

**DPCL**

**DUJODWALA PAPER CHEMICALS LIMITED**

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**DPCL**

**Dujodwala  
Paper Chemicals Limited**

**24<sup>TH</sup> ANNUAL REPORT  
2010-2011**

**BOARD OF DIRECTORS**

Shri Omprakash Dujodwala	– Whole Time Director
Shri Vineet Dujodwala	– Whole Time Director
Shri. Rajendra Agarwal	- Director
Shri. Ravi Todi	- Director
Shri. Ashish Agarwal	- Director
Shri Prashant Agarwal	- Director

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**AUDITORS**

**M/s. A. P. SANZGIRI & CO.**  
**Chartered Accountants,**  
**Mumbai**

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**BANKERS**

State Bank of India  
Backbay Reclamation Branch,  
Raheja Chambers,  
Free Press Journal Marg,  
Nariman Point,  
Mumbai.- 400 021

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**AUDIT COMMITTEE**

Shri Rajendra Agarwal	Chairman
Shri Ravi Todi	Member
Shri Vineet Dujodwala	Member

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**REGISTERED OFFICE**

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

**ADMINISTRATIVE OFFICE**

907, Raheja Centre  
214, Nariman Point,  
Mumbai – 400 021

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**FACTORY**

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

SIDCO Industrial Complex  
Bari Brahmaha,  
Jammu  
Jammu & Kashmir - 1811133

[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.]

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## **NOTICE**

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of DUJODWALA PAPER CHEMICALS LIMITED will be held on Friday, the 30<sup>th</sup> September, 2011 at Registered office of the company Atkargaon, Takai-Adoshi Road, Taluka-Khalapur Khopoli, District – Raigad, Maharashtra. at 10.00 A.M. to transact the following business :

### **ORDINARY BUSINESS:-**

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 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. Prashant Agarwal who retires by rotation and being eligible offers himself re-appointment.
3. To appoint Auditors and fix their remuneration.

### **SPECIAL BUSINESS :**

#### **Appointment of Director**

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

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company be and is hereby accorded to the re-appointment of Mr. Vineet Dujodwala, as a Whole-Time Director of the Company for a further period of 5 years with effect from 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2016 on the terms and conditions as set out in the Explanatory Statement Annexed to the Notice of the Meeting.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company be and is hereby accorded to the re-appointment of Mr. Omprakash Dujodwala, as a Whole-Time Director of the Company for a period of 5 years with effect from 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2016 on the terms and conditions as set out in the Explanatory Statement Annexed to the Notice of the Meeting.”

6. **Authority to Directors to borrow in excess of the Paid-up Capital and Free Reserves of the Company.**

To consider and if thought fit to pass, with or without modification/ (s), the

following Resolution as an ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to the Board of Directors for borrowing any sum or sums of money from time to time from any one or more of the Company's Bankers and / or some or any one or more persons, firms, bodies corporate, or Financial Institutions whether by way of cash credit, advance or deposits, loans or bills discounting or otherwise and whether unsecured or secured by mortgage charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or immovable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertaking of the Company notwithstanding that the moneys to be borrowed together with the money's already borrowed by the Company's (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up-capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however that the total amount up to which the monies may be borrowed shall not exceed the sum Rs.150 crores (Rupees One Hundred & Fifty Crores) exclusive of interest and that the Board of Directors be and is hereby further authorized to execute such deeds and debentures trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit, receipts, and other deeds and instruments or writings as they may consider proper and containing such conditions and covenants as the Board of Directors may think fit." ,

#### **7. Authority to Mortgage, etc.**

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of provisions of section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, for mortgaging and/or charging (by way of first/second/third charge, as has been agreed to between the Company and the Lenders) by the Board of Directors of the Company, of all the immovable and movable properties of the Company, present and future, where so ever situate, and the whole of the undertaking/(s) of the Company and/or conferring the power to enter upon and take possession of the assets of the Company in certain events, in favor of Security Trustees, on behalf of the bank/(s) to secure the loans/facilities granted /to be granted ."

Date:- 30-08-2011

Place:- Mumbai.

For & on behalf of Board of Directors  
(Omprakash Dujodwala)  
Whole- time Director

Registered Office:-

Atkargaon, Takai-Adoshi Road,

Taluka-Khalapur

Khopoli – 410203.

District – Raigad, Maharashtra.

