

GUJCHEM DISTILLERS INDIA LIMITED



72nd ANNUAL REPORT 2010-2011

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

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Friday, the 30th September 2011 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 Balance Sheet as at 31st March 2011 and Profit and Loss Account for the year ended on that date together with the Directors' Report and the Auditors Reports thereon.
- (2) To appoint a Director in place of Smt. Devika Navnitlal who retires by rotation and being eligible offers herself for re-appointment.
- (3) To appoint a Director in place of Shri. Jagatbhai D. Shah who retires by rotation and being eligible offers himself for re-appointment.
- (4) To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES :

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXIES TO ATTEND AND VOTE ISTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER.
- (2) Proxies in order to be valid must be delivered at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
- (3) Members are requested to notify the change, if any in their registered address.
- (4) The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 26th September 2011 to Friday, 30th September 2011 (both days inclusive) for the Annual General Meeting.
- (5) Members are requested to bring their copy of Annual Report to the meeting.
- (6) Members desiring to seek information on Annual Accounts to be explained at the meeting are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.

Regd. Office :
Office No. 6, 2nd Floor, National Chambers,
Nr. City Gold, Ashram Road, Ahmedabad 380 009
Date: 16th August, 2011

By order of the Board,
MANISH NAVNITLAL
Managing Director

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE ANNUAL GENERAL MEETING FIXED FOR 30TH SEPTEMBER 2011

Name of Director	Smt. Devika Navnitlal	Shri Jagatbhai D. Shah
Date of Birth	03-10-1933	02-12-1962
Date of Appointment	18-01-1978	01-10-2004
Expertise	Administration and Finance	Administration

DIRECTORS' REPORT

To,
The Members,
GUJCHEM DISTILLERS INDIA LIMITED

Your Directors have pleasure in presenting the Annual Report together with the audited statement of accounts for the year ended 31st March 2011 which they trust will meet your approval.

FINANCIAL RESULTS:

The working results of the Company for the year ended 31st March 2011 are briefly indicated below:

	2010-2011	(Rs. in Lacs) 2009-2010
	Rs.	Rs.
Profit (Loss) before depreciation and others:	312.28	(6.16)
Less: Depreciation	1.05	1.22
	<u>311.23</u>	<u>(7.38)</u>
Less : Income Tax of earlier year	-	(3.26)
Less : Provision for Income Tax	1.00	-
	<u>310.23</u>	<u>(4.12)</u>
Profit (Loss) brought forward	(411.95)	(407.83)
Balance of Loss carried forward	101.72	411.95

OPERATIONS AND FUTURE PROSPECTS

The Company was declared as a sick Company under the provisions of SICA, 1985 by the Board of Industrial and Financial Reconstruction (BIFR). During the year under review as the net worth of the Company became positive, BIFR vide its order dated 1-12-2010 discharged the Company from the purview of SICA / BIFR.

The Company has been able to generate some revenue by undertaking trading related operations during the year under review. The management is exploring various alternatives to restart the manufacturing operations of the products for which the company has technical and marketing expertise.

DIVIDEND

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

DEPOSITS

During the year under review, Company has not accepted any deposits falling within purview of section 58A of the Companies Act, 1956. There were unclaimed deposit of Rs. 6,34,424/- as on 1-4-2010. During the year under review Rs. 4,11,324/- have been claimed by the depositors and balance amount of unclaimed deposits of Rs. 2,23,100/- have been transferred / deposited with Investor Education and Protection Fund.

AUDITORS OBSERVATIONS

The observations of the auditors in their report are explained in the Specific notes contained in Annexure 'L' forming part of accounts which are self-explanatory and give complete information.

DIRECTORS:

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

EMPLOYEES

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

DIRECTORS RESPONSIBILITY STATEMENT

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

1. That the preparation of the annual accounts for the financial year ended 31st March, 2011 the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for the year ended under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company for the year ended under review;
4. That the Directors have prepared the annual accounts on a going concern basis;

CORPORATE GOVERNANCE

Your Company has started compiling the various clauses of the Corporate Governance practice mandated by Clause 49 of the Listing Agreement.

AUDITORS:

