



DUJODWALA PAPER CHEMICALS LIMITED

**16th ANNUAL REPORT
2002-2003**

**BOARD OF DIRECTORS**

Shri Ramgopal M Dujodwala
 Shri Kamalkumar Dujodwala
 Shri R. O. Kanoria
 Shri S. C. Sethi
 Shri Vineet Dujodwala
 Shri Narendra Goenka

Chairman
 Managing Director
 Director
 Whole-Time Director
 Director
 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.

AUDIT COMMITTEE

Shri R. O. Kanoria
 Shri Ramgopal M. Dujodwala
 Shri Narendra Goenka

Chairman
 Member
 Member

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

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.]



NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of the Members of DUJODWALA PAPER CHEMICALS LIMITED will be held on Wednesday, the 24th December, 2003 at Uncle's Kitchen, Mumbai-Poona Highway, National Highway No. 4, Mahad Phata, Khopoli, Dist. Raigad (Maharashtra), at 10.30 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2003 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ramgopal M. Dujodwala, 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 Mr. Vineet Dujodwala, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of this Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a Member pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Mr. Narendra Goenka, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of this Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a Member pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed a Director of the Company, liable to retire by rotation."

For & on behalf of Board of Directors

Place:-Mumbai.

Date:- 31-10-2003.

Ramgopal M. Dujodwala
Chairman

Notes :-

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. Proxies in order to be effective must be deposited at the Registered office of the Company not less than Forty-eight hours before the commencement of the Meeting.
3. The register of members and share transfer books of the Company will remain closed from Thursday, the 18th December, 2003 to Wednesday, the 24th December, 2003 (both days inclusive).
4. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item No.4 annexed hereto.

**ANNEXURE TO NOTICE**

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

Item No.4

Mr. Vineet Dujodwala, was appointed as an Additional Director of the Company by the Board of Directors with effect from 31st January, 2003., under Section 260 of the Companies Act, 1956 and he holds office upto the date of the ensuring Annual General Meeting. The Resolution at Item No.4 is meant to re-appoint him. As required under Section 257 of the companies Act, 1956, Notice has been received from a member proposing the name of Mr. Vineet Dujodwala for the office of Director. None of the Directors of the Company expect Mr. Vineet Dujodwala and Mr. Ramgopal M. Dujodwala being relative of Mr. Vineet Dujodwala are concerned or interested in the Resolution.

The Directors commend this Resolution for your approval.

Item No.5

Mr. Narendra Goenka, was appointed as an Additional Director of the Company by the Board of Directors with effect from 31st October, 2003., under Section 260 of the Companies Act, 1956 and he holds office upto the date of the ensuring Annual General Meeting. The Resolution at Item No.4 is meant to re-appoint him. As required under Section 257 of the companies Act, 1956, Notice has been received from a member proposing the name of Mr. Narendra Goenka for the office of Director. None of the Directors of the Company expect Mr. Narendra Goenka is concerned or interested in the Resolution.

The Directors commend this Resolution for your approval.

For & on behalf of Board of Directors

Place:-Mumbai.

Date:- 31-10-2003.

Ramgopal M. Dujodwala
Chairman


DUJODWALA PAPER CHEMICALS LIMITED
DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 16th Annual Report together with the Audited Accounts for the year ended 31st March, 2003.

	2002-2003 Rupees In Lacs	2001-2002 Rupees In Lacs
FINANCIAL RESULTS		
Gross Sales	6201.45	5225.65
Gross Profit before Interest, Depreciation and Taxation	546.62	536.38
Interest	195.81	229.33
Depreciation	109.45	102.01
Provision for Taxation	10.00	7.00
Provision for deferred taxation	16.03	22.96
Net Profit for the year	215.33	175.08
ADD:		
Surplus brought forward from Previous Year	818.24	693.16
Balance available for Appropriation	1033.57	868.24
Appropriations : general Reserve	50.00	50.00
Balance carried forward to Balance Sheet	983.57	818.24



DUJODWALA PAPER CHEMICALS LIMITED

DIVIDEND :

On account of the lower profitability earned by the Company during the year under review which is not adequate to reward to the shareholders, 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.6201.45 lacs as against Rs.5225.65 lacs during the previous year resulting an increase of 18.67% and the net profit Rs.215.33 lacs as against Rs.175.08 lacs.

MANAGEMENT DISCUSSION AND ANALYSIS.

