

BOARD OF DIRECTORS

Shri. Kamalkumar Dujodwala Chairman
Shri. Pannkaj Dujodwala
Shri. Narendra Goenka
Shri. Rajkumar Saraf
Shri. Rajkumar Jatia
Shri. Sharad Saraf

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

Shri. Sharad Saraf
Shri. Rajkumar Saraf
Shri. 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 31st Annual General Meeting of the members of **DUJODWALA PRODUCTS LIMITED** (the "Company") will be held at the Registered Office of the Company at Kumbhivali Village, Savroli Kharpada Road, Taluka Khalapur, Khopoli, Dist Raigad (Maharashtra) on Thursday, the 19th September, 2013 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Director's Report and audited statements of Accounts of the Company for the year ended 31st March, 2013.
2. To appoint a Director in place of Shri. Rajkumar Jatia who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri. Rajkumar Saraf who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and for this purpose to consider and if thought fit, to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956 M/s. R. Kabra & Co., Chartered Accountants (FRN 104502W) be and are hereby appointed as Statutory Auditors of the Company in place of retiring auditors M/s. Sundarlal, Desai and Kanodia, Chartered Accountants, to hold office from the conclusion of this AGM until the conclusion of the next AGM at a remuneration to be mutually agreed between the Board of Directors of the Company and the Statutory Auditors, in addition to the reimbursement of the out of pocket expenses in connection with the audit of the Company."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the recommendations of the Remuneration Committee and in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if any, the approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Pannkaj Dujodwala as the Managing Director of the Company for a period of three (3) years effective from 14th October, 2012 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **To consider and if thought fit to pass the following resolution as a special resolution:**

"RESOLVED THAT in accordance with the Provisions of Section 21 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to the approval of the Central Government, the name of the Company be and is hereby changed from

“DUJODWALA PROUDCTS LIMITED” to “MANGALAM ORGANICS LIMITED”,

“RESOLVED FURTHER THAT upon fresh certificate of incorporation consequent to change of name of the Company being issued by the Registrar of Companies, the name “MANGALAM ORGANICS LIMITED”, be inserted in place of the present name of the Company wherever appearing in the Memorandum and Articles of Association of the Company AND THAT the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to this resolution.

By order of the Board of Directors

Sd/-

Kamalkumar Dujodwala

Chairman

Place : Mumbai

Date : 25th July, 2013.

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. The Proxy Form 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.
2. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special businesses in the notice is annexed hereto.
3. 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.
4. The register of members and share transfer books of the Company will remain closed from 9th August, 2013 to 19th September, 2013 (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/Authorised 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/Authorised Representatives of members should state on the attendance slip as Proxy or Authorised Representative as the case may be.
6. Members are requested to immediately intimate change of address if any, to the Company/Registrars and Share Transfer Agents (RTA) quoting reference of the Registered Folio Numbers.
7. The Director's Report, Auditor's Report and Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the financial year ended as on that date is enclosed.
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.

ANNEXURE TO NOTICE :-

Explanatory Statement:

As required by Section 173 of the Companies Act, 1956 the following Explanatory Statement sets out all material facts relating to the Special Business mentioned under item 5 of the accompanying Notice.

Item No. 5

Re-appointment of Mr. Pannkaj Dujodwala as Managing Director of the Company:

Mr. Pannkaj Dujodwala was re-appointed as the Managing Director by Resolution passed by the Board of Directors at their meeting held on 12th November, 2012 subject to the consent of Members at the ensuing Annual General Meeting and subject to the approval of the Central Government, if any, for the period of three (3) years from 14th October, 2012 to 13th October, 2015 including payment of his remuneration which shall be an aggregate of the following:

Salary: Two Lakhs per month.

Provident Fund: As per rules of the Company.

Further Mr. Pannkaj Dujodwala's appointment and terms of remuneration is pursuant to the provisions of section 198, 269, 309, 310 and 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

Further, in Compliance of section 302 of the Companies Act, 1956 an abstract of terms of his appointment and of remuneration payable to him as a Managing Director of the Company was dispatched to all members vide notice dated 12th May, 2013. During his tenure Mr. Pannkaj Dujodwala played a key role in the growth of the Company. Keeping in view his expertise and managements skills, the Board recommends that the Resolution set out in Item No. 5 of the notice convening the meeting be approved and passed.

No Director, except Mr. Pannkaj Dujodwala and Mr. Kamalkumar Dujodwala is concerned or interested in this resolution.

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

Item No.6

The Company is carrying on its business under its registered trademark "MANGALAM" registered vide Trade Mark No. 754564 dated 13.08.1997. In order to reflect the trademark in the name of the Company, it is proposed to change the name of the company by substituting the word "MANGALAM ORGANICS" in place of "DUJODWALA PRODUCTS" .

The Registrar of Companies, Maharashtra, Mumbai ("ROC") has approved the availability of name "MANGALAM ORGANICS LIMITED" to the Company. A copy of the Memorandum and Articles of Association of the Company alongwith the alterations as aforesaid of the Name Clause of the Memorandum and the letter of the ROC approving the availability of name are available for inspection at the Registered office of the Company during normal business hours.

None of the Directors are concerned or interested in this resolution except Mr. Kamal Dujodwala and Mr. Pannkaj Dujodwala, being Directors of the promoter group

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

Name of the Director	Shri Rajkumar Jatia
Date of Birth	14.10.1951
Date of Appointment	25.05.2010
Expertise of Specific Functional Areas	Successful entrepreneur with interest in varied field of trade and industry
Qualification	B.com
List of Public Companies in which outside Directorship held as on 31st March, 2013.	Three
No of shares held in the Company	Nil

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

Name of the Director	Shri Rajkumar Saraf
Date of Birth	07.10.1945
Date of Appointment	25.05.2010
Expertise of Specific Functional Areas	Industrialist in Hardware and Software
Qualification	B.com, LLB
List of Public Companies in which outside Directorship held as on 31 st March, 2013.	Three
No of shares held in the Company	2500

By Order of the Board of Directors
Sd/-

Kamalkumar Dujodwala
Chairman

Place : Mumbai
Date : 25th July, 2013.

DIRECTORS' REPORT

To,

The Members,

The Directors have pleasure in presenting the 31st Annual Report of Dujodwala Products Limited for the year ended 31st March, 2013. The summarised Financial Results are given below :

FINANCIAL RESULTS

	2012-2013 Rupees in Lacs	2011-2012 Rupees in Lacs
Gross Sales including other Income	23136.29	23961.66
Add: Excise Duty Refund	---	47.98
Gross Profit before interest, Depreciation and Taxation	1486.42	1370.44
Interest	569.37	664.80
Depreciation	430.03	380.97
Provision for Taxation	98.00	62.00
Less: MAT Credit	40.70	60.06
Provision for deferred taxation	73.07	-12.61
Tax Adjustment of earlier year	9.08	0.45
Net Profit for the year	347.58	334.90
Surplus brought forward from previous year	2341.42	2106.52
Balance Available for Appropriation	2689.00	2441.42
Appropriations		
a) General Reserve	--	100.00
b) Dividend	--	--
c) Dividend Tax	--	--
Balance carried forward to Balance Sheet	2689.00	2341.42

DIVIDEND:

With a view to conserve the resources in long run, your Directors have not recommended any dividend for the year ended 31st March, 2013.