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

SECRETARIAL COMPLIANCE CERTIFICATE

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

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

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

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

ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD

Place : Ahmedabad
Date : 16th August, 2011

DEVIKA NAVNITLAL
Chairperson

SECRETARIAL COMPLIANCE CERTIFICATE

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

We have examined the registers, records, books and papers of GUJCHEM DISTILLERS INDIA LIMITED, (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31-03-2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents and to the best of our knowledge and belief, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act, and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Gujarat.
3. The Company being a Public Limited Company, comments on maximum number of members are not required.
4. The Board of Directors duly met 5 times on (1) 08-05-2010 (2) 20-08-2010 (3) 23-08-2010 (4) 28-10-2010 and (5) 27-01-2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 28-09-2010 to 30-09-2010 during the year under review and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31-03-2010 was held on 30-09-2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act, during the year under review.
10. The Company was not required to make any entries in the register maintained under section 301 of the Act, in respect of the contracts falling within the purview of the section 297 of the Act, during the year under review.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approval from the Board of Directors, members or Central Government, during the year under review.
12. The Company has not issued any duplicate share certificates during the year under review.
13. During the year under review:
 - (i) in view of capital reduction effected pursuant to BIFR order, the Company is in process of issue of new share certificates so share transfer has been kept pending and there was no allotment of securities;
 - (ii) the Company was not required to deposit any amount in a separate Bank account as no dividend was declared;
 - (iii) the Company was not required to post warrants to any of its members as no dividend was declared;
 - (iv) the Company has transferred the amounts of matured deposits which have remained unclaimed or unpaid for a period of 7 years to Investor Education and Protection Fund;
 - (v) the Company has complied with the requirements of section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the year under review.
15. The Company's Paid-up Share Capital being less than the prescribed limit of Rs. 5 Crores, it is not required to appoint any Managing Director / Whole – time Director / Manager and accordingly provisions of Section 269 of the Act, are not applicable.
16. The Company has not appointed any sole-selling agents during the year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the year under review.
18. The Directors have disclosed their interest in other firms/ Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the year under review.
20. The Company has not bought back any shares during the year under review.
21. There was no redemption of preference shares or debentures during the year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the year under review.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58 A of the Act, during the year under review. Repayment of deposits has been made as per the BIFR Order letter dated 16-09-2003.
24. The amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the year under review is within the borrowing limits of the Company and that necessary resolution as per section 293(1)(d) of the Act, has been passed at duly convened Annual General Meeting held on 20-09-1991.
25. During the year under review, the Company has not made any loans, investments or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under review.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under review.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under review.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under review.
30. The Company has not altered its Articles of Association during the year under review.
31. There was no prosecution initiated against the Company and no fines or penalties or any punishment was imposed on the Company during the year under review, for offences under the Act.
32. The Company has not received any money as security from its employees during the year under review.
33. The Company has not constituted any separate provident fund of employees or any class of employees as envisaged under section 418 of the said Act.

**FOR UMESH PARIKH & ASSOCIATES
COMPANY SECRETARIES**

**Date : 16-08-2011
Place: Ahmedabad**

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

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

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

Annexure "B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities for and during the financial year ended on 31-03-2011.

SR. NO	FORM NO./ RETURN	FILED UNDER SECTION	DESCRIPTION	DATE OF FILING	WHETHER FILED WITHIN PRESCRIBED TIME YES/NO	IF DELAY IN FILING WHETHER REQUISITE ADDITIONAL FEE PAID YES/NO
1.	32	303(2)	Appointment of Mr. Ashwini Devpura as a Director at AGM.	26-10-2010	Yes	N.A.
2.	66	383A	Secretarial Compliance Certificate for the financial year ended 31-03-2010.	26-10-2010	Yes	N.A.
3.	23 AC & 23ACA	220	Annual Report for the financial year ended 31-03-2010.	26-10-2010	Yes	N.A.
4.	23	198,269, 309,310 & Sch. XIII	Special resolution passed for approval of re-appointment of Shri Manish Navnitlal as the Managing Director of the Company at AGM.	27-10-2010	Yes	N.A.
5.	20B	159	Annual Return made up to 30-09-2010.	29-11-2010	Yes	N.A.
6.	21	—	For filing of order of Board for Industrial and Financial Reconstruction (BIFR)	12-01-2011	Yes	N.A.
7.	1INV	Rule 3 of Investor Education and Protection Fund Rules, 2001	For statement of matured deposit credited to the Investor Education and Protection Fund.	29-04-2011	N.A.	N.A.

AUDITORS' REPORT**AUDITORS' REPORT TO THE SHARE HOLDERS OF GUJCHEM DISTILLERS INDIA LIMITED**

We have audited the attached Balance Sheet of **GUJCHEM DISTILLERS INDIA LIMITED** as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- i) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- ii) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
- iii) Further to our comments in the Annexure, referred to above, we report that :-

- a) We have 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 accounts, 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
- d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the Directors as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub section 274 of the Companies Act, 1956.
- f) In our opinion and according to the explanations given to us, the said accounts read with note 2 of Schedule 'L' regarding **setting up as recoverable under loans and advances an amount of Rs. 11.30 lacs being excise duty and sales-tax and other administrative fees of Rs. 4.40 Lacs:**

and read together with the other notes and the accounting policies appearing in schedule 'L' give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;

- I. In the case of Balance Sheet of the state of the company's affairs as at 31st March 2011
- II. In the case of the Profit and Loss, of the Loss for the year ended on that date.
- III. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

SHARP & TANNAN

Chartered Accountants
(Registration No. 109982W)

