



Annual Report
1998-99



Camphor & Allied Products Ltd

BOARD OF DIRECTORS

Harshul Dalal, Chairman & Managing Director

K. H. Bhabha

J. N. Guzder

S. N. Desai

J. K. Setna

H. R. Prasad

Nimesh N. Kampani

Shobhan M. Thakore

Nina H. Dalal

Secretary

S. R. Iyer

Auditors

Batliboi & Purohit

B. D. Jokhakar & Co.

Solicitors and Advocates

Bhaishanker Kanga & Girdharlal

Bankers

Bank of Baroda

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 Works,

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.

CAMPBOR & ALLIED PRODUCTS LIMITED**NOTICE**

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of **CAMPBOR & ALLIED PRODUCTS LIMITED** will be held on Saturday, the 25th of September 1999, 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, 1999 and the Audited Balance Sheet as at that date.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri K. H. Bhabha, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Nimesh N. Kampani, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Shobhan M. Thakore, 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 the consent of the Company be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company as the Board may direct, on such of the assets of the Company, both present and future, in such manner as the Board may direct, to or in favour of all or any of the financial institutions / banks / any other investing agencies / Trustees for the holders of debentures / bonds / other instruments which may be issued to and subscribed by all or any of the financial institutions / banks / any other; investing agencies or any other person(s) / bodies corporate by way of private placement or otherwise, to secure rupee / foreign currency loans, debentures, bonds or other instruments of an equivalent aggregate value not exceeding Rupees Twenty five crores together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on repayment, or on redemption, costs charges, expenses and all other moneys payable by the Company to the aforesaid parties or any of them under the Agreements / arrangements entered into / to be entered into by the Company in respect of the said loans, debentures, bonds or other instruments.

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with the aforesaid parties or any of them, the documents for creating the mortgages / charges / hypothecations and accepting or making any alterations, changes and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution.

8. To consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution :

RESOLVED THAT the Articles of Association of the Company be amended in the following manner:

The following article shall be inserted after Article No.13 :

Article 13 A - Buy back of Company's shares / securities.

Notwithstanding anything contained in these Articles, but subject to the provisions of the Act and all other applicable provisions of law, as may be in force at any time from time to time, the Company may acquire, purchase, hold, resell any of its own fully/partly paid or redeemable shares and may make payment out of funds at its disposal for and in respect of such acquisition/purchase on such terms and conditions and at such time or times in one or more instalments as the Board may in its discretion decide and deem fit. Such shares which are not bought back by the Company may be reissued as and when permitted under the Act subject to such terms and conditions as may be decided by the Board and subject to the rules and regulations governing such reissues.

9. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution :

RESOLVED THAT consent of the Company be and is hereby accorded to the payment of an amount of Rs.10,000/- being reimbursement of service tax to M/s. Batliboi & Purohit and B.D. Jokhakar & Co., Chartered Accountants, who are the Auditors of the Company.

NOTES:

- (A) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO 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 (East), Mumbai - 400 059.
- (D) The Register of Members and Share Transfer Books of the company shall remain closed from Wednesday, the 1st September, 1999 to Saturday, the 25th September, 1999 **(both days inclusive)**.
- (E) The dividend when declared, will be made payable on or after 1st November, 1999 to those shareholders, whose names stand on the Register of Members of the Company on the 25th September, 1999.
- (F) Pursuant to Section 205(A) of the Companies Act, 1956, all unclaimed dividends upto the financial year ended 31st March, 1995 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 : 28th May, 1999.

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

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 28th May, 1999.

Item No. 7:

The Company is putting up a project for the manufacture of high value chemicals at Nandesari, Baroda for which the Company has approached various financial institutions seeking funds for partial financing of the said project. In the event of such institutions disbursing term loans/debentures, etc. the Company may be required to execute various documents to create mortgage, charge etc. in favour of the said institutions. It is therefore proposed to approach the shareholders of the Company for passing necessary resolution authorising the Board of Directors to create mortgage / charge of the Company's assets to secure term loans / debentures, etc. obtained from / issued to various financial institutions.

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

Item No. 8:

The companies Act has been recently amended which inter alia permits Companies to buy back their securities/shares subject to certain conditions.

