



27th Annual Report
2008 – 2009

DUJODWALA PRODUCTS LIMITED

BOARD OF DIRECTORS

Shri. Kamalkumar Dujodwala
Shri. Pannkaj Dujodwala
Shri. R.K. Shriya
Shri. Narendra Goenka
Shri. S.C. Sen

Chairman
Managing Director
Director
Director
Whole-time Director

AUDITORS

M/s. Sunderlal, Desai & Kanodia
Chartered Accountants,
903, Arcadia, NCPA Marg
Nariman Point
Mumbai 400021.

SOLICITORS & ADVOCATES

M/s. Bachubhai Munim & Company
Mumbai.

BANKERS

[1] The Jammu & Kashmir Bank Ltd.
Fort
Mumbai.

[2] Industrial Development Bank of India Ltd.
IDBI Tower, Cuffe Parade
Mumbai.

AUDIT COMMITTEE

Shri. Kamalkumar Dujodwala
Shri. Narendra Goenka

Chairman
Member

REGISTERED OFFICE

Kumbhivali Village
Savroli Kharpada Road,
Taluka – Khalapur
Khopoli – 410 203
District Raigad, Maharashtra.

ADMINISTRATIVE OFFICE

812, Tulsiani Chambers
Nariman Point
Mumbai – 400 021.

PLANTS LOCATION

Kumbhivali Village
Savroli Kharpada Road,
Taluka – Khalapur
Khopoli – 410 203
District Raigad
Maharashtra.

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

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of DUJODWALA PRODUCTS LIMITED will be held on Friday, the 14th August, 2009 at the Registered office at Kumbhivali Village, Savroli Kharpada Road, Taluka - Khalapur, Khopoli, Dist. Raigad (Maharashtra), at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

- 1] To consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- 2] To appoint a Director in place of Mr. Kamalkumar Dujodwala, who retires by rotation and being eligible offers himself for re-appointment.
- 3] To appoint Auditors and fix their remuneration.

For and on behalf of the Board of Directors

KAMALKUMAR DUJODWALA
CHAIRMAN

PLACE : Mumbai.

DATED : 20th June, 2009.

NOTES:

- 1] A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
- 2] Proxies in order to be effective must be deposited at the registered office of the Company not less than Forty-eight hours before the commencement of the Meeting.
- 3] The register of members and share transfer books of the Company will remain closed from Saturday, the 8th August, 2009 to Friday, the 14th August, 2009 (both days inclusive).
- 4] Members are requested to notify any change in their addresses immediately to the Registrar and Share Transfer Agent of the Company.
- 5] Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

**Details of Directors seeking appointment / reappointment at the Annual General Meeting
(Pursuant to Clause 49 of the Listing Agreement)**

Name of Directors	Shri Kamalkumar Dujodwala
Date of Birth	01.04.1951
Date of Appointment	03.07.1981
Expertise of specific Functional areas	Management
Qualification	B.Sc.
List of Public Companies In which outside Directorships held as on 31 st March, 2009	1
Chairman/Member of the Committee of the Board of the Companies on which he is a Director as on 31 st March, 2009	1
No. of Shares held in the Company	Nil

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 27th Annual Report together with the Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS:

	2008-2009 Rupees in Lacs	2007-2008 Rupees in Lacs
Gross Sales including other Income	12,447.40	8,792.70
Add : Excise Duty Refund	21.98	76.89
Gross Profit before Interest, Depreciation and Taxation	665.03	679.90
Interest	294.10	344.58
Depreciation	270.68	267.69
Less : Provision for Taxation	11.50	9.00
Less : Provision for FBT	3.65	3.00
Provision for deferred taxation	29.63	25.15
Net Profit for the year	55.47	30.48
ADD:		
Surplus brought forward from Previous Year	880.95	905.47
Balance available for Appropriation	936.42	935.95
Appropriations :		
[a] General Reserve	55.00	55.00
[b] Dividend	0.00	0.00
[c] Dividend Tax	0.00	0.00
Balance carried forward to Balance Sheet	881.42	880.95

DIVIDEND :

During the year under review, the Company has incurred Capital Expenditure towards diversification and expansion programme which was financed from its internal accruals by way of plough back of profits conservatively; hence, it has been decided not to recommend any Dividend for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS :**Overview**

The Company is engaged in the manufacturing and selling of Camphor, Sodium Acetate and by-products, Terpenes Chemicals and Synthetics Resins at its units located at Kumbhivali, Taluka Khalapur, Khopoli, Dist. Raigad, Maharashtra.

Industrial Structure and Developments

World economy was severely impacted by the US financial crisis, with its contagion effect across countries. Global trade was affected with reduced exports from developing & emerging countries like India and China.

The year 2008 also witnesses high levels of volatility in commodity prices, essentially led by petroleum crude oil causing stress in business planning process and your Company's performance for the period 2008-09 has to be seen in the context of above economic background.

Discussion on Financial Performance with respect to Operational Performance

During the year under review, the company has achieved sales & other income of Rs. 12,447.40 lacs as against Rs. 8,792.70 lacs during the previous year resulting in increase of 41.56%. Whereas, the net profit has increased at Rs. 55.47 lacs as against Rs. 30.47 lacs during the previous year mainly on account of less outgo of interest.

Economy and Business outlook

During the year under review, Indian economy has grown considerably and is expected to grow or remain static in the year 2009-2010. As far as the Company is concerned, on account of diversification programme undertaken by it, the Company has gone into production of various types of Synthetics Resins. This will enable the Company to post stronger revenue growth in the years to come.

Risks & Concerns

There is unhealthy competition from internal and external market forces and also the products manufactured by the Company are of seasonal in nature and therefore the profitability of the Company shall not remain static throughout the year. However, necessary steps are being initiated to overcome the same.

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.

Human Resources / Industrial Relations

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

Pollution and Environment Control

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

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

DIRECTORS :

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

CONSERVATION OF ENERGY :

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

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

TECHNOLOGY ABSORPTION :

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

FOREIGN EXCHANGE EARNING AND OUTGO :

The Company has earned Rs. 728.73 lacs on account of Exports made on FOB basis during the year under review as against Rs. 1,446.85 Lacs in the previous year. The Company has spent Rs. 3,520.47 lacs as against Rs. 1,820.76 lacs during the previous year on import of raw materials on CIF basis and Rs. 2.20 lacs against Rs.1.28 lacs during the previous year towards travelling expenses during the year under review.

