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Camphor

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**DPL**

**29th Annual Report**  
**2010-2011**

**DUJODWALA PRODUCTS LIMITED**

**BOARD OF DIRECTORS**

Shri Kamalkumar Dujodwala                      Chairman  
Shri Pannkaj Dujodwala  
Shri S. C. Sen  
Shri R. K. Shriya  
Shri Narendra Goenka  
Shri Rajkumar Saraf  
Shri Rajkumar Jatia  
Shri Sharad Saraf  
Shri Anil Pavse (resigned w.e.f. 25.05.2010)

**AUDITORS**

M/s. Sundarlal, Desai and Kanodia  
Chartered Accountants  
903, Arcadia, NCPA Marg,  
Nariman Point,  
Mumbai 400 021

**BANKERS**

The Saraswat Co-operative Bank Ltd (Scheduled Bank)  
SME Nariman Point, A-Wing, 1st Floor, Mittal Court,  
Mumbai-400 021.

**AUDIT COMMITTEE**

Mr. Sharad Saraf  
Mr. Rajkumar Saraf  
Mr. Kamalkumar Dujodwala

**REGISTRAR & TRANSFER AGENT**

Universal Capital Securities Pvt. Ltd.  
21, Shakil Niwas, Opp. Satya Saibaba Temple,  
Mahakali Caves Road, Andheri (E), Mumbai-400 093.

**REGISTERED OFFICE & PLANT LOCATION**

Kumbhivali Village,  
Savroli Kharpada Road,  
Taluka - Khalapur, Khopoli - 410 203,  
Dist: Raigad, Maharashtra.

**ADMINISTRATIVE OFFICE**

812, Tulsiani Chambers,  
Nariman Point,  
Mumbai 400 021

[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 29th Annual General Meeting of the Members of **DUJODWALA PRODUCTS LIMITED** will be held at Kumbhivali Village, Savroli Kharpada Road, Taluka Khalapur, Khopoli 410 203, Dist: Raigad, Maharashtra on Thursday, 29th September, 2011 at 11.00 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the financial year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare a dividend for the financial year 2010-11.
3. To appoint Director in place of Shri Rajkumar Jatia who retires by rotation and being eligible to offer himself for re-appointment.
4. To appoint Director in place of Shri Rajkumar Saraf who retires by rotation and being eligible to offer himself for re-appointment.
5. To appoint Director in place of Shri Sharad Saraf who retires by rotation and being eligible to offer himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration. M/s. Sundarlal Desai and Kanodia, Chartered Accountants, the retiring Auditors of the Company, being eligible to offer themselves for re-appointment.

For and on behalf of the Board of Directors  
Sd/-  
Kamalkumar Dujodwala  
Chairman

Place: Mumbai

Date: 12.08.2011

### Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxy forms, in order to be effective, should be deposited at the registered office of the company not less than Forty Eight hours before the commencement of the meeting.
2. Members who hold shares in dematerialized form are requested to bring their DP ID and Client ID numbers for easy identification of attendance at the meeting.
3. Relevant documents as referred in the accompanying notice are open for inspection by the members at the registered office of the Company on all working days between 10 A.M. to 2 P.M. and up to the date of the meeting.
4. The Register of Members and Share Transfer Books of the Company will be remained closed from 19th September, 2011 to 29th September, 2011 (both days inclusive) in connection with the ensuing Annual General Meeting.
5. For the convenience of the Members, attendance slip is enclosed elsewhere in the Annual Report. Members/Proxy Holders/Authorized Representatives are requested to fill in and affix their signatures at the space provided therein and submit the same at the venue of the AGM. Proxy/Authorized Representatives of a member should state on the attendance slip as Proxy or Authorized Representative as the case may be.
6. The Director's Report, Auditor's Report and Audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the financial year ended as on that date is enclosed.
7. The Copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy at the meeting.
8. In case of any query, Members are requested to send the same to Company's administrative office address at least 10 days before the date of the meeting so that information can be made available at the meeting.

## DIRECTORS' REPORT

To,  
The Members,

Your Directors are pleased to present the 29<sup>th</sup> Annual Report on the business operations and financials results of the Company for the Financial Year ended on 31st March 2011.

### **FINANCIAL RESULTS:**

The Company's performance for the Financial Year 2010-11 vis-à-vis 2009-10 is summarized as under:

	2010-2011 Rs. in Lacs	2009-2010 Rs. in Lacs
Gross Sales including other Income	20875.08	15684.25
Add: Excise Duty Refund	-	0.56
Gross Profit before interest, Depreciation and Taxation	2204.15	1466.69
Interest	341.57	63.27
Depreciation	355.21	298.17
Less : Provision for Taxation	480.00	360.00
Add: Excess provision of I.T. for earlier period	-	1.20
Provision for deferred taxation	62.63	25.35
Net Profit for the year	964.73	721.11
Add : Surplus brought forward from previous year	1447.17	881.42
Balance available for Appropriation	2441.91	1602.53
Appropriations :-		
a) General Reserve	200.00	55.00
b) Dividend	90.37	86.06
c) Dividend Tax	15.01	14.29
Balance carried forward to Balance Sheet	2106.52	1447.17

### **DIVIDEND:**

The Directors recommend that the final dividend of 10% per equity share to be appropriated from the profit for the year 2010-11 subject to approval by the members at the Annual General Meeting.

### **TRANSFER TO RESERVE:**

Your Company proposes to transfer Rs. 200 Lacs to General Reserves out of the amount available for appropriations during the financial year 2010-2011 (as compared to Rs. 55 Lacs in previous financial year).

### **MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW:**

The Company is engaged in manufacturing and selling activities of Camphor, Sodium Acetate, Terpene Chemicals and Synthetics Resins at its Units located at Kumbhivali, Savroli Kharpada Road, Taluka Khalapur, Khopoli-410 203, District Raigad, Maharashtra.

### **REVIEW OF OPERATIONS:**

During the year under review, the Company has achieved sales and other income of Rs. 20875.08 Lacs as compared to Rs. 15684.25 Lacs during the previous year resulting the escalation of 33%. Whereas the net profit has been increased to Rs. 964.73 as against Rs. 721.11 Lacs during the pervious year mainly on account of better performance of the company.

The Company has adequate production facilities with sole objective of providing quality products at reasonable price as well as satisfying the interest of all Customers of the Company.

### **INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:**

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

### **DIRECTORS:**

- a) Shri Rajkumar Saraf, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.
- b) Shri Rajkumar Jatia, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.
- c) Shri Sharad Saraf, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

### **HUMAN RESOURCES / INDUSTRIAL RELATIONS:**

To maintain healthy and reinforced Human Resource and Industrial Relations, your Company makes consistent efforts with appreciation for the strong contribution as made by the employees through their motivated performance enabling your Company to achieve the main objectives of its set-up.

The information as per section 217(2A) of the Companies Act, 1956 ('the Act'), read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. As per the provisions 219 (1) (b) (IV) of the Act, the Report and Accounts are being sent to the Shareholders of the Company.

### **CORPORATE GOVERNANCE:**

Your Company stand committed for better corporate governance, for accountability, transparency & disclosures. Independent supervision are kept to protect the interest of valued stake holders. The Company is committed for transparency in all dealings with the shareholders, employees, suppliers, Government, other parties and places its high emphasis on business ethics. Your Company's basic philosophy of Corporate Governance is to achieve business excellence and enlarged long-term shareholders.

Your Company is in compliance with the requirements of the guidelines on Corporate Governance as stipulated under clause 49 of existing listing agreement. A report on Corporate Governance in pursuant to the provisions of Clause 49 of Listing Agreement supported by a certificate given by the statutory auditors of the Company confirming compliance of conditions, which forms part of this Annual Report.

### **FIXED DEPOSITS:**

The Company has not accepted and or renewed any fixed deposits, which come under the purview of Section 58A of the Companies Act, 1956.

### **LISTING:**

The Company's total issued, subscribed and paid up share capital is Rs. 90526800/- divided into 9052680 Equity Shares of Rs. 10/- each. Out of the said equity share 8606400 are listed on the Bombay Stock Exchange, 15200 are calls-in-arrears and 431080 are pending for listing with Bombay Stock Exchange for which the Company is

following it up with Bombay Stock Exchange.

### **AUDITORS:**

**M/s. Sundarlal, Desai and Kanodia (Chartered Accountants)** Statutory Auditors of the Company, retires at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. **M/s. Sundarlal, Desai and Kanodia (Chartered Accountants)** have furnished their eligibility certificate under Section 224(1B) of Companies Act, 1956 for re-appointment. As recommended by the Audit Committee your Directors proposes that they may be re-appointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

### **AUDIT COMMITTEE:**

The Board has constituted its Audit Committee in pursuant to the provision of Section 292A of the Companies Act, 1956 and provisions of the Listing Agreement of the Stock Exchange. The Audit Committee of the Company presently comprises of the following members namely Shri Sharad Saraf, Shri Rajkumar Saraf and Shri Kamalkumar Dujodwala.

### **AUDITOR'S REPORT:**

The notes on the Accounts referred to the Auditor's Report are self explanatory and therefore do not require any further comments.

### **FOREIGN EXCHANGE EARNING AND OUTGO:**

The Company has earned Rs. 2037.79 on account of Exports made on FOB basis during the year under review as against Rs. 820.15 Lacs in the previous year. The Company has spent Rs. 12081.61 Lacs as against Rs.6774.13 Lacs during the previous year on import of raw materials on CIF basis and Rs. 31.63 Lacs against Rs. 13.49 Lacs during the previous year towards traveling expenses during the year under review. The Company has also spent Rs. 536.81 Lacs (previous year Rs. 276.55 Lacs) for purchase of Traded Goods.

### **CONSERVATION OF ENERGY:**

Information as per Section 217(1) (e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in Form-A annexure-I forming part of this report

### **PARTICULARS OF EMPLOYEES:**

Details of remuneration paid to employees as required by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 is not required to be given as no employee have drawn the salary as stated in Section 217 (2A) of the Companies Act, 1956.

### **DIRECTOR'S RESPONSIBILITY STATEMENT :**

In pursuant to the requirements under section 217(2AA) of the Companies (Amendment) Act, 2000 with respect to Director's Responsibility Statement it is hereby confirmed:

- (i) that in the preparation of the accounts for the financial period ended 31st March, 2011, the applicable accounting standards have been followed with proper explanation and there are no material departures;
- (ii) that the Directors have selected such accounting policies in consultation with Statutory Auditors and

applied them consistently and made judgments and estimates that are 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 period and of the profit of the Company for the period under review;

(iii) that the Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. The directors have confirmed that there are adequate control & systems for safeguarding the interest of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the Directors have prepared the accounts for the financial period ended 31st March, 2011 on a "going concern" basis.

