



Annual Report
2003-2004

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Campher & Allied Products Ltd

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BOARD OF DIRECTORS

Harshul Dalal, Chairman & Managing Director

J. K. Setna

H. R. Prasad

Shobhan M. Thakore

Nina H. Dalal

S. R. Laghate, Executive Director

Secretary

S. S. Karandikar

Auditors

B. D. Jokhakar & Co.

Solicitors and Advocates

Bhaishanker Kanga & Girdharlal

Bankers

Bank of Baroda

The Hongkong and Shanghai Banking Corporation Limited

Dena Bank

Corporate Office

Jehangir Building,

133, Mahatma Gandhi Road,

Mumbai 400 001.

Registrars and Share Transfer Agents

M/s. Sharepro Services,

Satam Estate, 3rd Floor,

Above Bank of Baroda,

Cardinal Gracious Road,

Chakala, Andheri (E),

Mumbai - 400 099.

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 Thirty Second Annual General Meeting of the Members of CAMPBOR & ALLIED PRODUCTS LIMITED will be held on Saturday the 4th day of September, 2004 at 11:00 a.m. at the Registered Office of the Company at Plot No.3, GIDC Industrial Estate, Nandesari, Pin: 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, 2004 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 H.R. Prasad, who retires by rotation but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Smt. Nina H. Dalal who retires by rotation but being eligible offers herself for reappointment.
5. 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.

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. 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.
- (B) The members holding shares in physical form are requested to notify immediately any change/correction in their address/ bank account details to the Company's Registrars and Share Transfer Agents, M/s.Sharepro Services, Satam Estate, 3rd floor, above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099. Members holding shares in demat account (electronic form) may notify changes to the Depository Participant.
- (C) The Register of Members and Share Transfer Books of the company shall remain closed from Saturday 21st August, 2004 to Saturday 4th September, 2004 (both days inclusive).
- (D) The dividend when declared, will be made payable, on or after 6th September, 2004, to those shareholders whose names stand on the Register of Members of the Company on 4th September, 2004 and in respect of shares held in electronic form to the beneficial owners as per data as at end of the day 20th August, 2004, given by the Depositories.
- (E)
 - (i) 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.
 - (ii) The dividend for the year ended 31st March, 1996 which remained unclaimed for 7 years from the date of declaration has been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205 C of the Companies Act, 1956.
 - (iii) Dividend for the financial year ended 31st March, 1997 which remains unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on 7th November, 2004 pursuant to the provisions of Section 205 A & 205 C of the Companies Act, 1956.

- (iv) Members who have not encashed their dividend warrant(s) for the financial year ended 31st March, 1997, or any subsequent financial year(s), are requested to seek issue of duplicate warrant(s) from the Company.
- (v) Shareholders are requested to note that no claim shall lie against the Company or the said Investor Education and Protection fund after the transfer of unclaimed dividend to the fund.
- (F) The shares of the Company are under compulsory demat list of SEBI and therefore trading in equity shares can be done only in demat form. In case you have not demated your shares, you may do so by opening an account with any Depository Participant and completing the dematerialisation procedure.
- (G) Under the system of payment of dividend through ECS, the shareholders get the credit of dividend directly in their designated bank account. This ensures direct and immediate credit with no chance of loss of warrant in transit or its fraudulent encashment.
Shareholders holding shares in physical form and desirous of availing ECS facility are requested to furnish particulars of their bank account (including 9 digit MICR code) to the Company's Registrar & Share Transfer Agents M/s.Sharepro Services, and such particulars in respect of shares held in electronic form should be furnished to their respective Depository Participants.
- (H) Details of Directors retiring by rotation and seeking re-appointment at the ensuing Annual General Meeting :

Shri. H.R. Prasad, Age 69 years, has expertise in Business, Industry, General Management & Administration. He has been director of the company since September 1984. He is also director in Gabriel India Ltd., Uni Abex Alloy Products Ltd., Uni Deritend Ltd., Perfect Circle India Ltd. and Quorum Consulting Pvt. Ltd.

He is Chairman of Investor Grievance Committee of Gabriel India Ltd. and Perfect Circle India Ltd. and a member of Audit Committee of Gabriel India Ltd., Uni Abex Alloy Products Limited, Uni Deritend Ltd. and Perfect Circle India Ltd. He is also Chairman of the Audit Committee and member of Remuneration Committee of the Company.

Smt. Nina H. Dalal, Age 54 years, has expertise in Business, Industry, General Management & Administration. She has been director of the Company since November, 1994. She is also Director of Midland Finance & Investment Enterprises Pvt. Ltd. She is a member of Audit Committee and Investor Grievance Committee of the company.

