

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



reportjunction.com



Camphor & Allied Products Limited

Annual
Report
1997-98

Camphor & Allied Products Limited

BOARD OF DIRECTORS

Harshul Dalal, *Chairman & Managing Director*

Rohit C. Mehta

K. H. Bhabha

J. N. Guzder

S. N. Desai

J. K. Setna

H. R. Prasad

Nimesh N. Kampani

Shobhan N. Thakore

Nina H. Dalal

Secretary

S.R. Iyer

Auditors

Batliboi & Purohit

B. D. Jokhakar & Co.

Solicitors and Advocates

Bhaishanker Kanga & Girdharlal

Bankers

Bank of Boroda

The British Bank of the Middle East

Dena Bank

Corporate Office

Jehangir Building,

133, Mahatma Gandhi Road,

Mumbai 400 001.

Registrars and Share Transfer Agents

IIT Corporate Services Ltd.

IIT House, Near Vazir Glass,

Off. M. V. Road, J. B. Nagar,

Andheri (E),

Mumbai - 400 059.

Registered Office

Plot No. 3, GIDC Industrial Estate,

Nandesari 391 340

Dist. Vadodara, Gujarat.

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of CAMPHOR & ALLIED PRODUCTS LIMITED will be held on Saturday, the 29th August, 1998 at 11.00 a.m. at the Registered Office of the Company at Plot No.3, GIDC Industrial Estate, Nandesari 391 340, Dist. Vadodara, Gujarat, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Audited Profit & Loss Account for the year ended 31st March, 1998 and the Audited Balance Sheet as at that date.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Smt. Nina H. Dalal, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Shri J. N. Guzder, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri S. N. Desai, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the re-appointment of Shri Harshul Dalal as Managing Director of the Company and payment of remuneration to him for a period of five years with effect from 1st September, 1998 upon the terms and conditions set out in the draft agreement submitted to this meeting and for identification signed by Shri Shobhan Thakore, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Shri Harshul Dalal.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to review and/or revise the remuneration, perquisites and benefits to be paid or provided to Shri Harshul Dalal in the light of and in conformity with any amendments to the relevant provisions in the Companies Act, 1956 and/or the rules and regulations made thereunder and/or the guidelines as may be announced by the Central Government from time to time, and in accordance with the limits specified in Schedule XIII to the Companies Act, 1956, or any amendments thereto, as may be agreed to between the Board of Directors and Shri Harshul Dalal.

NOTES:

- (A) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (B) The instrument appointing proxy in order to be effective, should be lodged at the Registered Office of the Company not less than forty eight hours before the time of the meeting. A blank proxy form is sent herewith.
- (C) The members are requested to notify immediately any change in their address to the Company's Registrars and Share Transfer Agents, M/s.IIT Corporate Services Limited, IIT House, Near Vazir Glass Works, Off. M. V. Road, J. B. Nagar, Andheri (E), Mumbai - 400 059.
- (D) The Register of Members and Share Transfer Books of the company shall remain closed from Monday, the 10th August, 1998 to Saturday, the 29th August, 1998 (both days inclusive).
- (E) The dividend when declared, will be made payable on or after 1st October, 1998 to those shareholders, whose names stand on the Register of Members of the Company on the 29th August, 1998.
- (F) Pursuant to Section 205(A) of the Companies Act, 1956, all unclaimed dividends upto the financial year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. The shareholders who have not encashed their dividend warrants upto the said period are requested to claim the amount from the Registrar of Companies.Gujarat.

By Order of the Board of Directors
S. R. IYER
Secretary

Mumbai, dated 26th June, 1998.

Registered Office:

Plot No.3, GIDC Industrial Estate,
Nandesari 391 340,
Dist. Vadodara, Gujarat.

Camphor & Allied Products Limited

EXPLANATORY STATEMENT

As required under Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out the material facts relating to the item of business mentioned in the accompanying notice dated 26th June, 1998.