**ACKNOWLEDGEMENTS:**

Your Directors would like to express their appreciation to all employees of the company for their performance and continued support. The Directors also thanks to all the workers, staff, shareholders, vendors, bankers, consultants, customers and governmental & statutory authorities for their sustained support.

**For and on behalf of the Board of Directors**

**Sd/-**

**Kamalkumar Dujodwala**  
**Chairman**

## ANNEXURE -1 TO THE DIRECTOR'S REPORT Form 'A'

### Power and Fuel Consumption:

	Particulars	2010-11	2009-2010
1.	Electricity Purchased		
	Units (Kwh /Lacs)	44.93	44.31
	Total Cost(Rs./Lacs)	233.58	223.01
	Rate per Unit (Rs.)	5.20	5.03
2.	Furnace Oil /Light Diesel Oil		
	Quantity (Ltrs /Lacs)	7.53	8.52
	Total Cost (Rs./Lacs)	219.00	222.30
	Average Rate (Rs.)	29.08	26.75
3.	Coal		
	Quantity (Kgs.)	95,09,015	78,04,360
	Total Cost (Rs./Lacs)	436.64	323.88
	Average Rate (Rs.)	4.59	4.14

### Form 'B'

Form for disclosure of particulars with respect to:

**1) Areas in which Research & Development is being carried out:**

Research & Development has been strengthening company's business by giving new parameters by optimizing the existing processes and bettering the pollution control methods. Brief details are given below:-

- a) Strong Research & Development has enabled development of various products for quality like Camphor, Sodium Acetate Trihydrate, Synthetic Resins and Terpene Chemicals.
- b) Pollution control has been a top most importance and efforts directed towards reduction at source and in recovery of by-products and usage.

**2) Benefits derived as a result of above Research and Development:**

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

**3) Future plan of action :**

**Technology Absorption**

**1) Efforts made:-**

- a) Improvement in technical services to meet customers' requirements.
- b) Interaction with various laboratories and consultants for improvising 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 are based on in-house technology which has been



successfully absorbed. The company has constantly making efforts for improvement of quality and for marketing new ranges of products.

#### REPORT ON CORPORATE GOVERNANCE:

The concept of Corporate Governance is beyond compliances, financial prudence, transparency in procedures, reporting channels and adherence to regulatory framework. The real meaning of Corporate Governance lies upon rich legacy of fair, ethical, professional and transparent governance practices. Our philosophy on Corporate Governance is reflected in its commitment to achieve balance between Stakeholders' interest and corporate goals.

Your Company strongly believes that sound principles of Corporate Governance are key to success and enhance the confidence of its stakeholders. Corporate Governance in the Company has been strengthened by formulating and adopting codes and policies viz. Code of Conduct to be adhered by Board of Directors and Senior Management Personnel, Policy on Enterprise Risk Management. Your Company is driven by its core values viz. Ethical practices, Concern for people at work, Delight of customers. The Company is full in compliance with the requirements of Code of governance as prescribed in and in this regard the following details are provided for the information of Stakeholders at large.

#### 1. Composition and Responsibility of Board of Directors :

The composition of Board of Directors is in conformity with Clause 49 of the Listing agreement as amended from time to time. The Board of Directors along with its Committee provide necessary guidance, leadership to Company's Management and direct, supervise and control the affairs of the Company in order to achieve its corporate goals. All Independent Directors are in compliance with the requirements of Listing Agreement for being an Independent and have confirmed that they meet the "Independence Criteria" as mentioned under clause 49 of Listing Agreement. The Board of Directors of the Company ("The Board") has an optimum combination of directors. The Board comprises of eight directors and in order to ensure the independence of the Board, half of the directors are independent directors.

Name	Executive / Non Executive Independent	Number of outside Directorship	Total Number of Membership in Board Committees	Number of Chairmanship in Board Committees
Shri Kamalkumar Dujodwala	Executive Chairman (Promoter)	6	4	2
Shri Pannkaj Dujodwala	Managing Director (Promoter)	3	nil	nil
Shri R. K. Shriya	Non-Executive	5	2	nil
Shri Narendra Goenka	Non-Executive	9	2	nil
Shri S. C. Sen	Whole Time Director	-	-	-
Shri Rajkumar Saraf	Non-Executive	7	9	2
Shri Rajkumar Jatia	Non-Executive	4	-	-
Shri Sharad Saraf	Non-Executive	10	6	1
Shri Anil Pavse *	Non-Executive	-	1	1

\*Resigned on 25.05.2010

**b) Board Meeting held during the year**

During the financial year ended 31<sup>st</sup> March, 2011, Four Board Meetings were held i.e. (1) on 25<sup>th</sup> May, 2010, (2) 31<sup>st</sup> July, 2010, (3) 9<sup>th</sup> November, 2010 (4) 29<sup>th</sup> January, 2011.

**Attendance of Directors at the Board Meeting and at the last Annual General Meeting (held on 17<sup>th</sup> September, 2010)**

Name	Number of Board Meeting Attendance	Attendance at the last Annual General Meeting	Remarks
Shri Kamalkumar Dujodwala	4	Yes	
Shri Pannkaj Dujodwala	4	Yes	
Shri R. K. Shriya	4	Yes	
Shri Narendra Goenka	3	Yes	
Shri S. C. Sen	4	Yes	
Shri Rajkumar Saraf	4	No	
Shri Rajkumar Jatia	4	No	
Shri Sharad Saraf *	1	No	
Shri Anil Pavse **	1	No	

\* Appointed on 29<sup>th</sup> January, 2011

\*\*resigned on 25<sup>th</sup> May, 2010

**c) Code of Conduct**

All the Directors and Senior Management Personnel have affirmed compliance of the code of conduct of the Company during the financial year ended 31<sup>st</sup> March, 2011. A Declaration to this effect signed by the Managing Director of the Company is annexed hereto.

**II. AUDIT COMMITTEE:**

**Audit Committee :**

The constitution, quorum, scope etc. of the Audit Committee is in line with the Companies Act, 1956 and as per provisions of the Listing Agreement. The purpose of this Committee is to ensure the Objectivity, Creditability and correctness of the Company's financial reporting and disclosures process, Internal controls; Risk Management, Policies and Processes, Tax policies, compliance and legal requirements and associated matters. At present, the Audit Committee comprises of following Directors as members having wide experience and knowledge of Corporate Affairs, Income Tax & Finance.

**Meetings of Audit Committee :**

During the Financial Year 2010-2011, the Audit Committee met 4 times 1) on 25th May, 2010, 2) on 31<sup>st</sup> July, 2010, 3) on 9<sup>th</sup> November, 2010, and 4) on 29<sup>th</sup> January, 2011. The attendance of each Member of the Committee is given below:

Members	Number of Meetings Attended
Shri. Sharad Saraf - Chairman	1
Shri. Rajkumar Saraf - Member	4
Shri Kamalkumar Dujodwala - Member	4

Mr. Anil Pavse was the Chairman of the Audit Committee Meeting has resigned from the office on 25<sup>th</sup> May, 2010.

The roles and terms of reference of the Audit Committee covers the areas mentioned in the Clause 49 of Listing Agreement with Stock Exchange and Section 292A of the Companies Act, 1956, which among others include:

1. A periodic review of efficiency of the financial control systems and suggestions for improvements therein.
2. Review of operating results on a quarterly basis prior to its submission for consideration and adoption by the Board.
3. Advice to the Board for appointment / removal of statutory auditors and fixing their remuneration.
4. Review with statutory auditors their audit findings & to address any areas of concern cited by them.
5. Advice to the Board on the adequacy of Company's risk management measures and implementation of financial policies and procedures.
6. Ensure compliance of internal control systems.
7. To act as a link between Statutory and Internal Auditors of the Company and the Board of Directors.
8. Discussion with Internal Auditors any significant findings and follow up thereon.
9. Review of any weakness in Internal Controls, if any and make recommendations relating thereto to the Board so as to ensure compliance of internal Control system.
10. Any other matter which the Board of Directors may at its discretion assign to the committee from time to time.

### **Meetings of Share Transfer Committee:**

The Committee meets at frequent intervals to approve inter-alia transfer /transmission of Shares, dematerialization of shares, issue of duplicate share certificate, consolidation and split of share certificate and any other powers / responsibilities entrusted by the Board. During the Financial Year 2010-2011 the committee met thirteen times.

### **III. Disclosures**

#### **(A) Disclosures on materially significant related party transactions:**

Details of related party transactions are included in the Notes to the Accounts as per Accounting Standard-18 of Companies (Accounting Standards) Rules, 2006. Shareholders may please be referred the same. However these are not in conflict with the interest of the Company at large. There are no material individual transactions which are not in the normal course of business. All details relating to financial and commercial transactions where Directors may have potential interest are provided to the Board and the interested Directors neither participated in the discussion nor did they vote on such matters.

#### **(B) Disclosure of Accounting Treatment**

There is no deviation in following the treatments prescribed in any Accounting Standard in preparation of financial statements of the Company during the financial year.

#### **(C) Risk Management**

The Company has carried out a detailed analysis on Enterprise Risk Management and on the basis of that analysis, a detailed strategy including policy for Risk Management of the company is framed which is subject to be reviewed by Audit committee from time to time for identifying, analyzing and mitigating the risk factors.

#### **(D) Provisions regarding Audit Committee**

The Company is already complying with all the provisions regarding Audit Committee. The Constitution of Audit Committee along with terms of references, meetings etc., are elsewhere provided in the Report.

**(E) Appointment of Auditors and Internal Auditors**

The Company is already complying with most of the provisions regarding appointment of Statutory Auditors and Internal Auditors except the rotation of Audit Firms and Partners as required for appointment of Statutory Auditors.