By Order of the Board of Directors,

S.S. Karandikar
Secretary

Mumbai,
Dated: 21st June, 2004

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)

	2003-04	2002-2003	2001-2002	2000-2001	1999-2000
SOURCES OF FUNDS					
Shareholders Funds					
Share Capital	513.37	513.37	513.37	514.95	514.95
Reserves & Surplus	4619.44	4378.85	4162.25	4534.72	4195.16
	5132.81	4892.22	4675.62	5049.67	4710.11
Loan Funds	310.77	425.14	493.04	1046.54	1864.71
Fund Employed	5443.58	5317.36	5168.66	6096.21	6574.82
APPLICATION OF FUNDS					
Fixed Assets (Gross)	4776.88	4450.52	4555.65	4583.52	4576.70
Depreciation	2142.38	2121.43	2096.64	2018.68	1876.10
Fixed Assets (Net)	2634.50	2329.09	2459.01	2564.84	2700.60
Investments	9.64	37.76	34.53	96.97	76.57
Current Assets (Net)	2799.44	2950.51	2675.12	3434.40	3797.65
Net Assets Employed	5443.58	5317.36	5168.66	6096.21	6574.82
Book Value (Rs.)	99.98	95.30	91.07	98.06	91.48
Debt Equity Ratio	0.06	0.09	0.11	0.21	0.39

FINANCIAL HIGHLIGHTS

(Rupees in Lacs)

	2003-04	2002-2003	2001-2002	2000-2001	1999-2000
INCOME					
Sales	7639.04	7520.52	7652.79	7675.92	8105.21
Other Income	212.01	212.64	343.66	184.14	202.76
TOTAL INCOME	7851.05	7733.16	7996.45	7860.06	8307.97
EXPENDITURE					
Materials & Overheads	6962.02	6979.93	7063.60	6565.16	6885.05
Excise	61.70	39.20	54.83	255.53	442.72
Interest	62.19	90.06	206.72	233.91	256.61
TOTAL EXPENDITURE	7085.91	7109.19	7325.15	7054.60	7584.38
GROSS PROFIT	765.14	623.97	671.30	805.46	723.59
APPROPRIATIONS					
Opening Balance	(178.35)	(161.86)	(209.35)	(184.79)	(189.57)
Depreciation	150.09	153.63	159.87	169.29	158.20
Provision for Contingencies	0.29	28.71	-	-	-
Bad Debts and Other Amounts written off (Net)	2.49	11.13	100.15	16.37	0.85
Extra Ordinary Income	-	31.00	-	-	-
Provision for Taxation (Net)	197.94	100.23	156.10	125.76	171.33
Proposed Dividend	173.74	144.78	102.67	154.48	102.99
Transfer to Reserve	200.00	200.00	200.00	315.00	295.00
Closing Balance	218.94	178.35	161.86	209.35	184.79
Earning Per Share (Rs.)	7.65	5.72	4.40	9.90	7.86

DIRECTORS' REPORT

Your Directors have pleasure in submitting the 32nd Annual Report together with the audited accounts of your Company for the year ended 31st March, 2004.

Financial Results:

	Rupees Lacs	Previous Year Rupees Lacs
Gross Profit for the year	765.14	623.97
Deduction therefrom:		
Depreciation	150.09	153.63
Amounts written off (Net)	2.49	3.43
Provision for Doubtful debts/receivables	—	7.70
Provision for contingencies	0.29	28.71
Provision for Taxation & Deferred Taxation	219.82	167.70
	<u>372.69</u>	<u>361.17</u>
Net Profit after Tax	392.45	262.80
Add: Extra ordinary Income	—	31.00
Add: Income Tax refund of earlier year	21.88	—
Add: Excess provision of tax written back	—	67.47
Add: Balance brought forward from last year	178.35	161.86
Profit available for appropriation	<u>592.68</u>	<u>523.13</u>
Your Directors recommend following appropriations:		
General Reserve	200.00	200.00
Dividend	154.01	128.34
Corporate Tax on Dividend	19.73	16.44
	<u>373.74</u>	<u>344.78</u>
Balance carried to Balance Sheet	<u>218.94</u>	<u>178.35</u>

Directors' Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors based on the representations received from operating management, confirm that:

1. in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures;
2. they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements 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 year and of the profit of the Company for that period;
3. they 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, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a "going concern basis".

Working Results:

The Company has achieved a total turnover of Rs.8554 lacs during year under review as compared to previous year's turnover of Rs.8423 lacs, representing a marginal increase of 1.5%. The Company has been able to achieve this turnover despite difficult economic conditions.

CAMPBOR & ALLIED PRODUCTS LIMITED**Dividend:**

Your Directors recommend a dividend at the rate of Rs. 3/- per share of Rs.10/- each as against Rs. 2.50 per share of Rs. 10/- each paid last year.

Finance:

During the year the financial liquidity was comfortable in view of the profit and cash generation from the normal operations of the Company.

The Company has discontinued accepting / renewing fixed deposits since July 2003. The fixed deposits accepted earlier are being repaid as and when claimed on maturity or otherwise and are within the limits prescribed by the Companies (Acceptance of Deposits) Rules, 1975. Total 45 deposits amounting to Rs.4.52 lacs have remained unclaimed as on 31.3.2004 (of which 9 deposits aggregating to Rs.1.02 lacs have since been repaid.) The Company during the year transferred an amount of Rs. 0.12 lacs, out of unclaimed deposits, to the Investor Education & Protection Fund.