TRANSFER TO RESERVE :

Your Company proposes to transfer Rs. Nil lacs to General Reserves out of the amount available for appropriations during the financial year 2012-2013 (as compared to Rs. 100 lacs in the previous financial year).

MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW :

The Company is engaged in the manufacturing and selling activities of Camphor, Sodium Acetate and by products, Terpene Chemicals and Synthetic Resins at its Unit located at Kumbhivali, Taluka Khalapur, Khopoli, Dist. Raigad, Maharashtra.

REVIEW OF OPERATIONS :

During the year under review, the Company has achieved sales and other income of Rs. 23136.29 Lacs as compared to (Rs. 23961.66 Lacs) during the previous year & the net profit has been increased to Rs. 347.58 Lacs as against (Rs. 334.90 Lacs) during the previous 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 Jatia, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.
- b) Shri. Rajkumar 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 :

Industrial relations continued to remain cordial at all the manufacturing units of the Company. The Directors acknowledge the support and co-operation from employees at all levels.

CORPORATE GOVERNANCE:

Your Company stand committed for better Corporate Governance, for accountability, transparency and disclosures. Independent supervision is 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 the Listing Agreement supported by a certificate given by the statutory auditors of the Company confirming compliance of conditions, which form part of this Annual Report.

FIXED DEPOSITS:

The Company has not accepted and or renewed any fixed deposits, which comes 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 shares 9037480 are listed on the Bombay Stock Exchange and 15200 are calls-in-arrears. Out of the listed equity shares, 431080 equity shares are listed with the Bombay Stock Exchange on 7th December, 2012.

AUDITORS:

M/s. Sundarlal Desai and Kanodia, Chartered Accountants, is the statutory auditors of the Company. The Board has recommended a change in the statutory auditors and proposed that M/s. R. Kabra & Co., Chartered Accountants, be appointed as statutory auditors of the Company for the financial year 2013-2014. The Board places on record its appreciation for the services rendered by M/s. Sundarlal Desai and Kanodia, Chartered Accountants.

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.2190.72 lacs on account of Exports made on FOB basis during the year under review as against (Rs.1299.21 Lacs) in the previous year. The Company has spent Rs. 7216.74 Lacs as against (Rs.9557.86 Lacs) during the previous year on import of raw materials on CIF basis. Rs. Nil Lacs as against (Rs. 39.98 Lacs) during the previous year towards traveling expenses during the year under review. The Company has also spent Rs. 609.15 Lacs, previous year (Rs. 886.26 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:

There is no employee drawing the requisite remuneration, in terms of Section 217(2A) of the Companies Act, 1956.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the accounts for the financial period ended 31st March, 2013, 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 assets 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, 2013 on a "going concern" basis.

ACKNOWLEDGEMENTS:

Your Directors wish to thank the Government Authorities, Financial Institutions, Shareholders and Bankers for their continued support. They wish to place on record their appreciation for the dedicated service of the employees at all levels.

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

Place : Mumbai
Date : 25th July, 2013.

ANNEXURE - 1 TO THE DIRECTOR'S REPORT

Form 'A'

Power and Fuel Consumption:

	Particulars	2012-2013	2011-2012
1.	Electricity Purchased		
	Units (Kwh/Lakh)	53.41	49.47
	Total Amounts (Rs./Lakh)	364.56	293.53
	Rate /Unit (Rs.)	6.82	5.93
2.	Furnace Oil /Light Diesel Oil		
	Quantity (Ltrs/Lakh)	2.41	5.76
	Total Cost (Rs./Lakh)	85.35	173.53
	Average Rae (Rs./Lakh)	35.41	30.15
3.	Coal		
	Quantity (Kgs.)	11726650	10689932
	Total Cost (Rs./Lakh)	654.35	593.26
	Average Rate (Rs. / Kg.)	5.58	5.55

Form 'B'

Form for disclosure of particulars with respect to:

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

The 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:

(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange)

1. Companies philosophy on the Code of Governance

Our Company's Philosophy of Corporate Governance is aimed at efficient conduct of its business and ensured high standards of accountability and excellence in the service of all the stakeholders. The management believes that the principles of accountability, transparency and ethics as its business practice will enable it to achieve the long term objectives and goals.

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under the Clause 49 of the listing agreement with the Stock Exchange.

2. Board of Directors

Composition, Number of meeting and Attendance

The Board comprises of Six Directors and in order to ensure the independence of the Board, more than half of the Directors are independent 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 provides necessary guidance, leadership to Company's Management and directs, to 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 met Four times on the following dates during the financial year 2012 -2013: 14th May, 2012, 11th August, 2012, 12th November, 2012, and 9th February, 2013.

The Composition of the Board, attendance at the Board Meeting held during the year and at the last Annual General Meeting, number of Directorship in other Companies and Membership in Committees across the various companies of which the Director is a Member / Chairman are given below:

Name of the Director	Category of Directorship	No. of Board meetings attended	Attendance at the last AGM held on 27th September 2012	Number of Directorship in other companies	Number of Committees positions held in other companies	
					Chairman	Members
Shri Kamal Dujodwala	Chairman	4	Yes	6	--	4
Shri Pannkaj Dujodwala	Managing Director	4	Yes	3	---	---
Shri Narendra Goenka	Non Executive	4	No	9	--	2
Shri Rajkumar Saraf	Non Executive	4	No	7	2	9
Shri Rajkumar Jatia	Non Executive	4	No	4	--	---
Shri Sharad Saraf	Non Executive	4	No	10	2	6

Details of Directors being appointed / re-appointed :

Shri. Rajkumar Jatia and Shri. Rajkumar Saraf, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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 31st March, 2013. A Declaration to this effect signed by the Managing Director of the Company is annexed hereto.

II. AUDIT COMMITTEE

Terms of reference :

- i. To oversee Company's financial reporting / financial information / financial statements.
- ii. To review with management the annual financial statement before submission to Board, focusing primarily on changes in accounting policies and practices.
- iii. To look into compliance with Stock Exchange and legal requirements concerning financial statements.
- iv. To review the external and internal management systems and internal control systems.
- v. To discuss with the auditors periodically about internal control system, the scope of audit including the observations of the auditors and review the half yearly and annual financial statements before submission to the Board and also ensure compliance of internal control system.

Composition, Number of meeting and Attendance

Shri Sharad Saraf is the Chairman of the Committee. He is as independent and non executive Director. Shri Rajkumar Saraf and Shri Kamalkumar Dujodwala are the members of the Audit Committee.

During the Financial year 2012-2013 under review, Four (4) Audit committee meetings were held on 14th May, 2012, 11th August, 2012, 12th November, 2012, and 9th February, 2013.