DEPOSITS :

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

PARTICULARS OF EMPLOYEES :

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

AUDITORS :

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

AUDITORS' REPORT :

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

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- (i) Directors' have followed the applicable accounting standards in the preparation of the Annual Accounts and proper explanation relating to material departures have been given in schedule 12 of Notes on Accounts forming part of the accompanying Accounts.
- (ii) Directors have selected the Accounting Policies as given in schedule 12 of Notes on Accounts and applied them consistently and made 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 as on 31st March 2009 and of the profit of the Company for the year ended on that date.
- (iii) Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) Directors have prepared the Annual Accounts for the year ended 31st March 2009 on a Going Concern basis.

CORPORATE GOVERNANCE :

A separate report on Corporate Governance along with Auditor's Certificate on compliance has been annexed hereto.

ACKNOWLEDGEMENT :

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

CONCLUSION :

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

For and on behalf of the Board of Directors

KAMALKUMAR DUJODWALA
CHAIRMAN

PLACE : Mumbai.

DATED : 20th June, 2009.

ANNEXURE TO THE DIRECTOR'S REPORT

FORM 'A'

POWER AND FUEL CONSUMPTION

PARTICULARS	2008-2009	2007-2008
1. Electricity Purchased		
Units (Kwh/Lakh)	34.57	31.20
Total Amounts (Rs./Lakh)	156.00	154.46
Rate/Unit (Rs.)	4.51	4.95
2. Furnace Oil (FO) / Light Diesel Oil (LDO)		
Quantity (Ltr./Lakh)	6.25	8.72
Total Cost (Rs./Lakh)	197.91	232.64
Average Rate (Rs./Ltr.)	31.66	26.68
3. Coal		
Quantity (KG)	83,38,816	59,42,000
Total Cost (Rs./Lakh)	432.55	247.22
Average Rate (Rs./KG.)	5.18	4.16

FORM 'B'

Form for disclosure of particulars with respect to :

RESEARCH AND DEVELOPMENT [R&D]

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

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

- Strong R & D support has enabled development of various products like Camphor, Sodium Acetate Tri-hydrate (Crystal White) and Sodium Acetate Anhydrous.
- Pollution control was given importance and efforts directed towards reduction at source and by-product recovery and usage.

- 2] Benefits derived as a result of above R & D.
 - a) Increase in product range, augmenting export potential and marketing.
 - b) Product consistency for remaining universally competitive.
 - c) Improvement in process control, conservation of energy resulting in cost reduction.
- 3] Future plan of action
 - a) Upgradation and development of more products.
 - b) Product quality improvement and cost reduction.
 - c) Waste minimisation and development of cleaner and greener technology.

TECHNOLOGY ABSORPTION :

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

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

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance.

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

2. Board of Directors Composition.

During the year under Report, the Board of Directors of your Company consisted of 6 Members comprising of 2 Executive Director and 4 Non-Executive Director. 2 Directors belong to the Promoter Group while 3 Directors were Independent and 1 Executive Director. No Director was a Member of more than 10 committees and Chairman of more than 5 committees across all Companies where they were Directors.

The Details are as under :

Name	Executive/Non Executive/ Independent	Number of outside Directorship	Total number of Members-ship in Board Committees	Number of Chairmanship in Board Committees
Shri Kamalkumar Dujodwala	Non-Executive Director (Promoter)	5	4	2
Shri Pannkaj Dujodwala	Executive Managing Director (Promoter)	4	NIL	NIL
Shri R.K. Shriya	Non-Executive (Independent)	5	1	NIL
Shri Narendra Goenka	Non-Executive (Independent)	9	2	NIL
Shri S.C. Sen	Executive Whole-time Director	-	-	-
Ms. Madhavi Kapadia *	IDBI Nominee Director	-	-	-

* Resigned w.e.f. 1-9-2008

Board Meetings held during this year :

During the financial year ended 31st March 2009, 4 Board Meetings were held on 25th April, 2008, 11th July, 2008, 3rd October, 2008, and 16th January 2009.

Attendance of Directors at the Board Meetings and the last Annual General Meeting (held on 9th August, 2008):

Name	Number of Board Meetings attended	Attendance at the last Annual General Meeting	Remarks
Shri Kamalkumar Dujodwala	4	YES	-
Shri Pannkaj Dujodwala	4	YES	-
Shri R.K. Shriya	2	YES	-
Shri Narendra Goenka	1	NO	-
Shri S.C. Sen	1	YES	-
Ms.Madhavi Kapadia	2	YES	-

3. 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 31st March 2009. A Declaration to this effect signed by the Managing Director of the Company is Annexed hereto.

4 Audit Committee

The Audit committee was constituted in 2001. The terms of reference of the Audit Committee are to review with the Management and/or Internal Auditor and/or Statutory Auditors :

- the statutory annual and quarterly financial reporting by the Company.
- compliance with internal control systems.
- changes in the statutory accounting policies of the Company.
- the adequacy and effectiveness of accounting and financial controls of the Company and compliance with Company policies and applicable laws and regulations.
- to investigate into any matter in relation to items specified in Section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant informations contained in the records of the Company and also seek external professional advice, if necessary.
- to make recommendations to the Board on any matter relating to the financial management of the Company including the Audit Report.

During the year under Report, the Audit Committee of the Company comprised of 3 Non-Executive Directors of whom 2 are Independent Directors. The Committee met four times during the financial year 2008-2009 on 25th April, 2008, 11th July, 2008, 3rd October, 2008, and 16th January 2009.

Attendance of Members at the Meetings of the Audit Committee held during 2008-2009.

Members	Number of Meetings attended
Shri. Kamalkumar Dujodwala	4
Shri. Narendra Goenka	3
Ms. Madhavi Kapadia	2

5. Remuneration of Directors.

Details of remuneration paid to Directors for the financial year ended 31st March, 2009 are as under :

Director	Relationship with other Directors	Sitting Fees (Rs.)	Salary & Perquisites (Rs.)	Commission	Total (Rs.)
Shri. Kamalkumar Dujodwala	Brother of Shri. Pannkaj Dujodwala	4,000	NIL	NIL	4,000
Shri. Pannkaj Dujodwala	Brother of Shri. Kamalkumar Dujodwala	NIL	1,44,000	NIL	1,44,000
Shri. R.K. Shriya	NONE	1,000	NIL	NIL	1,000
Shri Narendra Goenka	NONE	2,000	NIL	NIL	2,000
Shri S.C.Sen	NONE	NIL	9,81,600	NIL	9,81,600
Ms.Madhavi Kapadia	NONE	2,000	NIL	NIL	2,000

6. Shareholders' Committee

The Shareholders' committee comprises of the following Directors and is chaired by an Independent Director. The Committee meets to review the status of investors' grievances and the Company's redressal mechanism and recommends measures to improve the level of investor services.

