



DUJODWALA PAPER CHEMICALS LIMITED

**15TH ANNUAL REPORT
2001-2002**

**BOARD OF DIRECTORS**

Shri Ramgopal M. Dujodwala	- Chairman
Shri Kamalkumar R. Dujodwala	- Managing Director
Shri R. O. Kanoria	- Director
Dr. S. C. Sethi	- Whole-Time Director

**AUDITORS**

M/s. Sunderlal, Desai & Kanodia
Chartered Accountants,
Mumbai.

**SOLICITORS & ADVOCATES**

M/s. Bachubhai Munim & Company
Mumbai.

**BANKERS**

State Bank of India
Nariman Point
Mumbai.



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REGISTERED OFFICE

Atkargaon, Takai-Adoshi Road,
Taluka-Khalapur,
Khopoli - 410 203.
District-Raigad.
Maharashtra.

ADMINISTRATIVE OFFICE

811, Tulsiani Chambers,
Nariman Point,
Mumbai- 400 021.

**FACTORY**

- 1) Atkargaon, Takai-Adoshi Road
Taluka-Khalapur
Khopoli - 410 203.
District-Raigad
Maharashtra.

[As a measure of economy, copies of the Annual Report will not be distributed at the meeting and therefore members are requested to bring their copies of the Annual Report at the Meeting.]



DUJODWALA PAPER CHEMICALS LIMITED

NOTICE

To

All the Members of Dujodwala Paper Chemicals Ltd.

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Company will be held at Uncle's Kitchen, Bombay-Poona Highway, National Highway No.4, Mahad Phata, Khopoli, Dist. Raigad (Maharashtra), on Friday, the 27th September, 2002 at 10.30 a.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive and adopt the Audited Balance sheet as on 31st March 2002 and the Audited Profit & Loss Account of the Company for the year ended on that date, together with the Auditors' Report thereon and the Directors' Report for the year ended on that date.
2. To appoint a Director in place of Shri R. O. Kanoria, who retires by rotation and being eligible, offers himself for re - appointment.
3. To appoint Auditors and fix their remuneration.

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 subject to the provisions of Section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, the approval of the Company be and is hereby accorded to the re-appointment of Shri Kamalkumar R. Dujodwala, as Managing Director of the Company, for a period of 5 years commencing from 2nd May 2002 to 1st May 2007, at following remuneration and other terms and conditions:

- 1) Salary : Rs.24000 per month in grade of Rs.24000 - 2000 - 32000.
- 2) Commission : 1% Commission on the net profits of the Company subject to the ceiling of 50% of Annual Salary.
- 3) Perquisites : In addition to salary and commission following perquisites will be provided:
 - i) Housing : Unfurnished accommodation the expenditure on which shall not exceed 60% of the salary over and above 10% of the Salary will be payable by the Managing Director or allowance in lieu thereof subject to ceiling of 60% of the salary.
 - ii) Reimbursement of gas, water, electricity expenses and furnishing allowance. : Actual expenses incurred on gas, water, electricity and furnishings subject to a ceiling of 10% of the salary.
 - iii) Medical re-imbusement : Medical expenditure incurred by the Managing Director and his family subject to a ceiling of one month salary in a year or three months salary over a period of three years.
 - iv) Leave travel concession : For Managing Director and his family once in a year incurred in accordance with the rules specified by the Company.



DUJODWALA PAPER CHEMICALS LIMITED

- v) Club fees : Fees of the club subject to maximum of two clubs. This will not include admission and life membership fees.
- vi) Contribution to Provident Fund. : As per the rules of the Company. However, Company's contribution to provident fund will not be included in the computation of ceiling on perquisites to the extent this either singly or put together are not taxable under the Income Tax Act, 1961.
- vii) Gratuity : Not exceeding half month's salary for each completed year of service.
- viii) Car : Provision of fully maintained car with reimbursement of driver's salary for use on company's business. The use of car for private purpose shall be billed by the Company to Managing Director.
- ix) Telephone : Provision of telephones at the residence of the Managing Director at company's cost. Personal long distance calls shall be billed by the company to the Managing Director. Provision of a Mobile Phone for company's business.

Other Terms :

- i] The terms and conditions of the appointment and/or remuneration may be varied by the Board of Directors within the limits provided for in schedule XIII of the Companies Act, 1956 or any amendment thereof for the time being in force.
 - ii] As and when the Managing Director is required to entertain and/or travel for the purpose of the Company's business, the Company shall reimburse all actual expenses incurred by him for such entertainment and/or travel.
 - iii] The Managing Director shall be entitled to all leave benefits as are applicable under the Company's rules to the executives and in force from time to time.
 - iv] The Managing Director shall observe the secrecy obligation in regard to the business affairs of the Company.
 - v) The Managing Director shall be responsible for the overall supervision of the Company's operations, day-to-day administration, appointment and termination of the Company's employees, operation of the Company's bank accounts with power to sign cheques, promissory notes, bills of exchange etc. and for regular reporting of the Company's activities to the Board of Directors and for performing the duties that may be delegated to him from time to time, subject to the overall supervision and control of the Board of Directors.
 - vi] This appointment can be terminated by either party by giving three months notice in writing.
5. To consider and, if thought fit, to pass with or without modification/(s), the following Resolution as a Special Resolution :
- "RESOLVED THAT subject to the provisions of Section 198, 269, 309 & 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, the approval of the Company be and is hereby accorded to the re-appointment of Dr. S. C. Sethi, as Whole-Time Director of the Company, for a period of 5 years commencing from 2nd May 2002 to 1st May 2007, at following remuneration and other terms and conditions:
- 1] Salary : Rs.10000/- per month.