The composition of the Audit Committee and attendance at its meeting is given below :

Name of the Director	Position	Category	No. of meetings	
			Held	Attended
Shri. Sharad Saraf	Chairman	Independent and Non executive Director	4	4
Shri. Raj Kumar Saraf	Member	Independent and Non executive Director	4	4
Shri. Kamalkumar Dujodwala	Member	Executive Chairman	4	4

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 2012-2013 the committee met 12 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. 2012-13 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	21,00,000/-	Nil	21,00,000/-
Shri Pannkaj Dujodwala	Brother of Shri. Kamalkumar Dujodwala	Nil	21,00,000/-	Nil	21,00,000/-
Shri Narendra Goenka	None	4000/-	Nil	Nil	4000/-
Shri Rajkumar Saraf	None	4000/-	Nil	Nil	4000/-
Shri Rajkumar Jatia	None	4000/-	Nil	Nil	4000/-
Shri Sharad Saraf	None	4000/-	Nil	Nil	4000/-

The sitting fee of Rs.1000/- is paid towards transportation to attend the Board meeting by the Directors of the Company.

G) Audit Qualification

There is no audit qualification by the Statutory Auditors.

H) 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:

- a) 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.
- b) 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, delays in transfer of shares etc. 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	Chairman (Promoter)

c) ANNUAL GENERAL MEETING:

Date	19th September, 2013
Venue	At Registered office: Kumbhivali Village, Tal: Khalapur, Khopoli-410 203, Dist-Raigad, Maharashtra.
Time	11.00 a.m.
Book Closure date	9th September, 2013 to 19th September, 2013(both days inclusive)

**d) Financial Calendar 2013- 2014
Financial Reporting for**

Quarter ended 30 th June, 2013	Mid of July, 2013
Half year ended 30 th September, 2013	End of October, 2013
Quarter ended 31 st December, 2013	End of January, 2014
Quarter and year ended 31 st March, 2014	End of April, 2014/ End of June, 2014
Annual General Meeting for the year ended 31 st March, 2014	End of September, 2014

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 shares 9037480 are listed on the Bombay Stock Exchange and 15200 are calls-in-arrears. Out of the listed equity shares, 431080 equity shares are listed with the Bombay Stock Exchange on 7th December, 2012.

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., 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- 2012	24.00	20.40	Oct-2012	19.85	17.10
May- 2012	22.05	19.05	Nov-2012	18.90	16.30
June- 2012	22.95	18.20	Dec-2012	19.00	16.35
July- 2012	23.00	18.65	Jan-2013	19.35	15.55
Aug-2012	21.00	18.05	Feb-2013	16.90	12.50
Sept-2012	19.95	17.25	Mar-2013	14.60	10.00

j) DISTRIBUTION OF SHARE HOLDING AS ON 31ST MARCH, 2013

No. of shares	No. of share holders	% of share holders	No. of shares held	% of share holding
Up to 500	10992	93.09	1477016	16.32
501-1000	419	3.54	326378	3.60
1001-2000	202	1.71	300833	3.32
2001-3000	50	0.42	129234	1.42
3001-4000	25	0.21	87523	0.96
4001-5000	37	0.31	171402	1.89
5001-10000	39	0.33	282060	3.11
10001 and above	44	0.39	6278234	69.38
Total	11808	100.00	9052680	100.00

(k) CATEGORIES OF SHARE HOLDING AS ON 31ST MARCH, 2013

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	975496	10.78
NRI/OCBs	270512	2.99
Indian Public	3601707	39.79
Total	9052680	100.00
No. of shares in Physical segment	1026250	11.34
No. of shares in Demat segment	8026430	88.66
Total	9052680	100.00
Plant Location and Registered office: Kumbhivali Village, Savroli Kharpada Road, Taluka - Khalapur, Khopoli - 410 203, Dist: Raigad, Maharashtra.		

I) INVESTOR'S RELATIONS

The Company received 2 complaints from shareholders during the financial year 2012-13 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 or 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 for remuneration of the Directors are decided and approved by the Board of Directors.

VII) MEANS OF COMMUNICATION: 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.

DECLARATION

I, Pannkaj Dujodwala, Managing Director of Dujodwala Products Limited hereby declare that all the Members of the Board of Directors and Senior Management Personal have affirmed compliance with the code of conduct for the year ended on 31st March, 2013.

For Dujodwala Products Limited
Sd/-
Pannkaj Dujodwala
Managing Director

Place: Mumbai
Dated: 25th July, 2013.



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, 2013 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: 25th July, 2013.

AUDITORS' REPORT

To
The Members of **Dujodwala Products Limited**,

Report on the financial statements

We have audited the accompanying financial statements of Dujodwala Products Limited (the Company), which comprise the balance sheet as at 31 March, 2013 and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act subject to note no. 35 of notes on financial statements in respect of sales tax deferment liability, in the manner so required and give a true and fair view in conformity with

the accounting principles generally accepted in India:

- a. In the case of the balance sheet, of the state of affairs of the company as at 31st March, 2013.
- b. In the case of the statement of profit and loss, 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.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. 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.
 - b. 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.
 - c. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except as referred in note no. 35 of notes on financial statements in respect of sales tax deferment liability.

On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

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

Place: Mumbai
Dated: 12th May, 2013.

ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF DUJODWALA PRODUCTS LIMITED AS AT 31ST MARCH 2013)

- [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. We are informed that the management on such verification has noticed no material discrepancies.
- [c] The Company has not disposed of any substantial part of fixed assets during the year so as to affect its going concern.
- [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.
- [b] In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory 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 explanation given to us, the Company is maintaining proper records of inventory. As explained to us, there is no material discrepancy noticed on physical verification of inventory as compared to book records and have been properly dealt with in the books of accounts.
- [III] [a] According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the order are not applicable to the Company and hence not commented upon.
- [b] According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the order are not applicable to the Company and hence not commented upon.
- [IV] In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- [V] [a] To the best of our knowledge and belief and according to information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have not been entered so far.
- [b] In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five

Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the 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 deposit from the public and hence the directive issued by the Reserve Bank of India and provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rule, 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 account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- [IX] [a] According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, Excise duty, service tax, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities.
- [b] According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, 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 outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute except as stated below:

Name of the statute	Nature of dues	Amount of demand	Payment of demand	Period to which the amount relate	Forum where dispute is pending
The Central Excise Act, 1944	Interest	1,68,38,001	77,07,386	July 1999 to January 2004	Commissioner of Central Excise and Customs (Appeals)
The Central Excise Act, 1944	Excise duty	11,58,94,818	NIL	April 1999 to March 2004	High Court
The Central Excise Act, 1944	Excise Duty	1,01,92,867	NIL	April 2004 to November 2004	High Court
The Income Tax Act, 1961	Income Tax	6,97,536	6,97,536	AY 2009-10	Income Tax Appellate Tribunal

- x. The Company has no accumulated losses and the Company has not incurred any cash losses during the financial year covered under audit or in the immediately preceding financial year.
- xi. Based on our audit procedures and as per the information and explanations 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. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, 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 (as amended) are not applicable to the Company.
- xiv. In our opinion, 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 (as amended) are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank 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 compiled 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 purpose for which the loans 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 usage 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 or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us, during the year covered by our audit report, the Company has not issued any secured debentures.
- xx. According to the information and explanations given to us the Company has not raised any money by public issue during the period covered by our audit report.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

Sd/-

H.P. Kanodia
Partner

Mem. No. 40617

Place : Mumbai
Dated : 12th May, 2013.

