



Dujodwala
Paper Chemicals Limited
17th Annual Report
2003-2004



Dujodwala Paper Chemicals Limited

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 Kamalkumar 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 17th Annual General Meeting of the Members of DUJODWALA PAPER CHEMICALS LIMITED will be held on Wednesday, the 29th September, 2004 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, 2004 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. R. O. Kanoria who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vineet O. Dujodwala who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

For & on behalf of Board of Directors

Date:- 3rd September 2004
Place:- Mumbai.

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 23rd September, 2004 to Wednesday, the 29th September, 2004 (both days inclusive).



Dujodwala Paper Chemicals Limited

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Accounts for the year ended 31st March, 2004.

	2003-2004 Rupees In Lacs	2002-2003 Rupees In Lacs
FINANCIAL RESULTS		
Gross Sales	7092.42	6201.45
Gross Profit before Interest, Depreciation and Taxation	513.41	546.62
Interest	149.14	195.81
Depreciation	118.82	109.45
Provision for Taxation	10.00	10.00
Provision for deferred taxation	24.08	16.03
Net Profit for the year	211.37	215.33
ADD:		
Provision for Taxation of earlier years w/back	3.19	0.00
Surplus brought forward from Previous Year	983.57	818.24
Balance available for Appropriation	1198.13	1033.57
Appropriations : general Reserve	50.00	50.00
Balance carried forward to Balance Sheet	1148.13	983.57

**DIVIDEND :**

Due to inadequate profit coupled with margins under pressure and to meet the requirement of working capital funds, 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.7075.80 lacs as against Rs.6201.45 lacs during the previous year resulting an increase of 14% and the net profit Rs.211.37 lacs as against Rs.215.33 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, tension in Middle East 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. R. O. Kanoria will retire by rotation at the forthcoming Annual General Meeting and being eligible for re-appointment offers himself for re-appointment.

Mr. Vineet. O. Dujodwala 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.

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.1240.16 lacs against Rs.1319.85 lacs during the previous year on import of raw materials. During the year under review, the Company's foreign exchange earnings amounted to Rs.2322.69 lacs as against Rs.1747.45 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 2004 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 2004 on a Going Concern basis.

**CORPORATE GOVERNANCE**

A separate report on Corporate Governance alongwith Auditor's certificate on compliance has been annexed hereto.

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 : 3rd September 2004

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ANNEXURE TO THE DIRECTORS' REPORT.

FORM 'A'

A. POWER AND FUEL CONSUMPTION

[RS. IN LACS]

PARTICULARS	2003-2004	2002-2003
1. Electricity		
Purchased Units(Kwh/Lakh)	13.47	11.15
Total Amounts (Rs./Lakh)	49.20	43.74
Rate/Unit (Rs.)	3.65	3.92
2. Light Diesel Oil (LDO) / Furnace Oil (FO)		
Quantity (Ltr./Lakh)	3.28	5.74
Total Cost (Rs/Lakh)	44.48	78.27
Average Rate (Rs./Ltr)	13.56	13.63

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:

- a) Strong R & D support has enabled development of various products.
- b) 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.

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

3. Future plan of action.

- a) Upgradation and development of more products.
- b) Product quality improvement and cost reduction.
- c) 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.





CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance.

The Company continues the good Corporate Governance practices already existing as per the Listing Agreement. The Company's philosophy on Corporate Governance envisages accountability, propriety and transparency in the working of the Company. The Company also believes that its activities should be towards enhancing value of stakeholders in the long term.

2. Board of Directors composition.

As on the date of this Report, the Board of Directors of your Company consists of 6 members comprising of 2 Executive Directors and 4 Non-Executive Directors. 3 Directors belong to the Promoter Group while 2 Directors are Independent. No Director is a member of more than 10 committees and Chairman of more than 5 committees across all Companies where they are Directors.

The Details are as under :

Name	Executive /Non Executive/ Independent(*)	Number of outside Directorship(s)	Total number of Membership(s) in Board Committees	Number of Chairmanship(s) in Board Committees
Shri Ramgopal M. Dujodwala	Non-Executive Chairman (Promoter)	5	4	2
Shri Kamalkumar Dujodwala	Executive Managing Director (Promoter)	5	2	NIL
Shri R. O. Kanoria	Non-Executive (Independent)	2	2	2
Shri S. C. Sethi	Executive Whole Time Director	NIL	NIL	NIL
Shri Vineet Dujodwala	Non-Executive (Promoter)	1	NIL	NIL
Shri Narendra Goenka	Non-Executive (Independent)	4	2	NIL

* An Independent Director is a Director who does not have any material pecuniary relationship or transactions with the Company, its Promoters or its subsidiaries, which in the judgement of the Board may affect their independence of judgement.