pvt. Ltd. (*) 416-420, 4th Floor, Devnand Mall, Opp. Sanyas Ashram Road, Ellisbridge, Ahmedabad - 380006 * Pursuant to SEBI order No. WTM / RKA/ MIRSD2/ 41/ 2016 dated March 22, 2016, the Company has initiated the process for change in RTA from M/s. Sharepro Services (India) Pvt. Ltd. to M/s Link Intime India Pvt. Ltd.

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				(% change during the year)	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	84,329	0	84,329	52.09	84,329	0	84,329	52.09	Nil	
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0	
c) Bodies Corporates	0	0	0	0	0	0	0	0	0	
d) Bank/Fl	0	0	0	0	0	0	0	0	0	
e) Any other	0	0	0	0	0	0	0	0	0	
SUB TOTAL:(A) (1)	84,329	0	84,329	52.09	84,329	0	84,329	52.09	Nil	

(2) Foreign										
a) NRI- Individuals	0	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	84,329	0	84,329	52.09	84,329	0	84,329	52.09	Nil	
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	0	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	197	197	0.12	0	197	197	0.12	Nil	
C) Central govt	0	1	1	0	0	1	1	0	0	
d) State Govt.	0	0	0	0	0	0	0	0	0	
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	
f) Insurance Companies	0	0	0	0	0	0	0	0	0	
g) FIIS	0	0	0	0	0	0	0	0	0	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	
L.I.C.	1,434	0	1,434	0.89	1,434	0	1,434	0.89	Nil	
SUB TOTAL (B)(1):	1,434	198	1,632	1.01	1,434	198	1,632	1.01	Nil	
(2) Non Institutions										
a) Bodies corporates										
i) Indian	157	522	679	0.42	295	232	527	0.33	-0.09	
ii) Overseas	0	0	0	0	0	0	0	0	0	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	12063	63152	75088	46.38	7801	59197	66998	41.39	-5.08	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0	0	0	0	0	0	
c) Others (Specify)										
i) Directors & Relative	0	127	127	0.08	5193	3176	8369	5.17	5.09	
i) NON RESIDENT INDIANS (REPAT)	0	30	30	0.02	0	30	30	0.02	Nil	
ii) NON RESIDENT INDIANS (NON REPAT)	0	0	0	0	0	0	0	0	0	
CLEARING MEMBER	0	0	0	0	0	0	0	0	0	
Total Public Shareholding (B)= (B)(1)+(B)(2)	13654	63902	77556	47.91	14723	62833	77556	47.91	Nil	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	97983	63902	161885	100	99052	62833	161885	100	0	

(ii) SHARE HOLDING OF PROMOTERS

SN	Shareholders Name	Shareholding at the beginning of the year (01.04.2015)			Share holding at the end of the year (31.03.2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Smt. Devika Navnittal	10,028	6.19	0	10,028	6.19	0	0.00
2	Shri Manish Navnittal	100	0.06	0	100	0.06	0	0.00
3	Smt.Hem Manish	61627	38.07	0	61,627	38.07	0	0.00
4	Bela Sandeep	5,305	3.28	0	5,305	3.28	0	0.00
5	Chaula Navnittal	2,793	1.73	0	2,793	1.73	0	0.00
6	Hemangini Sameer Sinha	4,476	2.76	0	4,476	2.76	0	0.00
	Total:	84,329	52.09	0	84,329	52.09	0	0.00

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	No changes were made during the year			
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/ sweat equity etc.)				
	At the end of the year				

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	TATU ARVIND				
	At the beginning of the year	7,398	4.56	7,398	4.56
	At the end of the year	7,398	4.56	7,398	4.56
2	RUPABEN BIPIN JHAVERI				
	At the beginning of the year	3,009	1.86	3,009	1.86
	At the end of the year	3,009	1.86	3,009	1.86
3	LIFE INSURANCE CORPORATION OF INDIA				
	At the beginning of the year	1,434	0.89	1,434	0.89
	At the end of the year	1,434	0.89	1,434	0.89
4	CHANDRIKABEN DHIRESHCHANDRA PATEL				
	At the beginning of the year	584	0.36	584	0.36
	At the end of the year	584	0.36	584	0.36
5	VISHWANATH SHANKAR SAPRE				
	At the beginning of the year	548	0.34	548	0.34
	At the end of the year	548	0.34	548	0.34
6	RAEESABANU MOHAMEDHANIF MAHIDA				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the year	453	0.28	453	0.28
7	BHALCHANDRA RATILAL SHAH				
	At the beginning of the year	450	0.28	450	0.28
	At the end of the year	450	0.28	450	0.28
8	BHARTI ARVIND				
	At the beginning of the year	411	0.25	411	0.25
	At the end of the year	411	0.25	411	0.25
9	KALAVATI BHAGUBHAI				
	At the beginning of the year	410	0.25	410	0.25
	At the end of the year	410	0.25	410	0.25
10	APURVA NATVARLAL PATEL				
	At the beginning of the year	400	0.25	400	0.25
	At the end of the year	400	0.25	400	0.25

(v) Shareholding of Directors & KMP

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	DEVIKABEN NAVNITLAL *				
	At the beginning of the year	10,028	6.19	10,028	6.19
	At the end of the year	10,028	6.19	10,028	6.19
2	Hem Manish **				
	At the beginning of the year	61627	38.07	61627	38.07
	At the end of the year	61627	38.07	61627	38.07
3	Jagat D. Shah ***				
	At the beginning of the year	77	0.05	77	0.05
	At the end of the year	77	0.05	77	0.05
4	Shashikant D. Pandya				
	At the beginning of the year	50	0.03	50	0.03
	At the end of the year	50	0.03	50	0.03
5	Sachi Parikh				
	At the beginning of the year	0	0	0	0
	At the end of the year	2	0.00	2	0.00
6	Tatu Arvind				
	At the beginning of the year	7398	4.57	7398	4.57
	At the end of the year	7398	4.57	7398	4.57

* Ceased to be Director w.e.f. 05-11-2015

** Appointed as a Managing Director w.e.f. 16-04-2015

*** Ceased to be Director w.e.f. 09-02-2016

VI INDEBTEDNESS

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

(In Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5453	0	0	5453
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	5453	0	0	5453
Change in Indebtedness during the financial year				
Additions	0	0	0	0
Reduction	2761	0	0	2761
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	2692	0	0	2692
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	2692	0	0	2692