Item No.7:

The appointment of Shri Harshul Dalal as Managing Director for the period of five years from 1st September, 1993, is expiring on 31st August, 1998. He has been re-appointed as Managing Director for a further period of five years from the 1st September, 1998, by the Board of Directors at their meeting held on the 26th June, 1998. The terms and conditions of his re-appointment including remuneration in terms of Schedule XIII to the Companies Act, 1956, as amended and contained in the draft agreement to be entered into between him and the Company are as under:

1. **SALARY:** Rs. 75,000/- per month in the scale of Rs.75,000 to 1,25,000.
2. **COMMISSION:** Commission on the net profit of the Company in each year computed in the manner provided in Section 349 of the Companies Act, 1956 at the rate of 1% subject to the overall ceiling laid down in Section 198 and 309 of the Companies Act, 1956.
3. **PERQUISITES:** Perquisites will be allowed to Shri Harshul Dalal, Managing Director, in addition to Salary and Commission. For this purpose the perquisites are classified into three categories, PART A, B and C.

PART A**i. Housing:**

- a. In case of unfurnished accommodation hired by the Company, such expenditure not exceeding 60% of the salary over and above 10% payable by the Managing Director.
- b. In case the Managing Director is provided accommodation owned by the Company, 10% of the salary of Managing Director shall be deducted by the Company.
- c. In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance on actual basis, subject to ceiling laid down under (a).
- d. Maintenance and Repairs Allowance of Rs.1,50,000/- p. a. in case no accommodation is provided. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10%.

ii. Medical Reimbursement:

Reimbursement of expenses incurred by the Managing Director for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

iii. Leave Travel Concession:

Leave Travel Concession for the Managing Director and his family once in a year incurred in accordance with the Rules of the Company.

iv. Club Fees:

Fees of Clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.

v. Personal Accident Insurance:

Personal Accident Insurance of an amount, the annual premium for which does not exceed Rs. 4,000/-.

PART B**i. Provident Fund and Superannuation Fund:**

Company's contribution to Provident Fund and Superannuation Fund in accordance with the Rules and regulations in force in the Company from time to time.

Contribution to these funds will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

ii. Gratuity:

Benefits in accordance with the Rules and Regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.

PART C**i. Car:**

Provision of car for use on Company's business will not be considered as a perquisite. Personal use of car for private purpose shall be billed by the Company to the Managing Director.

ii. Telephone:

Provision of Telephone at residence will not be considered as a perquisite. Personal long distance calls on telephone shall be billed by the Company to the Managing Director.

4. OTHER BENEFITS:

- i. Leave as per rules in force in the Company from time to time.
- ii. Benefits under loan and other Schemes, in accordance with the practices, rules and regulations in force from time to time.
- iii. Such other benefits as may be provided by the Company to other senior officers from time to time.

Shri Harshul Dalal has been associated with the Company for a number of years and has been looking after and guiding the day-to-day business of the Company. He has varied experience of the industry and has been instrumental in various expansion and development programmes undertaken by the Company. The draft agreement between the Company and Shri Harshul Dalal is available for inspection of the members at the Registered Office of the Company between 11.00 a.m and 1.00 p.m. on all days except Saturdays, Sundays and public holidays till the Annual General Meeting to be held on 29th August, 1998.

Shri Harshul Dalal is interested in the resolution under this item of business.

The above terms and conditions may be deemed to be an abstract under Section 302 of the Companies Act, 1956.

By Order of the Board of Directors
S. R. IYER
Secretary

Mumbai, dated 26th June, 1998.

Registered Office:

Plot No.3, GIDC Industrial Estate,
Nandesari 391 340,
Dist. Vadodara, Gujarat.

Camphor & Allied Products Limited**SOURCES AND APPLICATION OF FUNDS**

(Rupees in Lacs)

	1997-98	1996-97	1995-96	1994-95	1993-94
SOURCES OF FUNDS					
Shareholder fund					
Share Capital	514.95	514.95	514.54	514.42	513.32
Reserve & Surplus	3603.88	3416.99	3225.74	2830.76	2633.54
	4118.83	3931.44	3740.28	3345.18	3146.86
Loan Funds	667.93	1317.09	764.65	820.80	991.64
Fund Employed	4786.76	5248.53	4504.93	4165.98	4138.50
APPLICATION OF FUNDS					
Fixed Assets (Gross)	3286.78	4190.21	4073.17	366.41	3565.36
Depreciation	1687.78	2209.34	1996.01	1812.42	1651.38
Fixed Assets (Net)	1599.00	1980.87	2077.16	1854.99	1913.98
Investments	77.84	77.84	67.80	67.30	14.34
Currents Assets (Net)	3109.92	3189.82	2359.97	2243.69	2210.18
Net Assets Employed	4786.76	5248.53	4504.93	4165.98	4138.50
Book Value	79.99	76.35	72.63	64.96	61.11
Debt Equity Ratio	0.16	0.33	0.20	0.25	0.32