The constitution of the Shareholders' Committee is as under:

Name of Director	Executive / Non-Executive
Shri. Kamalkumar Dujodwala	Non-Executive Chairman (Promoter)
Shri. Narendra Goenka	Non-Executive, Independent Director
Shri R.K. Shriya	Non-Executive Independent Director

3 meetings of the Committee were held during the year ended 31/03/2009.

7. Investor Relations

The Company received 14 complaints from shareholders during the year ended 31-3-2009 and the same were resolved satisfactorily.

8. Annual General Meetings

Location and time where the last 3 Annual General Meetings were held.

Date	Location of the Meeting	Time
30 th December, 2006	Uncle's Kitchen, Bombay-Poona Highway, National Highway No. 4, Mahad Phata, Khopoli, Dist. Raigad, Maharashtra.	11.00 a.m.
27 th October, 2007	Uncle's Kitchen, Bombay-Poona Highway, National Highway No. 4, Mahad Phata, Khopoli, Dist. Raigad, Maharashtra	11.30 a.m.
9 th August, 2008	Registered office at Kumbhivali Village, Savroli Karpada Road, Taluka- Khalapur, Khopoli, Dist. Raigad, Maharashtra	11.30 a.m.

No Special Resolution was put through postal ballot at the last Annual General Meeting nor is any proposed for this year.

9. Disclosure

- The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large.
- No strictures or penalties have been imposed by either SEBI or the Stock Exchange or any statutory authority for non-compliance with any matter related to the capital markets.
- The status of complaine with non-mandatory requirements is as under:

Company is making all possible efforts to prepare its financial statements without Auditor's Qualification. The financial statement for the year ended 31-03-2009 contains Auditors Qualifications as stated in the Auditors' Report.

10. Means of Communication

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 newspapers.

11. General Shareholder information

(a) Annual General Meeting

Date	Friday, 14 th August, 2009
Venue	Kumbhivali Village, Savroli Kharpada Road, Taluka - Khalapur, Khopoli, Dist. Raigad (Maharashtra),
Time	11.30 a.m.
Book Closure Dates	8 th August, 2009 to 14 th August, 2009 (Both days inclusive)

(b) Financial Calendar 2009-2010

Financial Reporting for

Quarter ended 30 th June, 2009	End of July, 2009
Half year ended 30 th September, 2009	End of October, 2009
Quarter ended 31 st December, 2009	End of January, 2010
Quarter and Year ended 31 st March, 2010	End of April, 2010/ End of June, 2010
Annual General Meeting for the year Ended 31 st March, 2010	End of August 2010/ End of September, 2010

(c) Listing on Stock Exchanges

The Equity shares of the Company are listed on the Stock Exchange at Mumbai, Annual listing fees as prescribed have been paid to the Stock Exchange, Mumbai for the year 2009-2010.

(d) Stock Code

The Stock codes for the Company's Equity shares are as follows :

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

(e) Registrar and Share Transfer Agent.

The Company has appointed Mondkar Computers Pvt. Ltd. having its office at 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 as Registrar and Share Transfer Agent for demat segment and Physical transfer of shares.

(f) 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 and demat requests are normally confirmed within an average period of 15 days from the date of receipt.

(g) 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 2008	10.25	8.36	October 2008	8.75	3.92
May 2008	11.77	8.40	November 2008	6.30	4.00
June 2008	9.97	7.50	December 2008	5.50	4.15
July 2008	10.00	6.90	January 2009	5.18	4.38
August 2008	10.87	8.00	February 2009	5.22	4.28
September 2008	9.98	7.00	March 2009	4.69	4.00

(h) Distribution of Shareholding as on 31st March, 2009

No. of shares	No. of Shareholders	% of Shareholders	No. of shares held	% of shareholding
Upto 500	12,328	93.323	16,57,839	19.229
501 - 1,000	467	3.535	3,71,357	4.307
1,001 - 2,000	218	1.650	3,33,132	3.864
2,001 - 3,000	59	0.447	1,54,103	1.787
3,001 - 4,000	30	0.227	1,04,047	1.207
4,001 - 5,000	32	0.242	1,50,040	1.740
5,001 - 10,000	32	0.242	2,25,472	2.615
10,001 and above	44	0.333	56,25,610	65.250
TOTAL	13,210	100.00	86,21,600	100.00

Categories of Shareholding as on 31st March, 2009.

Categories	No. of shares held	% of holding
Indian Promoters	35,49,643	41.17
Foreign Promoters	-	-
Mutual Funds and UTI	1,900	00.02
Banks/Financial Institutions	600	00.01
Foreign Institutional Investors	-	-
Private Corporate Bodies	7,36,192	8.54
NRIs/OCBs	3,16,385	3.67
Indian Public	40,16,880	46.59
TOTAL	86,21,600	100.00
No. of shares in Physical Segment	12,03,450	13.96
No. of shares in Demat Segment	74,18,150	86.04
TOTAL	86,21,600	100.00

Plant Location

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

DECLARATION

I Pannkaj Dujodwala, Managing Director of Dujodwala Products Limited hereby declare that all the Members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the code of conduct, for the year ended March, 31, 2009.

For DUJODWALA PRODUCTS LIMITED

PANNKAJ DUJODWALA
Managing Director

Place : Mumbai.

Date : 20th June, 2009.

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 31st March, 2009 as stipulated in Clause-49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited 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 our 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 efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For SUNDERLAL, DESAI & KANODIA
CHARTERED ACCOUNTANTS

H.P. Kanodia
Partner
M.S. No. 40617

PLACE : Mumbai.
DATED : 20th June, 2009.