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

Sr. no.	Particulars of Remuneration	Name of the MD/WTD/Manager		
1	Gross salary	*Hem Manish Navnitlal	**Devika Navnitlal	Total Amount
(a)	Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1,092,500	60,000	1,152,500
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	345,000	15,000	360,000
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	as % of profit	-	-	-
	others (Group Insurance Premium)	31,846	-	31,846
5	Others, please specify Medical allows	18,790	-	18,790
	Total (A)	14,88,136	75,000	15,63,136
	Ceiling as per the Act	42,00,000	42,00,000	84,00,000

* Appointed as M.D. w.e.f. 16-04-2015

** ceased as a M.D. w.e.f. 15-04-2015

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

Sr. No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Shri Jagat D.Shah*	Shri Tapan Chokshi	Shri Shashikant D. Pandya	
(a)	Fee for attending board committee meetings	4,000	1,000	6,000	11,000
(b)	Commission	0	0	0	0
(c)	Others, please specify	0	0	0	0
	Total (1)	4,000	1,000	6,000	11,000
2	Other Non Executive Directors		Smt. Devika Navnitlal		
(a)	Fee for attending board committee meetings		2,000		2,000
(b)	Commission		0		0
(c)	Others, please specify.		0		0
	Total (2)		2,000		2,000
	Total (B)=(1+2)		13,000		13,000
	Total Managerial Remuneration		0		15,76,136
	Overall Ceiling as per the Act.		42,00,000		42,00,000

*ceased to be director w.e.f. 01.02.2016

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		M.D.	CEO	Company Secretary	CFO	
1	Gross Salary	As given below	-	1,18,500	2,46,000	3,64,000
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	-	-
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	as % of profit	-	-	-	-	-
	others, specify	-	-	-	-	-
5	Others, please specify					
	PF Contribution	-	-	-	-	-
	HRA	-	-	-	-	-
	Conveyance	-	-	-	-	-
	Adhoc Allowance	-	-	-	-	-
	Total	-	-	1,18,500	2,46,000	3,64,000

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding		NONE			
B. DIRECTORS Penalty Punishment Compounding		NONE			
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding		NONE			

For and on behalf of the Board,
FOR GUJCHEM DISTILLERS INDIA LIMITED
HEM MANISH
Managing Director

Tapan Chokshi
Director

Date : 26th May, 2016
Place : Ahmedabad

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

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

2) Board of Directors
Composition:

The Board of Directors of your Company as on 31st March, 2016 consists of Four Directors. Smt. Hem Manish is the Managing Director of the Company. The composition of Board of Directors is in compliant with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/ Clause 49 of Listing Agreement i.e. 50 % of Board comprised of non-executive Directors and half of the Board comprises of Independent Directors.

Board meetings:

During the year, six meetings of the Board of Directors were held on 10-04-2015, 15-05-2015, 12-08-2015, 05-11-2015, 30-01-2016 and 09-02-2016. The Company has observed the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/ Listing Agreement regarding meeting of Board of Directors and that the maximum gap between two consecutive board meetings was not more than one hundred and twenty days.

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

Sr. No.	Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	@No. of other Directorships	\$No. of other Committee Memberships/ Chairmanship
1.	*Smt. Devika Navnital	Chairperson (Promoter-Executive Director)	3	Yes	-	-
2.	**Smt. Hem Manish (Appointed w.e.f. 16-04-2015)	Promoter- Managing Director	5	Yes	-	-
3.	Shri Jagat D. Shah (Ceased to be Director w.e.f. 01-02-2016)	Director Independent Non-executive	4	Yes	-	-
4.	Shri Shashikant D. Pandya	Director (Independent) Non-executive	6	Yes	-	-
5.	Shri Tapan Chokshi (Appointed w.e.f. 30-01-2016)	Director (Independent) Non-executive	2	No	-	-
6.	Smt. Sachi Parikh (Appointed w.e.f. 09-02-2016)	Director (Independent) Non-executive	1	No	-	-

* Smt. Devika Navnital ceased to be the Managing Director w.e.f. 15-04-2015 and ceased to be a Director of the Company w.e.f. 05-11-2015.

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

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

None of the Directors of the Company are related to any other Director except Smt. Devika Navnital, Director being mother-in-law of Smt. Hem Manish, Managing Director.

The Company did not have any pecuniary relationship or transactions with the non-executive Directors during the year 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 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. Proposal for investments, disinvestments, restructuring;
2. Compliance of listing requirements & various statutory requirements.
3. Minutes of committee meetings.

Shareholding of Non-Executive Directors as on 31-03-2016 is as follows:

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

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

3) Audit Committee

As required under Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 /and Clause 49 of the listing agreement, the Board has constituted an Audit Committee.

The composition of Committee and the qualifications of the members are in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 /Clause 49 of Listing Agreement. During the year, 4 (four) Committee Meeting were held on 15-05-2015, 12-08-2015, 05-11-2015 and 09-02-2016.

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

Sr. No.	Name of Members	Number of Meeting Attended
1.	Shri Jagatbhai D. Shah, Chairman (Ceased to be member w.e.f. 30-01-2016)	3
2.	Smt. Devika Navnital, Member (Ceased to be member w.e.f. 10-04-2015)	NIL
2.	Shri Shashikant D. Pandya, Member (Appointed w.e.f. 10-04-2015)	4
3.	Smt. Hem Manish, Member (Appointed w.e.f. 10-04-2015)	4
4.	Shri Tapan Choksi, Member (Appointed w.e.f. 30-01-2016)	1

The role, functions and the terms of reference of the Audit Committee are in conformity with the requirements of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/ Clause 49 of the Listing Agreement.

The audit Committee met prior to the finalization of Accounts for the year ended 31-03- 2016. The interval between two meeting convened was not more than one hundred twenty days. The audit committee adheres to the SEBI guidelines in terms of quorum of its meetings, functioning, role and powers.

4) Nomination and Remuneration Committee.

As required under Section 178 of the Companies Act, 2013 read with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/ Clause 49 Listing Agreement the Board has constituted the Nomination and Remuneration Committee.

During the year four committee meeting was held on 10-04-2015, 12-08-2015, 30-01-2016 and 09-02-2016. The Composition of Nomination and Remuneration Committee and the attendance of the Committee is as under:

Sr. No.	Name of Members	Number of Meeting Attended
1.	Shri Shashikant D. Pandya, Chairman	4
2.	Shri Jagat D. Shah, Member (Ceased to be member w.e.f. 01-02-2016)	3
3.	Smt. Devika Navnital, Member (Appointed w.e.f 10-04-2015 and ceased to be member w.e.f. 05-11-2015)	1
4.	Shri Tapan Chokshi, Member (Appointed w.e.f. 30-01-2016)	1
5.	Smt. Sachi Parikh, Member (Appointed w.e.f. 09-02-2016)	0

The terms of reference of the Nomination and Remuneration Committee are as outlined in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/ Clause 49 of Listing Agreements.