By the hand of
M.P.Phadke
Partner

Mem.No. 33013

12th August, 2011, Mumbai

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (2) of our Report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) There has not been any substantial disposal of fixed assets during the year.
2. The company has not carried any inventory during the year and hence the requirements of the clauses (a), (b) and (c) of the order regarding inventory are not applicable to the company.
3. (a) The company had not taken \ granted any loans, secured or unsecured from / to the companies and firms listed in the register maintained under section 301 of the Companies Act, 1956. However, the company had taken interest free Fixed Deposit from director which has been repaid in full at the year end.
(b) In our opinion, other terms and conditions of such interest free Fixed Deposit taken from director is not, prima facie, prejudicial to the interest of the Company.
(c) The company has been regular in payment of the principal amount.
(d) There is no overdue amount of more than Rupees One Lac as at 31st March, 2011.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 of Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year.
6. In our opinion and according to the information and explanation given to us the Company has generally complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rule, 1975, except for delays in filing of return of deposits, with regard to the deposits accepted from the public. During the year, no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal. As regards repayment of fixed deposits, the company has made repayment of principal amount of outstanding fixed deposits as per the rehabilitation scheme approved by BIFR vide its order letter dated 16.9.2003. There are no outstanding unclaimed deposits as at 31st March, 2011. Outstanding unclaimed deposits of Rs. 2,23,100 have been transferred to Investors Education and Protection Fund of the Central Government on 12.4.2011 in accordance with the provisions of section 205A of the Companies Act, 1956.
7. Until the year 1993-94 the company had appointed an independent firm of Chartered Accountants as internal auditors. Due to stoppage of the manufacturing activities of the company the internal audit functions has not been carried out since then.
8. Since there are no manufacturing activities carried out during the year, the requirements of the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 are not applicable to the company.
9. (a) The company has been regular in depositing with appropriate authorities undisputed statutory dues in respect of investor education and protection fund, wealth tax, service tax, Sales Tax, VAT, Custom duty, Excise Duty, Cess wherever applicable to it.
(b) According to the information and explanations given to us no undisputed amounts payable in respect of excise duty, income tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2011 for a period of more than six months from the date they become payable.

- (c) According to the information and explanations given to us, the following disputed dues have not been deposited since the matters are pending with the relevant forum.

Statement of Disputed Dues

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

10. The accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit. However the company has not incurred cash losses during the immediately preceding financial year
11. Pursuant to the BIFR order letter date 16.9.2003, in our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions, debenture holders and banks.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of share, debentures and other securities.
13. In our opinion that company is not a chit fund or nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and investment. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. According to the information and explanation given to us, the company has not given any guarantee for loan taken by others from banks or financial institution.
16. According to the information and explanation given to us, the company has not accepted any term loan during the year.
17. According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. During the year, no debentures have been issued by the Company and the question of creating securities in respect thereof does not arise.
20. During the year, the Company has not raised money by way of public issue.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

SHARP & TANNAN
Chartered Accountants
(Registration No. 109982W)
By the hand of
M.P. Phadke
Partner
Mem.No. 33013

12th August, 2011, Mumbai

BALANCE SHEET AS AT 31ST MARCH, 2011

		SCHEDULE	
		Rupees	Rupees
		As at 31-3-2011 Rupees	As at 31-3-2010 Rupees
SOURCES OF FUNDS			
Share Holders' Funds			
Share Capital	A	16,33,545	16,33,545
Share Application Money		76,00,000	76,00,000
Reserves and Surplus	B	<u>3,35,76,178</u>	<u>1,71,30,990</u>
		4,28,09,723	2,63,64,535
Loan Funds			
Secured Loans		-	-
Unsecured Loans	C	-	14,34,875
		-	14,34,875
		4,28,09,723	2,77,99,410
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	1,26,95,272	1,92,30,337
Less: Depreciation		<u>1,16,34,339</u>	<u>1,56,60,463</u>
Net Block		10,60,933	35,69,874
Capital Work-in-progress		<u>55,00,000</u>	<u>55,00,000</u>
		65,60,933	90,69,874
Investments	E	9,09,276	17,55,350
Current Assets, Loans and Advances			
Inventories	F	-	-
Sundry Debtors		16,47,473	2,02,670
Cash and Bank Balances		73,07,994	19,26,974
Other Current Assets		2,17,40,545	4,148
Loans and Advances		<u>71,28,506</u>	<u>33,74,249</u>
		3,78,24,518	55,08,041
Less :			
Current Liabilities and Provisions			
Liabilities	G	18,92,266	26,28,691
Provisions		<u>5,92,738</u>	<u>4,82,738</u>
		24,85,004	31,11,429
Net Current Assets		3,53,39,514	23,96,612
Profit and Loss Account		1,01,72,193	4,11,94,955
Less : Deducted from Capital Reduction A/c as per contra		<u>1,01,72,193</u>	<u>2,66,17,381</u>
		-	1,45,77,574
		4,28,09,723	2,77,99,410

Notes on Accounts and
Significant Accounting Policies

As per our report attached
SHARP & TANNAN
Chartered Accountants
(Registration No. 109982W)
By the hand of
M. P. PHADKE
Partner
Mem. No. 33013
Mumbai, Dated : 12th August, 2011

L

DEVIKA NAVNITLAL
Chairperson

JAGAT D. SHAH

MANISH NAVNITLAL
Managing Director

SHASHIKANT D. PANDYA
Directors

Ahmedabad, Dated : 11th August, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	Rupees	2010-2011 Rupees	2009-2010 Rupees
INCOME				
Other Income	K		70,89,684	18,97,856
EXPENDITURE				
Expenses on Employees	H	18,98,430		13,95,654
Sales and Administrative Expenses	I	13,31,388		11,16,242
Interest	J	2,931		2,447
Depreciation and Obsolescence		1,05,051		1,21,573
			33,37,800	26,35,916
Profit Before Tax and Extra Ordinary Item			37,51,884	(7,38,060)
Add : Extra Ordinary Items			2,73,70,878	-
Profit Before Tax			3,11,22,762	(7,38,060)
Less : Provision for Income Tax			1,00,000	-
Less : Income Tax of Earlier Years			-	(3,26,243)
Profit After Tax			3,10,22,762	(4,11,817)
Balance Brought Forward			(4,11,94,955)	(4,07,83,138)
Balance Carried to Balance Sheet			(1,01,72,193)	(4,11,94,955)
Nominal Value of Shares			10	10
Weighted Average No. of Shares			1,61,885	1,61,885
Basic / Diluted Earning Per Share before Extra Ordinary Items			23	(3)
Basic / Diluted Earning Per Share after Extra Ordinary Items			192	(3)
Notes on Accounts and Significant Accounting Policies	L			