In order to enable the Company to buy-back the securities/shares, necessary clause is to be provided in the Articles of Association. The said Articles of the Company are to be amended to that effect.

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

Item No. 9:

The Company has made necessary provision for payment to Auditors towards audit fees inclusive of service tax of Rs.10,000/-. Since it may be deemed to be in the nature of remuneration, necessary Resolution is proposed for passing at the Annual General Meeting.

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

By Order of the Board of Directors,

S.R. IYER
Secretary.

Mumbai : Dated : 28th May, 1999.

Registered Office :
Plot No. 3, GIDC Industrial Estate,
Nandesari 391 340,
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CAMPHOR & ALLIED PRODUCTS LIMITED

SOURCES AND APPLICATION OF FUNDS

(Rupees in Lacs)

	1998-99	1997-98	1996-97	1995-96	1994-95
SOURCES OF FUNDS					
Shareholder fund					
Share Capital	514.95	514.95	514.95	514.54	514.42
Reserve & Surplus	3862.06	3603.88	3416.49	3225.74	2830.76
	4377.01	4118.83	3931.44	3740.28	3345.18
Loan Funds	760.99	667.93	1317.09	764.65	820.80
Fund Employed	5138.00	4786.76	5248.53	4504.93	4165.98
APPLICATION OF FUNDS					
Fixed Assets (Gross)	3699.47	3286.78	4190.21	4073.17	3667.41
Depreciation	1772.53	1687.78	2209.34	1996.01	1812.42
Fixed Assets (Net)	1926.94	1599.00	1980.87	2077.16	1854.99
Investments	77.08	77.84	77.84	67.80	67.30
Current Assets (Net)	3133.98	3109.92	3189.82	2359.97	2243.69
Net Assets Employed	5138.00	4786.76	5248.53	4504.93	4165.98
Book Value	85.00	79.99	76.35	72.63	64.96
Debt Equity Ratio	0.17	0.16	0.33	0.20	0.25

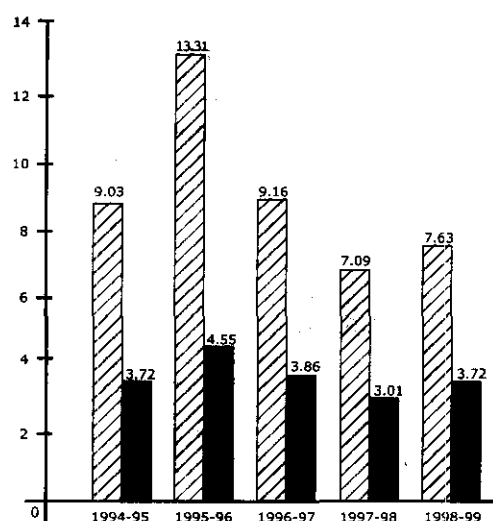
FINANCIAL HIGHLIGHTS OF FIVE YEARS

(Rupees in Lacs)

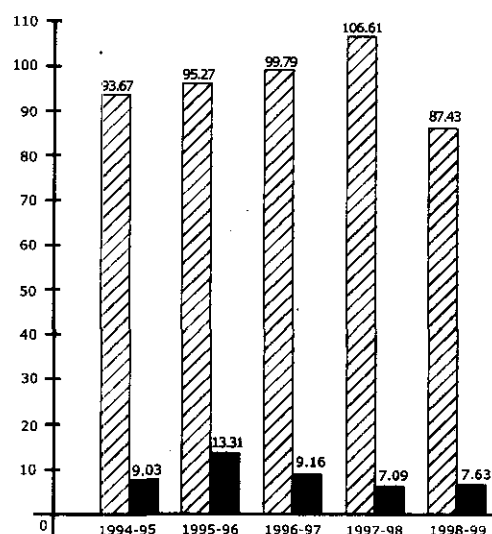
	1998-99	1997-98	1996-97	1995-96	1994-95
INCOME					
Sales	8742.93	10205.46	9838.99	9428.34	9257.80
Other Income	198.64	455.18	139.41	98.34	108.76
Total	8941.57	10660.64	9978.40	9526.68	9366.56
EXPENDITURE					
Materials & Overheads	7496.46	9187.18	8141.52	7232.83	7380.83
Excise	507.20	504.92	614.90	785.18	921.34
Interest	175.05	259.89	305.86	177.65	161.57
TOTAL EXPENSES	8178.71	9951.99	9062.28	8195.66	8463.74
GROSS PROFIT	762.86	708.65	916.12	1331.02	902.82
APPROPRIATIONS					
Opening Balance	(191.39)	(184.00)	(186.09)	(261.21)	(169.49)
Depreciation	135.76	176.88	225.02	207.40	207.01
Contingency Provision for Excise/Sales Tax	22.27	—	14.26	91.39	1.15
Provision for Doubtful Debts & Bad Debt Written Off	4.34	41.09	5.08	17.28	18.93
Provision for Taxation (Net)	239.32	200.30	303.62	559.84	303.78
Proposed Dividend	102.99	102.99	180.23	180.23	180.23
Transfer to Reserve	260.00	180.00	190.00	350.00	100.00
Closing Balance	189.57	191.39	184.00	186.09	261.21
Earning Per Share (Rs:)	7.77	6.62	7.50	9.12	7.30