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

Performance Evaluation:

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

Details of remuneration paid to the Executive Directors of the Company for the year ended 31-03-2016 is as under:-

Name of the Director	Designation	Salary and Allowances Rs. In lacs	Perquisites Rs. in Lacs	Total Remuneration Rs. in Lacs
*Smt. Devika Navnital	Managing Director	0.60	0.15	0.75
Smt. Hem Manish	Managing Director	10.93	3.96	14.88

*Smt. Devika Navnital ceased to be the Managing Director w.e.f. 15-04-2015 and ceased to be a Director of the Company w.e.f. 05-11-2015.

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

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

Hence no stock options has been granted to the Managing Director and any Director during the year ended on 31-03-2016.

During the year ended on 31-03-2016, the Company has paid the following amount towards sitting fees to the Non-Executive Directors of the Company for attending the Board / Committee meetings:

A Non Executive Director shall be entitled to receive Rs. 1000 as sitting fees for each meeting of the Board attended by him/her, which is within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

(Amt. In Rs.)

Name of the Director	Sitting Fees - Total Amount
Shri Jagat D. Shah	4,000
Shri Shashikaant D. Pandya	6,000
Smt Devika Navnitlal	2,000
Shri Tapan Chokshi	1000

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

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

Remuneration Policy:

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

5) Stakeholders Relationship Committee.

As required under Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of Listing agreement, the Board has constituted the Stakeholders Relationship Committee.

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

The Composition of the Stakeholders Relationship Committee is as under:

Sr. No. Name of the Members

1. Smt. Devika Navnitlal, Chairperson (Ceased to be member w.e.f. 30-01-2016)
2. Shri Jagat D. Shah, Member (Ceased to be member w.e.f. 30-01-2016)
3. Shri Shashikant D. Pandya
4. Shri Tapan Chokshi (Appointed w.e.f. 30-01-2016)
5. Smt. Hem Manish (Appointed w.e.f. 30-01-2016)

Name of the Compliance Officer of the Company: Smt. Manali Shah

Designation of the Compliance Officer: Company Secretary

Details of the Complaints during the year ended on 31-03-2016:

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

6) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

7) INDEPENDENT DIRECTORS:

As per the provisions of the Schedule IV of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of the listing agreement, the Independent Directors of the Company shall hold at least one meeting in the year without attendance of the Non Independent Directors. During the year one meeting of the Independent Directors was held on 09-02-2016. At the Meeting, the Independent Directors reviewed the performance of the Non Independent Directors (Including the Chairperson) and assessed the quality, quantity and timeliness of the flow of information between the Company and the Management.

8) RISK MANAGEMENT POLICY:

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

9) VIGIL MECHANISM POLICY:

According to the provisions of Section 177(9) of the Companies Act, 2013 and the Rules made there under, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of the Listing Agreement, the Company has established a vigil mechanism policy termed as Whistle Blower Policy, for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, which also provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the chairman of the Audit Committee in exceptional cases.

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

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

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

10) CODE OF CONDUCT:

The Board of Directors has laid down a Code of fair Disclosure as required under SEBI (Prohibition of Insider Trading Regulations), 2015 applicable to all the Directors and Senior Managers of the Company. The said Code of Conduct has also been posted on the website of the Company. 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.

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

11) General Body Meetings

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

Annual General Meeting:

Financial year ended	Date	Time	Venue
31-03-2015	30-09-2015	4.00 p.m.	Office No.6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad. 380009
31-03-2014	30-09-2014	4.00 p.m.	
31-03-2013	12-09-2013	03.00 p.m.	

No special resolutions were passed during the last three financial years. At the forthcoming Annual General Meeting there is no agenda that needs approval by way of Postal Ballot.

12) Disclosures

The company has partially adopted the non- mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of the Listing Agreement and all the mandatory requirements as mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of the Listing Agreement has been complied with by the Company.

The Company does not have any Subsidiary Company.

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

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

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

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

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 behaviour, actual or suspected fraud or violation of the ethics policies. No employee of the Company was denied access to the audit committee.

1. Financial Results:

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

2. News Releases, Presentations etc:

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

3. The Management Discussion & Analysis forms part of the Annual Report, which is posted to all the members of the Company.

4. The information is also available on our website www.gujchemdistillers.com.

13) General Shareholder Information

Date, time and venue of AGM	29 th September, 2016 at 4.00 p.m. at Office No.6, 2 nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad - 380009.
Financial Year	01-04-2015 to 31-03-2016
Listing on Stock Exchanges	BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 AND Ahmedabad Stock Exchange Limited (ASE) A-2, Kamdhenu Complex, Opposite Sahajanand College, 120 Feet Ring Rd, Panjara Pol, Ambawadi, Ahmedabad – 380 015
Listing Fees	Company has paid listing fees to BSE Ltd.
ISIN No.	INE 218N01013
Stock Exchange's Script Code	
BSE Ltd.	: 506640
Ahmedabad Stock Exchange	: 23010
Registered Office	Office No.6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad 380009.
Dividend Payment Date	Not Applicable
Compliance Officer	Mrs. Manali Shah
Registrar and Share Transfer Agent	Sharepro Services (India) Pvt. Ltd.* 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006. * Pursuant to SEBI order No. WTM / RKA/ MIRSD2/ 41/ 2016 dated March 22, 2016, the Company has initiated the process for change in RTA from M/s. Sharepro Services (India) Pvt. Ltd. to M/s Link Intime India Pvt. Ltd.

14) SHARE PRICE ON BSE LTD. WAS RS. 111.19 PER SHARE AS ON 20-08-2015.

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

Sr. No.	Month	High (Rs.)	Low (Rs.)
1.	April '15	116.50	111.00
2.	May '15	134.80	122.30
3.	June ,15	130.00	119.00
4.	July ,15	124.00	118.00
5.	August ,15	117.70	112.10

- 15) The Securities has been suspended during the period commencing from 27-08-2015 till the conclusion of the financial year i. e.31-03-2016.

BSE vide its order dated 24-08-2015 has suspended trading in the securities of the Company w.e.f. 27-08-2015 on account of the reason that company is not carrying on any operations and having low volume and price rise in the shares of the Company.