# Notes:-

1. 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 29<sup>th</sup> September 2011 to Friday, the 30<sup>th</sup> September 2011, (both days inclusive).**"
4. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item No.4 to7 is annexed hereto.
5. Details of Directors seeking appointment/reappointment at the Annual General Meeting  
(Pursuant to Clause 49 of the Listing Agreement):-

Name of Director	Mr. Prashant Agarwal
Date of Birth	19-10-1970
Date of Appointment	30-10-2009
Expertise in specific functional areas	Civil Engineering
Qualifications	B E Civil
List of Public Companies in which outside Directorships held as on 31 <sup>st</sup> March, 2011	NIL
Chairman/Member of the Committees of the Board of the Companies on which he is a Director as on 31 <sup>st</sup> March, 2011	Nil
No. of Shares held in the Company	NIL

**ANNEXURE TO NOTICE**

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

**Item No.4**

Shri Vineet Dujodwala has been reappointed as Whole-time Director of the Company for a period of 5 years from 1<sup>st</sup> April, 2011 by the Board of Directors in their meeting held on 1<sup>st</sup> April, 2011 subject to the consent of the Members of the Company and on the recommendation of the Remuneration Committee of the Board. The Remuneration Committee and Board of Directors fixed the remuneration of the Whole-time Director looking into the trend in the Industry, appointee's experience, his past performance and passed remuneration etc. details of which are as under:-

1) Salary : Salary Rs.45000/- per month (with annual increment upto 25% of the Salary as determined by Board of Directors).

2) Provident Fund : 12% of Basic Salary.

3) Perquisites : In addition to Salary following perquisites will be provided:-

- i) Medical Expenses : Reimbursement of Medical Expenses incurred for him and his family subject to a ceiling of Rs.800000/- per financial year.
- ii) Gratuity : Gratuity not exceeding half a month salary for every completed years of service
- iii) Car : Provision of a chauffeur driven Car for use of Company's business. Use of Car for private purpose shall be billed by Company to the Whole-time Director.
- iv) Telephone at residence and Mobile phone : Provision of telephone/(s) at his residence and Mobile phone/(s) for Company's business. However personnel STD calls shall be billed by the Company to the Whole-time Director.
- v) Reimbursement of other expenses : The Whole-time Director shall be entitled to be reimbursed in respect of all expenses incurred by him including traveling, entertainment etc. for and on behalf of the Company. However, no sitting fees will be paid to the Whole-time Director for attending the Meetings of the Board of Directors or Committees thereof.

Explanation : Family means the spouse, dependent children and parents of the whole-time Director.

Other Terms and Conditions:-

4) Minimum Remuneration:- In the subsequent years if profits of the Company remains inadequate or Company incurs losses then the Whole-time Director shall be paid Remuneration within the ceiling prescribed under Schedule XIII to the Companies Act, 1956.

5) Job Responsibility:- The Whole-time Director shall be in charge of Purchase and Administration divisions of the Company and look after all Purchase, and Administration Work of the Company subject to the superintendence and control of the Board of Directors of the Company and shall carry out such other work as may be entrusted to him by the Board of Directors of the Company.

6) Devotion of full time:- During the employment with the Company the Whole-time Director shall devote full time and attention to the business of the Company as may necessary or required and shall use his best endeavors to promote the interest and welfare of the Company.

7) Ceasing of Office :- If any time the Whole-time Director ceases to be Director of the Company for any cause whatsoever, he will ceases to be Whole-time Director in terms of this appointment forthwith.

8) Notice period:- The appointment of the Whole-time Director can be terminated by either party giving 3 months notice and no severance fees will be payable to the Whole-time Director."

The Resolution set out at Item No. 4 of the Notice of the Meeting is meant for obtaining consent of the Members for his appointment and payment of above stated remuneration. This may also be treated as an abstract of the Terms & Condition including the details of remuneration payable to the Whole-time Director, in terms of Section 302 of the Companies Act, 1956.

Mr. Vineet Dujodwala himself and Mr. Omprakash Dujodwala relative of Mr.Vineet Dujodwala are interested in the Resolution.

The Directors commend this Resolution for your approval.

Item No.5

Shri Omprakash Dujodwala has been appointed as Whole-time Director of the Company for a period of 5 years from 1<sup>st</sup> April, 2011 by the Board of Directors in their meeting held on 1<sup>st</sup> April, 2011 subject to the consent of the Members of the Company and on the recommendation of the Remuneration Committee of the Board. The Remuneration Committee and Board of Directors fixed the remuneration of the Whole-time Director looking into the trend in the Industry, appointee's experience, his past performance, his past remuneration etc. details of which are as under:-