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 31st March, 2009 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, custom duty & Note No. 12 in respect of sales tax deferment.*
 - v) On the basis of written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 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, custom duty & Note No. 12 in respect of sales tax deferment* 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 31st March, 2009;
 - (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

H.P. Kanodia
Partner
M.S. No. 40617

PLACE: Mumbai
DATED: 20th June, 2009

ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF DUJODWALA PRODUCTS LIMITED AS AT 31ST MARCH, 2009)

- [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 any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (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 explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternate source do not exist for obtaining comparable quotations, therefore we are not able to comment on the reasonability of the purchase price. 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 (including consignment sales)	1,89,64,505
Purchase of Goods	9,97,92,039

- [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, 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 except sales tax (VAT & CST) which are not regularly deposited with concerned authorities, however the dues outstanding as on balance sheet date is for a period not exceeding six months.
- [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 31st March, 2009 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	1,89,31,646.00	25,39,508.00	July 1999 to Dec 2006	Settlement Commission by Company
Excise Duty	11,58,94,818.00	—	April 99 to March 04	CESTAT by the Dept.
Excise Duty	1,01,92,867.00	—	April 04 to Nov 04	CESTAT by the Company
Custom Duty	1,10,52,117.00	—	Sep. 2001 to June 2003	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] The Company has delayed in respect of repayment of loan and interest thereon to IDBI Ltd, the list of which is as follows:

Particulars	Principal Amount	Interest Amount	Due Date	Payment Date
Rupee Loan	11,67,000		30/09/2008	24/11/2008
Rupee Loan	30,00,000		30/09/2008	24/11/2008
Rupee Loan		1,29,203	30/09/2008	24/11/2008
Rupee Loan		4,05,398	30/04/2008	04/06/2008
Rupee Loan		4,18,911	31/05/2008	04/06/2008
Rupee Loan		2,96,258	31/07/2008	02/08/2008
Rupee Loan		3,54,723	30/09/2008	24/11/2008
Rupee Loan		3,66,547	31/10/2008	24/11/2008
Rupee Loan		3,48,811	30/11/2008	31/12/2008
Rupee Loan		3,14,064	31/01/2009	25/02/2009
Rupee Loan		2,82,842	29/02/2009	17/03/2009

[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, the company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act during the year.
- [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

Sd/-

H.P. Kanodia
Partner
M.S. No. 40617

PLACE : Mumbai
DATED : 20th June, 2009

BALANCE SHEET AS AT MARCH 31, 2009

Particulars	Schedule	31.03.2009 (Rs.)	31.03.2008 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	8,60,64,000.00	8,60,64,000.00
Reserves and Surplus	2	16,91,98,604.78	16,52,22,529.24
LOAN FUNDS			
Secured Loans	3	12,81,77,915.15	29,48,57,793.16
Unsecured Loans	4	70,40,860.14	1,50,76,704.14
Deferred Tax Liability		4,78,26,751.46	4,56,72,647.10
TOTAL		43,83,08,131.53	60,68,93,673.64
APPLICATION OF FUNDS			
FIXED ASSETS			
	5		
Gross Block		54,69,69,588.97	51,60,78,101.54
Less : Depreciation		23,53,17,191.79	20,90,55,625.96
Net Block		31,16,52,397.18	30,70,22,475.58
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	6	19,10,54,230.36	26,44,49,596.68
Sundry Debtors	7	12,50,46,812.50	14,15,43,371.67
Cash and Bank Balances	8	1,41,52,415.87	1,01,54,273.18
Loans and Advances	9	5,61,87,870.71	2,15,16,166.22
		38,64,41,329.44	43,76,63,407.75
LESS: CURRENT LIABILITIES & PROVISIONS			
	10		
Current Liabilities		25,97,85,595.09	13,77,92,209.69
Provisions		-	-
		25,97,85,595.09	13,77,92,209.69
NET CURRENT ASSETS		12,66,55,734.35	29,98,71,198.06
TOTAL		43,83,08,131.53	60,68,93,673.64
Notes Forming Part Of The Accounts As Per Our Report Of Even Date	12		

For Sundarlal, Desai, & Kanodia
Chartered Accountants
Sd/-
H. P. Kanodia
Partner
M.S.No. 40617

For and on behalf of Board of Directors
Kamalkumar Dujodwala - Chairmal
Pannkaj Dujodwala - Managing Director

Place : Mumbai
Date : 20th June, 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Particulars	Schedule	31.03.2009 (Rs.)	31.03.2008 (Rs.)
INCOME			
Sales including Excise Duty		1,04,57,12,606.15	61,49,56,837.29
Less: Excise Duty		11,78,23,324.00	8,89,54,704.00
		92,78,89,282.15	52,60,02,133.29
Excise Duty Refund		21,98,813.00	76,89,225.00
Export Sales		9,58,28,136.09	15,18,85,865.00
Trading Sales		10,31,00,737.00	9,61,73,028.00
Other Income		99,150.00	1,62,54,018.60
Increase/(Decrease) in Stock		(3,37,80,035.32)	(7,70,46,336.50)
		1,09,53,36,082.92	72,09,57,933.39
EXPENDITURE			
Raw Material Consumed		76,38,96,552.96	44,92,92,946.46
Trading Purchase		7,62,33,984.00	5,08,75,777.31
Manufacturing, Administrative, Selling & other Expenses	11	18,87,02,317.91	15,27,99,206.97
Interest		2,94,09,695.33	3,44,58,284.47
Depreciation		2,70,67,591.81	2,67,68,686.80
		1,08,53,10,142.01	71,41,94,902.01
Profit before Taxation		1,00,25,940.91	67,63,031.38
Less: Provision for Taxation		11,50,000.00	9,00,000.00
Less: Provision for FBT		3,65,000.00	3,00,000.00
Less: Provision for Deferred Taxation		29,63,325.36	25,15,238.25
Profit after Taxation		55,47,615.55	30,47,793.13
Add : Balance b/f from Previous Year		8,80,94,853.23	9,05,47,060.11
Balance available for Appropriation		9,36,42,468.78	9,35,94,853.24
APPROPRIATIONS :			
General Reserve		55,00,000.00	55,00,000.00
Balance Carried to Balance Sheet		8,81,42,468.78	8,80,94,853.24
		9,36,42,468.78	9,35,94,853.24
Basic & diluted earning per share		0.64	0.35

Notes forming Part of The Accounts 12
As per our Report of even date

For Sundarlal, Desai, & Kanodia
Chartered Accountants
Sd/-
H. P. Kanodia
Partner
M.S.No. 40617

For and on behalf of Board of Directors
Kamalkumar Dujodwala - Chairmal
Pannkaj Dujodwala - Managing Director