As per our report attached
SHARP & TANNAN
Chartered Accountants
(Registration No. 109982W)
By the hand of
M. P. PHADKE
Partner
Mem. No. 33013
Mumbai, Dated : 12th August, 2011

DEVIKA NAVNITLAL
Chairperson

JAGAT D. SHAH

MANISH NAVNITLAL
Managing Director

SHASHIKANT D. PANDYA
Directors

Ahmedabad, Dated : 11th August, 2011

SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	Rupees	As at 31-3-2011 Rupees	As at 31-3-2010 Rupees
SCHEDULE 'A'			
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
		10,00,00,000	10,00,00,000
ISSUED AND SUBSCRIBED :			
1,61,885	(P.Y. 1,61,885) Equity Shares of Rs.10/- each **	16,18,850	16,18,850
CALLED UP AND PAID UP :			
1,61,885	(P.Y. 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
		16,33,545	16,33,545
<p>Out of above 400** (P.Y.400) Shares of Rs.10/- each are allotted as fully paid up for consideration other than cash. 23,600 ** (P.Y.23,600) Shares of Rs.10/- each are issued as fully paid as bonus shares by capitalising General Reserve and 9,000** (P.Y.9,000) Shares of Rs.10/- each are allotted in conversion of part of the Loan form Industrial Finance Corporation of India.</p> <p>** Refer Note-3</p>			
SCHEDULE 'B'			
RESERVES AND SURPLUS			
1.	Investment Reserve		
	Balance Brought Forward	9,972	9,972
	Deducted as per contra	9,972	9,972
		-	-
2.	Capital Reserve		
	Balance Brought Forward	1,71,30,990	1,71,30,990
	Addition During the Year	-	-
		1,71,30,990	1,71,30,990
3.	Capital Reduction Account	2,66,17,381	2,66,17,381
	Less : Deducted from Balance of Profit and Loss Account as per contra	1,01,72,193	2,66,17,381
		1,64,45,188	-
		3,35,76,178	1,71,30,990
SCHEDULE 'C'			
UNSECURED LOANS			
	Deposits from Directors	-	14,34,875
		-	14,34,875

SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011
SCHEDULE 'D'
FIXED ASSETS

Description	Land Rupees	Building Rupees	Plant & Machinery Rupees	Furniture & Fixtures Rupees	Vehicles Rupees	Total Rupees	Previous Year Rupees
Cost as on 1st April, 2010	18,31,986	24,99,748	1,27,46,965	21,51,638	-	1,92,30,337	1,92,30,337
Additions	-	5,13,697	28,435	-	4,03,100	9,45,232	-
Less : Deductions	17,68,186	21,64,061	20,64,565	14,83,485	-	74,80,297	-
Gross Block as on 31st March, 2011	63,800	8,49,384	1,07,10,835	6,68,153	4,03,100	1,26,95,272	1,92,30,337
Depreciation up to 31st March, 2010	-	9,54,710	1,25,59,170	21,46,583	-	1,56,60,463	1,55,38,890
Depreciation during the year	-	45,631	51,732	4,497	3,191	1,05,051	1,21,573
Less: Deductions	-	5,83,125	20,64,565	14,83,485	-	41,31,175	-
Total Depreciation up to 31st March, 2011	-	4,17,216	1,05,46,337	6,67,595	3,191	1,16,34,339	1,56,60,463
Net Block as on 31st March, 2011	63,800	4,32,168	1,64,498	558	3,99,909	10,60,933	35,69,874
Net Block as on 31st March, 2010	18,31,986	15,45,038	1,87,795	5,055	-	35,69,874	

	<u>31-03-2011</u>	<u>31-03-2010</u>
Total Net Block as above	10,60,933	35,69,874
Capital Work -in -Progress	55,00,000	55,00,000
	<u>65,60,933</u>	<u>90,69,874</u>

Notes :

- a) Includes cost of ownership flats in a Co-operative Societies Rs. 2,35,052/-.
- b) Capital Work-in-Progress includes Advance of Rs. 10,00,000 paid for purchase of Land.

SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

Rupees	As at 31-3-2011 Rupees	As at 31-3-2010 Rupees
SCHEDULE 'E'		
INVESTMENTS		
TRADE INVESTMENTS (Unquoted - At cost)		
Gujarat Alcohol and Allied Chemicals Ltd. 32,500 Equity shares of Rs.10/- each	3,25,000	3,25,000
CURRENT INVESTMENTS (Unquoted)		
IN UNITS OF MUTUAL FUNDS :		
68.438 (P.Y.848.010) Units of Franklin Templeton Investments, Templeton India Short Term Income Retail Plan - Monthly Dividend Payout Scheme	74,276	9,20,350
1466.9927 (P.Y.1466.9927) Units of J.P. Morgan JF Greater China Equity Off Shore Fund - Growth Plan	15,000	15,000
1466.993 (P.Y.1466.993) Units of Franklin Templeton Investments, Franklin Build India Fund - Growth Plan	15,000	15,000
1466.993 (P.Y.1466.993) Units of DSP Black Rock World Energy Fund Regular Plan - Dividend	15,000	15,000
OTHER INVESTMENTS (Unquoted)		
GOVERNMENT SECURITIES :		
Rs.2,000 12 Years National Defence Certificate (Deposited as Security Deposit with Central Excise, matured but not encashed)	2,000	2,000
Rs.6,000 7 Years National Savings Certificate (Deposited as Security Deposit with Central Excise, matured but not encashed)	6,000	6,000
Rs.5,000 6 Years National Savings Certificate (Deposited as Security Deposit with Sales Tax Authorities)	5,000	5,000
EQUITY SHARES:		
Fully paid, At Cost		
10 shares of Rs.100 each Baroda Chemical Industries Ltd.	972	972
90 shares of Rs.100 each Kaveri Engineers Limited	9,000	9,000
	<u>9,972</u>	<u>9,972</u>
Less : Deducted As Per Contra	<u>9,972</u>	<u>9,972</u>
	-	-
5 shares of Rs.50 each Sukh Shanti Co-operative Housing Society Limited	250	250
1,080 shares of Rs.25 each of Co-operative Bank of Ahmedabad Limited.	27,000	27,000
850 shares of Rs.25 each of Nutan Nagrik Sahakari Bank Ltd.	21,250	21,250
600 shares of Rs.25 each of Kalapur Commercial Co-operative Bank Limited	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
Fixed Deposits :		
In Fixed Deposits with Sardar Sarovar Nigam Ltd.	3,60,000	3,60,000
	<u>9,09,276</u>	<u>17,55,350</u>

SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	Rupees	As at 31-3-2011 Rupees	As at 31-3-2010 Rupees
SCHEDULE 'F'			
CURRENT ASSETS, LOANS AND ADVANCES			
CURRENT ASSETS			
Inventories (At the lower of cost or net realisable value)		-	-
Sundry Debtors, Unsecured			
(a) Debts outstanding for a period exceeding six months :			
Considered good	1,64,690		2,02,670
Considered doubtful	-		-
	<u>1,64,690</u>		<u>2,02,670</u>
Less : Deducted from Doubtful Debts Reserve			
As per contra	-		-
	<u>1,64,690</u>		<u>2,02,670</u>
Less : Provision for doubtful debts	-		-
	<u>1,64,690</u>		<u>2,02,670</u>
(b) Other debts considered good	<u>14,82,783</u>		-
		16,47,473	<u>2,02,670</u>
Cash and Bank Balances			
Cash on hand	4,31,331		11,17,339
Balances With Scheduled Bank :			
In Current Accounts	13,72,622		8,05,594
In Fixed Deposit Account	55,00,000		-
Balances With Other Bank :			
(In current account with The Kapole Co-operative Bank Ltd. Maximum amount outstanding at any time during the year and previous year Rs.4,041/-)	4,041		4,041
		73,07,994	<u>19,26,974</u>
Other Current Assets			
Other Receivables		2,17,40,545	4,148
LOANS AND ADVANCES (Unsecured considered good)			
Advance, recoverable in cash or in kind or for value to be received	69,00,173		31,45,916
Balance with Excise Authorities	<u>2,28,333</u>		<u>2,28,333</u>
		71,28,506	<u>33,74,249</u>
		3,78,24,518	<u>55,08,041</u>
SCHEDULE 'G'			
CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES			
Sundry Creditors (Including Rs.4,87,850/- due to Directors - Previous Year Rs.5,08,350/-)	18,92,266		19,94,267
Unclaimed Fixed Deposits	-		6,34,424
		18,92,266	<u>26,28,691</u>
PROVISION			
Provision for Income Tax	1,37,738		37,738
Provision for Leave Encashment	<u>4,45,000</u>		<u>4,45,000</u>
		5,92,738	<u>4,82,738</u>
		24,85,004	<u>31,11,429</u>

SCHEDULE ATTACHED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Rupees	2010-2011 Rupees	2009-2010 Rupees
SCHEDULE 'H'			
EXPENSES ON EMPLOYEES :			
Salaries, Wages, Bonus and allowances		15,77,354	9,09,235
Contribution to Provident Fund	1,34,640		76,668
Contribution to Employees State Insurance Scheme	4,845		2,283
Contribution to Gratuity/Superannuation Fund	1,00,320		-
Leave encashment	10,000		3,53,657
		2,49,805	4,32,608
Staff Welfare Expences		71,271	53,811
		18,98,430	13,95,654
SCHEDULE 'I'			
SALES AND ADMINISTRATIVE EXPENSES			
Rates, Taxes & Insurance (Net)		69,407	56,878
Directors' Travelling Expenses		1,65,466	48,705
Auditors' Remuneration :			
Audit Fees	44,120		44,120
Tax Audit Fees	22,060		-
Certification Fees	-		22,060
		66,180	66,180
Office and General Expenses		1,15,146	1,36,868
Legal Fees and Expenses		1,10,000	66,000
Professional & Consulting Fees		3,74,056	2,94,251
Post, Telegram and Telephone Expenses		44,755	35,806
Travelling and Conveyance Expenses		1,30,819	81,169
Electricity Charges		7,916	6,184
Repairs and Maintenance		1,49,885	1,48,935
Miscellaneous Expenses		77,889	1,62,004
Bad Debts Written Off (Net)		19,869	-
Sundry Balances Written Off (Net)		-	13,262
		13,31,388	11,16,242
SCHEDULE 'J'			
INTEREST			
Interest		2,931	2,447
		2,931	2,447
SCHEDULE 'K'			
OTHER INCOME			
Miscellaneous Income		-	2,900
Interest on Bank Deposits and Other Interest (Including T.D.S. of Rs. 35,726 (P.Y. Rs. Nil))		2,74,715	15,888
Dividend Income		15,098	1,02,756
Interest on Income Tax Refunds		-	17,55,962
Profit on Sale of Investments		28,926	20,350
Commission (Including T.D.S. of Rs. 7,42,531 (P.Y. Rs. Nil))		67,31,896	-
Outstanding Liabilities No Longer Required		39,049	-
		70,89,684	18,97,856

SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE - 'L' : NOTES ON ACCOUNTS

1. During the year as per the order dated 1/12/2010 issued by the Board for Industrial and Financial Reconstruction (BIFR) the Company has been ceased to be a sick industrial company under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) as in opinion of the Board the net worth of the company turned positive and its revival is sustainable and therefore discharged from the purview of SICA / BIFR.

2. Loans and Advances : -

Advances recoverable in cash or in kind, include the following :

a) The Company uses industrial alcohol as a raw material and has been paying sales-tax and vend fees on the same. During the year 1989-90, on 25th October, 1989 in the matter of Synthetics & Chemicals Limited V/s. State of U.P. and others industrial alcohol consumer, the Supreme Court held that payment of vend fee and sales tax on industrial alcohol, unfit for human consumption, is illegal and should not be levied, prospectively. The company has accordingly, filed separate writ petition in the High Court of Gujarat, for stay of future recovery. The High Court granted an interim stay for the recovery, against which Government of Gujarat filed a special leave petition with respect to the sales tax matter but was unable to obtain a stay from the Supreme Court against the interim stay order granted by the High Court.

In the year 1991-92 based on the judgement of Supreme Court in the matter of Synthetics & Chemicals Limited V/s. State of U.P. on sales-tax, Gujarat High Court vacated the interim stay obtained by the company on 22nd October 1991. Accordingly sales tax is being charged from 23rd October, 1991 by the suppliers of industrial alcohol in the state and the company paying the same. However, the company's petition both in the matter of sales-tax and vend fees remains pending for disposal.

Pending disposal as aforementioned of the Company's cases the Company had set-up as recoverable the amount of vend fees and sales-tax of Rs. 15.91 lacs and 7.24 lacs respectively for the year 1989-90 and 1990-91. The Company has received refund of the entire amount against the vend fees before 31st March, 2003 leaving a balance of Rs. 7.24 lacs yet to be received towards sales-tax. The company has considered the said amount under Loans & Advances as "Advances recoverable in cash or in kind".

b) During the year 1991-92, a levy of 0.20 paise per bulk litre of industrial alcohol had been made by the prescribed authorities on purchase of alcohol as administration fees.

The Company has paid a sum of Rs. 2.54 lacs up to 27th April, 1991 under protest, which has been set up as recoverable as Loans and Advances, and filed a Special Civil Application for stay which was granted on 23rd April 1991, by the High Court. Accordingly no further sum up to 31st March 1992 was paid.

During the year 1991-92, the said High Court, without prejudice to the rights and contentions of the parties, has ordered a reduced levy of 5 paise per bulk litre.

The company has also received a demand notice for Rs. 4.40 lacs for the period up to 10th June, 1992 towards administrative fees from the prescribed authorities.

Adjustment, if any, to the cost of purchase of Alcohol will be made on the final disposal of the application.

c) The company has paid Rs.1.52 lacs under protest towards excise duty for the period from January, 1992 to March, 1993 on the sale of waste acid which has been set up as recoverable as Loans and Advances since the company has disputed the classification and levy of Excise Duty. Adjustments, if any, will be made on the final disposal of the matter.

SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

3. During the financial year 2003-2004, pursuant to the BIFR order the partly paid up equity shares have been converted in to fully paid up equity shares based on the value of shares already paid and thereafter, all the fully paid up equity shares have been converted in to fresh fully paid up equity shares of Rs.10 each after reducing the total number of shares by 90%. During the year the company has complied with the procedures prescribed in the listing agreements with the stock exchanges including issue of fresh equity share certificates in lieu of old equity share certificates.

4. Claims against the Company not acknowledge as debts :

	31-03-2011 Rupees	31-03-2010 Rupees
a) By certain customers for price difference on sales	40,47,343	40,47,343
b) By Ex- employees	-	3,23,944
c) Stamp Duty on immovable properties	4,28,697	4,28,697
5. Contingent liability not provided for on account of:		
i) Excise Duty disputed by the Company pending disposal	16,62,494	16,62,494
ii) Drainage charges disputed by the Company pending disposal	8,80,975	8,80,975
iii) Back wages and reinstatement demand made by certain dismissed workers at Ankleshwar factory, pending adjudication.	Amount not Ascertainable	Amount not Ascertainable
6. Remuneration to Managing Directors charged to accounts including perquisites as per Income Tax Rules where applicable	16,05,255	8,09,435

(Remuneration has been paid as minimum remuneration in accordance with the provisions of schedule XIII of the Companies Act, 1956.)