Expansion plans:

The substantial expansion of the plant at Nandesari, Vadodara to manufacture new fragrance chemicals and to increase production capacity of the existing products is, barring unforeseen circumstances, expected to be commissioned by September 2004. The estimated project cost of Rs. 13.5 Crores is being funded from internal accruals.

Insurance:

The Company's buildings, plant and machinery, stores and stocks have been adequately insured. Loss of profit in respect of both factories have also been adequately insured.

Directors:

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

Auditors:

M/s. B. D. Jokhakar & Company, Chartered Accountants, the Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a certificate from M/s. B. D. Jokhakar & Company, Chartered Accountants, pursuant to the provisions of Section 224(1) of the Companies Act, 1956, regarding their eligibility for appointment, if made at the ensuing Annual General Meeting.

Auditors' Report:

The auditors without qualifying their opinion have drawn attention to Note No. 5 of Schedule 3 of Notes to accounts regarding possible liability to repay Rs. 98.11 lacs towards refund of State Sales Tax (Jammu & Kashmir) on Gum Resin given to erstwhile Pine Chemicals Limited (PCL). The directors wish to state that the said note is self-explanatory.

Cost Auditors:

M/s. P. D. Phadke & Associates, Cost Accountants, have been appointed to conduct cost audit for the year ended 31st March, 2004. They will submit their report to the Department of Company Affairs, Government of India.

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' forming part of the Directors' Report.

Environmental Compliance and Safety:

Your Company gives great importance to pollution control and environment protection and efforts are made at each stage of manufacture to minimize effluents and emissions within specified norms. As required by the local authorities, necessary analytical reports are submitted by the Company.

Listing of Company's Equity Shares:

Your company's equity shares are currently listed at Mumbai, Delhi & Vadodara Stock Exchanges. The shares are under compulsory dematerialisation list of the Securities & Exchange Board of India. Till date, about 35.24 lacs shares representing 68.65% of company's equity share capital have been dematerialized.

Industrial Relations:

The relations with the employees of the Company remained cordial during the year under review.

Particulars of Employees:

Statement of employees' particulars to be given pursuant to sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, is given as Annexure 'B' forming part of the Directors' Report.

Management Discussion and Analysis Report:

As required under clause 49 of the listing agreement entered with the Stock Exchanges, a report is given as Annexure 'C' forming part of the Directors' report.

Corporate Governance:

A separate report on Corporate Governance alongwith Auditors' certificate on compliance has been annexed as part of the Annual Report.

General:

Your Directors place on record their sincere thanks to the 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,

Mumbai,
Date: 21st June, 2004

HARSHUL DALAL
Chairman & Managing Director

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:

		<u>2003-2004</u>	<u>2002-2003</u>
Electricity			
i) Units Purchased	Nos.	4.22 lacs	6.86 lacs
Total Value	Rs.	19.95 lacs	35.13 lacs
Rate per unit	Rs.	4.73	5.12
ii) Units Generated (Through Diesel)	Nos.	82.43 lacs	77.25 lacs
Units per litre of Diesel Oil	Nos.	3.57	3.35
Rate per Unit	Rs.	4.93	4.84
Furnace Oil			
Quantity	M.T.	4,858.17	4,570.52
Total amount	Rs.	573.23 lacs	533.04 lacs
Average rate per Kg.	Rs.	11.80	11.66
Consumption per unit of Production			
Electricity	Nos.	1.31 units	1.39 units
Furnance Oil	Qty.	0.73 Kgs.	0.63 Kgs.

II. Particulars Regarding Research And Development & Technology Absorption:

The total expenditure for R & D during the year under review is Rs.69.70 lacs (Previous year Rs.72.49 lacs) of which Rs.7.95 lacs (Previous year Rs.0.64 lacs) is towards capital expenditure.

III. Foreign Exchange Earnings And Outgo:

The Company continues to export its various products to U.S.A., Europe and other countries where the quality of the products is well accepted.

During the year foreign exchange earnings were Rs.1512.99 lacs (Previous year Rs.1497.96 lacs) and foreign exchange outgo was Rs.2632.57 lacs (Previous year Rs.2266.28 lacs).

ANNEXURE 'B' TO THE DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 AND ANNEXED TO AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2004.

Employed throughout the financial year under review and were in receipt of remuneration aggregating Rs. 24,00,000/- or more.

Sr. No.	Name	Age years	Designation/ Nature of Duties	Remuneration (Rupees)	Qualification	Exp. Years	Date of Commencement of employment	Last employment held by such Employees
1.	Harshul Dalal	56	Chairman & Managing Director	4142779/-	B.Sc. (Hons.)	37	03-04-1970	Executive Director, Dalal and Jhaveri P. Ltd.

Notes :

1. The above employee has adequate experience in his field of work.
2. Remuneration mentioned above includes salary, commission, company's contribution to Provident Fund, Gratuity, Superannuation and other perquisites calculated in accordance with the provisions Income Tax Act, 1961.
3. The above employee is under service contract.
4. Shri Harshul Dalal is a relative of Smt. Nina Dalal, Director of the Company.

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