BALANCE SHEET AS AT 31ST MARCH, 2013.

	NOTE NO.	31-03-2013 (Rs.)	31-03-2012 (Rs.)
<u>EQUITY AND LIABILITIES:</u>			
SHAREHOLDERS' FUNDS			
Share Capital	1	90,374,800	90,374,800
Reserves and Surplus	2	371,762,364	339,942,385
Money Received against Share Warrants	3	-	7,025,984
		462,137,164	437,343,169
Non-Current Liabilities			
Long-Term Borrowings	4	42,812,351	61,356,554
Deferred Tax Liability (Net)	5	62,670,789	55,363,529
Long Term Provisions	6	7,864,287	8,094,676
		113,347,427	124,814,759
<u>CURRENT LIABILITIES</u>			
Short-Term Borrowings	7	324,380,913	410,052,201
Trade Payables	8	325,689,330	360,187,538
Other Current Liabilities	9	178,400,646	121,877,287
Short-Term Provisions	10	1,325,025	--
		829,795,914	892,117,026
TOTAL		1,405,280,505	1,454,274,954
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
(i) Tangible Assets	11	503,932,515	437,025,783
(ii) Capital work-in-progress		12,537,302	34,973,284
Non-Current Investments	12	25,000	25,000
Long Term Loans and Advances	13	40,070,838	39,780,048
		556,565,655	511,804,115
CURRENT ASSETS			
Inventories	14	435,185,700	538,940,475
Trade Receivables	15	272,884,963	276,868,947
Cash and Cash Equivalents	16	42,939,150	40,662,117
Short-term Loans and Advances	17	87,423,552	79,611,810
Other Current Assets	18	10,281,485	6,387,490
		848,714,850	942,470,839
TOTAL		1,405,280,505	1,454,274,954

Significant accounting policies and notes to financial statements 1 to 43

Notes referred above forms integral part of the balance sheet

As per our report of even date attached

For Sundarlal, Desai & Kanodia
Chartered Accountants
Sd-
H. P. Kanodia (Partner)
Mem. No. 40617
Place : Mumbai
Dated : 12th May, 2013.

For and on behalf of Board of Directors

Sd-
Director

Sd-
Director

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2013.

	NOTE NO.	31-03-2013 (Rs.)	31-03-2012 (Rs.)
INCOME			
Revenue from operations	19	2,095,232,153	2,202,271,817
Other income	20	13,160,323	6,636,897
		2,108,392,476	2,208,908,714
EXPENSES			
Cost of materials consumed	21	1,585,673,669	1,515,044,305
Trading purchase	22	208,925,427	189,178,373
Changes in inventories of finished goods and work-in-progress	23	(149,823,090)	51,553,130
Employee benefit expenses	24	76,760,532	65,598,851
Finance costs	25	56,937,206	66,479,744
Depreciation and amortization expenses	11	43,002,720	38,096,924
Other expenses	26	238,214,129	250,489,678
		2,059,690,592	2,176,441,005
Profit before tax		48,701,884	32,467,709
TAX EXPENSE			
Current tax (MAT)		9,800,000	6,200,000
Less: MAT credit		4,070,459	6,005,678
Net current tax		5,729,541	194,322
Deferred tax		7,307,260	(1,261,127)
Tax adjustment of earlier years		907,566	44,636
Profit for the period		34,757,517	33,489,878
Earning per equity share [Nominal value of share Rs. 10 (31.03.2012 - Rs. 10)]			
Basic		3.84	3.70
Diluted		3.84	3.17

Significant accounting policies and notes to financial statements 1 to 43

Notes referred above forms integral part of the statement of profit and loss

As per our report of even date attached

For Sundarlal, Desai & Kanodia
Chartered Accountants
Sd-
H. P. Kanodia (Partner)
Mem. No. 40617
Place : Mumbai
Dated : 12th May, 2013.

For and on behalf of Board of Directors

Sd-
Director

Sd-
Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.

	31-03-2013 (Rs.)	31-03-2012 (Rs.)
NOTE 1		
SHARE CAPITAL		
AUTHORISED CAPITAL		
1,20,00,000 Equity Shares Of Rs. 10/- Each	120,000,000	120,000,000
ISSUED, SUBSCRIBED AND PAID UP		
90,52,680 (P.Y. 90,52,680) Equity Shares of Rs. 10/- each	90,526,800	90,526,800
Less: Calls Unpaid	152,000	152,000
	90,374,800	90,374,800

(Of these 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 in the financial year 2010-11)

a) Terms/ rights attached to Equity Shares:

The Company has only one class of equity shares having par value of Rs.10/-. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

b) Reconciliation of Outstanding Shares:

	No. of shares as on 31st March 2013	No. of shares as on 31st March 2012
Opening as on 1st April 12	9,052,680	9,052,680
Add: Issued during the year	--	--
Closing as on 31st March 13	9,052,680	9,052,680

c) Details of shareholders holding more than 5% of the total share capital

Name of the Shareholder	No. of shares as on 31st March 2013	No. of shares as on 31st March 2012
Indo Euro Securities Ltd.	1,794,885	1,794,885
Manisha Dujodwala	853,250	853,250
Alka Dujodwala	578,790	578,790
	3,226,925	3,226,925

NOTE 2

RESERVES AND SURPLUS:

CAPITAL RESERVE:

Balance as per last balance sheet	--	--
Add: On forfeiture of share warrants (Refer note 38)	7,025,984	--
	7,025,984	--

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.

	31-03-2013 (Rs.)	31-03-2012 (Rs.)
Securities Premium Account :-		
Balance as per last balance sheet	79,918,977	79,918,977
Add: On issue of 4,31,080 Equity Shares upon conversion of convertible warrants (Ref. Note No. 38)	1,077,700	--
Less: Calls in arrears	152,000	152,000
	<u>80,844,677</u>	<u>79,766,977</u>
General Reserve :-		
Balance as per last balance sheet	26,033,060	20,084,733
Add: Transferred from statement of profit & loss	--	10,000,000
Add: Excess differential excise duty paid in earlier year now reversed	--	7,218,128
Less: Sales tax deferment liability.	11,041,222	11,269,801
	<u>14,991,838</u>	<u>26,033,060</u>
Surplus :-		
Balance as per last balance sheet	234,142,348	210,652,469
Add: Profit for the period	34,757,517	33,489,878
Less: Appropriations:		
Transferred to general reserve	--	10,000,000
Closing balance in statement of profit & Loss	<u>268,899,865</u>	<u>234,142,348</u>
	<u>371,762,364</u>	<u>339,942,385</u>

NOTE 3

SHARE WARRANTS

15,11,777 (P.Y. 15,11,777) 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 38)

	--	7,025,984.00
	--	<u>7,025,984.00</u>

NOTE 4

LONG TERM BORROWING

Term Loans:

Secured Loans - From Banks

From Saraswat Co.Op. Bank Limited

Corporate loan

--

2,444,246

Secured against first charge on the present and future fixed assets of the Company (Land & Building, Plant & Machinery) Re-payable in 33 months in monthly installment of Rs. 21,22,000/- each.