**(F) Remuneration of Directors**

**i. Details of Remuneration paid to Directors for the F. Y. 2010-11 are as under :-**

Directors	Relationship with other Directors	Sitting Fee (Rs.)	Salary and Perks (Rs.)	Commission (Rs.)	Total (Rs.)
Shri Kamalkumar Dujodwala	Brother of Shri Pannkaj Dujodwala	Nil	20,00,000	Nil	20,00,000/-
Shri Pannkaj Dujodwala	Brother of Shri Kamal Kumar Dujodwala	Nil	24,00,000	Nil	24,00,000/-
Shri R. K. Shriya	Relative	3000/-	Nil	Nil	3000/-
Shri Narendra Goenka	Relative	1000/-	Nil	Nil	1000/-
Shri S. C. Sen	None	Nil	33,17,520	Nil	33,17,520/-
Shri Rajkumar Saraf	None	4000/-	Nil	Nil	4000/-
Shri Rajkumar Jatia	None	4000/-	Nil	Nil	4000/-
Shri Sharad Saraf *	None	1000/-	Nil	Nil	1000/-
Shri Anil Pavse**	None	1000/-	Nil	Nil	1000/-

\* appointed with effect from 29<sup>th</sup> January, 2011.

\*\*Resigned on 25.05.2010

Sitting fee of Rs.1000/- has been paid towards transportation for attending the Board meeting by the Directors.

Details of Directors seeking appointment / re-appointment at the Annual General meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of the Directors	Shri Rajkumar Jatia
Date of Birth	14.10.1951
Date of Appointment	25.05.2010
Expertise in Specific Functional Areas	Successful Entrepreneur with interest in varied field of trade and industry.
Qualification	B. Com.
Number of Public Companies in which outside Directorship held as on 31st March, 2011	Three
No. of shares held in the Company	Nil

Name of the Directors	Shri Rajkumar Saraf
Date of Birth	07.10.1945
Date of Appointment	25.05.2010
Expertise in Specific Functional Areas	Industrialist in Hardware & Software
Qualification	B. Com. / LL.B
Number of Public Companies in which outside Directorship held as on 31st March, 2011	Three
No. of shares held in the Company	Nil

Name of the Directors	Shri Sharad Saraf
Date of Birth	05.08.1947
Date of Appointment	29.01.2011
Expertise in Specific Functional Areas	Observer and Activists representing the different Industry Groups.
Qualification	Graduate (IIT)
Number of Public Companies in which outside Directorship held as on 31st March, 2011	Two
No. of shares held in the Company	Nil

#### F) Audit Qualification

There is no audit qualification by the Statutory Auditors.

#### (G) Shareholders' rights

The Quarterly results are published in Two News Papers- English and Vernacular and are also sent to Stock Exchanges.

#### MANAGEMENT:

A detailed Management Discussion and Analysis forms part of the Directors' Report is in accordance with the requirements laid out in Clause 49 of the Listing Agreement. All details related to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors neither participated in the discussion nor do they vote on such matters.

#### SHAREHOLDERS INFORMATION:

- The Company has provided all the details of the Directors seeking appointment or re-appointment in the AGM. Notice is enclosed with this Annual Report.
- The Board has constituted a "Shareholder's Grievance / Allotment and Transfer Committee" at the Board level to look into various issues relating to Shareholders / Investors including transfer and transmission of shares as well as non receipt of Annual Report, delay in transfer of shares. In addition, the Committee shall also look into the issues like status of dematerialization / dematerialization of shares, systematic follow-up track for investor's complaints and adoption of suggested measures for improvement from time to time.

The constitution of the Shareholder's Committee is as under:

Name of the Director	Executive / Non – Executive Director
Shri Sharad Saraf	Non Executive Independent Director
Shri Rajkumar Saraf	Non Executive Independent Director
Shri Kamalkumar Dujodwala	Executive Chairman (Promoter )

**c) ANNUAL GENERAL MEETING:**

Date	29th September, 2011
Venue	At Registered office: Kumbhivali Village, Tal: Khalapur, Khopoli-410 203, Dist-Raigad, Maharashtra
Time	11.00 a.m.
Book Closure date	19th September, 2011 to 28th September, 2011 (both days inclusive)

**d) Financial Calendar 2011 2012  
Financial Reporting for**

Quarter ended 30th June, 2011	End of July, 2011
Half year ended 30th September, 2011	End of October, 2011
Quarter ended 31st December, 2011	End of January, 2012
Quarter and year ended 31st March, 2012	End of April, 2012/ End of June, 2012
Annual General Meeting for the year ended 31st March, 2012	End of September, 2012

**e) LISTING ON STOCK EXCHANGE**

The Company's total issued, subscribed and paid up share capital is Rs. 90526800/- divided into 9052680 Equity Shares of Rs. 10/- each. Out of the said equity share 8606400 are listed on the Bombay Stock Exchange, 15200 are calls-in-arrears and 431080 are pending for listing with Bombay Stock Exchange.

**f) STOCK CODE**

The stock codes of your Company's Equity Shares are as follows:

1. The Stock Exchange, Mumbai - 514418
2. ISIN No. for shares in Demat mode - INE370D01013

**g) REGISTRAR AND SHARE TRANSFER AGENT**

The Company has appointed Universal Capital Securities Pvt. Ltd., (formerly known as "Mondkar Computers Pvt. Ltd) situated at 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai-400093 as Registrar and Share Transfer Agent for demat segment and physical transfer of shares.

**h) SHARE TRANSFER SYSTEM**

Share Transfer requests lodged in physical form with us are processed and returned to the Shareholders within a period of 30 days from the date of receipt. Demat requests are normally confirmed within an average period of 15 days from the date of receipt.

**i) STOCK PRICE DATA:**

Average monthly high and low share prices at the Mumbai Stock Exchange are given below :

Month	High	Low	Month	High	Low
April- 2010	34.00	28.00	Oct-2010	57.00	49.30
May- 2010	32.00	25.00	Nov-2010	64.30	45.10
June- 2010	32.00	25.00	Dec-2010	53.20	40.00
July- 2010	34.40	27.25	Jan-2011	48.40	37.10
Aug-2010	63.60	33.00	Feb-2011	40.00	29.50
Sept-2010	57.90	48.30	Mar-2011	39.00	33.00

**j) DISTRIBUTION OF SHARE HOLDING AS ON 31<sup>ST</sup> MARCH, 2011**

No. of shares	No. of share holders	% of share holders	No. of shares held	% of share holding
Up to 500	11643	92.58	1575810	17.41
501-1000	473	3.76	375352	4.14
1001-2000	242	1.92	361930	4.00
2001-3000	59	0.47	152664	1.69
3001-4000	31	0.25	108981	1.20
4001-5000	36	0.29	169525	1.87
5001-10000	42	0.33	302128	3.34
10001 and above	50	0.40	6006290	66.35
<b>Total</b>	<b>12576</b>	<b>100.00</b>	<b>9052680</b>	<b>100.00</b>

**(k) CATEGORIES OF SHARE HOLDING AS ON 31<sup>ST</sup> MARCH, 2011**

Categories	No. of shares held	% of holding
Indian Promoters	4201465	46.41
Foreign Promoters	-	-
Mutual Funds and UTI	1900	0.02
Banks / Financial Institutions	600	0.01
Foreign Institutional Investors	-	-
Private Corporate Bodies	711628	7.86
NRI/OCBs	290063	3.20
Indian Public	3847024	42.50
<b>Total</b>	<b>9052680</b>	<b>100.00</b>
No. of shares in Physical segment	1514230	16.73
No. of shares in Demat segment	7538450	83.27
<b>Total</b>	<b>9052680</b>	<b>100.00</b>
Plant Location and Registered office: At Post Kumbhivali, Tal. Khalapur, Khopoli – 410 203 Dist Raigad, Maharashtra		

**l) INVESTOR'S RELATIONS**

The Company received five complaints from shareholders during the financial year 2010-11 and the same were resolved satisfactorily.

**m) COMPLIANCES BY THE COMPANY**

No strictures / penalties have been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or any Statutory Authority for any matters related to capital markets, since the incorporation of the Company.

**v) REPORT ON CORPORATE GOVERNANCE**

This Corporate Governance Report forms part of the Annual Report. The Company is compliant with the Provisions of Clause 49 of the Listing Agreement of the Stock Exchanges in India

**VI) COMPLIANCE:**

- i) Certificate from the Statutory Auditors confirming compliance with the conditions of corporate governance as stipulated in Clause 49 of the Listing agreement of the Stock Exchange in India is annexed to the Directors Report and forms part of the Annual Report
- ii) Status of compliance of Non-mandatory requirement Remuneration of the Directors are decided and approved by the Board of Directors

**VII) MEANS OF COMMUNICATION: [power@bom3.vsnl.net.in](mailto:power@bom3.vsnl.net.in)**

The Quarterly and Half yearly results are forthwith communicated to all the Stock Exchanges with whom the Company has listing arrangements as soon as they are approved and taken on record by the Board of Directors of the Company. Further the results are published in Two News Papers.

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**DECLARATION**

I, Pannkaj Dujodwala, Managing Director of Dujodwala Products Limited hereby declare that all the Members of the Board of Directors and Senior Management Personals have affirmed compliance with the code of conduct for the year ended on 31<sup>st</sup> March, 2011.

**For Dujodwala Products Limited**  
**Sd/-**  
**Pannkaj Dujodwala**  
**Managing Director**

Place: Mumbai  
Dated: 30<sup>th</sup> May 2011.



## AUDITORS CERTIFICATE ON CLAUSE 49 COMPLIANCE

To,  
The Members of Dujodwala Products Limited

We have examined the compliance of conditions of Corporate Governance by Dujodwala Products Limited for the year ended on 31<sup>st</sup> March, 2011 as stipulated in Clause-49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance conditions of Corporate Governance are the responsibility of the Management. Our examination was to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the effectiveness with which the Management has conducted the affairs of the Company.

**For SUNDARLAL, DESAI & KANODIA**  
Chartered Accountants  
Firm Reg. No. 110560W  
Sd/-  
H.P.KANODIA  
Partner  
Membership No. 40617

Place: Mumbai  
Dated: 30<sup>th</sup> May 2011.