- 2) Perquisites : In addition to salary following perquisites will be provided:
- i) Housing : Unfurnished accommodation the expenditure on which shall not exceed 60% of the salary over and above 10% of the Salary will be payable by the Whole-Time Director or allowance in lieu thereof subject to ceiling of 60% of the salary.
 - ii) Reimbursement of gas, water, electricity expenses and furnishing allowance. : Actual expenses incurred on gas, water, electricity and furnishings.
 - iii) Medical re-imbusement : Medical expenditure incurred by the Whole-Time Director and his family subject to a ceiling of one month salary in a year or three months salary over a period of three years.
 - iv) Leave travel concession : For Whole-Time Director and his family once in a year incurred in accordance with the rules specified by the Company.
 - v) Car : Provision of fully maintained car with reimbursement of driver's salary for use on company's business. The use of car for private purpose shall be billed by the Company to Whole-Time Director.
 - ix) Telephone : Provision of a telephone at the residence of the Whole-Time Director at company's cost. Personal long distance calls shall be billed by the company to the Whole-Time Director.

Other Terms :

- i) The terms and conditions of the appointment and/or remuneration may be varied by the Board of Directors within the limits provided for in schedule XIII of the Companies Act, 1956 or any amendment thereof for the time being in force.
- ii] As and when the Whole-Time Director is required to entertain and/or travel for the purpose of the Company's business, the Company shall reimburse all actual expenses incurred by him for such entertainment and/or travel.
- iii] The Whole-Time Director shall be entitled to all leave benefits as are applicable under the Company's rules to the executives and in force from time to time.
- iv] The Whole-Time Director shall observe the secrecy obligation in regard to the business affairs of the Company.
- v) The Whole-Time Director shall be in-charge of Company's production facilities and subject to the supervision and control of the Board of Directors and/or Managing Director, carry out such duties and services as shall from time to time be delegated to him by the Board of Directors / Managing Director(s).
- vi) This appointment can be terminated by either party by giving three months notice in writing.


DUJODWALA PAPER CHEMICALS LIMITED
NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/S TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument of proxy to be valid should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
2. Members/Proxy Holders should bring the attendance slips duly filled in for attending the meeting.
3. Members are requested to notify any change in their addresses immediately to the Company.
4. The Register of Members and Transfer Books of the Company will be closed from Thursday, 19th September, 2002 and will remain closed till Friday, 27th September, 2002 both days inclusive.
5. Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
6. An explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item No. 4 and item No. 5 is annexed hereto.

By order of the Board of Directors
for **DUJODWALA PAPER CHEMICALS LIMITED**



R.M. DUJODWALA
Chairman

Place : Mumbai.

Dated : 29th August, 2002.

REGISTERED OFFICE :

Atkargaon,
Takai Adoshi Road,
Off. Khopoli Pen Road,
Taluka - Khalapur,
Khopoli - 410 203,
Dist. - Raigad (Maharashtra).



ANNEXURE TO THE NOTICE

Explanatory statement pursuant to Section 173 of the Companies Act, 1956.

Item No.4 :

In the meeting of the Board of Directors of the Company held on 29th April 2002, the Members had approved the re-appointment and payment of remuneration to Shri Kamalkumar R. Dujodwala as Managing Director of the Company for a further terms of 5 years viz from 2nd May, 2002 to 1st May, 2007 on the remuneration and other terms and conditions as specified in Resolution No.4 of the Agenda of the Meeting. As per the provisions of Section 269, 311 and condition of Schedule XIII to the Act, the consent of the members of the Company is required for re-appointment of the Managing Director and payment of remuneration to him. The Resolution given at Item No.4 in the Agenda of the Meeting is meant for this purpose.

The re-appointment and remuneration of the Managing Director are in accordance with the Schedule XIII.

The Directors commend the Resolution for your approval.

Shri Kamalkumar Dujodwala himself and Shri Ramgopal Dujodwala relative of Shri Kamalkumar Dujodwala are interested in the Resolution. This may also be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Item No. 5 :

In the Meeting of the Board of Directors of the Company held on 29th April 2002, the Members had approved the re-appointment and payment of remuneration to Dr. S. C. Sethi, as Whole-Time Director of the Company for a further terms of 5 years viz from 2nd May, 2002 to 1st May 2007 on the remuneration and other terms and conditions as specified in Resolution No. 5 of the Agenda of the Meeting. As per the provisions of Section 269, 311 and condition of Schedule XIII to the Act, the consent of the Members of the Company is required for reappointment of the Whole-Time Director and payment of remuneration to him. The Resolution given at Item No. 5 in the Agenda of the Meeting is meant for this purpose.