- 1) Salary : Salary Rs.45000/- per month (with annual increment upto 25% of Salary as determined by Board of Directors).
  - 2) Provident Fund : 12% of Basic Salary.
  - 3) Perquisites : In addition to Salary following perquisites will be provided:-
    - i) Medical Expenses : Reimbursement of Medical Expenses incurred for him and his family subject to a ceiling of Rs.800000/- per financial year.
    - ii) Gratuity : Gratuity not exceeding half a month salary for every completed years of service
    - iii) Car : Provision of a chauffeur driven Car for use of Company's business. Use of Car for private purpose shall be billed by Company to the Whole-time Director.
    - iv) Telephone at residence and Mobile phone : Provision of telephone/(s) at his residence and Mobile phone/(s) for Company's business. However personnel STD calls shall be billed by the Company to the Whole-time Director.
    - v) Reimbursement of other expenses : The Whole-time Director shall be entitled to be reimbursed in respect of all expenses incurred by him including traveling, entertainment etc. for and on behalf of the Company. However, no sitting fees will be paid to the Whole-time Director for attending the Meetings of the Board of Directors or Committees thereof.
- Explanation : Family means the spouse, dependent Children and parents of the whole-time Director.



**Other Terms and Conditions:-**

- 4) **Minimum Remuneration:-** In the subsequent years if profits of the Company remains inadequate or Company incurs losses then the Whole-time Director shall be paid Remuneration within the ceiling prescribed under Schedule XIII to the Companies Act, 1956.
- 5) **Job Responsibility:-** The Whole-time Director shall be in charge of Marketing division of the Company and look after all Sales Work of the Company and office Administration work subject to the superintendence and control of the Board of Directors of the Company and shall carry out such other work as may be entrusted to him by the Board of Directors of the Company.
- 6) **Devotion of full time:-** During the employment with the Company the Whole-time Director shall devote full time and attention to the business of the Company as may be necessary or required and shall use his best endeavors to promote the interest and welfare of the Company.
- 7) **Ceasing of Office :-** If any time the Whole-time Director ceases to be Director of the Company for any cause whatsoever, he will ceases to be Whole-time Director in terms of this appointment forthwith.
- 8) **Notice period:-** The appointment of the Whole-time Director can be terminated by either party by giving 3 months notice and no severance fees will be payable to the Whole-time Director."

The Resolution set out at Item No. 5 of the Notice of the Meeting is meant for obtaining consent of the Members for his appointment and payment of above stated remuneration.

This may also be treated as an abstract of the Terms & Condition including the details of remuneration payable to the Whole-time Director, in terms of Section 302 of the Companies Act, 1956.

Mr. Omprakash Dujodwala himself and Mr. Vineet Dujodwala relative of Mr. Omprakash Dujodwala are interested in the Resolution.

The Directors commend this Resolution for your approval.

**Item No. 6:**

To meet part of the increasing Working Capital requirements of the Company and to expand its scale of operations, the company will require funds by way of Loans from Banks/Financial Institutions. The Bankers have sanctioned additional working capital limits and also company is proposing to obtain term loan for its new unit.

Looking all this the present limit is not sufficient and required to be increased. Taking into consideration the requirements of additional funds to meet additional working capital requirements and term loan it is expected that the present limit is likely to be exceeded.

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a company can, borrow monies, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose, with the consent of the Members of the company in General Meeting

The consent of the Members is, therefore, sought under provisions of Section 293(1)(d) of the Act, to enable the Directors to borrow monies to the extent of Rs.150 crores. The Resolution under Item No. 6 is to obtain the consent of the Members for this purpose.

The Directors commend this Resolution for your approval.

None of the Directors of the Company is concerned or interested in the Resolution.

Item No. 7:

To meet part of the increase in Working Capital requirements of the Company and to finance the proposed new unit of the Company, it will require funds by way of Loans from Banks/Financial Institutions. The Bankers have sanctioned additional working capital limits and term loan is also being sanctioned by the bank/(s). The loan/(s) will be required to secure by a suitable charge on the assets of the Company.

Section 293(1) (a) of the Companies Act, 1956 provides that the Board of Directors shall not, without the consent of the Company in General Meeting, sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking.

Since the mortgages and/or charges created/to be in favor of the Lenders on present and future movable or immovable properties of the Company may be considered disposal of the Company's undertaking within the meaning of Section 293(1) (a) of the Companies Act, 1956 it is there fore necessary to obtain the consent of the Members of the Company for Creation of Mortgages / Charges.

The Directors commend this Resolution for your approval.

None of the Directors of the Company concerned or interested in the Resolution.

Date:- 30-08-2011  
Place:- Mumbai.

For and on behalf the Board of Director  
(Omprakash Dujodwala)  
Whole- time Director