## AUDITORS' REPORT

To  
The Members of Dujodwala Products Limited,

- 1] We have audited the attached Balance Sheet of **DUJODWALA PRODUCTS LIMITED** ("the Company") as at 31<sup>st</sup> March, 2011 and its Profit and Loss Account and also 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.
- 2] We conducted our audit in accordance with auditing standards generally accepted in India. These 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.
- 3] 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.
- 4] Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit;
  - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv) In our opinion, the Balance Sheet, Profit and 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; and subject to Note No. 6 regarding disputed liability of excise duty, interest, & Note No. 12 in respect of sales tax deferral.
  - v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

- vi) In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with Significant Accounting Policies and subject to Note No. 6 regarding disputed liability of excise duty, interest & Note No. 12 in respect of sales tax deferment of Schedule 14 and Notes thereon gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- (a) in our opinion and according to the information and explanations given to us in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For Sundarlal, Desai & Kanodia**  
**Chartered Accountants**  
**Registration No. 110560W**

**Sd/-**  
**H. P. Kanodia (Partner)**  
**M.S. No. 40617**

Place: Mumbai  
Dated: 30<sup>th</sup> May 2011

## ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF DUJODWALA PRODUCTS LIMITED AS AT 31<sup>ST</sup> MARCH 2011)

- [I] [a] The Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets. However, the Company has informed us that it is in the process of maintaining register showing proper records.
- [b] According to the information and explanations given to us, all the 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 the company and the nature of its assets. No material discrepancies were noticed on such verification.
- [II] [a] The inventory has been physically verified during the year by the management and we have relied on the same. In our opinion, the frequency of verification is reasonable. The inventories lying with outside parties have been confirmed by the management.
- [b] In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- [c] In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material as informed by the management, and have been properly dealt with in the books of accounts.
- [III] [a] In our opinion and explanation given to us, Company has not granted loans to Companies, Firms, and other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (a), (b), (c) and (d) of clause 4(iii) are not applicable to the Company
- [b] The Company has not taken or granted any loans, secured or unsecured, from/ to Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (b), (c), (d), (e), (f) and (g) of clause 4 (iii) of the Order are not applicable to the Company.
- [IV] In our opinion and according to the information and explanation 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 purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we generally have not observed any continuing failure to correct major weaknesses in internal controls.

- [V] [a] To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have not been entered so far.

Nature of Transaction for the whole year	Amount (Rs)
Sales of Goods	24,81,338

- [b] In our opinion and according to the information and explanations given to us, in absence of the comparable price it is not possible to compare the transactions made in pursuance of contracts or arrangements to be entered in the register maintainable under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, we are not able to comment on the reasonability of price having regard to prevailing market prices at the relevant time.
- [VI] In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
- [VII] In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- [VIII] We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of any cost records under section 209(1) (d) of the companies Act, 1956 and we are of the opinion that prima-facie the prescribed accounts and records have been made and maintained. We have not, however, made a detail examination of the same.
- [IX] [a] According to the records of the Company undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, Sales Tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues to the extent applicable to it have generally been deposited regularly with the appropriate authorities.
- [b] According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date they became payable.
- [c] According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute, except as stated below:

Nature of Dues	Amount of Demand	Payment of Demand	Period to which amounts relates	Forum where Dispute is Pending
Interest on Excise Duty	1,89,31,646/-	25,39,508/-	July 1999 to Dec 2006	Settlement Commission by Company
Excise Duty	11,58,94,818/-	-----	April 99 to March 04	CESTAT by the Dept.
Excise Duty	1,01,92,867/-	-----	April 04 to Nov 04	CESTAT by the Company

- [X] The Company does not have accumulated losses and the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- [XI] Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- [XII] In our opinion and 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 pledges of shares, debentures and other securities.
- [XIII] In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a 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.
- [XIV] In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- [XV] In our opinion and according to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.
- [XVI] In our opinion and according to the information and explanations given to us, and on an overall examination of the records, and relying on the information complied by the Company for co-relating the funds raised to the end use of term loans, we have to state that, the Company has, prima facie, applied the term loans for the purposes for which they were obtained.
- [XVII] According to the information and explanations given to us and on an overall examination of the balance sheet of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of long term and short-term usages of the funds, we report that no funds raised on short-term basis have been used for long-term investment.

- [XVIII] According to the information and explanations given to us and on the basis of records examined by us, the Company has not made any preferential allotment of shares to companies or parties covered in the register maintained under section 301 of the Companies Act, 1956 except 19,42,857 share warrants allotted to the promoter group, out of these, 4,31,080 share warrants have been converted into equity shares of Rs. 10/- each at premium of Rs. 8.59/- each.
- [XIX] According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any Secured Debenture.
- [XX] According to the information and explanations given to us, the Company has not raised any money by public issue during the year covered by our audit report.
- [XXI] 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.

**For: Sundarlal, Desai & Kanodia**  
**Chartered Accountants**  
**Registration No. 110560W**  
Sd/-  
**H.P. Kanodia**  
**Partner**  
**Mem. No. 40617**

Place : Mumbai  
Dated : 30<sup>th</sup> May 2011

## BALANCE SHEET AS AT 31ST MARCH 2011

	SCH	31-03-2011 (Rs.)	31-03-2010 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	90,374,800.00	86,064,000.00
Share Warrants	2	7,025,984.00	9,029,428.00
Reserves and Surplus	3	310,504,177.95	230,532,924.13
Deferred Tax Liability		56,624,656.65	50,361,471.21
<b>LOAN FUNDS</b>			
Secured Loans	4	310,553,908.16	123,895,250.43
<b>TOTAL</b>		<b>775,083,526.76</b>	<b>499,883,073.77</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	722,886,875.67	632,850,952.74
Less : Depreciation		298,647,767.14	264,193,362.73
Net Block		424,239,108.53	368,657,590.01
Capital-Work-In-Progress		13,143,830.50	13,741,564.00
		<b>437,382,939.03</b>	<b>382,399,154.01</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	6	560,498,135.44	165,638,244.51
Investment	7	25,000.00	-
Sundry Debtors	8	186,587,408.46	142,838,694.54
Cash and Bank Balances	9	32,926,816.12	52,175,555.15
Loans and Advances	10	206,773,417.84	104,484,388.68
		<b>986,810,777.86</b>	<b>465,136,882.88</b>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	11	546,185,157.13	295,464,593.12
Provisions		102,925,033.00	52,188,370.00
		<b>649,110,190.13</b>	<b>347,652,963.12</b>
<b>NET CURRENT ASSETS</b>		<b>337,700,587.73</b>	<b>117,483,919.76</b>
<b>TOTAL</b>		<b>775,083,526.76</b>	<b>499,883,073.77</b>
Notes forming Part of the Accounts	16		
Schedules referred to above forms integral part of the Balance Sheet.			
As per our Report of Even Date			

For Sundarlal, Desai & Kanodia  
Chartered Accountants  
Sd-  
H. P. Kanodia (Partner)  
Mem. No. 40617  
Place : Mumbai  
Dated : 30th May 2011

For and on behalf of Board of Director

Sd-  
Director

Sd-  
Director



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2011

	SCH	31-03-2011 (Rs.)	31-03-2010 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>INCOME</b>			
Sales		1,762,084,787.83	1,336,149,672.67
Less: Excise Duty		171,296,654.00	102,578,706.85
		<b>1,590,788,133.83</b>	<b>1,233,570,965.82</b>
Export Sales		214,752,229.39	81,914,423.69
Trading Sales		101,979,612.18	142,814,000.35
Other Income		8,691,349.44	7,603,112.65
Increase in Stock		138,177,557.93	21,329,973.45
		<b>2,054,388,882.77</b>	<b>1,487,232,475.96</b>
<b>EXPENDITURE</b>			
Raw Material Consumed		1,477,446,271.40	989,377,385.38
Trading Purchases		82,913,803.53	143,453,581.18
Manufacturing Expenses	12	130,471,044.13	107,465,536.77
Employees Remuneration & Benefits	13	53,305,934.96	30,762,240.52
Administrative & Selling Expenses	14	89,837,248.78	69,503,273.47
Interest	15	34,156,916.52	6,327,344.64
Depreciation		35,521,014.19	29,817,173.94
		<b>1,903,652,233.51</b>	<b>1,376,706,535.90</b>
<b>Profit before Taxation</b>		<b>150,736,649.26</b>	<b>110,525,939.96</b>
Less: Provision for Taxation		48,000,000.00	36,000,000.00
Less: Provision for Deferred Taxation		6,263,185.44	2,534,719.21
Add: Excess Provision of I.T. for earlier period		-	119,621.46
<b>Profit after Taxation</b>		<b>96,473,463.82</b>	<b>72,110,842.21</b>
Balance brought forward from Previous year		144,717,495.99	88,142,468.78
<b>Profit transferred to Balance Sheet</b>		<b>241,190,959.81</b>	<b>160,253,310.99</b>
<b>APPROPRIATION</b>			
Provision for Dividend		9,037,480.00	8,606,400.00
Provision for Tax on Dividend		1,501,012.00	1,429,415.00
Transfer to General Reserve		20,000,000.00	5,500,000.00
Balance Carried to Balance Sheet		210,652,467.81	144,717,495.99
		<b>241,190,959.81</b>	<b>160,253,310.99</b>
Earning per share-Basic		<b>11.10</b>	<b>8.38</b>
Earning per share-Diluted		<b>9.13</b>	<b>8.19</b>
Notes forming Part of the Accounts	16		
Schedules referred to above forms integral part of the Profit & Loss A/c.			
As per our Report of Even Date			

For Sundarlal, Desai & Kanodia  
Chartered Accountants  
Sd-  
H. P. Kanodia (Partner)  
Mem. No. 40617  
Place : Mumbai  
Dated : 30th May 2011

For and on behalf of Board of Director

Sd-  
Director

Sd-  
Director

**SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2011**

**31-03-2011 (Rs.)    31-03-2010 (Rs.)**

**SCHEDULE 1**

**SHARE CAPITAL**

<u>Authorised</u> 1,20,00,000 (P.Y.1,20,00,000) Equity Shares of Rs. 10/- each	<u>120,000,000.00</u>	<u>120,000,000.00</u>
<u>issued, Subscribed and Paid Up</u> 90,52,680 (P.Y. 86,21,600) Equity Shares of Rs.10 each.	90,526,800.00	86,216,000.00
Less : Calls in Arrears	152,000.00	152,000.00
	<u>90,374,800.00</u>	<u>86,064,000.00</u>

(Includes 4,31,080 Equity Shares of Rs. 10 each fully paid up issued at premium of Rs. 8.59 per share upon conversion of convertible warrants issued on preferential basis.)