7. As at 31st March, 2011 there are no amounts outstanding in respect of suppliers registered as Micro Small and Medium Enterprises.

8. The Company is primarily engaged in business of manufacturing 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 – 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India.

9. Related Party Disclosures

(a) Relationship :

i. Key Management Personnel :

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

ii. Relatives of Key Management Personnel :

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

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

Gujarat Alcohol and Allied Chemicals Pvt. Ltd., Shree Maulikarjun Trade Invest Pvt. Ltd., Shree Bhuvanakaram Trade Invest Pvt. Ltd., Shree Vishvamurte Trade Invest Pvt. Ltd., Shree Suprinit Trade Invest Pvt. Ltd., Mahalaxmi Trading Agency, Chandramani Chemicals and Prakruti Enterprise.

SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011
(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 and Leave Salary)	16,05,255	-	-
Outstanding Balances at the close of the year :			
Amounts due on account of remuneration	4,87,850	-	-
As Unsecured Loans – Taken	-	-	-
Loans & Advances – Receivables	-	-	-

10. Net Deferred Tax Assets, mainly representing past losses and unabsorbed depreciation, have not been recognized following the principles of prudence due to uncertainty of the quantum of future profits in terms of Accounting Standard – 22 for 'Taxes on Income' issued by The Institute of Chartered Accountants of India.

11. Earning Per Share :

	31-03-2011 Rupees	31-03-2010 Rupees
Profit / (-) Loss for the Year	3,10,22,762	(4,11,817)
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	23	(3)
Basic / Diluted Earning Per Share after Extra Ordinary Items	192	(3)

12. SIGNIFICANT ACCOUNTING POLICIES
1. BASIS OF PRESENTATION :

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

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

2. FIXED ASSETS :

- 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.
- 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.
- 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.
- 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.

3. INVESTMENT:

Long term investments are valued at cost of acquisition.

SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

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.

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.

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.

7. RETIREMENT BENEFITS:

Provident Fund and Superannuation Contribution are accrued each year in terms of contracts with the employees. Provision for Gratuity is determined and accrued on the basis of actuarial valuation by Life Insurance Corporation of India. Leave encashment benefit to employees has been provided on an estimated basis.

8. DEPRECIATION:

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

9. DEFERRED REVENUE EXPENDITURE:

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

10. PROVISIONS, CONTINGENCIES 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.

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

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.

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.

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 :

Lease Hold Land	:	Over a period of lease
Other intangible assets	:	Over a period of five years

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.

SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011
SCHEDULE 'L' :
NOTES ON ACCOUNTS
14. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.

(i) 3 (1) (a) - Particulars of Sales effected by the Company - **NIL**

(ii) 3 (ii) a (i) - Particulars of Consumption of Raw Materials and Packing Materials - **NIL**

(iii) 3 (ii) (a) (2) and (c) — Particulars of opening and Closing Stock of Goods Produced

Sr.	Class of Goods Sold	Opening Stock as on 1st April, 2010		Closing Stock as on 31st March, 2011		Licenced capacity (per annum) M.Tonnes	Installed capacity (per annum) M.Tonnes	Actual Production M.Tonnes
		Quantity M. Tonnes	Amount Rupees	Quantity M. Tonnes	Amount Rupees			
1.	Auxiliary and Chemicals	-	-	-	-	1520	-	-
		(-)	(-)	(-)	(-)	(1,520)	(-)	(-)
2.	Carboxy Methyl Cellulose	-	-	-	-	3,400	3,800	-
		(-)	(-)	(-)	(-)	(3,400)	(3,800)	(-)
3.	Resin Finish	-	-	-	-	900	-	-
		(-)	(-)	(-)	(-)	(900)	(-)	(-)
4.	Trichlorophenol	-	-	-	-	120	-	-
		(-)	(-)	(-)	(-)	(120)	(-)	(-)
5.	Monocholoro Acetic Acid	-	-	-	-	2,250	-	-
		(-)	(-)	(-)	(-)	(2,250)	(-)	(-)
6.	Dichloro Phenol	-	-	-	-	400	-	-
		(-)	(-)	(-)	(-)	(400)	(-)	(-)
7.	Alcohol (Litres)	-	-	-	-	19 Million	-	-
		(-)	(-)	(-)	(-)	(19 Million)	(-)	(-)
8.	Acetic Acid	-	-	-	-	7,000	-	-
		(-)	(-)	(-)	(-)	(7,000)	(-)	(-)
9.	Acetaldehyde	-	-	-	-	6,000	-	-
		(-)	(-)	(-)	(-)	(6,000)	(-)	(-)
10.	2-4-D Sodium Salt	-	-	-	-	260	-	-
		(-)	(-)	(-)	(-)	(260)	(-)	(-)
	Total		-		-			
			(-)		(-)			

Notes :

- The Installed capacity has been certified by the Managing Director of the Company and not verified by the Auditors. This being a technical matter.
- Figures in brackets pertain to previous year.