Applicable rate of interest is 14.5%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.

	31-03-2013 (Rs.)	31-03-2012 (Rs.)
Rupee term loan	25,324,158	33,907,423
Equitable mortgage of additional construction on existing land at Kumbhivali, Savroli Kharpada Road, Taluka - Khalapur, Khopoli, Dist. - Raigad. Repayable after a moratorium period of 12 months. Repayable in 71 monthly installments of Rs. 4,75,000/- each. Applicable rate of interest is 14.5%.		
Rupee term loan - I	223,318	--
Secured against hypothecation of existing Plant & Machinery of the Company. Repayable in 24 monthly installment of Rs. 8,75,000/- each. Starting from June 13. Applicable rate of interest is 14.5%.		
Rupee term loan - II	16,144,028	24,708,166
Secured against hypothecation of equipments Plant & Machinery financed. Repayable in 60 monthly installment of Rs. 7,05,000/- each. Applicable rate of interest is 14.5%.		
Vehicle Loan	1,120,847	296,719
(Secured against Vehicle financed and personal guarantee of Shri. Pannkaj Dujodwala, Director of the Company)		
	42,812,351	61,356,554

NOTE 5

DEFERRED TAX LIABILITY (NET)

Deferred tax liability on account of difference between book depreciation and tax depreciation	65,652,261	57,989,847
Less : Deferred tax assets on account of provision for employee benefits	2,981,472	2,626,318
	62,670,789	55,363,529

NOTE 6

LONG TERM PROVISIONS

For Employee benefits:

Provision for gratuity	7,150,658	7,256,268
Provision for leave encashment	713,629	838,408
	7,864,287	8,094,676

NOTE 7

SHORT TERM BORROWING

Loans repayable on demand

Cash Credit from The Saraswat Co.-Op. Bank Ltd. (Secured against hypothecation of Inventories and book debts of the Company) [Collateral Securities: a) Equitable mortgage of Factory Land and Building at Kumbhivali village, Savroli Kharpada Road, Dist. Raigad, Taluka Khalapur, Khopoli - 410203, Maharashtra.	278,409,808	331,890,178
--	-------------	-------------

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.

	31-03-2013 (Rs.)	31-03-2012 (Rs.)
b) Hypothication of plant and machinery.		
c) Personal guarantees of Shri Kamalkumar Dujodwala and Shri Pannkaj Dujodwala]		
Working capital loan	45,971,105	78,162,023
	324,380,913	410,052,201
NOTE 8		
TRADE PAYABLES		
Due to Micro, Small and Medium Enterprises	--	--
Due to others	325,689,330	360,187,538
	325,689,330	360,187,538
NOTE 9		
OTHER CURRENT LIABILITIES		
Current maturities of long term debts	26,029,492	37,949,907
Unpaid dividend	1,094,645	1,094,645
Other payables:		
TDS payable	889,129	631,133
Sales tax payable	1,427,977	2,074,796
Other statutory dues payable	336,368	215,979
Excise duty payable on closing stock of finished goods	17,241,326	6,056,847
Sundry Creditors	41,287,419	25,437,869
Advance from customers	12,831,837	6,827,786
Other payables (#)	77,262,453	41,588,325
	178,400,646	121,877,287
(#) Includes Rs. 4,35,12,514/- (P.Y. Rs. 3,28,30,257/-) payable to concerns in which Directors or their relatives are interested.		
NOTE 10		
SHORT TERM PROVISIONS		
For Employee benefits:		
Provision for gratuity	1,325,025	--
Other provisions	--	--
	1,325,025	--

DUJODWALA PRODUCTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.

NOTE - 11

TANGIBLE ASSETS:

Particular	GROSS CARRYING AMOUNT			DEPRECIATION			NET CARRYING AMOUNT			
	As on 01.04.2012	Addition/ adjustment	Deduction/ adjustment	As on 31.03.2013	Upto 31.03.2012	For the Year	Deduction/ Adjustment	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
Land	15,683,087	-	-	15,683,087	-	-	-	-	15,683,087	15,683,087
Residential Premises	5,435,483	-	-	5,435,483	2,382,497	88,598	-	2,471,095	2,964,388	3,052,986
Factory Building	100,470,516	6,134,120	-	106,604,636	41,140,990	3,439,885	-	44,580,876	62,023,761	59,329,526
Plant and Machinery	593,568,577	104,096,343	-	697,664,921	263,393,395	36,412,083	-	299,805,477	397,859,443	330,175,183
Vehicles	20,710,255	177,593	-	20,887,848	6,186,015	1,982,656	1,045,263	9,213,934	11,673,915	14,524,241
Furniture & Fixture	7,029,639	144,700	-	7,174,339	2,972,061	454,967	-	3,427,028	3,747,311	4,057,578
Computers	2,214,974	39,427	-	2,254,401	998,685	353,363	-	1,352,047	902,354	1,216,290
Office Equipment	27,697,476	362,532	-	28,060,008	18,932,342	265,200	-	19,197,542	8,862,466	8,765,134
Office Premises	366,131	-	-	366,131	144,373	5,968	-	150,341	215,790	221,758
Total	773,176,141	110,954,715	-	884,130,856	336,150,358	43,002,720	1,045,263	380,198,341	503,932,515	437,025,783
Previous year	722,886,876	52,827,884	2,538,619	773,176,141	298,647,767	38,096,924	594,333	336,150,358	437,025,783	424,239,109

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.

	31-03-2013 (Rs.)	31-03-2012 (Rs.)
NOTE - 12		
NON -CURRENT INVESTMENT		
(Valued at cost unless otherwise stated)		
(Unquoted, non-trade)		
2500 (2500) Equity Shares with face value of Rs. 10/ each of the Saraswat Co.Op.Bank Ltd.,	25,000	25,000
	<u>25,000</u>	<u>25,000</u>
(Aggregate amount of unquoted investment)	25,000	25,000
(Provision made for diminution in value of investment)	--	--
NOTE - 13		
LONG -TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Capital advances	3,577,367	4,363,869
Security deposits	1,594,932	1,935,563
Loans and advances to related parties (#)	34,898,540	33,480,616
	<u>40,070,838</u>	<u>39,780,048</u>
(#) includes advances given to concerns in which Directors or their relatives are interested		
NOTE - 14		
INVENTORIES		
(As taken, valued and certified by the Management)		
Raw materials (Including goods in transit of Rs Nil (PY Rs. 6,75,34,000/-)	77,608,735	333,849,737
Work-in-process	87,198,050	64,448,650
Finished goods	256,297,088	129,223,398
Stores and spares	5,911,174	3,350,000
Power & fuel	6,626,002	6,599,690
Packing materials	1,544,651	1,469,000
	<u>435,185,700</u>	<u>538,940,475</u>
NOTE - 15		
TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for more than 6 months from due date	13,425,673	4,769,421
Outstanding for less than 6 months from due date	259,459,290	272,099,526
	<u>272,884,963</u>	<u>276,868,947</u>
NOTE - 16		
CASH AND BANK BALANCES		
CASH AND CASH EQUIVALENTS		
Balance with banks	8,890,641	6,037,520
Cash on hand	932,637	233,632
	<u>9,823,279</u>	<u>6,271,152</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.