**SCHEDULE 2**

**SHARE WARRANTS**

15,11,777 (P.Y. 19,42,857) Warrants (Each Warrant carries entitlement to subscribe to One Equity Share of Rs.10/- each at a price of Rs. 18.59 per share (Refer note 17 on Sch. 16)	7,025,984.00	9,029,428.00
	<u>7,025,984.00</u>	<u>9,029,428.00</u>

**SCHEDULE 3**

**RESERVES & SURPLUS**

General Reserve	9,751,428.14	4,242,136.00
Add: State Subsidy Transferred	-	750,000.00
Add: Transferred from Profit & Loss Account	20,000,000.00	5,500,000.00
Less: Sales Tax Deferment Liability	9,666,695.00	740,707.86
	<u>20,084,733.14</u>	<u>9,751,428.14</u>
Share Premium	76,216,000.00	76,216,000.00
Addition: On issue of 4,31,080 Equity Shares upon conversion of convertible warrants	3,702,977.00	-
Less: Calls in Arrears	152,000.00	152,000.00
	<u>79,766,977.00</u>	<u>76,064,000.00</u>
Profit & Loss Account	210,652,467.81	144,717,495.99
	<u>310,504,177.95</u>	<u>230,532,924.13</u>

**SCHEDULE 4**

**SECURED LOANS**

Term Loans From Saraswat Co-op. Bank Ltd.		
Corporate Loan	53,647,719.00	-

## SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2011

	31-03-2011 (Rs.)	31-03-2010 (Rs.)
[Secured against first charge on the present and future fixed assets of the company (Land & Building and Plant & Machinery)] [Repayable within one year Rs. 2,54,64,000 (P.Y. Rs. Nil)] Rupee Term Loan-I	11,505,339.00	-
[Secured against hypothecation of existing plant & machinery of company] (Re-payable within one year Rs. 1,05,00,000/- (P.Y. Nil))  Rupee Term Loan-II	41,702,471.00	-
[Secured against hypothecation of Equipments and Plant & Machinery financed] [[Re-payable within one year Rs. 84,60,000/- (P.Y. Nil)]  Cash Credit from The Saraswat Co-op Bank Ltd.	196,636,894.25	-
[Secured against hypothecation of inventories and book debts of the company]  [All the above facilities with The Saraswat Co-op. Bank Ltd. Are collaterally secured by equitable mortgage of factory land and building at Kumbhivali Village, Savroli Kharpada Road, Taluka - Khalapur, Dist: Raigad, Maharashtra area approximately 22 acres and hypothecation of plant & machinery with WDV of Rs. 2769.83 lacs as on 31.03.2010 These are further secured by personal guarantee of the directors (a) Shri Kamalkumar Dujodwala and (b) Shri Pannkaj Dujodwala.		
Rupee Term Loan (Secured against Mortgage on all the immovable & movable assets, present & future & Personal guarantee of Promoter Directors of the Company- Shri. P R Dujodwala & Shri. K R Dujodwala along with corporate guarantee of Dujodwala Resins & Terpenes Ltd. & Demand Promissory Note. Repayable within one year Rs. Nil (Previous year 1,20,00,000/-)	-	24,000,000.00
Cash Credit from Jammu & Kashmir Bank Ltd.	-	45,566,888.85
Working Capital Loan from IDBI Bank Ltd.		
IDBI BANK Cash Credit A/C (Secured against Mortgage on all the immovable and movable assets, present & future & Personal guarantee of promoter Directors of the Company- P R Dujodwala & K R Dujodwala along with corporate guarantee of Dujodwala Resins & Terpenes Ltd & Demand Promissory Note.)	-	43,336,887.47
Loan from HDFC Bank	5,979,523.91	9,038,559.40
Loan from ICICI Bank	-	137,662.71
Loan from Kotak Mahindra Bank (Secured against Vehicle and personal guarantee of Shri P.R. Dujodwala, Director of the Company) [Repayable within next year Rs 32,00,354 (P.Y. Rs 42,63,644/-)]	1,081,961.00	1,815,252.00
	<b>310,553,908.16</b>	<b>123,895,250.43</b>

**DUJODWALA PRODUCTS LIMITED**

**SCHEDULE 5  
FIXED ASSETS**

ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As on 1-4-10	Additions during year	Deductions during year	Total	As on 1-04-10	During the period	Deduction	As on 31-3-11	As on 31-3-10
Land	2,906,900.13	-	-	2,906,900.13	-	-	-	2,906,900.13	2,906,900.13
Residential Premises	5,435,483.15	-	-	5,435,483.15	2,205,300.31	88,598.38	-	2,293,898.69	3,130,182.84
Factory Building	91,669,310.32	3,460,336.71	-	95,129,647.03	34,757,310.91	3,139,111.06	-	37,896,421.97	56,911,999.41
Plant And Machinery	479,200,510.28	87,434,368.93	-	561,634,879.21	202,217,646.45	29,369,725.94	-	231,587,372.39	276,982,863.83
Vehicles	21,802,210.83	1,714,871.24	2,116,814.00	21,400,268.07	3,792,933.09	2,177,511.47	1,066,609.78	4,903,834.78	18,009,277.74
Furniture & Fixture	3,611,535.72	3,240,971.37	-	6,852,507.09	2,146,921.34	357,874.04	-	2,504,795.38	1,464,614.38
Computers	1,589,140.29	288,416.49	10,816.00	1,866,740.78	414,913.58	761,809.29	-	686,722.87	1,164,226.71
Office Equipment	26,269,730.62	1,031,007.19	5,419.00	27,294,318.81	18,515,899.70	120,415.07	-	18,636,315.77	7,753,830.92
Office Premises	366,131.40	-	-	366,131.40	132,437.35	5,967.94	-	138,405.29	233,694.05
<b>Total</b>	<b>632,810,952.74</b>	<b>92,169,971.93</b>	<b>2,134,049.00</b>	<b>722,886,875.67</b>	<b>264,193,362.73</b>	<b>35,521,014.19</b>	<b>1,066,609.78</b>	<b>424,239,108.53</b>	<b>368,657,590.01</b>
Capital Work-in-Progress	-	-	-	-	-	-	-	-	13,741,564.00
Previous Year	646,969,588.97	87,909,291.77	2,027,928.00	632,886,875.74	235,317,191.79	29,817,173.94	941,003.00	382,399,154.01	311,652,397.18

**SCHEDULE 6**
**INVENTORIES**

(Valued and certified by Directors)

Raw Material (incl. in transit) (At cost or net realisable value whichever is less)	308,514,942.00	54,048,063.00
Finished and Semi Finished Goods (At cost or market price whichever is less)	245,225,178.44	107,047,620.51
Power & Fuel (At cost or net realisable value, whichever is less)	3,151,264.00	2,766,741.00
Stores & Spares (At cost or net realisable value, whichever is less)	2,500,000.00	978,540.00
Packing Materials (At cost or net realisable value, whichever is less)	1,106,751.00	797,280.00
	560,498,135.44	165,638,244.51

**SCHEDULE 7**
**INVESTMENT**

 Long term, un-quoted, non-trade  
 2,500 Equity Shares with face value of Rs. 10/-  
 each of The Saraswat Co-Op Bank Ltd

	25,000.00	-
	25,000.00	-

**SCHEDULE 8**
**SUNDRY DEBTORS**

(Unsecured, Considered good)

Debtors exceeding six month considered good	1,429,086.82	1,924,953.54
Others	185,158,321.64	140,913,741.00
	186,587,408.46	142,838,694.54

**SCHEDULE 9**
**CASH & BANK BALANCES**

Cash in Hand	539,181.44	620,127.64
<b>Balance with Scheduled Banks:</b>		
- In Current Account	13,242,022.68	8,958,200.51
- Deposit /Margin Account	19,145,612.00	42,597,227.00
	32,926,816.12	52,175,555.15

**SCHEDULE 10**
**LOANS & ADVANCES**

(Unsecured, Considered good)

Advance recoverable in cash or kind or for value to be recovered	67,743,839.90	67,043,021.25
Deposits	4,238,533.06	5,092,331.29
Balance with Excise Authorities	85,022,429.23	13,291,886.00
Advance Tax and TDS	48,885,991.65	18,744,458.65
Prepaid Expenses	882,624.00	312,691.49
	206,773,417.84	104,484,388.68

**SCHEDULE 11**
**CURRENT LIABILITIES & PROVISIONS**
**Current Liabilities :**

Sundry Creditors	454,849,745.86	243,383,329.48
Advance from Customers	67,858,245.70	37,888,840.35
Other Liabilities	23,477,165.57	13,982,968.29
Interest Accrued but not due on loans	-	209,455.00

	546,185,157.13	295,464,593.12
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**Provisions:**

Provision for Taxation	86,715,000.00	38,715,000.00
Provision for Dividend	9,037,480.00	8,606,400.00
Provision for Tax on Dividend	1,501,012.00	1,429,415.00
Provision for Gratuity & Leave Salary	5,671,541.00	3,437,555.00

	102,925,033.00	52,188,370.00
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**SCHEDULE 12**
**MANUFACTURING EXPENSES**

Boiler Expenses	1,642,947.00	3,673,692.00
Power and Fuel	88,922,345.22	76,949,093.92
Packing Material and Charges	14,408,754.24	12,834,728.79
Repairs & Maintenance -		
- Plant & Machinery	3,100,863.40	1,364,870.66
- Buildings & others	5,032,544.75	1,503,388.05
Stores & Spares	4,126,728.44	6,729,110.53
Laboratory Expenses	210,441.06	215,632.72
Electricity & Water Charges	1,539,279.00	1,261,757.00
Increase in Excise duty on Closing Stock of Finished Goods	8,762,919.23	615,904.36
Rent, Rates and Taxes	2,724,221.79	2,317,358.74

	130,471,044.13	107,465,536.77
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**SCHEDULE 13**
**EMPLOYEES REMUNERATION & BENEFITS**

Salaries, Wages, Bonus & Contribution to Funds	43,351,352.30	27,043,868.52
Directors Remuneration	7,717,520.00	2,161,645.00
Staff Welfare and Medical	2,237,062.66	1,556,727.00

	53,305,934.96	30,762,240.52
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**SCHEDULE 14**
**ADMINISTRATIVE & SELLING EXPENSES**