The re-appointment and remuneration of the Whole-Time Director are in accordance with the Schedule XIII.

The Directors commend the Resolution for your approval.

None of the Directors of the Company except Dr. S. C. Sethi is concerned or interested in the Resolution. This may also be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

By order of the Board of Directors
for **DUJODWALA PAPER CHEMICALS LIMITED**

R.M. DUJODWALA
Chairman

Place : Mumbai.

Dated : 29th August, 2002.


DUJODWALA PAPER CHEMICALS LIMITED
DIRECTOR'S REPORT

To,

The Members.

Your Directors have pleasure in presenting the 15th Annual Report together with the Audited Accounts for the year ended 31st March, 2002.

	2001-2002	2000-2001
	Rupees in Lacs	Rupees in Lacs
FINANCIAL RESULTS		
Gross Sales	5225.65	4471.98
Gross Profit before Interest, Depreciation and Taxation	536.38	492.58
Interest	229.33	231.96
Depreciation	102.01	89.33
Provision for Taxation	7.00	5.00
Provision for deferred taxation	22.96	0.00
Net Profit for the year	175.08	179.55
Add :		
Surplus brought forward from Previous Year	693.16	563.61
Balance available for appropriation	868.24	743.16
Appropriations :		
General Reserve	50.00	50.00
Balance carried forward to Balance Sheet	818.24	693.16
Paid-up Equity Capital	529.76	529.76
Reserves excluding revaluation reserves	1171.51	1266.20

**DIVIDEND :**

With a view to plough back of profit and discharge the term liabilities, the Directors have decided not to recommend any dividend for the year under review.

OPERATIONS :

During the year under review, the company has achieved sales of Rs.5225.65 lacs as against Rs.4471.98 lacs during the previous year resulting an increase of 16.85% and the net profit Rs.175.08 lacs as against Rs.179.55 lacs.

DIRECTORS :

Shri R. O. Kanoria will retire by rotation at the forthcoming Annual General Meeting and being eligible for re-appointment offers himself for re-appointment.

CONSERVATION OF ENERGY :

To conserve energy, internal checks are carried out periodically and suitable measures are adopted wherever necessary.

TECHNOLOGY ABSORPTION :

The Company's manufacturing process for its Products is based on in-house technology which has been successfully absorbed. The Company has been constantly making efforts for improvement of quality and for marketing new range of products.

FOREIGN EXCHANGE EARNING AND OUTGO :

The Company has spent Rs.1461.19 lacs as against Rs.807.70 lacs during the previous year on import of raw materials. During the year under review, the Company's foreign exchange earnings amounted to Rs.1875.21 lacs as against Rs.851.70 lacs during the previous year.

DEPOSITS

The Company has not accepted any Fixed Deposits during the year under review.

PARTICULARS OF EMPLOYEES :

During the year there was no employee whose particulars are required to be given under Sub-section 2A of Section 217 of the Companies Act 1956, read with the Companies (particulars of employees) Rules, 1975.

AUDITORS :

M/s. Sunderlal, Desai & Kanodia, Chartered Accountants, the Auditors of the Company will retire from the office of the Auditors and being eligible offer themselves for re-appointment.

AUDITORS' REPORT

The notes of the Accounts referred to in the Auditors' Report are self explanatory and, therefore, do not require any further comments.



CORPORATE GOVERNANCE

As per the schedule of implementation of Corporate Governance, the Company is required to implement all the requirements of clause 49 of the Listing Agreement within 2002-2003 financial year. However, the management has started to take necessary steps to implement the same at the earliest.

DIRECTORS' RESPONSIBILITY STATEMENT

A Directors' Responsibility Statement as required Under Section 217(2AA) of the Companies Act 1956 as given below:-

- (i) Directors' have followed the applicable accounting standards in the preparation of the Annual Accounts and proper explanation relating to material departures have been given in schedule 12 of Notes on Accounts forming part of the accompanying Accounts.
- (ii) Directors have selected the Accounting Policies as given in schedule 12 of Notes on Accounts and applied then consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2002 and of the profit of the Company for the year ended on that date.
- (iii) Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) Directors have prepared the Annual Accounts for the year ended 31st March 2002 on a Going Concern basis.

INDUSTRIAL RELATIONS :

Industrial relations remained Cordial throughout the Company during the year under review.

ACKNOWLEDGEMENT :

The Directors wish to take this opportunity to thank the Industrial Development Bank of India, SICOM Ltd., State Bank of India, State and Central Governments, the shareholders for their valuable co-operation and support to the Company.

CONCLUSION :

The Directors wish to take this opportunity to thank all employees of the Company for the services rendered by them.

For and on behalf of the Board of Directors

R.M. DUJODWALA
Chairman

Place : Mumbai.

Dated : 29th August, 2002.