Overview

The Company is engaged in the manufacturing and selling of Rosin and Rosin Size, Synthetic Resins and other Terpene Chemicals and its products at its unit located at Atkargaon , Taluka Khalapur, Khopoli, Dist. Raigad, Maharashtra.

Economy and Business outlook.

The slow rate of growth in the economy prevailed throughout the year. Your Company was not much affected by the slow rate of growth. However, conflicts in Gulf kept the petroleum items prices fluctuating. The impact to the Company was not much felt as the Company switched over to alternate fuels.

Risks & Concerns

There is unhealthy competition from internal and external market forces, which could affect the profitability of the Company.

Internal control systems and its Adequacy.

The Company has put in place necessary internal audit system commensurate with its operations. Periodical checks are conducted and necessary remedial measures are adopted.

Human resources / industrial relations.

The Industrial relations in the manufacturing unit of the Company continued to be cordial.

Pollution and Environment Control.

The Company has always paid highest importance to ensure that the environment remains relatively pollution free. The work force is continuously trained and coached in safety and are provided appropriate safety equipment.

Adequate pollution control facilities are installed at the plant as per guidelines of Pollution Control authority and are run as per set norms.

DIRECTORS :

Mr. Ramgopal M. Dujodwala will retire by rotation at the forthcoming Annual General Meeting and being eligible for re-appointment offers himself for re-appointment.

Mr. Vineet Dujodwala has been appointed as a Additional Director of the Company with effect from 31st January 2003 and Mr. Narendra Goenka has been appointed as a Additional Director of the Company with effect from 31st October 2003 whose terms will expire at the conclusion of ensuing Annual General Meeting and being eligible offers themselves for re-appointment in the ensuing Annual General Meeting.

**CONSERVATION OF ENERGY :**

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

The particulars are given in Annexure 'A' attached herewith.

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.1319.85 lacs against Rs.1461.19 lacs during the previous year on import of raw materials. During the year under review, the Company's foreign exchange earnings amounted to Rs.1747.45 lacs as against Rs.1875.21 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.

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 them 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 2003 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 2003 on a Going Concern basis.

**CORPORATE GOVERNANCE**

Your Company has taken necessary steps to incorporate standards for good Corporate Governance to ensure that all mandatory provisions and some of the non-mandatory provisions of Corporate Governance as prescribed by the amended Listing Agreement of the Stock Exchange are complied with and the necessary Auditor's Certificate certifying compliance of conditions of Corporate Governance is also attached to the Auditor's Report and forms part of this report as an Annexure thereto.

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, 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

Ramgopal .M. Dujodwala
CHAIRMAN.

Place : Mumbai.

Dated : 31st October, 2003.



ANNEXURE TO THE DIRECTOR'S REPORT.

FORM 'A'

A. POWER AND FUEL CONSUMPTION

[RS. IN LACS]

PARTICULARS	2002-2003	2001-2002
1. Electricity		
a) Purchased Units(Kwh/Lakh)	11.15	10.79
Total Amounts (Rs./Lakh)	43.74	44.80
Rate/Unit (Rs.)	3.92	4.15
b) Light Diesel Oil (LDO) / Furnace Oil (FO)		
Quantity (Ltr./Lakh)	5.74	4.41
Total Cost (Rs/Lakh)	78.27	62.60
Average Rate (Rs./Ltr)	13.63	14.19

FORM 'B'

Form for disclosure of particulars with respect to :

RESEARCH AND DEVELOPMENT [R&D]

1. Areas in which R&D is being carried out.

The R&D centre continue to strengthen the Company's business by providing new products and process, optimisation of the existing range at pollution control. Brief details are given below:

- Strong R & D support has enabled development of various products.
- Pollution control was given importance and efforts directed towards reduction at source and by-product recovery and usage.

2. Benefits derived as a result of above R & D.

- Increase in product range, augmenting export potential and marketing.
- Product consistency for remaining universally competitive.
- Improvement in process control, conservation of energy resulting in cost reduction.

3. Future plan of action.

- Upgradation and development of more products.
- Product quality improvement and cost reduction.
- Waste minimisation and development of cleaner and greener technology.

TECHNOLOGY ABSORPTION :

1. Efforts made.
 - a) *Improvement in technical services to meet customer requirements.*
 - b) *Interaction with CSIR laboratories and consultants for improving process and pollution control.*
2. Benefits derived as a result of above efforts.
 - a) *Better customer satisfaction.*
 - b) *Cost effectiveness and increase in marketability.*

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.