The Company has explained in detail about queries raised by BSE and complied with the all the condition of revocation of suspension of share of the company and company has taken regular follow up with the stock exchange and the management is making all the possible efforts for revocation of suspension of trading at the BSE Ltd.

16) Financial Calendar 2016-2017 (tentative)

Annual General Meeting	Last week of September 2016
Results for quarter ending June 30, 2016	On or before 14th August, 2016
Results for quarter ending September 30, 2016	On or before 14th November, 2016
Results for quarter ending December 31, 2016	On or before 14th February, 2017
Results for year ending March 31, 2017	On or before 30th May, 2017

17) Distribution of Shareholding as on 31-03-2016

No. of Shares	No. of Shareholders	% of holders	No. of Shares	% of Shares
Up to 500	5073	99.76	64683	39.96
501 - 1000	2	0.04	1132	0.70
1001 - 2000	3	0.06	3732	2.31
2001 - 3000	1	0.02	2793	1.73
3001 - 4000	1	0.02	3009	1.86
4001 - 5000	1	0.02	4476	2.76
5001 - 10000	2	0.04	10405	6.43
10001 and above	2	0.04	71655	44.26
Total	5085	100%	161885	100%

18) Pattern of Shareholding as on 31-03-2016

Sr. No	Category	No. of Shares	(%)
1.	Promoters group	84,329	52.09
2.	Financial Institutions/Banks	1631	1.01
3.	Body Corporate	527	0.33
4.	NRI	30	0.02
5.	Others	75368	46.55
	Total	1,61,885	100.00

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

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

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

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

Sharepro Services (India) Pvt. Ltd.* 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.

* Pursuant to SEBI order No. WTM / RKA/ MIRSD2/ 41/ 2016 dated March 22, 2016, the Company has initiated the process for change in RTA from M/s. Sharepro Services (India) Pvt. Ltd. to M/s Link Intime India Pvt. Ltd.

99052 equity shares comprising of 61.19 % of the total equity shares of the Company are in dematerialized form.

(iii) Investors Correspondence:

All shareholders queries are sent to the Company at its Registered office at Office No. 6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad - 380009 or to the Registrar & Transfer Agent at aforementioned address.

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

Commodity Risk or Foreign Exchange Risk The Company is not dealing in any activity which may have commodity price risk or Foreign Exchange risk or undertaken hedging activities.

19) MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Industry structure and Developments:

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

Opportunities and outlook:

The company is hopeful about its future plans.

The company has curtailed expenditure substantially.

Segment:

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

Risk and Concerns:

Competition from established dealers and traders in the market is a concern. 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. The company is putting thrust on providing training both in –house and outside.

The company maintains cordial and harmonious relation with its employees.

20) Secretarial Audit for Reconciliation of Capital:

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

21) CEO and CFO Certification

The CEO / CFO of the Company has given certification on the financial reporting and internal controls to the Board in terms of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 / Clause 49 of the Listing Agreement. The CEO/CFO has also given quarterly certification on financial results to the Board in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

22) Declaration for Compliance of Code of conduct

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of the Listing Agreement, and according to the information provided/available, it is hereby confirmed that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2015-2016. The Code of Conduct is also posted on the website of the Company i.e. www.gujchemdistillers.com

FOR AND ON BEHALF OF THE BOARD
FOR **GUJCHEM DISTILLERS INDIA LIMITED**

Date : 26th May, 2016
Place : Ahmedabad

HEM MANISH
Managing Director

Tapan Chokshi
Director

**PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES**

*5-D, 5th Floor, Vardan Exclusive, Next to Vimal House,
Nr. Stadium Petrol Pump, Navrangpura, Ahmedabad – 380 009.
(T/ F) 2640 5454, Email: info@parikhdave.com*

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

We have examined all relevant records of **GUJCHEM DISTILLERS INDIA LIMITED** for the purpose of certifying compliance of conditions of Corporate Governance as stipulated in Clause 49 of Erstwhile Listing Agreement executed with the Stock Exchange(s), applicable to the Company till November 30, 2015 and para C of Schedule V read with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable from December 1, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the condition of the Corporate Governance as stipulated in Clause 49 of Erstwhile Listing Agreement, applicable to the Company till November 30, 2015 and para C of Schedule V read with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable from December 1, 2015.

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

**FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES**

**Place : Ahmedabad
Date : May 26, 2016**

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

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

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

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

II. **OBJECTIVE:**

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

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

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

IV. **REMUNERATION TO EXECUTIVE DIRECTORS:**

Components:

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

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

Components:

Fixed Remuneration

Annual Allowances

Retrial benefits

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

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

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

Qualification:

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

Positive Attributes:

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

CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS INDEPENDENT DIRECTOR:

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

Qualification:

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

Positive attributes:

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

Independence of Independent Director:

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

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

Date : 26th May, 2016
Place : Ahmedabad

HEM MANISH
Managing Director

Tapan Chokshi
Director

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2016

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

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit; we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto May 14, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 (Effective from May 15, 2015);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009-Not applicable as the Company has not issued any shares during the year under review;
 - (d) The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations , 2014 - Not Applicable as the Company has not issued any Shares / options to the Directors / Employees under the said Regulations during the year under review;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable as the Company has not issued any debt securities during the year under review;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable as the Company has not delisted its Equity Shares from any Stock Exchanges during the year under review;
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 - Not Applicable as the Company has not bought – back any of its securities during the year under review;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Effective from December 1, 2015).

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

- I. Secretarial Standards with respect to the Meetings of the Board of Directors and Committee Meetings of the Board (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India. (Effective from July 1, 2015.)
- II. The Listing Agreements entered into by the Company with BSE Limited (BSE) and Ahmedabad Stock Exchange Limited (ASE).
- III. The Uniform Listing Agreement entered into by the Company with BSE Limited (BSE).

As per the circular ref. no. CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014 and as per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is not required to comply with the provisions of Clause 49 of Listing Agreement and Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V respectively, however the Company has complied with the same voluntarily.

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

We further report that:

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

We further report that:

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

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

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

We further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines such as Labour Laws, The Trade Marks Act, 1999, The Indian Copyright Act, 1957, The Patents Act, 1970.

We further report that:

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

We further report that:

During the Audit period under review, the event/ action having a major bearing on the Company's affairs in pursuance of the above mentioned laws, rules, regulations, guidelines, standards, etc. is as mentioned below:

BSE vide its letter dated 24-08-2015 has suspended the trading in the securities of the Company w.e.f. 27-08-2015 for technical reasons. The Company has taken the adequate steps for revocation of the trading of its securities as there been no irregularities from the Company's end.