	31-03-2013 (Rs.)	31-03-2012 (Rs.)
OTHER BANK BALANCES:		
Balance in unpaid dividend account	1,109,845	1,109,845
Margin money deposits (Fixed deposits pledged with bank)	32,006,026	33,281,120
	33,115,871	34,390,965
	42,939,150	40,662,117
NOTE 17		
SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Others	39,438,474	13,784,837
Balance with Excise Authorities	46,094,948	65,729,328
Advance Income Tax and TDS (net of provisions)	1,890,130	97,645
	87,423,552	79,611,810
NOTE 18		
OTHER CURRENT ASSETS		
Prepaid expenses	205,348	381,812
MAT Credit entitlement	10,076,137	6,005,678
	10,281,485	6,387,490
NOTE 19		
REVENUE FROM OPERATIONS		
<u>Sale of Products</u>		
Local Sales	1,864,742,860	2,052,007,812
Less: Excise duty	205,236,274	187,257,248
	1,659,506,586	1,864,750,564
Export Sales	232,396,754	137,315,799
Trading Sales	203,328,813	200,205,454
	2,095,232,153	2,202,271,817
<u>Details of sale of products:</u>		
Camphor and by products	1,259,023,431	1,325,794,643
Synthetic & P.F. Resin	584,575,552	591,373,243
Rosin, R. Resin and Others	251,633,170	285,103,931
NOTE 20		
OTHER INCOME		
Excise / SAD refund	286,322	4,797,809
Dividend on non current investments	5,000	4,583
Export benefit	1,865,846	1,568,278
Miscellaneous income	11,003,155	266,227
	13,160,323	6,636,897

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.

	31-03-2013 (Rs.)	31-03-2012 (Rs.)
NOTE 21		
<u>COST OF MATERIALS CONSUMED:</u>		
Inventory at the beginning of the year	333,849,737	308,514,942
Add: Purchase	1,329,432,667	1,540,379,100
	<u>1,663,282,404</u>	<u>1,848,894,042</u>
Less: Inventory at the end of the year	77,608,735	333,849,737
Cost of materials consumed	<u>1,585,673,669</u>	<u>1,515,044,305</u>
<u>Product wise details of materials consumed:</u>		
Turpene chemicals	874,132,810	853,035,698
Phenol and others	711,540,859	662,008,607
	<u>874,132,810</u>	<u>853,035,698</u>
	<u>711,540,859</u>	<u>662,008,607</u>
NOTE 22		
<u>TRADING PURCHASE</u>		
Trading purchases	208,925,427	189,178,373
	<u>208,925,427</u>	<u>189,178,373</u>
<u>Product wise details of trading purchase:</u>		
Rosin and other chemicals	208,925,427	189,178,373
Camphor and by products	--	--
	<u>208,925,427</u>	<u>189,178,373</u>
	<u>--</u>	<u>--</u>
NOTE 23		
<u>(INCREASE)/ DECREASE IN INVENTORIES</u>		
<u>Inventories at the end of the year</u>		
Work-in-progress	87,198,050	64,448,650
Finished goods	256,297,088	129,223,398
	<u>343,495,138</u>	<u>193,672,048</u>
<u>Inventories at the beginning of the year</u>		
Work-in-progress	64,448,650	58,349,565
Finished goods	129,223,398	186,875,613
	<u>193,672,048</u>	<u>245,225,178</u>
	<u>(149,823,090)</u>	<u>51,553,130</u>
NOTE 24		
<u>EMPLOYEE BENEFIT EXPENSES</u>		
Salaries, wages and bonus	67,571,693	50,444,327
Directors remuneration	4,559,790	9,034,150
Contribution to provident and other funds	1,191,303	988,264
Gratuity expenses	1,219,415	2,376,673
Staff welfare expenses	2,218,330	2,755,437
	<u>76,760,532</u>	<u>65,598,851</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.

	31-03-2013 (Rs.)	31-03-2012 (Rs.)
NOTE 25		
FINANCE COSTS:		
On term loan	11,886,773	14,260,456
On other facilities	40,940,823	37,740,911
Interest to others	179,354	8,170,652
Less:		
Interest received on fixed deposits	2,615,362	1,880,070
Interest received from others	286,584	160,148
Net interest expenses	50,105,003	58,131,800
Bank and LC charges	6,832,202	8,347,944
	56,937,206	66,479,744
NOTE 26		
OTHER EXPENSES		
Manufacturing expenses:		
Consumption of stores and spare parts	1,620,204	4,700,915
Power and fuel	110,426,406	106,032,384
Consumption of packing materials	14,048,834	20,391,228
Boiler expenses	3,693,208	2,097,294
Repairs to:		
Building & Others	1,551,441	12,376,459
Machinery	5,898,011	6,331,285
Excise duty on variation of closing stock of finished goods	11,184,479	(4,041,837)
Administrative and other expenses:		
Export expenses	19,503,058	10,898,563
Freight and forwarding	35,419,212	50,231,960
Foreign exchange fluctuation (net)	1,387,181	3,810,401
Insurance	1,747,290	1,693,998
Legal and professional fees	1,344,060	1,093,983
Loss on sale fixed assets	--	1,173,483
Rebate and discounts on sales	89,865	4,281,680
Rates and taxes	3,532,974	2,923,740
Travelling & conveyance	5,232,959	6,680,396
Miscellaneous expenses	20,952,948	19,231,746
Payment to auditor:		
Audit fees	250,000	250,000
Tax audit fees	75,000	75,000
Other services	257,000	257,000
	238,214,129	250,489,678

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013.

NOTE 27

Significant accounting policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

b) Use of estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

c) Tangible assets and depreciation

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.

d) Valuation of inventory

- 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 are 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.

e) 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.

f) 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. The 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.

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 statement of profit and loss of the year without resorting to any amortization.

g) Investments

Long term Investments are stated at cost. Temporary fall in market value, if any, is not provided for. Current Investments are carried at lower of cost and fair value.

h) 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 affected. 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 statement of profit and loss.

i) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of fixed assets are capitalised as part of the cost of such assets for the period until the asset is ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. A qualifying asset is one that takes substantial period of time to get ready for intended use.

j) Taxes

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 statement of Profit and Loss 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.

k) Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is 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.

l) Impairment

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 statement of profit and loss.

m) Excise duty and 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.

n) Customs Duty

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

NOTE 28

Contingent liabilities - Not provided for in respect of

a)

	31 st March 2013 (Rs.)	31 st March 2012 (Rs.)
Bank Guarantee	41,21,420	32,72,420

Bank guarantees issued by banks on behalf of the Company Rs. 41.21 Lacs (Previous Year Rs.32.72 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

	31 st March 2013 (Rs.)	31 st March 2012 (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
July 99 to Jan-04	91,30,615	Nil

A) In the earlier year the Company received Show Cause Notice from the Excise Department for the period February 2004 to May 2005 demanding sum of Rs. 2, 47, 49, 315/- for Excise Duty on price deference. The Company has received order in its favour from CESTAT against the Order passed by the Commissioner of Central Excise & Custom against which the department has filed a civil appeal in Supreme Court for condemnation 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/-.