Advertisement Expenses	303,299.00	401,294.00
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Bank and LC charges	8,524,247.30	9,357,135.08
Brokerage and Commission	1,658,222.90	2,165,455.00
Consultancy & Retainership Fees	1,114,250.00	3,220,373.00
Export Expense	12,633,597.01	5,303,032.76
Freight and Forwarding	40,051,305.06	27,397,447.49
Insurance Expenses - Others	827,818.22	804,486.29
Legal & Professional Fees	2,682,813.80	2,531,032.98
Licence Fee & Service Tax	14,342.00	3,466,509.52
Loss on sale of Fixed Assets	730,204.22	718,592.00
Membership & Subscription, Books & Periodicals	418,892.41	184,626.00
Miscellaneous Expenses	1,213,302.86	509,479.01
Postage , Courier and Telephone	2,095,486.85	1,502,902.82
Printing and Stationery	1,180,321.05	798,065.20
Rebate & Discount on Sales	2,638,562.76	872,148.36
Sales Promotion Expenses	826,920.71	662,365.09
Security Charges	1,329,517.00	833,810.00
Travelling & Conveyance	8,153,636.28	5,424,890.49
Vehicle Expenses	2,858,509.35	2,767,628.38
<b>Payment to Auditors:</b>		
- Audit Fees	250,000.00	250,000.00
- Tax Audit Fees	75,000.00	75,000.00
- Other Capacity	25,000.00	25,000.00
- Company Law Matters	25,000.00	25,000.00
- VAT Audit Fees	207,000.00	207,000.00
<b>Total</b>	<b>89,837,248.78</b>	<b>69,503,273.47</b>

#### SCHEDULE 15

#### INTEREST (NET)

On Term Loan	14,572,804.00	2,930,114.36
On Other Facilities	15,716,531.00	5,715,450.03
Interest to Others	5,900,595.39	270,278.25
<u>Less:-</u>		
Interest Received from Bank	2,033,013.87	814,864.00
Interest Received from Others	-	1,773,634.00
	<b>34,156,916.52</b>	<b>6,327,344.64</b>

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2011.**

**SCHEDULE 16**

**1] SIGNIFICANT ACCOUNTING POLICIES**

**I] ACCOUNTING CONVENTION**

The financial statements are prepared under historical cost convention on accrual basis and are in accordance with the requirements of the Companies Act, 1956 and comply with the Accounting Standards specified by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

**II] USE OF ESTIMATES**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

**III] FIXED ASSETS, DEPRECIATION AND TREATMENT OF EXPENDITURE DURING CONSTRUCTION:**

Fixed Assets are stated at cost net of cenvat / value added tax and includes amount added on revaluation less accumulated depreciation and impairment loss, if any. All Cost is inclusive of Freight, Duties, (net of tax credits as applicable) levies and any directly attributable cost till commencement of commercial production.

Depreciation on fixed assets is provided as per the straight line method (SLM) at the rate and in the manner prescribed in schedule XIV of the Companies act, 1956 on prorata basis. Fixed Assets are capitalized at cost inclusive of expenses and interest wherever applicable.

**IV] IMPAIRMENT OF ASSETS**

At each balance sheet date, the Management reviews the carrying amounts of assets and goodwill included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the assets and goodwill is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from disposal are discounted to their present value using a pre tax discount rate that reflects the current market assessments of time value of money and the risk specific to the assets.

Reversal of impairment loss is recognized immediately as income in the profit and loss account.

**V] VALUATION OF INVENTORIES**

- [a] Raw Materials, General Stores & Packing Material are valued at cost or net realizable value, whichever is lower.
- [b] Work-in-progress is valued at cost of materials or their net realizable value, whichever is lower and labours together with relevant factory overheads.
- [c] Finished Goods valued at cost or market value whichever is less. The value includes excise duty paid/payable on such goods.

Due consideration is given to the salability of the stocks and no obsolete or unserviceable damaged items included therein except at their net realizable value.

**VI] EXPENSES**

Material known liabilities are provided for on the basis of available information / estimates.

**VII] REVENUE RECOGNITION**

**A:** Sales are recognized, net of returns and trade discounts, on dispatch of goods to customers and are reflected in the accounts at gross realizable value i.e. Inclusive of excise duty.

**B:** In appropriate circumstances, Revenue (Income) is recognized when no significant uncertainty as to measurability



or collectibles exists and in case of, Export benefits/incentives are accounted on accrual basis.

C: Interest income is recognized on time proportionate method.

### **VIII] EMPLOYEE RETIREMENT BENEFITS**

#### **A: Defined Contribution Plans:**

The company has defined contribution plan for Post -employment benefits in the form of Provident fund for all eligible employees; which is administered by the Regional Provident Fund Commissioner. Company has no further obligations beyond its monthly contribution.

#### **B: Defined Benefits Plans:**

**Funded Plan:** The Company has defined benefit plan for Post-employment benefit in the form of Gratuity for all employees which is administered through Life Insurance Corporation (LIC).

Liability for above defined benefit plan is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

#### **C: Other Long Term Employee Benefits:**

Liability for compensated absence (unutilized leave benefit) is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method in respect of past services.

D: Termination benefits are recognized as an expense as and when incurred.

E: The actuarial gains and losses arising during the year are recognized in the profit and loss account of the year without resorting to any amortization.

### **IX] EXCISE DUTY & CENVAT CREDIT**

Excise Duties recovered are included in Sales and shown separately in financial statement as deduction from sales. Excise duty provision made in respect of finished goods lying at factory premises are shown separately as an item of manufacturing and other expenses and included in the valuation of finished goods. Cenvat credit available on purchases of service / materials / capital goods is accounted by reducing cost of services / materials / capital goods. Cenvat credit availed of is accounted by way of adjustment against excise duty payable on dispatch of finished goods.

### **X] CUSTOMS DUTY**

Customs Duty on goods lying in Custom Bonded Warehouse is charged in the year of clearance of goods when it becomes payable.

### **XI] FOREIGN CURRENCY TRANSACTIONS**

A: Transactions entered into and concluded during the year in foreign currency are recorded at the actual exchange rates prevailing at the time of the transactions.

B: Transactions in Foreign Currency are recorded at the original rate of exchange in-force at the time transactions are effected. Foreign Currency transactions remaining unsettled at the year-end are translated at the rate prevailing on the balance sheet date. The difference in translation of monetary assets and liabilities of realized gains or losses on foreign exchange transaction are recognized in the Profit and Loss Account.

### **XII] BORROWING COSTS**

Borrowing Costs that are attributable in the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

### **XIII] TAXATION**

A: Provision for current taxation is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with Income Tax Act 1961 for relevant assessment year.

B: Deferred Tax resulting from "timing differences" between book and tax profits is accounted for under the

liability method, using the tax rates and laws that has been enacted as of the balance sheet date, to the extent that the timing differences are expected to crystallize as deferred tax charge / benefit in the Profit and Loss Account and as deferred tax asset or liabilities in the Balance Sheet. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

#### **XIV] PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS**

Provisions involving degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are disclosed separately.

Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed by the Company.

#### **2] CONTINGENT LIABILITIES - Not provided for in respect of**

a.

	Current Year (Rs)	Previous Year (Rs)
Bank Guarantee	2,05,000	1,05,000

Bank Guarantees issued by Banks on behalf of the company Rs. 2.05 Lacs (Previous Year Rs.1.05 Lacs). These are secured by the charge created in favour of the company's bankers by way of pledge of Fixed Deposit Receipts.

#### **b) Excise Duty**

	Current Year (Rs)	Previous Year (Rs)
Feb 04 to May 05 (Price Difference)	2,47,49,315	2,47,49,315
April 99 to March 04 (Central excise duty)	11,58,94,818	11,58,94,818
April 04 to Nov 04 (Central excise duty)	1,01,92,867	1,01,92,867
Dec 04 to Sept 05 (Central excise duty)	81,44,105	81,44,105
Interest on Excise duty (net of payment)	1,63,92,138	1,63,92,138

#### **c) Claim not acknowledged**

	Current Year (Rs)	Previous Year (Rs)
Others	9,10,000	9,10,000

The (Other) claim against company not acknowledged as debt is for suite filed in Mumbai High court for Rs 7.65 lac by Mumbai Port Trust and claim for Rs 1.27 lac by Marine Container Service Ltd and Rs 0.18 lac by Pacific International Ltd as damages charges for container received through them.

d) Letter of credit issued by the bankers of the company Rs. 15,95,45,533/- (P.Y. Rs. 16,29,63,915/-)

e) The Company has cleared 19 MT of Pentaerythritol against Bill of Entry No. 616414 dated 20.10.2005. The custom department had asked the Company to pay Rs. 2,16,772/- on account of Anti Dumping Duty for clearance of the said goods as per Notification No. 93/2005 of customs issued on 20.10.2005 wherein the said goods were covered for levy of anti dumping duty imported from certain countries. The Company has deposited the said amount on 25.11.2008 as per CESTAT order No. S/603/WAB/MUM/2008/CSTB/CII dated 20.10.2008, but no provision has been made in books of accounts as the management is of the view that the consignment will not be covered under the notification, as on date of clearance of the goods the notification was not published in Gazette of India.

- 3] Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part-II of Schedule-VI to the Companies Act, 1956. (As per Annexure Attached)
- 4] The balance of Sundry Debtors, Sundry Creditors, Loans & Advances and others are as per books and subject to confirmations and reconciliation if any.
- 5] In the opinion of the Board and to the best of their knowledge the value of realization of current assets, loans & advances in the ordinary course of business, would not be less than the amount at which they are stated in the Balance Sheet.

**6] EXCISE & CUSTOM DUTY**

- A) The Company had received Show Cause Notice from the Excise Department for the period July 1999 to May 2005 of Rs.6,89,27,843/- for Excise Duty on price difference. Out of the said show cause, the demand in relation to July 1999 to January 2004 was Rs. 4,41,78,530/-. The Company had filed application with the Office of Customs & Central Excise Settlement Commission for such demand of Rs. 4,41,78,530/-, which had passed an Final Order on 06.11.2006 confirming Demand of Rs 3,80,84,939 with simple interest of 10% p.a after the date the duty was due till it was paid. The Company has paid an aggregate amount of Rs.3,80,84,936/- and furthers an amount of Rs.25,39,508 toward Interest against the Interest demand of Rs. 1,89,31,646/-. The Company filed writ petition on Honorable High Court challenging the calculation of excise duty settled to Rs. 3,80,84,939/-. According to the direction of the Honorable High Court the Settlement Commission, Additional Bench, Mumbai passed an order dated 24<sup>th</sup> June 2009 and the settled excise duty was reduced from Rs. 3,80,84,939/- to Rs. 3,34,06,319/-. For the demand of Rs. 2,47,49,315/- for the period Feb 04 to May 05, the Company has received order in its favour from the CESTAT against the Order passed by the Commissioner of Central Excise & Custom against which the department has filed an civil appeal in Supreme Court for condonation of delay in filling the Petition of appeal.; hence no provision has been made in books of account for Excise duty of Rs 2,47,49,315/- & Interest liability of Rs 1,63,92,138/-
- B) The Excise department has gone in appeal against the Show Cause Notice decided in favour of Company by Commissioner of Central Excise and Customs (Appeals) for Rs.11,58,94,818/- in respect of Excise Duty on Turpentine & Rosin manufactured (exempted from excise manufactured without aid of power) for the period April 99 to March 04. The Company has further received Show Cause Notice from the Department for the period April 04 to November 04 of Rs. 1,01,92,867/- for which the Company has obtained Stay Order from the CESTAT against the Order passed by the Commissioner against it, hence no provision has been made in books of account. Further show cause notice for the period December 04 to September 05 for Rs 81,44,105/- have been received, and the same is pending before the Commissioner of Central Excise & Custom for adjudication, not provided for in books of account.