**For Parikh Dave & Associates
Company Secretaries**

**UMESH PARIKH
Partner**

FCS No. 4152 C. P. No.: 2413

**Place : Ahmedabad
Date : 26th May, 2016**

ANNEXURE – A

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

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

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

**For Parikh Dave & Associates
Company Secretaries**

**UMESH PARIKH
Partner**

FCS No. 4152 C. P. No.: 2413

**Place : Ahmedabad
Date : 26th May, 2016**

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

- i. **Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31st March, 2016;**

Sr. No.	Director	Remuneration	Median Remuneration	Ratio
1.	*Devika Navnitlal	00.75 Lacs	0.10 Lacs	7.5
2.	**Hem Manish	14.88 Lacs	2.46 Lacs	6.05

*Ceased to be the Managing Director w.e.f. 15-04-2015 and ceased to be a Director w.e.f. 05-11-2015.

**Appointed as Managing Director w.e.f. 16-04-2015.

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

Sr. No.	Key Managerial Personnel	% increase
1.	Hem Manish	—
2.	Tatu Arvind	—
3.	Manali Shah	—

- iii. **The percentage increase in the median remuneration of employees in the financial year;** NIL
- iv. **The number of permanent employees on the rolls of company;** 3 Employees.
- v. **The explanation on the relationship between average increase in remuneration and company performance;**
As there is no increase in the remuneration of Employees, the Company is not required to report here.
- vi. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;**
The average remuneration of the Key Managerial personnel is based on the individual performance, Company's performance and is a measure to motivate them for the better future performance to achieve the organizations growth expectations.
- vii. **Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;**

Particulars	Unit	*As at 31 st March, 2016	As at 31 st March, 2015	Variation
Closing rate of share at BSE	(In Rs.)	111.90	110.20	(39.43%)
EPS	(In Rs.)	120.03	(28.67)	(110.96%)
Market Capitalization	Rs. (in Lacs)	181.15	178.39	(39.43%)
Price Earnings ratio	Ratio	0.93	(3.84)	(28.68%)

Percentage in bracket represents negative percentage.

* The securities of the Company were last traded on 20th August, 2015. Hence details as on said date has been furnished.

- viii. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

The is no increase in the salary of employees other than Managerial Personnel & also there is no increase in remuneration of Managerial personal & hence there is nothing to be reported here.

ix. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;

Performance of the company:

Normally remuneration of KMPs is directly linked to respective KMP's under review, however there is no variation in remuneration of the KMPs.

x. The key parameters for any variable component of remuneration availed by the directors;

No variable components is availed by directors.

xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

None

xii. Affirmation that the remuneration is as per the remuneration policy of the company:

It is affirmed that the remuneration paid is as per the remuneration policy of the company.

Disclosure under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

There were no employees appointed by the Company who were in receipt of remuneration of Rs. 60 Lacs or more Per Annum throughout the year and Rs. 5 Lacs or more Per Month for part of the year, Hence the Disclosure under Rule 5(2) is not applicable.

Disclosure under Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

NOT APPLICABLE

FOR AND ON BEHALF OF THE BOARD
FOR **GUJCHEM DISTILLERS INDIA LIMITED**

Date : 26th May, 2016
Place : Ahmedabad

HEM MANISH
Managing Director

Tapan Chokshi
Director

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, 2016, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit, and its 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, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure 'A'**, a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act; and
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**;
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 1) the Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 22 and 23 to the Financial Statements);
 - 2) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - 3) there is no amount required to be transferred to Investor Education and Protection Fund by the Company.

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

By the hand of

Milind P. Phadke

Partner

Membership No. 033013

Mumbai, 26th May, 2016

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanation given to us, the Company did not carry any inventory during the year. Accordingly, the Paragraph 3(ii) of the order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3(iii) of the order is not applicable to the Company.
- (iv) According to the information and explanations given to us and the records examined by us, the Company has not given loans, made investments, provided guaranties and security which requires compliance of the provisions of Sections 185 and 186 of the Act. Accordingly, the Paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us and the records examined by us, the Company has not accepted any deposits during the year. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, as there are no manufacturing activities carried out during the year, the requirements of maintenance of cost records under Section 148(1) of the Act are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, where applicable, to the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records examined by us, the particulars of duty of excise as at 31st March, 2016 which have not been deposited on account of a dispute pending, are as under:
- | Nature of the Statute | Nature of the disputed dues | (Rs. lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---------------------------------------|-----------------------------|-------------|------------------------------------|-----------------------------------|
| The Central Excise and Salt Act, 1944 | Excise duty | 16.62 | 1985-86 & 1986-87 | A.O.
Central Excise Department |
- (viii) According to the information and explanations given to us and as per the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from Government. The Company has not issued any debentures. Accordingly, the Paragraph 3(viii) of the Order is not applicable to the Company.

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

Mumbai, 26th May, 2016

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

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Gujchem Distillers India Limited** (the 'Company') as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Mumbai, 26th May, 2016

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

By the hand of

Milind P.Phadke

Partner

Membership No. 033013

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
Equity and Liabilities			
Shareholders' funds			
Share capital	3	16,33,545	16,33,545
Reserves and surplus	4	5,05,61,622	3,11,30,360
		<u>5,21,95,167</u>	<u>3,27,63,905</u>
Non-current liabilities			
Long-term provisions	5	50,000	40,000
		<u>50,000</u>	<u>40,000</u>
Current liabilities			
Short-term borrowings	6	2,692	5,453
Trade payables	7	10,59,886	7,06,468
Other current liabilities	8	77,250	38,819
Short-term provisions	9	1,43,16,000	6,16,000
		<u>1,54,55,828</u>	<u>13,66,740</u>
Total		<u>6,77,00,995</u>	<u>3,41,70,645</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	35,22,074	43,62,592
Non-current investments	11	4,16,750	4,17,000
Long-term loans and advances	12	15,83,783	15,29,783
		<u>55,22,607</u>	<u>63,09,375</u>
Current assets			
Current investments	13	5,24,072	5,50,521
Cash and cash equivalents	14	4,03,84,149	52,49,160
Short-term loans and advances	15	2,01,40,283	2,17,78,754
Other current assets	16	11,29,884	2,82,835
		<u>6,21,78,388</u>	<u>2,78,61,270</u>
Total		<u>6,77,00,995</u>	<u>3,41,70,645</u>
Significant Accounting Policies	2		
Notes forming part of the financial statements.	3-29		