Place : Mumbai
Date : 20th June, 2009

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

		31.03.2009	31.03.2008
SCHEDULE 1			
SHARE CAPITAL			
Authorised :			
(1,00,00,000 Equity Shares of Rs.10/- each)		1,00,00,000.00	10,00,00,000.00
Issued, Subscribed and Paid Up :	8,62,16,000.00		8,62,16,000.00
(86,21,600 Equity Shares of Rs.10/- each)			
Less : Calls in Arrears	152,000.00	86,064,000.00	1,52,000.00
		8,60,64,000.00	8,60,64,000.00
SCHEDULE 2			
RESERVES & SURPLUS			
State Subsidy		7,50,000.00	7,50,000.00
General Reserve	3,13,676.00		-51,86,324.00
Add : Transferred from Profit & Loss and Loss Account	55,00,000.00		55,00,000.00
Less: Provision for Transitional Liability as per AS 15 of earlier period	15,71,540.00	42,42,136.00	-
		42,42,136.00	3,13,676.00
Profit & Loss Account		8,81,42,468.78	8,80,94,853.24
		9,23,84,604.78	8,84,08,529.24
Share Premium	7,62,16,000.00		
Less : Calls in Arrears	1,52,000.00	7,60,64,000.00	7,60,64,000.00
		16,91,98,604.78	16,52,22,529.24
SCHEDULE 3			
SECURED LOANS			
Term Loan From IDBI			
Rupee Term Loan		11,59,000.00	69,94,000.00
(Secured against Mortgage on all the immovable & movable assets, present & future guaranteed by all Promotor Directors of the Company alongwith corporate guarantee Dujodwala Resins & Terpenes Ltd.) (Repayable within one year Rs.11,59,000) (Previous year Rs. 46,68,000)			
Rupee Term Loan		3,30,00,000.00	4,80,00,000.00
(Secured against Mortgage on all the immovable & movable assets, present & future & Personal guarantee of Promotor Directors of the Company-Shri K.R Dujodwala & Shri P. R. Dujodwala along with corporate guarantee of Dujodwala Resins & Terpenes Ltd.& Demand Promissory Note) (Repayable within one year Rs. 1,20,00,000) (Previous year Rs.1,20,00,000)			

Working Capital Loan from J & K Bank		
Rupees Demand Loan	5,60,00,000.00	11,60,00,000.00
Cash Credit from Jammu & Kashmir Bank	2,88,24,328.20	4,19,08,635.07
(First charge on Co.Current assets, Second charge on Co. Fixed assets at Atkargaon & Kumbhivali. Personal guarantee of Shri P. R. Dujodwala & Shri K. R. Dujodwala and with Corporate guarantee of DRTL		

Working Capital Loan from IDBI Bank		
IDBI Bank Cash Credit A/C	39,60,317.61	7,67,29,761.88
(Secured against Mortgage on all the immovable & movable assets, present & future & Personal guarantee of Promotor Directors of the Company-Shri K.R Dujodwala & Shri P.R Dujodwala along with corporate guarantee of Dujodwala Resins & Terpenes Ltd. & Demand Promissory Note.)		

Vehicle Loans :		
Loan from Citibank	-	36,446.67
Loan from HDFC Bank	24,26,047.55	12,24,718.35
Loan from ICICI Bank	5,47,470.79	11,49,519.92
Loan from Kotak Mahindra Bank	12,96,520.00	-
(Secured against Vehicle)		
Excess Cheque Drawn:		
SBI /Abhudaya Bank/ J & K Current - Khopoli	-	7,01,258.27
Interest Accured & Due but not Paid	9,64,231.00	21,13,453.00
	12,81,77,915.15	29,48,57,793.16

SCHEDULE 4

UNSECURED LOANS

Sales Tax Defferment	70,40,860.14	1,50,76,704.14
	70,40,860.14	1,50,76,704.14

SCHEDULE- 5 FIXED ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	1.4.2008	ADDITIONS	DEDUCTION	31.3.2009	1.4.2008	For the Year	Deduction	31.3.2009	31.3.2009
Land	26,13,400.13	2,93,500.00	-	29,06,900.13	0.00	-	-	29,06,900.13	26,13,400.13
Residential Premises	54,35,483.15	-	-	54,35,483.15	20,28,103.55	88,598.38	-	21,16,701.93	33,18,781.22
Factory Building	8,20,15,153.96	8,68,907.01	-	8,28,84,060.97	2,91,69,805.24	27,52,615.80	-	3,19,22,421.04	5,09,61,639.93
Plant and Machinery	38,68,18,618.32	2,70,06,519.74	-	41,38,25,138.06	15,60,57,767.06	2,11,76,682.88	-	17,72,34,449.94	23,65,90,688.12
Vehicles	1,11,23,011.46	30,76,380.72	12,72,702.00	1,29,26,690.18	30,80,673.96	10,46,406.47	8,06,026.00	33,21,054.43	96,05,635.75
Furniture and Fixture	26,01,359.30	-	-	26,01,359.30	17,85,712.80	1,76,961.75	-	19,62,674.55	6,38,684.75
Computers	2,63,882.00	52,688.00	-	3,16,570.00	2,45,913.40	41,078.11	-	2,86,991.51	29,578.49
Office Equipment	2,48,41,061.82	8,66,193.96	-	2,57,07,255.78	1,65,67,148.49	17,79,280.49	-	1,83,46,428.98	73,60,826.80
Office Premises	3,66,131.40	-	-	3,66,131.40	1,20,501.47	5,967.94	-	1,26,469.41	2,39,661.99
Total	51,60,78,101.54	3,21,64,189.43	12,72,702.00	54,69,69,588.97	20,90,55,625.96	2,70,67,591.81	8,06,026.00	23,53,17,191.79	31,16,52,397.18
Previous Year	(53,54,28,104.11)	(2,55,29,190.73)	(4,48,79,193.30)	(51,60,78,101.54)	(21,67,09,001.65)	(2,67,68,686.80)	(3,44,22,062.46)	(20,90,55,625.96)	(30,70,22,475.58)

SCHEDULE 6
INVENTORIES

(Valued and certified by Directors)

Raw Material (At Cost)	9,83,78,104.95	14,01,59,091.75
Finished and Semi Finished Goods	8,57,17,647.06	11,94,97,682.38
(Cost or market price whichever is less)		
Power & Fuel (At cost)	34,65,857.50	37,06,171.80
Stores & Spares	27,24,585.00	-
Packing Materials	7,68,035.85	10,86,650.75
	19,10,54,230.36	26,44,49,596.68

SCHEDULE 7
SUNDRY DEBTORS

Debtors exceeding six month considered good

Others	95,49,591.01	7,54,827.60
	11,54,97,221.49	14,07,88,544.07
	12,50,46,812.50	14,15,43,371.67

SCHEDULE 8
CASH & BANK BALANCES

Cash in Hand	6,31,230.50	6,82,822.06
SBICI	-	7,954.38
ICICI	19,01,732.86	19,94,464.61
HDFC	25,985.57	1,10,380.20
IDBI	32,132.74	10,24,911.56
SBI	4,63,259.79	3,36,147.15
Current Account in J & K Bank Ltd.	26,92,399.41	16,70,792.22
Fixed Deposit Account	84,05,675.00	43,26,801.00
	1,41,52,415.87	1,01,54,273.18