**7] MANAGERIAL REMUNERATION**

	Current Year (Rs)	Previous Year (Rs)
Managerial Remuneration for Managing Director and Whole-time Director	77,17,520	21,61,645

The total amount of Managerial Remuneration is inclusive of Commission of Rs. NIL payable to the Managing Director and Whole time-Director (Previous Year NIL)

8] a)	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
<b>Expenditure in Foreign Currency on account of :</b>		
- Raw Material (CIF)	12,081.61	6,774.13
- Travelling Expenses	31.63	13.49
- Purchase of Trading Goods	536.81	276.55
<b>b)</b>		
<b>Earning in Foreign Currency on account of :</b>		
Exports made on FOB Basis	2,037.79	820.15

**9] SEGMENT REPORTING**

The Company is mainly engaged in the business of Manufacturing of Chemicals. Considering the nature of business and financial reporting of company, the company has only one segment viz "Chemicals" product as reportable segment. The company operates in Local/Export segment geographically of which the exports have amounted to Rs. 2,147.52 Lacs (P.Y.Rs. 819.14 lacs) out of Total Turnover of Rs. 19,075.20 Lacs (P.Y. Rs. 14,582.99 lacs). But due to the nature of business, the assets/ liabilities and expenses for these activities cannot be bifurcated separately.

- 10]** The Company does not have complete information to determine Micro, Small and Medium Enterprises as specified in Micro, Small and Medium Enterprises Development Act, 2006 hence it is not possible for us to verify the amount due to such enterprises.
- 11]** In consonance with the Accounting Standards on Inventory Valuation (AS2) and Guidance Note on Accounting Treatment for Excise issued by The Institute of Chartered Accountants of India, the Company has provided for liability of Excise duty payable on finished goods amounting to Rs 100.99 Lacs (Rs. 13.36 Lacs).
- 12]** The Company was earlier enjoying the benefit of sales tax deferment under state incentive package scheme as the unit was situated in a state notified backward area. During the earlier period i.e. 1997-98 to 2001-02 the deferred sales tax liability of Rs. 4,23,76,294/- was included in sales and not shown as liability. Therefore the unsecured liability of sales tax deferment as shown in the balance sheet is understated to an extent of Rs. 4,23,76,294/- for which no provision was made and Reserve & Surplus have been overstated to that extent. In current year the company has paid Rs. 96,66,695/- (P.Y. Rs. 7,40,707/-) out of the above mentioned deferred sales tax liability which is debited to General Reserve hence reserve & surplus as on 31<sup>st</sup> March 2011 is now overstated to the extent of Rs. 3,19,68,892 only.

**13] EARNINGS PER SHARE:**

Sl. No.	Description	2010-11	2009-10
a)	Weighted average number of equity Shares of Rs.10/- each		
	i) Number of shares at the Beginning of the year.	86,21,600	86,21,600
	ii) Number of shares at the End of the year	90,52,680	86,21,600
	Weighted average number of Equity Shares – Basic	86,94,825	86,21,600
	Weighted average number of Equity Shares – Diluted	1,05,64,457	88,07,901
b)	Net profit after tax available for Equity share-holders (Rs. in lacs)	964.73	721.10
c)	- Basic Earnings per Equity Share (in Rupees)	11.10	8.36
	- Diluted Earning per Equity Share (in Rupees)	9.13	8.19

**14] Related parties disclosure as per Accounting Standard 18.**

[A] Key Management Personal (KMP) and their Relatives.

Kamalkumar R. Dujodwala	Chairman
Pannkaj R. Dujodwala	Managing Director
S.C Sen	Whole Time Director
Mrs. Manisha P. Dujodwala	Spouse of Managing Director
Mrs. Alka K Dujodwala	Spouse of Chairman
Mrs. Shampa Sen	Spouse of whole time Director

[B] Companies/Firm controlled by Directors/Relatives who have the authority and controlling their activities.

Balaji Pine Chemicals Ltd  
Speciality Chemicals  
Dujodwala Resin & Terpenes Ltd.  
Indo-Euro Securities Ltd.  
Dujodwala Exports Pvt. Ltd.  
Pine Forest & Investment Ltd.

The directors are the key management Personal (KMP) who have the authority and controlling the activities of the Company.

[C] Information on related party transactions as required by accounting Standard-18 for the year ended 31-03-2011.

Nature of Transaction	Directors		Relatives of Directors		Companies Controlled by Directors / Relatives/Associates	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Sale of Goods (Including Consignment Sales)	-	-	-	-	24,81,338	52,66,716
Purchase of Goods	-	-	-	-	-	27,87,421
Remuneration	77,17,520	21,61,645	9,96,540	574,380	-	-
Closing Balance as on 31-03-2011:						
Debit Balance	-	-	-	-	3,65,47,717	4,30,99,807
Credit Balance	-	-	-	-	2,24,04,331	2,56,18,588

Note: - Related party relationship is as identified by the Company and relied upon by the Auditors.

- 15] In accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India deferred tax expenses on account of timing difference for current year is Rs. 62.63 Lacs (Previous year Rs. 25.34 Lacs is charged to Profit & Loss Account). The significant component and classification of deferred tax assets and liabilities on account of timing difference are as under:-

Particulars	Current year	Previous Year
Deferred Tax Assets		
- Gratuity Liability	17,51,622	1,009,547
- Leave Liability	-	132,323
Deferred Tax Liability		
- Depreciation	58,376,278	51,503,341
Net Deferred Tax Liability/(Assets) on account of timing difference	5,66,24,656	50,361,471

- 16] Disclosure in accordance with Revised AS - 15 on "Employee Benefits"

The Company has classified the various benefits provided to employees as under:-

(i) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Profit and Loss Account:

	For the year ended March 31, 2011	For the year ended March 31, 2010
Employers Contribution to Provident Fund	9,78,401.00	627,657.00

(ii) **Defined Benefit Plan**  
**Contribution to Gratuity Fund**

<b>a. Major Assumptions</b>	<b>For the year ended March 31, 2011</b>	<b>For the year ended March 31, 2010</b>
	<b>(% p.a.)</b>	<b>(% p.a.)</b>
Discount Rate	8.25	8.25
Expected Rate of Return on Plan Assets	8.00	8.00
Salary Escalation Rate	5.00	5.00
Attrition Rate	2.00	2.00
@ The estimates for the future salary increases considered takes into account the Inflation, seniority, promotion and other relevant factors.		
<b>b. Change in the Present Value of Obligation</b>		
Present Value of Obligation as at April 1, 2010	30,39,203	23,28,149
Current Service Cost	3,65,578	2,70,948
Interest Cost	2,80,894	2,07,928
Benefit Paid	-	-
Actuarial Loss on Obligations	15,87,514	2,32,178
Present Value of Obligation as at March 31, 2011	52,73,189	30,39,203
<b>c. Change in Fair Value of Plan Assets</b>		
Present Value of Plan Assets as at April 1, 2010	-	-
Expected Return on Plan Assets	-	-
Actuarial (Loss) on Plan Assets	-	-
Contributions	-	-
Benefits paid	-	-
Present Value of Plan Assets as at March 31, 2011	-	-
<b>d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>		
Present value of Funded Obligation as at March 31, 2011	52,73,189	30,39,203
Fair Value of Plan Assets as at March 31, 2011	-	-
Funded Status	-	-
Present Value of Unfunded Obligation as at March 31, 2011	52,73,189	30,39,203
Unfunded Net Liability Recognised in the Balance	52,73,189	30,39,203

Sheet Disclosed in Current Liabilities		
<b>e. Amount Recognised in the Balance Sheet</b>		
Present Value of Obligation as at March 31, 2011	52,73,189	30,39,203
Fair Value of Plan Assets as at March 31, 2011	-	-
Liability Recognised in the Balance Sheet and disclosed under Current Liabilities	52,73,189	30,39,203
<b>f. Expenses Recognized in the Profit and Loss Account</b>		
Current Service Cost	3,65,578	2,70,948
Interest Cost	2,80,894	2,07,928
Expected Return on Plan Assets	-	-
Net Actuarial Losses Recognised in the Profit and Loss Account	15,87,514	2,32,178
Total expenses Recognised in the Profit and Loss Account	22,33,986	7,11,504
Actual Return on Plan Assets	Nil	Nil

- 17] Pursuant to the approval of the members by way of special resolution passed at the Extra-Ordinary General Meeting of the Company held on 28<sup>th</sup> December 2009, the Company has allotted 19,42,857 warrants on 25<sup>th</sup> February 2010. Each warrant carries entitlement to subscribe for one equity share of Rs. 10/- each at a premium of Rs. 8.59/- per share. The subscriber to warrant has paid 25% amount being Rs. 90.29 lacs on application. The holders of the warrants would be entitled to exercise the right to apply for Equity Shares in one or more tranches but within 18 months from the date of allotment of Warrants, subject to full payment of the exercise price. In the event the proposed allottees does not exercise the right to subscribe to the equity shares within a period of 18 months from the date of allotment of warrants, the amount paid by the proposed allottees shall stand forfeited and the proposed allottees shall not be entitled for refund of the same. Out of the above, 4,31,080 warrants have been converted into equity shares during the year and full payment have been received by the company from the allottees of the above stated equity shares.
- 18] As at March 31, 2011, the Company has reviewed the future earnings of all the cash generating units in accordance with the Accounting Standard 28 "Impairment of Assets". As the carrying amount of assets does not exceed the future recoverable amount, consequently, no adjustment to carrying amount of assets is considered necessary by the Management.
- 19] Previous year's figures have been rearranged/ regrouped wherever found necessary.
- 20] The balance sheet abstract and company general balance sheet profile as required by part IV of schedule VI to the Companies Act, 1956 are given in the Annexure.