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

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

By the hand of

Milind P. Phadke

Partner

Membership No. 33013

Place : Mumbai

Date : 26th May, 2016

HEM MANISH
Managing Director

TATU ARVIND
Chief Financial Officer

MANALI M. SHAH
Company Secretary

Place : Ahmedabad
Date : 26th May, 2016

SHASHIKANT D. PANDYA
Director

TAPAN CHOKSHI
Director

SACHI D. PARIKH
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	2015-16 Rupees	2014-15 Rupees
Continuing Operations			
Other income	17	<u>29,80,992</u>	<u>36,16,525</u>
Total		<u>29,80,992</u>	<u>36,16,525</u>
Expenses			
Employee benefits expense	18	<u>27,68,055</u>	<u>26,53,417</u>
Finance costs	19	<u>45,930</u>	<u>6,81,328</u>
Depreciation and amortisation expenses		<u>8,17,649</u>	<u>8,18,022</u>
Other expenses	20	<u>34,65,097</u>	<u>41,05,475</u>
Total		<u>70,96,731</u>	<u>82,58,242</u>
Profit / (Loss) before extraordinary items and tax		-41,15,739	-46,41,717
Extra ordinary item		3,72,47,001	-
Profit(Loss) before tax		3,31,31,262	-4,641,717
Tax expense:			
Current tax		<u>1,37,00,000</u>	<u>-</u>
Total Tax expenses		<u>1,37,00,000</u>	<u>-</u>
Profit(Loss) for the year		<u>1,94,31,262</u>	<u>-4,641,717</u>

Earnings per share (of Rs. 10 each):

Basic and Diluted		
(i) Continuing operations	120.03	-28.67
(ii) Total operations	120.03	-28.67

Significant Accounting Policies 2

Notes forming part of the financial statements. 3-29

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

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

By the hand of

Milind P. Phadke

Partner

Membership No. 33013

Place : Mumbai

Date : 26th May, 2016

HEM MANISH
Managing Director

TATU ARVIND
Chief Financial Officer

MANALI M. SHAH
Company Secretary

Place : Ahmedabad

Date : 26th May, 2016

SHASHIKANT D. PANDYA
Director

TAPAN CHOKSHI
Director

SACHI D. PARIKH
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	2015-16 Rupees	2014-15 Rupees
Cash flows from operating activities		
Net Profit / (Loss) before extraordinary items and tax	-41,15,739	-46,41,717
Adjustments for:		
Depreciation and amortisation	8,17,649	8,18,022
Finance costs	45,930	6,81,328
Interest income	-29,73,967	-31,71,936
Dividend income	-7,025	-6,660
Net (gain) / loss on sale of investments	-	-3,27,114
Adjustments to the carrying amount of investments	26,449	104,621
Allowance for doubtful trade and other receivables, loans and advances	-	598,403
Operating profit / (loss) before working capital changes	-62,06,703	-59,45,053
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Short-term loans and advances	1,20,26,872	2,03,966
Long-term loans and advances	-54,000	87,770
	1,19,72,872	2,91,736
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	3,53,418	1,71,383
Other current liabilities	38,431	38,819
Other long-term liabilities	10,000	-
	4,01,849	2,10,202
Cash flows from extraordinary items	3,72,70,120	-
Cash generated from operations	4,34,38,138	-54,43,115
Net income tax (paid) / refunds	-1,03,88,401	4,80,289
Net cash flows from / (used in) operating activities (A)	3,30,49,737	-49,62,826
Cash flows from investing activities		
Proceeds from sale of current investments (net)	-	2,79,482
Loans given		
- Others	-	-45,00,000
Interest received		
- Others	21,26,918	39,47,079
Dividend received		
- Others	7,025	6,660
Net cash flows from (used in) investing activities	21,33,943	-2,66,779

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	2015-16 Rupees	2014-15 Rupees
Cash flows from financing activities		
Proceeds from other short-term borrowings	-2,761	-57,37,475
Finance cost	-45,930	-6,81,328
Net cash flows from / (used in) financing activities	-48,691	-64,18,803
Net increase / (decrease) in Cash and cash equivalents	3,51,34,989	-1,16,48,408
Cash and cash equivalents at the beginning of the year	52,49,160	1,68,97,568
Cash and cash equivalents at the end of the year (Refer Note 14)	4,03,84,149	52,49,160

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

Firm's Registration No. 109982W

By the hand of

Milind P. Phadke

Partner

Membership No. 33013

Place : Mumbai

Date : 26th May, 2016

HEM MANISH
Managing Director

TATU ARVIND
Chief Financial Officer

MANALI M. SHAH
Company Secretary

Place : Ahmedabad
Date : 26th May, 2016

SHASHIKANT D. PANDYA
Director

TAPAN CHOKSHI
Director

SACHI D. PARIKH
Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS : 2015-16**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 Company maintains its accounts on accrual basis following the historical cost convention in accordance with the Generally Accepted Accounting Principles ('GAAP') in compliance with the provisions of the Companies Act, 2013 (the 'Act') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India are also considered, wherever applicable.

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

2.2 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS : 2015-16

with the employees. Provision for Gratuity is determined and accrued on the basis of actuarial valuation by Life Insurance Corporation of India. Leave encashment benefit to employees has been provided on an estimated basis.

2.8 DEPRECIATION:

Depreciation on the tangible assets is provided on the Straight Line Method over useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during the year is proportionately charged. Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

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 : 2015-16

Particulars	As at 31-3-2016 Rupees	As at 31-3-2015 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
	16,18,850	16,18,850
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 31.03.2016		As at 31.03.2015	
	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 31.03.2016		As at 31.03.2015	
	No. of Shares	% Holding	No. of Shares	% Holding
Devikaben Navnitlal Patel	10,028	6.19%	10,028	6.19%
Hem Manishbhai Patel	61,627	38.07%	61,627	38.07%