- B) During the year the Company has received notice from Commissioner of Central Excise & Customs determining interest on excise duty liability for the period July 1999 to January 2004 of Rs. 1,68,38,001/- as against interest of Rs. 77,07,386/- calculated and paid by the Company in financial year 2011-12. The excise department has demanded balance interest of Rs. 91,30,615/- (Rs. 1,68,38,001/- minus Rs. 77,07,386/-) from the Company and recovered an amount of Rs. 35,19,301/- out of export rebate of the Company and an amount of Rs. 56,11,314/- was paid by the Company by crediting RG23 balance. Since the Company has not agreed to the interest calculation of the department, it has filed an appeal before the Commissioner of Central Excise and Customs (Appeals) and the amount of Rs. 91,30,615/- paid by it has been shown as paid under protest.
- C) 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.

c) **Claim not acknowledged**

	31 st March 2013 (Rs.)	31 st March 2012 (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. 24,89,89,815/- (P.Y. Rs. 26,36,50,194/-)
- e) **In respect of income tax matter:** For AY 2009-10 claim of set off of unabsorbed depreciation of Rs. 22,57,397/- was disallowed by AO and appeal of the Company was rejected by Commissioner of Income Tax (Appeals) also. Aggrieved by the order of CIT-A, the Company has preferred an appeal before Hon'ble Income Tax Appellate Tribunal which is not yet heard and hence no provision is made in books.
- f) 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.

NOTE 29

Expenditure in Foreign Currency on account of

	Current Year (Rs. In lacs)	Previous Year (Rs. In lacs)
- Raw Material (CIF)	7216.74	9557.86
- Traveling Expenses	Nil	30.98
- Purchase of Trading Goods	609.15	660.01

NOTE 30

Earning in Foreign Currency on Account of

	Current Year (Rs. In lacs)	Previous Year (Rs. In lacs)
Exports made on FOB Basis	2,190.72	1,299.21

NOTE 31

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. 2323.96 Lacs (P.Y.Rs. 1373.16 lacs) out of Total Turnover of Rs. 20952.32 Lacs (P.Y. Rs. 22022.72 lacs). But due to the nature of business, the assets/liabilities and expenses for these activities cannot be bifurcated separately.

NOTE 32

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.

NOTE 33

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 60.57 Lacs (Rs. 100.99 Lacs).

NOTE 34

Earnings per share (EPS)

Sl. No.	Description	31 st March 2013	31 st March 2012
a)	Weighted average number of equity Shares of Rs.10/- each		
	i) Number of shares at the Beginning of the year	90,52,680	90,52,680
	ii) Number of shares at the End of the year	90,52,680	90,52,680
	Weighted average number of Equity Shares – Basic	90,52,680	90,52,680
	Weighted average number of Equity Shares – Diluted	90,52,680	1,05,64,457
b)	Net profit after tax available for Equity share-holders	3,47,57,517	3,34,89,878
c)	Basic Earnings per Equity Share (in Rupees)	3.84	3.70
	Diluted Earning per Equity Share (in Rupees)	3.84	3.17

NOTE 35

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. 1,10,41,222/- (P.Y. Rs. 1,12,69,801/-) out of the above mentioned deferred sales tax liability which is debited to General Reserve hence reserve & surplus as on 31st March 2013 is now overstated to the extent of Rs. 96,57,869/- only.

NOTE 36

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 upto 30 th April 2012
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.
- 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 31-03-2013.

Nature of Transaction	Directors		Relatives of Directors		Companies Controlled by Directors / Relatives/Associates	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Sale of Goods (Including Consignment Sales)	-	-	-	-	27,51,840	38,17,617
Remuneration	45,59,790	90,34,150	83,045	9,96,540	-	-
Closing Balance as on balance sheet date: Debit Balance	-	-	-	-	3,48,98,540	3,22,22,856
Credit Balance	-	-	-	-	4,35,12,514	3,28,30,257

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

NOTE 37

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 Statement of Profit and Loss:

	For the year ended March 31, 2013	For the year ended March 31, 2012
Employers Contribution to Provident Fund	11,91,303	9,88,264

(i) **Defined Benefit Plan
Gratuity Fund:**

a. Major Assumptions	For the year ended March 31, 2013	For the year ended March 31, 2012
	(% p.a.)	(% p.a.)
Discount Rate	8.05	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. Change in the Present Value of Obligation		
Present Value of Obligation as at 1 st April	72,56,268	52,73,189
Current Service Cost	9,83,532	5,79,714
Interest Cost	6,34,923	4,35,038
Benefit Paid	-	(3,93,594)
Actuarial Loss on Obligations	(3,99,040)	13,61,921
Present Value of Obligation as at 31 st March	84,75,683	72,56,268
c. Change in Fair Value of Plan Assets		
Present Value of Plan Assets as at 1 st April	-	-
Expected Return on Plan Assets	-	-
Actuarial (Loss) on Plan Assets	-	-
Contributions	-	-
Benefits paid	-	-
Present Value of Plan Assets as at 31 st March	-	-
d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets		
Present value of Funded Obligation as at March 31, 2013	84,75,683	72,56,268
Fair Value of Plan Assets as at March 31, 2013	-	-
Funded Status	-	-
Present Value of Unfunded Obligation as at March 31, 2013	84,75,683	72,56,268
Unfunded Net Liability Recognised in the Balance Sheet Disclosed in long term provisions	84,75,683	72,56,268
e. Amount Recognised in the Balance Sheet		
Present Value of Obligation as at March 31, 2013	84,75,683	72,56,268
Fair Value of Plan Assets as at March 31, 2013	-	-
Liability Recognised in the Balance Sheet and disclosed under long term provisions	84,75,683	72,56,268
f. Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	9,83,532	5,79,714
Interest Cost	6,34,923	4,35,038
Expected Return on Plan Assets	-	-
Net Actuarial Losses Recognised in the Statement of Profit and Loss	(3,99,040)	13,61,921
Total expenses Recognised in the Statement of Profit and Loss	12,19,415	23,76,673
Actual Return on Plan Assets	Nil	Nil

NOTE 38

Pursuant to the approval of the members by way of special resolution passed at the Extra-Ordinary General Meeting of the Company held on 28th December 2009, the Company has allotted 19,42,857 warrants on 25th February 2010. Each warrant carried entitlement to subscribe for one equity share of Rs. 10/- each at a premium of Rs. 8.59/- per share. The subscriber to warrant had paid 25% amount being Rs. 90.29 lacs on application. The holders of the warrants were 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 ended 31st March 2011 and full payment have been received by the Company from the allottees of the above stated equity shares and an additional premium of Rs. 2.50/- per share was also paid by the said allottees as per the revised price calculation in accordance with SEBI regulations. Since the holders of balance 15,11,777/- warrants have not exercise their right to subscribe to the equity shares of the Company within the period of 18 months, amount of Rs. 70,25,984/- being 25% advance money received on subscription of warrants is forfeited and transferred to capital reserve account.