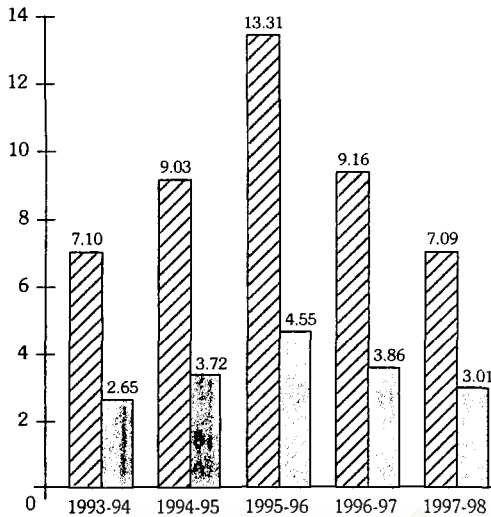
FINANCIAL HIGHLIGHTS OF FIVE YEARS

(Rupees in Lacs)

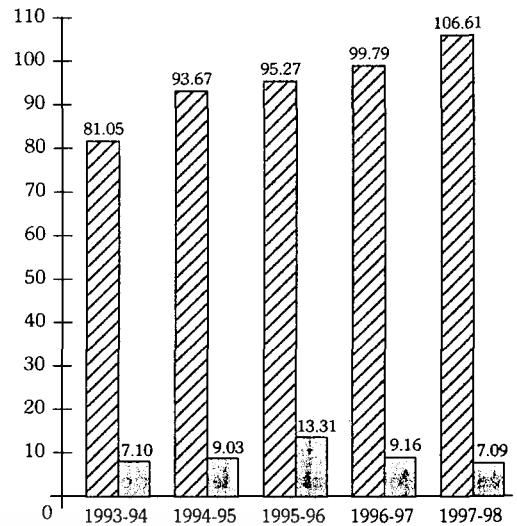
	1997-98	1996-97	1995-96	1994-95	1993-94
INCOME					
Sales	10205.46	9838	9428.34	9257.80	7962.44
Other Income	455.18	139.41	98.34	108.76	142.99
Total	10660.64	9978.40	9526.68	9366.56	8105.43
EXPENDITURE					
Materials & Overheads	9197.84	8141.52	7232.83	7380.83	6579.38
Excise	504.92	614.90	785.18	921.34	576.14
Interest	249.23	305.86	177.65	161.57	239.81
TOTAL EXPENSES	9951.99	9062.28	8195.66	8463.74	7395.33
GROSS PROFIT	708.65	916.12	1331.02	902.82	710.10
APPROPRIATIONS					
Opening Balance	(184.00)	(186.09)	(261.21)	(169.49)	(132.31)
Depreciation	176.88	225.02	207.40	207.01	195.26
Contingency Provision for Excise/Sales Tax	—	14.26	91.39	1.15	2.24
Provision for Doubtful Debts & Bad Debt Written Off	41.09	5.08	17.28	18.93	210.82
Provision for Taxation (Net)	200.30	303.62	559.84	303.78	37.17
Proposed Dividend	102.99	180.23	180.23	180.23	152.43
Transfer to Reserve	180.00	190.00	350.00	100.00	75.00
Closing Balance	191.39	184.00	186.09	261.21	169.49
Earning Per Share (Rs.)	6.62	7.50	9.12	7.30	3.72