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 : 2015-16

Particulars	As at 31-3-2016 Rupees	As at 31-3-2015 Rupees
4. Reserves and Surplus		
Investment Reserve		
As per the last balance sheet	9,972	9,972
Deducted as per Contra	<u>9,972</u>	<u>9,972</u>
	-	-
Capital Reserve		
As per the last balance sheet	1,71,30,990	1,71,30,990
Closing balance	<u>1,71,30,990</u>	<u>1,71,30,990</u>
Surplus in the Statement of Profit and Loss		
As per the last balance sheet	1,39,99,370	1,87,42,534
Less : Transitional Provision for Depreciation as per revised Schedule II	-	-1,01,447
Profit / Loss for the year	<u>1,94,31,262</u>	<u>-46,41,717</u>
Net surplus in the Statement of profit and loss	<u>3,34,30,632</u>	<u>1,39,99,370</u>
	<u>5,05,61,622</u>	<u>3,11,30,360</u>
5. Long Term Provisions		
Provision for leave encashment	<u>50,000</u>	40,000
	<u>50,000</u>	<u>40,000</u>
6. Short-Term Borrowings		
Overdraft facilities from bank	<u>2,692</u>	5,453
	<u>2,692</u>	<u>5,453</u>
Overdraft facility from Bank is taken during the year and carries interest rate 9% 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	<u>10,59,886</u>	7,06,468
	<u>10,59,886</u>	<u>7,06,468</u>
8. Other Current Liabilities		
Statutory liabilities	<u>77,250</u>	38,819
	<u>77,250</u>	<u>38,819</u>
9. Short-Term Provisions		
Provision for taxation	1,37,00,000	-
Provision for leave encashment	6,00,000	600,000
Provision for bonus	16,000	16,000
	<u>1,43,16,000</u>	<u>6,16,000</u>

Notes forming part of the Financial Statements : 2015-16
10. Fixed Assets

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at	Addi-	Deduc-	As at	Up to	For the	Deduc-	Up to	As at	As at
	1.4.2015	tions	tions	31.3.2016	31.3.2015	Year	tions	31.3.2016	31.3.2016	31.3.2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets										
Land *	63,800	-	-	63,800	-	-	-	-	63,800	63,800
Building * (a)	8,49,483	-	89,850	7,59,633	5,10,498	15,207	66,981	4,58,724	3,00,909	3,38,985
Plant and machineries*	77,48,775	-	-	77,48,775	77,48,769	-	-	77,48,769	6	6
Furniture and fixtures*	6,97,053	-	-	6,97,053	6,76,785	3,388	-	6,80,173	16,880	20,268
Office equipments	1,84,186	-	-	1,84,186	1,16,145	13,354	-	1,29,499	54,687	68,041
Vehicles	58,26,879	-	-	58,26,879	19,55,387	7,85,700	-	27,41,087	30,85,792	38,71,492
Total	1,53,70,176	-	89,850	1,52,80,326	1,10,07,584	8,17,649	66,981	1,17,58,252	35,22,074	43,62,592
*Includes assets retired from active use	83,94,059	-	-	83,94,059	81,08,902	9,181	-	81,18,083	2,75,976	2,85,157

Particulars	As at 31-3-2016 Rupees	As at 31-3-2015 Rupees
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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
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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
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
	4,16,750	4,17,000
Aggregate of Unquoted Investments - Book Value	4,16,750	4,17,000

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

Capital advances	10,00,000	10,00,000
Balance with excise authorities	2,28,333	2,28,333
Loans to staff	2,79,000	2,25,000
Security deposits	76,450	76,450
	15,83,783	15,29,783

Notes forming part of the Financial Statements : 2015-16

Particulars	As at 31-3-2016 Rupees	As at 31-3-2015 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
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		
200 (P.Y. 200) Shares of Tata Steel Ltd. of Rs. 10 each	87,290	87,290
1000 (P.Y. 1000) Shares of L&T Finance Holdings Ltd. of Rs. 10 each	77,496	77,496
1700 (P.Y. 1700) Shares of Sintex Industries Ltd. of Rs. 10 each	1,47,236	1,47,236
150 (P.Y. 150) Shares of Thomas Cook Ltd. of Rs. 1 each	21,732	21,732
1000 (P.Y. 1000) Shares of Adani Power Ltd. of Rs. 10 each	61,308	61,308
2000 (P.Y. 2000) Shares of Bharat Immunologicals and Biologicals Corporation Ltd. of Rs. 10 each	46,152	46,152
1000 (P.Y. 1000) Shares of Dena Bank Ltd. of Rs. 10 each	84,485	84,485
500 (P.Y. 500) Shares of Reliance Communication Ltd. of Rs. 5 each	67,475	67,475
100 (P.Y. 100) Shares of Sesa Sterlite Ltd. of Rs. 1 each	23,132	23,132
50 (P.Y. 50) Shares of Neuland Laboratories Ltd. of Rs. 10 each	22,204	22,204
	6,38,510	6,38,510
Less : Diminution in value of investments	2,01,714	1,75,265
	4,36,796	4,63,245
Fixed Deposits :	5,24,072	5,50,521
Aggregate of Quoted Investments - Market Value	4,56,030	6,38,508
Aggregate of Quoted Investments - Book Value	6,38,510	6,38,508
Aggregate of Unquoted Investments - Book Value	87,276	87,276

Notes forming part of the Financial Statements : 2015-16

Particulars	As at 31-3-2016 Rupees	As at 31-3-2015 Rupees
14. Cash and Cash Equivalents		
Balance with banks in current accounts	20,59,513	23,49,698
Balance with banks in fixed deposit accounts		
Deposits with maturity for more than 12 months	60,12,944	-
Deposits with maturity for more than 3 months but less than 12 months	3,20,00,000	25,00,000
Cash on hand	3,11,692	3,99,462
	<u>4,03,84,149</u>	<u>52,49,160</u>
Balance with banks in fixed deposit accounts with a carrying amount of Rs. 25,00,000 (P.Y. 25,00,000) are subject to first charge to secure the Company's borrowings.		
15. Short-Term Loans and Advances (Unsecured, considered good)		
Tax deducted at source	1,09,38,978	5,50,577
Loans	90,00,000	1,00,00,000
Inter corporate deposits	-	1,10,00,000
Advances recoverable in cash or in kind or for value to be received	2,01,305	2,28,177
	<u>2,01,40,283</u>	<u>2,17,78,754</u>
16. Other Current Assets		
Interest accrued but not due	11,29,884	2,82,835
	<u>11,29,884</u>	<u>2,82,835</u>
	2015-2016 Rupees	2014-2015 Rupees
17. Other Income		
Interest on bank deposits and other interest (including T.D.S. Rs. 6,64,095 (P.Y. Rs.2,74,884))	29,55,522	30,71,229
Dividend income	7,025	6,660
Interest on income tax refunds	18,445	1,00,707
Profit on sale of investments (Net)	-	3,27,114
Provisions no longer required written back	-	-
Miscellaneous Income	-	1,10,815
	<u>29,80,992</u>	<u>36,16,525</u>
18. Employee Benefit Expenses		
Salaries, wages, bonus and allowances	21,62,540	23,49,565
Contribution to provident fund	28,672	1,43,813
Contribution to gratuity / superannuation fund	4,00,910	802
Leave encashment	10,000	-
Staff welfare expenses	1,65,933	1,59,237
	<u>27,68,055</u>	<u>26,53,417</u>