PART 4D

	<u>2010-2011</u>	<u>2009-2010</u>
(a) C.I.F. value of Imports :	Nil	Nil
(b) Expenditure in Foreign currency:	Nil	Nil

SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE 'L' : NOTES ON ACCOUNTS
**STATEMENT PURSUANT TO PART IV OF THE COMPANIES ACT , 1956
BALANCE SHEETS ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE**
I. Registration Details

Registration No.	:	2480	State Code	:	04
Balance Sheet Date	:	31-03-2011			

II. Capital Raised during the Year

Public Issue	:	NIL	Rights Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

III. Provision of Mobilisation & Deployment of Fund (Amount in Rs. Thousand)

Total Liabilities	:	42,810	Total Assets	:	42,810
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Sources of Funds

Paid-up Capital	:	1,634	Reserves & Surplus	:	33,576
Share Application Money	:	7,600	Secured Loans	:	0
Unsecured Loans	:	0			

Application of Funds

Net Fixed Assets	:	6,561	Investments	:	909
Net Current Assets	:	35,340	Misc. Expenditure	:	-
Accumulated Losses	:	0			

IV. Performance of Company

Turnover (including other income) :	7,090	Total Expenditure	:	3,338	
Profit / (Loss) Before Tax	:	31,123	Profit / (Loss) After Tax	:	31,023
(after Extra-ordinary Income)					
Earning Per Share in Rs.	:	192	Dividend Rate	:	Nil

V. Generic Names of three Principal Products/Service of the Company

Product Description	Item Code No. (ITC Code)
(i) Acetic Acid	291521.00
(ii) Monochloro Acetic Acid	291540.01
(iii) Carboxy Methyl Cellulose	391231.00

As per our report attached
SHARP & TANNAN
Chartered Accountants
(Registration No. 109982W)

By the hand of
M. P. PHADKE
Partner

Mem. No. 33013
Mumbai, Dated : 12th August, 2011

DEVIKA NAVNITLAL
Chairperson

MANISH NAVNITLAL
Managing Director

JAGAT D. SHAH

SHASHIKANT D. PANDYA
Directors

Ahmedabad, Dated : 11th August, 2011

CASH FLOW STATEMENT

	Year ended 31st March	
	2011 Rupees	2010 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax and Extraordinary Items	37,51,884	(7,38,060)
Adjustments for :		
Interest / Dividend income	(2,89,813)	(1,18,644)
Sundry Balances Written Off (Net)	19,869	13,262
Outstanding Liabilities No Longer Required	(39,049)	-
Profit on Sale of Investments	(28,926)	(20,350)
Interest Expenditure	2,931	2,447
Depreciation	1,05,051	1,21,573
	<u>35,21,947</u>	<u>(7,39,772)</u>
Adjustments for :		
Inventories	-	-
Trade and other receivable	(52,37,040)	6,86,223
Trade and other payable	(3,61,496)	(13,24,367)
Interest paid	(2,931)	(2,447)
Income Tax Paid	-	3,12,944
Net Cash From Operating Activities	<u>(20,79,520)</u>	<u>(10,67,419)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale / (Purchase) of Fixed Assets (Net)	81,74,768	-
Investment	8,75,000	3,95,000
Interest Income	1,38,318	15,888
Dividend Income	15,098	1,02,439
Net cash used in Investing Activities	<u>92,03,184</u>	<u>5,13,327</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Net proceeds from/(repayment of) Long-term borrowings	(14,34,875)	(17,500)
Net cash from Financing Activities	<u>(14,34,875)</u>	<u>(17,500)</u>
Net increase in Cash and cash Equivalents (A + B +C)	56,88,789	(5,71,592)
Cash and Cash Equivalents at the beginning of the year (includes Rs. 3,07,769 (P.Y. Rs. 3,07,769) balance of Book Overdraft)	16,19,205	21,90,797
Cash and Cash Equivalents at the end of the year (includes Rs. Nil (P.Y. Rs. 307,769) balance of Book Overdraft)	<u>73,07,994</u>	<u>16,19,205</u>

NOTES :

- (i) The Cash Flow Statement has been prepared by using Indirect method.
- (ii) Cash and Cash Equivalents include balances on Cash Credit Account.
- (iii) Previous Year's figures have been regrouped, recasted wherever necessary.

As per our report attached
 SHARP & TANNAN
 Chartered Accountants
 (Registration No. 109982W)
 By the hand of
 M. P. PHADKE
 Partner
 Mem. No. 33013
 Mumbai, Dated : 12th August, 2011

For and on behalf of the Board

MANISH NAVNITLAL
 Managing Director

Ahmedabad, Dated : 11th August, 2011

FORM OF PROXY

Gujchem Distillers India Limited

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

Registered Folio No.	
----------------------	--

I/We _____
of _____ in the district of _____
being member/s of the above named Company hereby appoint
Mr./Mrs. _____ of _____ in the
district of _____ or failing him /her Mr./Mrs. _____ of _____
in the district of _____
as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday, the 30th September, 2011.

Signed the _____ day of _____ 2011.

Signature _____



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

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

Gujchem Distillers India Limited

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

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Full name of the
Member attending : _____

Name of Proxy : _____

I hereby record my presence at the Annual General Meeting being held at the Registered Office of the Company on Friday, the 30th September, 2011.

Registered Folio No.	
No. of Shares held	

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

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

**BOOK-POST
PRINTED MATTER**

To,

If undelivered, please return to :
GUJCHEM DISTILLERS INDIA LIMITED
Registered Office
Office No. 6, 2nd Floor,
National Chambers, Nr. City Gold,
Ashram Road, Ahmedabad - 380 009

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