NOTE 39

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. As per the normal provision of Income Tax Act, 1961, there are no taxable profits and hence tax provision has been made as per provisions of section 115JB of the IT Act, 1961.

NOTE 40

As at March 31, 2013, 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.

NOTE 41

The balance of Sundry Debtors, Sundry Creditors, Loans & Advances and others are as per books and subject to confirmations and reconciliation if any.

NOTE 42

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.

NOTE 43

Till the year ended 31st March 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company. The Company has reclassified previous year figures to conform to this year's classification.

For Sundarlal, Desai & Kanodia
Chartered Accountants

Sd-
H. P. Kanodia
Partner
Mem. No. 40617
Place : Mumbai
Dated : 12th May, 2013.

For and on behalf of Board of Directors

Sd/-
Kamalkumar Dujodwala Chairman
Sd/-
Pannkaj Dujodwala - Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 st MARCH, 2013.

	For the year ended March 31, 2013	For the year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	48,701,884	32,467,709
Adjustment For :		
Depreciation	43,002,720	38,096,924
Interest	56,937,206	66,479,744
Loss on sale of Fixed Assets	--	1,173,483
Operating Profit before working capital changes	148,641,810	138,217,859
Adjustment For :		
Trade & Other Receivables	(2,149,600)	(50,857,688)
Inventories	103,754,775	21,557,661
Trade and other Payables	36,085,413	(110,185,593)
Cash used in Operations	286,332,398	(1,267,760)
Income tax Paid	(12,500,000)	(38,165,613)
Net Cash from Operating Activities - I	273,832,398	(39,433,373)
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(88,518,733)	(74,657,338)
Sale of Fixed Assets	--	770,803.00
Purchase of Investments	--	--
Net Cash used in Investing Activities - II	(88,518,733)	(73,886,535)
C. Cash Flow from financing activities		
Proceeds from Short Term Borrowings	(85,671,288)	213,415,306
(Repayment)/ proceed of/ from long term borrowings	(30,464,617)	(14,610,553)
Premium on conversion of warrants into equity shares	1,077,700	--
Interest Paid	(56,937,206)	(66,479,744)
Payment of sales tax defferement loan	(11,041,222)	(11,269,801)
Net cash generated from financing activities - III	(183,036,633)	121,055,209
Net Increase in Cash and Cash Equivalents	2,277,033	7,735,301
Opening balance of cash & cash equivalents	40,662,117	32,926,816
Closing balance of cash & cash equivalents	42,939,150	40,662,117

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 : 12th May, 2013.

For and on behalf of Board of Directors

Sd-
Director

Sd-
Director

ANNEXURE TO SR. NO.3 OF NOTE-14
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	
	2012-13		2011-12	
	Quantity MT	Value (in lacs)	Quantity MT	Value (in lacs)
a) <u>Manufactured</u>				
i) Opening Stock				
Camphor & By Products	395.597	549.75	650.244	1242.78
Synthetic & P.F. Resin	1905.532	513.74	312.98	422.00
Rosin, R.Resin & Others	16.450	23.17	46.115	64.21
ii) Closing Stock				
Camphor & By Products	782.050	1784.65	395.597	549.75
Synthetic & P.F. Resin	339.845	478.22	1905.532	513.74
Rosin, R.Resin & Others	31.458	38.54	16.450	23.17
iii) Shortage	0	0	0	0
b) <u>Trading</u>				
i) Opening Stock				
Rosin & other Chemicals	151.867	205.57	25.065	47.54
Camphor & By Products	0	0	33.781	69.04
ii) Closing Stock				
Rosin & other Chemicals	358.272	261.56	151.867	205.57
Camphor & By Products	0	0	0	0
iii) Shortage	0	0	0	0

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

	Current Year		Previous Year	
	2012-13		2011-12	
	Quantity MT	Value (in lacs)	Quantity MT	Value (in lacs)
a) Manufactured				
Camphor & By Products	9506.706	12590.23	9851.158	13257.95
Synthetic & P.F. Resin	6887.444	5845.76	4835.167	5913.73
Rosin, R.Resin & Others	475.273	483.04	502.222	848.98
b) Trading				
Rosin & other Chemicals	1833.790	2033.29	2016.619	1932.23
Camphor & By Products	0	0	33.781	70.32

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

	Current Year		Previous Year	
	2012-13		2011-12	
	Quantity MT	Value (in lacs)	Quantity MT	Value (in lacs)
a) Manufactured				
Terpene Chemicals	8148.172	8741.33	10019.310	8530.36
Phenol & Others	6515.983	7115.41	9076.880	6620.09
b) Trading				
Rosin & other Chemicals	2040.195	2089.25	2143.420	1891.78
Camphor & By Products	0	0	0	0

C) Information in respect of each class of Goods Manufactured.

	Current Year	Previous Year
	2012-13	2011-12
	Quantity MT	Quantity MT
Camphor & By Products	9863.159	9625.511
Synthetic & P.F. Resin	5321.757	4852.397
Rosin & other Chemicals	490.281	484.032

Note: sales & quantity includes net of unit / inter unit transfer

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 31st Annual General Meeting of the Company to be held on Thursday, 19th September, 2013 at 11.00 a.m. at the Companies 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 31st Annual General Meeting being held on Thursday, 19th September, 2013 at 11.00 a.m. at Companies 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.

BOOK – POST

To,

If undelivered please return to:



DUJODWALA PRODUCTS LIMITED

812, Tulsiani Chambers,

Nariman Point,

Mumbai – 400 021.

India.



DPL

31st Annual Report 2012-2013

DUJODWALA PRODUCTS LIMITED

FORM B

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGES

1	Name of the Company	Mangalam Organics Limited (formerly known as Dujodwala Products Limited.
2	Annual financial statements for the year ended	31 st March, 2013
3	Type of Audit qualification	Overstatement of reserves and surplus.
4	Frequency of qualification	Repetitive and appearing since many years.
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Subject to note no. 35 of notes on financial statements in respect of sales tax deferment liability as in earlier years deferred sales tax liability was included in sales and reserves and surplus was overstated to that extent.
6	Additional comments from board/audit committee chair:	The company is paying sales tax deferred liability as per the scheme and debiting the reserve account and the qualification will be removed after final payment of the liability.
7	To be signed by- Managing Director CFO Auditor of the company Audit Committee Chairman"	<p>For Mangalam Organics Limited</p> <p><i>Ranab</i></p> <p>Director</p> <p><i>Pravin</i></p> <p><i>Sevvan</i></p> <p><i>Shy</i></p> 