SCHEDULE 9
LOANS & ADVANCES

(Unsecured considered good)

Advance recoverable in cash or kind or for value to be recovered (Including Advance against capital goods)

Deposits	5,06,85,620.59	90,35,086.64
Advance Tax and TDS (Net)	46,04,195.47	1,17,58,997.47
Prepaid Expenses	7,24,623.65	5,08,604.65
	1,73,431.00	2,13,477.46
	5,61,87,870.71	2,15,16,166.22

SCHEDULE 10
CURRENT LIABILITIES & PROVISIONS
Current Liabilities :

Sundry Creditors	24,52,85,614.96	12,29,46,716.55
Deposits from customers	42,04,664.80	56,92,511.73
Other Liabilities	1,02,95,315.33	91,52,981.41
	25,97,85,595.09	13,77,92,209.69

Provisions :

Provision for Taxation (Net)	-	-
Provision for FBT (Net)	-	-
	0.00	0.00

SCHEDULE 11
MANUFACTURING, ADMINISTRATIVE, SELLING & OTHER EXPENSES

Directors' Remuneration	11,25,600.00	9,51,492.00
Power and fuel	7,86,45,661.50	6,34,31,732.80
Boiler Expenses	12,10,830.00	11,69,170.00
Stores & Spares	34,91,632.96	39,90,252.12
Repairs & Maintenance:		
Plant & Machinery	18,71,625.71	19,74,545.69
Building & Others	14,98,060.13	8,81,758.78
Salaries, Wages and Bonus	2,19,24,696.40	1,92,23,542.00
Staff Welfare and Medical	10,26,047.23	5,44,295.50
Rent, Rates, Taxes	10,62,450.43	13,18,389.00
Bank and LC charges	76,01,786.23	31,62,807.54
Legal & Professional Fees	12,29,233.00	6,25,679.70
Retainership Fees	14,99,242.00	-
Vehicle Expenses	19,04,692.00	13,28,731.86
Insurance Premium Net	9,98,501.71	6,69,879.61
Security Charges	8,66,279.00	8,16,057.00
Licence Fees & Service Tax	17,99,314.77	8,08,841.63
Advertisement	53,686.00	53,609.00
Printing and Stationery	4,56,322.88	3,10,913.35
Travelling & Conveyance	15,03,101.98	14,93,575.94
Freight and Forwarding	2,17,47,029.31	1,63,15,962.69
Packing Material and Charges	94,57,582.75	1,29,35,859.08
Postage, Telegram and Telephone	6,11,628.03	4,27,576.98
Laboratory Expenses	1,46,388.80	89,485.91
Electricity and Water Charges	8,51,384.40	7,66,663.00
Export Expenses	1,05,70,492.40	1,19,34,910.00
Membership, Subscription, Books & Periodicals	3,10,294.72	1,23,251.00
Sales Promotion Expenses	82,320.36	69,320.50
Brokerage and Commission	34,23,098.00	27,29,048.00
Rebate and Discount	19,78,884.45	10,84,862.58
Loss on sale of Fixed Assets	51,676.00	-
Provision for excise duty on F.Goods	7,19,860.41	25,15,721.00
Foreign Exchange Fluctuation	86,11,508.82	-
Miscellaneous Expenses	34,325.53	7,14,192.71
Payment to Auditors :		
Audit Fees	1,12,360.00	1,12,360.00
Tax Audit Fees	56,180.00	56,180.00
Other Capacity	28,090.00	28,090.00
Company Law Matters	28,090.00	28,090.00
Vat Audit Fees	1,12,360.00	1,12,360.00
	18,87,02,317.91	15,27,99,206.97

SCHEDULE – 12**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009****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.
- b] Work-in-progress is valued at cost of materials 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. Inter-unit sales / purchases have been eliminated during the year.
- 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 basic.
- 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 wherever 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 and fringe benefits 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 relevant assessment year.

B] Deferred Tax resulting from "timing differences" between book and tax profits is accounted for under the liability method, at the current rate of tax, 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 carry 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 reasonable certainty that they will be realized and are reviewed for the appropriateness of their respect carrying values at each balance sheet date.

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

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.

2] CONTINGENT LIABILITIES - Not provided for in respect of

	Current Year	Previous Year
a] Bank Guarantee	1.05 Lacs	1.05 Lacs
Bank Guarantees issued by Banks on behalf of the company Rs. 1.05 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. [Issued to the Raigad Irrigation Department valid till 4/3/2010]		

b] Excise Duty

- 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

- Customs Department (Sept 01 to June 03)	1,10,52,117	1,10,52,117
- 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.

- 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. 6,89,27,843.00 for Excise Duty on price difference. Out of the said show cause, the demand in relation to July 1999 to January 2004 was Rs. 4,41,78,530.00. The Company had filed application with the Office of Customs & Central Excise Settlement Commission for such demand of Rs. 4,41,78,530.00, which had passed an Final Order on 06.11.2006 confirming Demand of Rs. 3,80,84,939.00 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. 3,80,84,936.00 and furthers an amount of Rs. 25,39,508.00 toward Interest against the Interest demand of Rs. 1,89,31,646.00. For the demand of Rs. 2,47,49,315.00 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. 2,47,49,315.00 & Interest liability of Rs. 1,63,92,138.00.

- b] The Company has filed writ petition before the Mumbai High Court, against the order dated 06.11.2006 of the Customs & Central Excise Settlement Commission

challenging the calculation of the duty. The honorable High Court accepted the petition of the Company and has directed the Excise department to reverify the average rate of the product for calculating the differential duty.

- c) The Excise department has gone in appeal against the Show Cause Notice decided in favour of Company for Rs.11,58,94,818.00 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. 1,01,92,867.00 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. 81,44,105.00 have been received, and the same is pending before the Commissioner of Central Excise & Custom for adjudication, not provided for in books of account.
- d) The Company had received Show Cause Notice in September 06 from the Office of the Commissioner of Custom (EP) for under invoicing and mis-declaration in the import of Alpha Pinene for the period Sept 01 to June 03 for the tune of Rs. 1,10,52,117.00 against which an Order has been passed on 26.05.2008 confirming the said demand. The Company has gone in appeal against the said order with the CESTAT and hence no provision has been made in books of account.