GROSS & NET PROFIT

▨ Gross Profit □ Net Profit

**SALES & GROSS PROFIT**

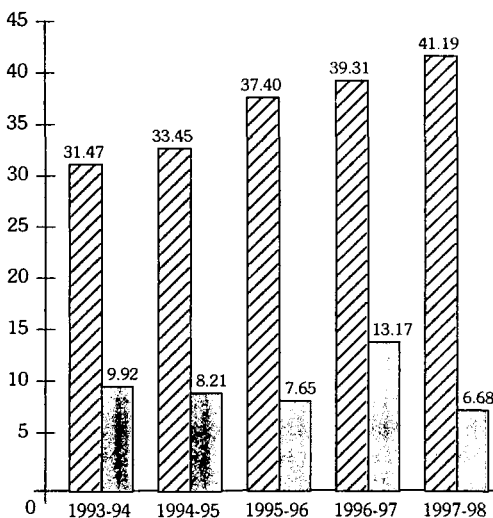
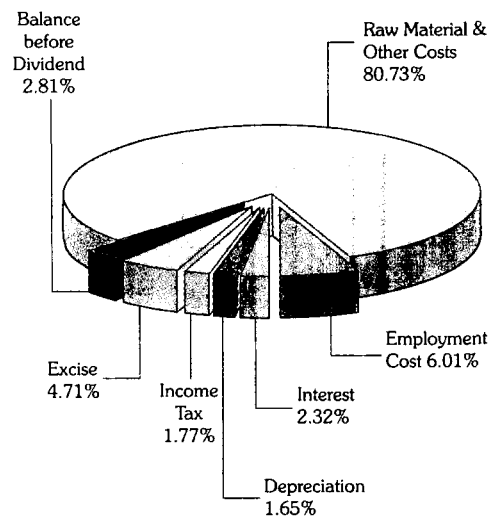
▨ Sales □ Gross Profit



Report Junction.com

SHAREHOLDERS & LOAN FUNDS

▨ Shareholders Funds □ Loan Funds

**DISTRIBUTION OF REVENUE**

Camphor & Allied Products Limited**DIRECTORS' REPORT**

Your Directors have pleasure in submitting the 26th Annual Report togetherwith the audited accounts of the Company for the year ended 31st March, 1998.

	<u>Rupees lacs</u>	<u>Rupees lacs</u>	Previous Year <u>Rupees lacs</u>
Gross Profit for the year is		708.65	916.12
Deduction therefrom:			
Depreciation	176.88		225.02
Contingency Provision for Excise & Sales Tax	0.00		14.26
Provision for Doubtful Debts and Bad Debts written off	41.09		5.08
Provision for Taxation	150.00		285.00
		367.97	529.36
Net Profit Comes to		340.68	386.76
Deducting therefrom:			
Short provision for Taxation for earlier years		40.00	0.00
Wealth tax on completed assessment of earlier year		0.00	0.60
Profit after Tax is		300.68	386.16
Adding thereto balance brought forward from last year		184.00	186.09
Transfer from Debenture Redemption Reserve		200.00	0.00
Profit available for appropriations is		684.68	572.25
From which your Directors recommend the following appropriations:			
General Reserve	260.00		130.00
Debenture Redemption Reserve	120.00		60.00
Proposed Dividend	102.99		180.23
Provision for Corporate Tax on Proposed Dividend	10.30		18.02
		495.29	388.25
Balance being carried to next year's account		191.39	184.00

Working Results:

The Company has achieved a total turnover of Rs.10,205 lacs during year under review as compared to Rs. 9,838 lacs of the previous year, representing a nominal increase of 4%.

Camphor Division:

The sales turnover achieved by this division was Rs.8,277 lacs compared to Rs.8,245 lacs of last year. During the year under review the sale of Camphor, Company's main product, suffered setback in terms of lower sales realisation and margins due to stiff competition with importers and domestic producers resorting to unrealistic pricing. Sale of other products was satisfactory. Raw materials supply was adequate with prices remaining more or less steady.

New Project:

In view of the fast changing global market situation and need of the hour to concentrate on the core activities of the Company and to expand its activities, it is proposed to set up a new manufacturing facilities at Baroda, in the land adjoining the R & D Centre of the Company.

The project envisages production of high value performance chemicals based on in-house research. Some of these are important intermediates in manufacture of fragrance industry and others are fragrance chemicals for use in the fragrance blends in the soap, detergent and cosmetic industry.