**AS PER ANNEXED REPORT OF EVEN DATE**

**For Sundarjal, Desai & Kanodia**  
**Chartered Accountants**  
 Sd-  
**H. P. Kanodia**  
**Partner**  
**Mem. No. 40617**  
 Place : Mumbai  
 Dated : 30th May 2011

**For and on behalf of Board of Directors**  
 Sd/-  
**Kamalkumar Dujodwala Chairman**  
 Sd/-  
**Pannkaj Dujodwala - Managing Director**

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended March 31, 2011	For the year ended March 31, 2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax	150,736,649.26	110,525,939.96
<b>Adjustment For :</b>		
Depreciation	35,521,014.19	29,817,173.94
Interest	34,156,916.52	6,327,344.64
Loss on sale of Fixed Assets	730,204.22	718,592.00
<b>Operating Profit before Working Capital Changes</b>	<b>221,144,784.19</b>	<b>147,389,050.54</b>
<b>Adjustment For :</b>		
Trade & Other Receivables	(115,896,210.08)	(48,068,565.01)
Inventories	(394,859,890.93)	25,415,985.85
Trade Payables	242,885,970.01	35,846,361.17
<b>Cash Generated from Operations</b>	<b>(46,725,346.81)</b>	<b>160,582,832.55</b>
Income tax Paid	(30,141,533.00)	(15,578,885.00)
<b>Cash Flow before Extraordinary Items</b>	<b>(76,866,879.81)</b>	<b>145,003,947.55</b>
<b>Net Cash from Operating Activities - I</b>	<b>(76,866,879.81)</b>	<b>145,003,947.55</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(91,572,238.43)	(101,650,855.77)
Sale of Fixed Assets	320,000.00	368,333.00
Purchase of Investments	25,000.00	0.00
<b>Net Cash used in Investing Activities - II</b>	<b>(91,227,238.43)</b>	<b>(101,282,522.77)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Conversion of warrants into Equity Shares	6,010,333.00	0.00
Proceeds from Short Term Borrowings	107,733,117.93	(3,318,433.72)
Proceeds from issue of Share Warrants	0.00	9,029,428.00
Interest Paid	(34,156,916.52)	(7,082,120.64)
Payment of sales tax deferrment loan	(9,666,695.00)	(7,040,860.14)
<b>Net Cash Used in Financing Activities - III</b>	<b>148,845,379.21</b>	<b>(8,411,986.50)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(19,248,739.03)</b>	<b>35,309,438.28</b>
<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>52,175,555.15</b>	<b>14,152,415.87</b>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>32,926,816.12</b>	<b>52,175,555.15</b>

**Notes:**

1. Cash & Cash Equivalents represents cash and bank balances.
2. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
3. Proceeds from Long Term and Short Term borrowings are shown net of Repayments.
4. Proceeds from conversion of warrants into Equity Shares are shown including share premium received
5. Previous year's figures have been regrouped where necessary to conform to the year's classification.
6. Figures in brackets represents Cash Outflow.

**For Sundarlal, Desai & Kanodia**  
Chartered Accountants  
Sd-  
H. P. Kanodia (Partner)  
Mem. No. 40617  
Place : Mumbai  
Dated : 30th May 2011

**For and on behalf of Board of Director**

Sd-  
Director

Sd-  
Director



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### 1. Registration Details

Registration No :-	24742	State Code	11
Balance Sheet Date :-	31/03/2011		

### 2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

### 3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	1,424,193.72	Total Assets	1,424,193.72
Sources of Funds			
Paid up Capital	90,374.80	Reserves & Surplus	310,504.18
Secured Loans	310,553.91	Unsecured Loans	Nil
Share Warrants	7,025.98	Deffered Tax Liabilities	56,624.66
Application of Funds			
Net Fixed Assets	437,382.94	Investments	25
Net Current Assets	337,675.59	Miscellaneous Expenditure	Nil
Accumulated Losses	Nil	Deffered Tax Assets	Nil

### 4. Performance of Company (Amount Rs. in Thousands)

Turnover/Income	2,054,388.88	Total Expenditure	1,903,652.23
Profit/Loss before Tax	150,736.65	Profit/Loss after Tax	96,473.46
Earning per share - Basic (in Rs.)	11.10	Dividend Rate %	10.00
Earning per share - Diluted (in Rs.)	9.13		

### 5. Generic names of three principal products/services of Company (as per monetary terms)

Item Code No. (ITC Code)	29142120
Product Description :	CAMPHOR & BY PRODUCTS
Item Code No.	38061010
Product Description :	ROSIN
Item Code No.	38051020
Product Description :	TERPENTINE

**For Sundarlal, Desai & Kanodia**  
Chartered Accountants

Sd-  
H. P. Kanodia (Partner)  
Mem. No. 40617  
Place : Mumbai  
Dated : 30th May 2011

For and on behalf of Board of Director

Sd-  
Director

Sd-  
Director

**ANNEXURE TO SR. NO.3 OF SCHEDULE-12**  
**A) VALUE AND QUANTITY BREAK-UP OF OPENING AND CLOSING STOCK**  
**OF EACH CLASS OF GOODS DEALT WITH BY THE COMPANY**

	Current Year		Previous Year	
	2010-11		2009-10	
	Quantity MT	Value (in lacs)	Quantity MT	Value (in lacs)
<b>a) Manufactured</b>				
<b>i) Opening Stock</b>				
Camphor & By Products	419.495	639.49	205.534	256.79
Synthetic & P.F. Resin	167.976	141.44	59.255	52.47
Rosin, R.Resin & Others	49.880	31.31	77.145	38.43
<b>ii) Closing Stock</b>				
Camphor & By Products	650.244	1242.78	419.495	639.49
Synthetic & P.F. Resin	312.980	422.00	167.976	141.44
Rosin, R.Resin & Others	46.115	64.21	49.88	31.31
<b>iii) Shortage</b>	0	0	0	0
<b>b) Trading</b>				
<b>i) Opening Stock</b>				
Rosin & other Chemicals	112.24	58.56	22.905	10.70
Camphor & By Products	90.175	75.05	9.900	19.29
<b>ii) Closing Stock</b>				
Rosin & other Chemicals	25.065	47.54	112.24	58.56
Camphor & By Products	33.781	69.04	90.175	75.05
<b>iii) Shortage</b>	0	0	0	0

### B) Quantity and Sales Value of Each Class of Goods dealt with by the Company

	Current Year		Previous Year	
	2010-11		2009-10	
	Quantity MT	Value (in lacs)	Quantity MT	Value (in lacs)
<b>a) Manufactured</b>				
Camphor & By Products	9698.331	13132.53	9945.21	10328.38
Synthetic & P.F. Resin	3630.563	3793.42	2858.821	2193.41
Rosin, R.Resin & Others	406.248	1129.45	857.175	633.07
<b>b) Trading</b>				
Rosin & other Chemicals	431.402	488.52	328.465	219.16
Camphor & By Products	527.929	531.28	751.865	1208.977

### C) Information in respect of Raw Material Consumed and Trading Purchase

	Current Year		Previous Year	
	2010-11		2009-10	
	Quantity MT	Value (in lacs)	Quantity MT	Value (in lacs)
<b>a) Manufactured</b>				
Turpene Chemicals	22412.760	6854.40	12526.332	8085.67
Phenol & Others	6604.604	7920.06	4436.407	1808.11
<b>b) Trading</b>				
Rosin & other Chemicals	344.227	384.34	417.880	231.11
Camphor & By Products	471.535	444.80	832.140	1203.42

### C) Information in respect of Raw Material Consumed and Trading Purchase

	Current Year	Previous Year
	2010-11	2009-10
	Quantity MT	Quantity MT
Camphor & By Products	9929.080	10159.150
Synthetic & P.F. Resin	3775.570	2967.540
Rosin & other Chemicals	402.480	829.910

**DUJODWALA PRODUCTS LIMITED**

Regd. Office Kumbhivali Village, Savroli Kharpada Road, Taluka Khalapur, Khopoli-410 203. Dist. Raigad (M.S.)

**PROXY FORM**

DPID\*\* : \_\_\_\_\_

CLIENT ID: \_\_\_\_\_

FOLIO NO. : \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

I/We..... of..... in the district of..... being a member / members of DUJODWALA PRODUCTS LIMITED hereby appoint Shri/Smt..... of..... in the district of..... or failing him Shri/Smt ..... of..... in the district of..... as my/our proxy to attend and vote for me/us on my/our behalf at the 29<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, 29<sup>th</sup> Sept, 2011 at 11.00 a.m. at the Company Regd. Office Kumbhivali Village, Savroli Kharpada Road, Taluka Khalapur, Khopoli-410 201. Dist. Raigad, Maharashtra.

Re. 1/-  
Revenue  
Stamp

Signed

Date

Notes:

1. The instrument of proxy form shall be deposited at the Regd. Office of the Company not less than 48 hours before the commencement of the meeting. A proxy need not be member.

\*\* Applicable to the members whose shares are held in dematerialized form.

**DUJODWALA PRODUCTS LIMITED**

Regd. Office Kumbhivali Village, Savroli Kharpada Road, Taluka Khalapur, Khopoli-410 203. Dist. Raigad (M.S.).

**ATTENDANCE SLIP**

DPID\*\* : \_\_\_\_\_

CLIENT ID: \_\_\_\_\_

FOLIO NO. : \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

Name of the Member :

Name of the Proxy (to be filled if the proxy attends :  
Instead of the Member.

I hereby record my presence at the 29<sup>th</sup> Annual General Meeting being held on Thursday 29<sup>th</sup> September 2011 at 11.00 a.m. at Company Regd. Office Kumbhivali Village, Khalapur, Khopoli-410 203. Dist. Raigad, (M.S.)

Notes :

Member/Proxy Signature. .

1. To be signed at the time of handing over this slip.

\*\* Applicable to the members whose shares are held in dematerialized form.

**മാംഗലാശ**  
**camphor**



**DUJODWALA PRODUCTS LIMITED**

812, Tulsiani Chambers,

Nariman Point,

Mumbai – 400 021.

India.