7] MANAGERIAL REMUNERATION

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Managerial Remuneration for Managing Director and Whole-time Director	11.25	9.51

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]	Expenditure in Foreign Currency on account of :		
	- Raw Material (CIF)	3,520.47	1,820.76
	- Travelling Expenses	2.20	1.28
b]	Earning in Foreign Currency on Account of Exports made on FOB Basis	728.73	1446.85

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 export have amounted to Rs. 958.28 lacs out of Total Turnover of Rs.11,268.18 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.7.19 Lacs.
- 12]** The Company was earlier enjoying the benefit of sales tax deferement 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 was included in sales and not shown as liability. Therefore the unsecured liability of sales tax deferement as shown in the balance sheet is understated to an extent of Rs. 4,23,76,294.00 for which no provision has been made and Reserve & Surplus have been overstated to that extent.

13] EARNINGS PER SHARE

	2008-2009	2007-2008
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	86,21,600	86,21,600
Weighted average number of equity Shares outstanding during the year	86,21,600	86,21,600
b] Net profit after tax available for Equity share-holders (Rs. in lacs)	55.48	30.48
c] Basic and diluted earnings for Equity share (in rupees)	0.64	0.35

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
Relatives	
Mrs. Alka K Dujodwala	- Spouse of Chairman
Mrs. Manisha P. Dujodwala	- Spouse of Managing Director
Mrs. Shampa Sen	- Spouse of Whole Time Director

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

- Sterling Products
- Chemexcil Corporation
- Balaji Pine Chemicals Ltd.
- Nidhi Chemicals
- Alcon Enterprises
- Speciality Chemicals
- Dujodwala Resin & Terpenes Ltd.
- Indo-Euro Securities 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 31-03-2009.

Nature of Transaction	Directors		Relatives of Directors		Companies Controlled by Directors / Relatives/ Associates	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Sale of Goods (Including Consignment Sales)	-	-	-	-	1,89,64,505	6,56,36,659
Purchase of Goods	2,02,800	-	5,73,040	-	9,90,16,199	17,40,83,620
Remuneration	11,25,600	9,51,492	5,94,390	444,417	-	-
Closing Balance as on 31-03-2009						
Debit Balance	70,000	-	1,27,299	-	-	-
Credit Balance		64,000	-	-	26,61,029	2,27,85,252

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 assets on account of timing difference for current year is Rs. 29.63 Lacs (Previous year Rs. 25.51 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		
- Brought forward loss	15,81,661	33,23,695
- Gratuity Liability	7,91,338	--
- Leave Liability	1,31,049	--
Deferred Tax Liability		
- Depreciation	5,03,30,800	4,89,96,342
Net Deferred Tax Liability/(Assets) on account of timing difference	4,78,26,752	4,56,72,647

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

A] The Company has adopted Accounting Standard 15 (revised 2005) – Employee Benefits ('AS 15') with effect from April 1, 2008. Pursuant to adoption, the Company has determined the liability for Gratuity and unutilised leave balances in accordance with AS 15. The difference aggregating Rs. 15,71,540 (net of deferred tax assets of Rs. 8,09,221) between the transition liability as determined under AS 15 and the liability previously recorded in the financial statements has been adjusted against the opening balance of General Reserve in accordance with the transitional provisions of AS 15.

B] 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, 2009
(Rupees)**

Employers Contribution to Provident Fund	6,65,930
--	----------

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

a. Major Assumptions	(% p.a.)
Discount Rate	8.00
Expected Rate of Return on Plan Assets	8.00
Salary Escalation Rate	5.00

@ The estimates for the future salary increases considered takes into account the Inflation, seniority, promotion and other relevant factors.

b. Change in the Present Value of Obligation

Present Value of Obligation as at April 1, 2008	20,48,752.00
Current Service Cost	2,03,300.00
Interest Cost	1,80,164.00
Benefit Paid	-
Actuarial gain/ (Loss) on Obligations	<u>(1,04,067.00)</u>
Present Value of Obligation as at March 31, 2009	<u><u>2,328,149.00</u></u>

c. Change in Fair Value of Plan Assets

Present Value of Plan Assets as at April 1, 2008	-
Expected Return on Plan Assets	-
Actuarial (Loss) on Plan Assets	-
Contributions	-
Benefits paid	-
Present Value of Plan Assets as at March 31, 2009	<u><u>-</u></u>

d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets	
Present value of Funded Obligation as at March 31, 2009	23,28,149.00
Fair Value of Plan Assets as at March 31, 2009	-
Funded Status	-
Present Value of Unfunded Obligation as at March 31, 2009	23,28,149.00
Unfunded Net Liability Recognised in the Balance Sheet	23,28,149.00
e. Amount recognised in the Balance Sheet	
Present Value of Obligation as at March 31, 2009	23,28,149.00
Fair Value of Plan Assets as at March 31, 2009	-
Liability Recognised in the Balance Sheet and disclosed under Current liabilities	<u>23,28,149.00</u>
f. Expenses Recognised in the Profit and Loss Account	
Current Service Cost	203,300.00
Interest Cost	180,164.00
Expected Return on Plan Assets	-
Net Actuarial (Gain)/ Loss Recognised in the Profit and Loss Account	(104,067.00)
Total expenses Recognised in the Profit and Loss Account	<u>279,397.00</u>

17] Previous year's figures have been rearranged / regrouped wherever found necessary.

18] 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 **SUNDARLAL, DESAI & KANODIA**
CHARTERED ACCOUNTANTS
Sd/-
H.P. Kanodia
PARTNER
M.S. No. 40617

For and on behalf of Board of Directors

Kamalkumar Dujodwala - Chairman
Pannkaj Dujodwala - Managing Director

PLACE : Mumbai.
DATED: 20th June, 2009.