Notes forming part of the Financial Statements : 2015-16

	2015-2016	2014-2015
	Rupees	Rupees
19. Finance Costs		
Interest		
On borrowings	42,575	6,79,712
Others	3,355	1,616
	45,930	6,81,328
20. Other Expenses		
Rates, taxes & insurance	1,93,985	3,21,587
Directors' travelling expenses	21,813	89,469
Auditors' remuneration :		
Audit fees	44,944	44,944
Tax audit fee	22,000	
Certification fees	11,988	11,841
	78,932	56,785
Advertisement	61,526	66,996
Office and general expenses	3,12,894	1,80,709
Legal fees expenses		4,31,660
Professional and consulting fees	13,13,857	9,07,640
Printing and stationery	63,492	59,566
Post, telegram and telephone	1,27,347	1,07,704
Travelling and conveyance	2,11,964	4,65,819
Electricity	15,790	25,608
Repairs and maintenance	6,55,513	12,880
Listing and Registration fees	2,45,330	1,25,842
Bad debts written off	-	2,67,658
Sundry balances written off	-	3,30,745
Miscellaneous expenses	1,36,205	5,50,186
Provision for diminution in value of investments	26,449	1,04,621
	34,65,097	41,05,475
21. Claims against the Company not acknowledge as debts :		
	31-03-2016	31-03-2015
	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
22. Contingent liability not provided for on account of:		
i) Excise Duty disputed by the Company pending disposal	16,62,494	16,62,494
ii) Back wages and reinstatement demand made by certain dismissed workers at Ankleshwar factory, pending adjudication.	-	Amount not Ascertainable
23. Remuneration to Managing Directors charged to accounts including perquisites as per Income Tax Rules where applicable (Remuneration has been paid in accordance with the provisions of Companies Act, 2013.)	16,14,636	17,97,442
24. As at 31st March, 2016 , there are no amounts outstanding in respect of suppliers registered as Micro, Small and Medium Enterprises.		
25. The Company is primarily engaged in business of manufacturing and selling of Industrial Alcohol, Acetaldehyde, Acetic Acid and Auxiliaries & Chemicals. Since the inherent nature of activities as a whole are governed by the same set of risk and returns these have been grouped as a single segment, the results of which are reflected in the financial statements. The said treatment is in accordance with the Accounting Standard (AS) 17 Segment Reporting .		

Notes forming part of the Financial Statements : 2015-16
26. Related Party Disclosures
(a) Relationship :
i. Key Management Personnel :

Devikaben Navnitlal Patel (Managing Director up to 15.04.2015 and Director up to 5.11.2015) and Hem Manishbhai Patel (Managing Director from 16.04.2015) (Also controls majority of voting powers of the Company)

ii. Relatives of Key Management Personnel :

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

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, gratuity, superannuation fund and leave salary)	16,14,636	6,46,000	-
Outstanding balances at the close of the year :			
Amounts due on account of remuneration	-	-	-
Amount Payable	-	6,00,000	-
As Unsecured Loan Taken	-	-	-
Unsecured Loan Taken	-	-	-
Loans & advances – Receivables	-	69,000	-

27. Net deferred tax assets, representing past losses, 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.

Earning per share :	2015-16 Rupees	2014-15 Rupees
Profit (Loss) for the Year	1,94,31,262	(46,41,717)
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	120.03	(28.67)
Basic / Diluted Earning Per share after extra ordinary items	120.03	(28.67)

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

Signatures to Note 1 to 29

SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W
By the hand of
Milind P. Phadke
Partner
Membership No. 33013
Place : Mumbai
Date : 15th May, 2016

HEM MANISH
Managing Director
TATU ARVIND
Chief Financial Officer
MANALI M. SHAH
Company Secretary
Place : Ahmedabad
Date : 26th May, 2016

SHASHIKANT D. PANDYA
Director
TAPAN CHOKSHI
Director
SACHI D. PARIKH
Director

Gujchem Distillers India Limited

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

PROXY FORM

FORM NO. MGT-11

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

CIN : L24230 GJ1939PLC002480
Name of the Company : Gujchem Distillers India Limited
Registered Office : Office No.6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad- 380009
Name of the member(s) : _____
Registered Address : _____
E-mail ID : _____
Folio No./*Client ID/DPID : _____

(*Applicable to the investors holding shares in Electronic Mode)

I/We being the member(s) of _____ shares of the above named Company, hereby appoint:

1. Name : _____
Address : _____
E-mail ID: _____ Signature _____ or failing him
2. Name : _____
Address : _____
E-mail ID: _____ Signature _____ or failing him
3. Name : _____
Address : _____
E-mail ID: _____ Signature _____

as my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 29th September, 2016 at 4.00 p.m. at the Registered Office of the Company at "Office No.6, 2nd Floor, National Chambers, Nr. City Gold, Ashram Road, Ahmedabad – 380009 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. Adoption of Audited Financial Statements for the year ended on 31st March, 2016 and the Directors' and Auditors' Report.
2. Re-Appointment of Smt. Hem Manish, as a Director of the Company.
3. Re-appointment of M/s. Sharp & Tannan, Chartered Accountants, as a Statutory Auditors of the Company and fix their remuneration.

Special Business:

4. Appointment of Shri Tapan Chokshi, as a Director of the Company.
5. Appointment of Smt. Sachi Parikh as a Director of the Company.
6. Increase in remuneration to Smt. Hem Manish, Managing Director of the Company.

Signed this _____ day of _____ of 2016



Signature of Shareholder

Signature of Proxy holder(S)

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Gujchem Distillers India Limited

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

ATTENDANCE SLIP

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

I/We hereby record my/our presence at the 77th Annual General Meeting of the Company to be held at the Registered Office of the Company on Thursday, 29th September, 2016 at 4.00 p.m.

Full name of the Member : _____

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

Full name of the Proxy : _____

Member's /Proxy's Signature: _____

Notes: Please complete the Folio / DP ID - Client No. and the name, sign this Attendance Slip and hand it over at the Attendance verification Counter at the ENTRANCE OF THE MEETING HALL.

To,

If undelivered, please return to :

GUJCHEM DISTILLERS INDIA LIMITED

Registered Office

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

Phone: +91 7926580893

(CIN: L24230GJ1939PLC002480)

E-mail : gujcheminvestors@gmail.com

Web : gujchemdistillers.com