GROSS & NET PROFIT

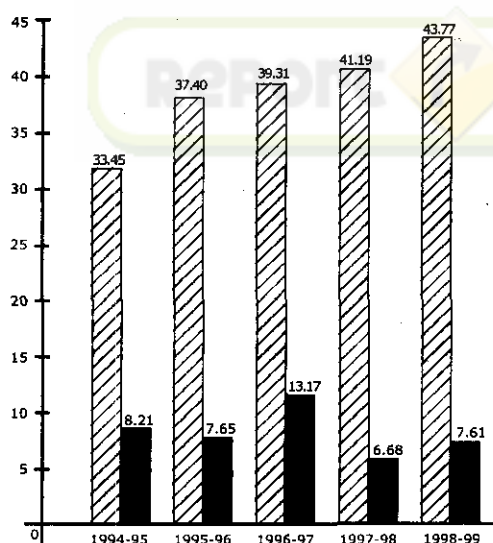
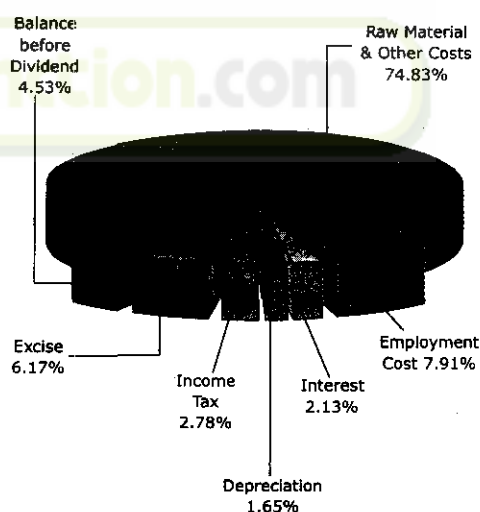
▨ Gross Profit ■ Net Profit

**SALES & GROSS PROFIT**

▨ Sales ■ Gross Profit

**SHAREHOLDERS & LOAN FUNDS**

▨ Shareholders Funds ■ Loan Funds

**DISTRIBUTION OF REVENUE**

CAMPHOR & ALLIED PRODUCTS LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in submitting the 27th Annual Report togetherwith the audited accounts of the Company for the year ended 31st March, 1999.

	<u>Rupees lacs</u>	<u>Rupees lacs</u>	Previous Year <u>Rupees lacs</u>
Gross Profit for the year is		762.86	708.65
Deduction therefrom:			
Depreciation	135.76		176.88
Contingency Provision for Excise & Sales Tax	22.27		0.00
Provision for Doubtful Debts and Bad Debts written off	4.34		41.09
Provision for Taxation	200.00		150.00
		362.37	367.97
Net Profits Comes to		400.49	340.68
Deducting therefrom:			
Short provision for Taxation for earlier years		27.99	40.00
Profit after Tax is		372.50	300.68
Adding thereto balance brought forward from last year		191.39	184.00
Transfer from Debenture Redemption Reserve		—	200.00
Profit available for appropriation is		563.89	684.68
From which your Directors recommend the following appropriations:			
General Reserve	200.00		260.00
Debenture Redemption Reserve	60.00		120.00
Proposed Dividend	102.99		102.99
Provision for Corporate Tax on Proposed Dividend	11.33		10.30
		374.32	493.29
Balance being carried to next year's account		189.57	191.39

Working Results:

The Company has achieved a total turnover of Rs.8,743 lacs during year under review as compared to the previous year's turnover of Rs.10,205 lacs which also included turnover from Profeel division and Rosin Division. Carried forward stock of Rosin division valuing Rs.191 lacs was sold during the year which did not yield much contribution.