ANNEXURE TO SR. NO. 3 OF SCHEDULE - 12

A) Value and Quantitative break-up in respect of Opening and Closing Stock of each class of Goods dealt with by the Company

	Current Year 2008 - 2009		Previous Year 2007 - 2008	
	Quantity (MT)	Value (in lacs)	Quantity (MT)	Value (in lacs)
a) Manufactured				
i) Opening Stock				
Rosin & Turpentine	20.780	9.18	629.876	336.365
Camphor & By Products	717.184	407.13	259.402	177.185
Synthetic & P. F Resin	14.575	11.84	0.941	0.99
Rosin, R. Resin & Others	0.000	0.00	231.000	831.600
ii) Closing Stock				
Rosin & Turpentine	-	-	20.780	9.18
Camphor & By Products	205.534	256.79	717.184	407.13
Synthetic & P.F Resin	59.255	52.47	14.575	11.84
Rosin, R. Resin & Others	77.145	38.43	-	-
iii) Shortage				
Camphor & By Products	3.289	-	-	-
Rosin	0.650	0.33	-	-
Synthetic & P. F Resin	0.083	-	-	-
b) Trading				
i) Opening Stock				
Rosin & Other Chemicals	12.130	4.40	25.00	18.34
ii) Closing Stock				
Rosin & Other Chemicals	22.905	10.70	12.130	4.40
Camphor & By Products	9.900	19.29	-	-
iii) Shortage	0.075	-	0.020	-

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

	Current Year 2008 - 2009		Previous Year 2007 - 2008	
	Quantity (MT)	Value (in lacs)	Quantity (MT)	Value (in lacs)
a) Manufactured				
Rosin & Turpentine	20.130	10.71	710.596	318.19
Camphor & By Products	9823.497	8216.89	8127.750	5003.44
Synthetic & P. F Resin	2236.231	1780.34	1374.694	806.86
Rosin, R. Resin & Others	481.530	229.24	239.010	650.39
b) Trading				
Rosin & Other Chemicals	385.825	252.81	440.866	328.18
Aluminium Foil	72.994	255.75	188.815	622.06
DEPB License (No.s)	22.000	438.00	0.000	0.00
Camphor & By Products	47.880	84.45	9.000	11.49

C) Information in respected of Raw Material Consumed and Trading Purchase

a) Manufactured				
Turpene & Chemicals	9981.983	6385.92	6863.251	3397.79
Phenol & Others	3108.401	1253.05	1703.335	1013.20
O.P.R & Others		-	102.691	81.94
b) Trading				
Rosin & Other Chemicals	396.675	226.21	428.016	295.13
Aluminium Foil	72.994	98.30	188.815	203.67
DEPB License (No.s)	22.000	369.79	0.000	0.00
Camphor, By Products	57.780	68.04	9.000	9.96

D) Information in respect of Each class of Goods Manufactured

	2008-2009 QTY. (M.T)	2007-2008 QTY (M.T)
Rosin & Turpentine	0.000	101.500
Camphor & By Products	9308.557	8585.523
Synthetic & P. F Resin	2280.994	1388.328
Rosin, R. Resin & Others	558.675	8.010

Notes:

- Sales quantity include Unit/Inter transfer of NIL M.T Rosin (25 M.T) & NIL M.T of Turpentine Oil (0.90 M.T)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details

Registration No.	24742	State Code	11
Balance sheet Date	31.03.2009		

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

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

Position of Mobilisation and Development of Funds (Amount in Rs.Thousands)

Total Liabilities	438308	Total Assets	438308
Sources of Funds		Reserves & Surplus	169199
Paid-up Capital	86064	Unsecured Loans	7041
Secured Loans	128178		
Deferred Tax Liability	47827		
Application of Funds		Investments	0
Net Fixed Assets	311652	Mis. Expenditure	Nil
Net Current Assets	126656		

Performance of Company (Amount in Rs. Thousands)

Turnover	1126818	Total Expenditure	1085310
Profit before Tax	10026	Profit After Tax	5548
Earnings per share in Rs.	0.64	Dividend Rate	Nil

Generic Names of Three Principal Products/Services of Company(as per monetary Terms)

Item Code no. (ITC)	29142120
Product Description	CAMPHOR & BY PRODUCTS
Item Code no. (ITC)	38061010
Product Description	ROSIN
Item Code no. (ITC)	38051020
Product Description	TURPENTINE

For and on behalf of Board of Directors

Kamalkumar Dujodwala - Chairman
Pannkaj Dujodwala - Managing Director

Place : Mumbai
Dated: 20th June 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	For the year ended March 31, 2009	For the year ended March 31, 2008
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	1,00,25,940.91	67,63,031.00
Adjustment For :		
Depreciation	2,70,67,591.81	2,67,68,687.00
Interest	2,94,09,695.33	3,44,58,284.00
Loss on sale of Fixed Assets	51,676.00	0.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	6,65,54,904.05	6,79,90,002.00
Adjustment For :		
Trade & Other Receivables	(1,79,59,126.32)	(5,86,06,284.00)
Inventories	7,33,95,366.32	8,76,42,108.00
Trade Payables	11,96,12,624.40	(8,04,68,773.00)
CASH GENERATED FROM OPERATIONS	24,16,03,768.45	1,65,57,053.00
Income tax Paid	(17,31,019.00)	(64,42,869.00)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	23,98,72,749.45	1,01,14,184.00
NET CASH FROM OPERATING ACTIVITIES - I	23,98,72,749.45	1,01,14,184.00
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(3,21,64,189.43)	(2,55,29,191.00)
Sale of Fixed Assets	4,15,000.00	1,57,00,000.00
NET CASH USED IN INVESTING ACTIVITIES - II	(3,17,49,189.43)	(98,29,191.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings	(16,55,30,656.01)	3,07,23,055.00
Interest Paid	(3,05,58,917.33)	(3,44,58,284.00)
Decrease in sales tax deferralment loan liability	(80,35,844.00)	0.00
NET CASH USED IN FINANCING ACTIVITIES - III	(20,41,25,417.34)	(37,35,229.00)
NET INCREASE IN CASH AND CASH EQUIVALENTS	39,98,142.68	(34,50,236.00)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	1,01,54,273.18	1,36,04,509.00
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	1,41,52,415.87	1,01,54,273.00

NOTES :

1. Cash & Cash Equivalents represents cash and bank balances only.
2. Proceeds from Long Term borrowings are shown net of payments.

For and on behalf of Board of Directors

Kamalkumar Dujodwala - Chairman

Pannkaj Dujodwala - Managing Director

Place : Mumbai

Dated: 20th June 2009

**DUJODWALA PRODUCTS LIMITED**

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

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 27th Annual General Meeting of the Company to be held on Friday, 14th August, 2009 at 11.30 a.m. at the Kumbhivali, Savroli Kharpada Road, Taluka Khalapur, Khopoli-410 203. 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 dematerialised form.

DUJODWALA PRODUCTS LIMITED

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

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 27th Annual General Meeting being held on Friday, 14th August, 2009 at 11.30 a.m. at Kumbhivali, Savroli Kharpada Road, Taluka Khalapur, Khopoli-410 203. Dist. Raigad (Maharashtra).

Member / Proxy Signature. _____

Notes :

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

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



BOOK – POST

To,

If undelivered please return to:



DUJODWALA PRODUCTS LIMITED

812, Tulsiani Chambers,

Nariman Point,

Mumbai – 400 021.

India.