Profeel Division:

As per the Resolution passed in the last meeting, the sale of this division as a going concern was completed during the year.

In view of the above, the activities of this division continued for only six months of the year upto 3rd October 1997 giving the turnover of Rs.532 lacs compared to sale of Rs.1,111 lacs during the last year. Due to partial working of the unit, the contribution by this division was negligible.

Rosin Division:

The turnover of this division was at Rs.1,399 lacs compared to Rs.483 lacs of last year. While supplies of main raw material viz. Oleo Pine Resin from Brazil was adequate, albeit with wide fluctuation in price; price of Rosin, main product derived from Oleo Pine Resin slumped by almost 30% in a period of one month due to China slashing the price because of bumper production. Price of Rosin had to be adjusted in line with market prices to liquidate stocks which in turn affected the profitability significantly.

Dividend:

In view of the lower profits during the year compared to last year and considering the need of financing the new project, your Directors recommend a dividend at the rate of Rs.2.00 per share of Rs.10/- each.

Finance:

Although, profit and cash realisation from the normal operation of the Company was lower during the year, lower interest rates and realisation of full proceeds towards the sale of Profeel Division, ensuring that liquidity position of the Company was comfortable. Company repaid Rs.300 lacs of Debentures and also repaid Rs.200 lacs borrowings from Life Insurance Corporation of India during the year. No other fresh loans were taken during the year from market or Public Financial Institutions.

The Company's borrowings by way of fixed deposits is within limits prescribed by the Companies (Acceptance of Deposits) Rules, 1975. Thirty two deposits amounting to Rs.1.70 lacs have remained unclaimed as on 31.3.1998 of which Ten deposits aggregating to Rs.0.16 lacs have since been renewed or repaid.

Sale of Profeel Division:

As per the Resolution taken in the last meeting all formalities pertaining to sale of Profeel Division as a going concern has been completed during the year and the entire consideration for the same has been received by the Company.

Insurance:

The Company's buildings, plant and machinery, stores and stocks have been adequately insured. Loss of profit and standing charges in respect of Camphor Division have also been adequately insured.

Subsidiary Company:

Mulberry Investment & Trading Limited, the wholly owned subsidiary of the Company has made a profit after Tax of Rs.1.12 lacs during the year under review compared to the profit of Rs.4.99 lacs made in the previous year.

Camphor & Allied Products Limited

Directors:

In accordance with the Companies Act, 1956 and Articles of Association of the Company, Smt.Nina H. Dalal, Shri J.N.Guzder and Shri S.N.Desai are retiring by rotation but being eligible, have offered themselves for re-appointment.

Auditors:

M/s.Batliboi & Purohit and M/s.B.D.Jokhakar & Co., the present Auditors of the Company hold their office upto the conclusion of the next Annual General Meeting.

The Company has received certificates pursuant to the provisions of Section 224(1) of the Companies Act, 1956 regarding their eligibility for re-appointment and it is proposed to the Members to re-appoint them and fix their remuneration.

Auditors Report:

The observation of the Auditors with regard to non-provision of liability of Income-tax, when read with the notes to the accounts is self-explanatory.

With regard to the observation of the Auditors for non-provision of liability to pay State Sales Tax on raw material refunded by the State, the Directors wish to state that the Company's writ petition in respect of this matter is pending before the High Court of Jammu & Kashmir and demand raised therein has been stayed by the Hon'ble High Court of Jammu & Kashmir.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The particulars as prescribed under sub-section (1) (e) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given as Annexure 'A'.

Environmental Compliance and Safety:

Your Company gives great importance to pollution control and environmental protection and efforts are made at all stages of manufacture to minimize the emissions. Necessary reports are submitted by the Company to local authorities as required.

Industrial Relations:

The industrial relations in all the three units of the Company have remained cordial during the year under review.

Particulars of Employees:

The statement under sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, and forming part of this Directors' Report is given as Annexure 'B'.

General:

Your Directors place on record their sincere thanks to the Financial Institutions, Banks and shareholders for their continuous support and co-operation. The Directors also place on record their appreciation for the good work done by the employees of the Company.

For and on behalf of the Board of Directors,

HARSHUL DALAL

Chairman & Managing Director

Mumbai, 26th June, 1998.