The working results of the current year are therefore from Camphor division only. Lower turpentine prices in the international markets helped to reduce raw material costs considerably. The company enforced strict control on inventory and other expenses which helped improve operating margins compared to that of last year.

New Project:

As reported last year, the company is setting up a new plant at Baroda to manufacture high value performance chemicals for use as intermediates in manufacture of fragrance chemicals and for fragrance blends in soap, detergent and cosmetic industry.

The plant is in advanced stage of implementation and commercial production is expected to commence in September, 1999.

Dividend:

With a view to conserve resources for the new project under implementation your Directors recommend to maintain the dividend at the same rate as last year at Rs.2/- per share of Rs.10/- each.

Finance:

The financial liquidity of the company was much better during the year out of the profit and cash generations from the normal operations of the Company.

The Company's borrowings by way of fixed deposits is within limits prescribed by the Companies (Acceptance of Deposits) Rules, 1975. 35 deposits amounting to Rs.1.67 lacs have remained unclaimed as on 31.3.1999 of which two deposits aggregating to Rs.0.06 lacs have since been renewed or repaid.

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.2.42 lacs during the year under review compared to the profit of Rs.1.12 lacs made in the previous year.

Directors:

In accordance with the Companies Act, 1956 and Articles of Association of the Company, Shri K. H. Bhabha, Shri Nimesh N. Kampani and Shri Shobhan M. Thakore 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 has represented to the concerned Sales-tax Authorities to review the claim as directed in the order of 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'.

CAMPBOR & ALLIED PRODUCTS LIMITED

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 effluents and emissions. Necessary reports are submitted by the Company to local authorities as required.

Y2K Compliance:

The company has taken adequate steps to make its hardware and software computer systems Y2K compliant as explained in Note No.9 to Accounts.

Industrial Relations:

The industrial relations in all 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: 28th May, 1999.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

I. Conservation of Energy :

(a) Energy conservation measures taken :

Conservation of energy is an ongoing process and constant efforts are being made to conserve the energy by introduction of energy saving measures and efficient control of manufacturing processes.

(b) The total energy consumption and consumption per unit of production are as under :

ELECTRICITY		1998-99		1997-98	
Camphor Division					
Purchased Units	Nos.	43.90	lacs	72.47	lacs
Total Value	Rs.	207.74	lacs	289.41	lacs
Rate per unit	Rs.	4.73		3.99	
Profeel Division					
Purchased Units	Nos.	—		5.87	lacs
Total Value	Rs.	—		21.88	lacs
Rate per unit	Rs.	—		3.73	
Rosin Division					
Purchased Units	Nos.	—		1.62	lacs
Total Value	Rs.	—		5.48	lacs
Rate per Unit	Rs.	—		3.38	
Own Generation					
Camphor Division					
Through Diesel Generation:					
Units Generated	Nos.	50.06	lacs	11.92	lacs
Unit per litre of Diesel Oil	Nos.	3.58		3.25	
Rate per Unit	Rs.	2.93		4.05	
Profeel Division					
Through Diesel Generation:					
Units Generated	Nos.	—		0.88	lacs
Unit per litre of Diesel Oil	Nos.	—		3.64	
Rate per Unit	Rs.	—		2.54	
Rosin Division					
Through Diesel Generation :					
Units Generated	Nos.	—		0.1033	lacs
Unit per litre of Diesel Oil	Nos.	—		1.96	
Rate per Unit	Rs.	—		5.34	
Furnace Oil					
Camphor Division					
Quantity	M.T.	5,531.04		5,448.82	
Total amount	Rs.	361.99	lacs	391.54	lacs
Average rate per unit	Rs.	6.54		7.19	