



Annual Report
2007 - 2008

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Camphor & Allied Products Ltd

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CAMPBOR & ALLIED PRODUCTS LIMITED

BOARD OF DIRECTORS

Anil Boadani, Executive Chairman

Dharmil Bodani, Managing Director

Shayamal Bodani, Executive Director

Girish Dave

Harshvardhan Piramal

Amitabh Himatsingka

S. R. Laghate, Executive Director

Harshul Dalal, (resigned on 22.08.08)

H. R. Prasad, (resigned on 22.08.08)

S. M. Thakore, (resigned on 22.08.08)

J. K. Setna, (resigned on 22.08.08)

Nina H. Dalal, (resigned on 22.08.08)

S. M. Mehta, (resigned on 22.08.08)

Dilip Sharma

Manager Accounts & Dy. Company Secretary

Auditors

B. D. Jokhakar & Co.,

Chartered Accountant

Bankers

The Hongkong and Shanghai Banking Corporation Limited

Registrars & Share Transfer Agents

Sharepro Services (India) Pvt. Ltd.

Satam Estate, 3rd Floor,

Above bank of Baroda,

Cardinal Gracious Road,

Chakala, Andheri (E),

Mumbai - 400 099.

Corporate Office

Jehangir Building,

133, Mahatma Gandhi Road,

Mumbai - 400 001.

Registered Office

Plot No. 3, GIDC Industrial Estate,

Nandesari - 391 340

Dist. Vadodara, Gujarat.

NOTICE

Notice is hereby given that the Thirty Sixth Annual General Meeting of the Members of CAMPHOR & ALLIED PRODUCTS LIMITED will be held on Tuesday, the 30th day of September 2008 at 2.30 p. 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 Audited Profit & Loss Account for the year ended 31st March 2008 and the Audited Balance Sheet as at date together with the reports of Directors and Auditors thereon.
2. To declare dividend on Equity shares.
3. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s Lodha & Company, Mumbai, Chartered Accountants, be and are hereby appointed as Auditors in place of M/s B. D. Jokhakar & Company, who have intimated to the Company their unwillingness to be re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting to untill the conclusion of next Annual General Meeting at such remuneration as may be decided by the Board of Directors."

SPECIAL BUSINESS:

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

"RESOLVED THAT Shri Anil Bodani, who was appointed as an Additional Director of the Company on 22nd August, 2008 by the Board of Directors and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing pursuant to the provisions of section 257 of the Companies Act, 1956, from a member of the Company proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

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

"RESOLVED THAT Shri Dharmil Bodani, who was appointed as an Additional Director of the Company on 22nd August, 2008 by the Board of Directors and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing pursuant to the provisions of section 257 of the Companies Act, 1956, from a member of the Company proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

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

"RESOLVED THAT Shri Shyamal Bodani, who was appointed as an Additional Director of the Company on 22nd August, 2008 by the Board of Directors and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing pursuant to the provisions of section 257 of the Companies Act, 1956, from a member of the Company proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

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

"RESOLVED THAT Shri Girish Dave, who was appointed as an Additional Director of the Company on 22nd August, 2008 by the Board of Directors and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing pursuant to the provisions of section 257 of the Companies Act, 1956, from a member of the Company proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

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

"RESOLVED THAT Shri Harshvardhan Piramal, who was appointed as an Additional Director of the Company on 22nd August, 2008 by the Board of Directors and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing pursuant to the provisions of section 257 of the Companies Act, 1956, from a member of the Company proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

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

"RESOLVED THAT Shri Amitabh Himatsingka, who was appointed as an Additional Director of the Company on 22nd August, 2008 by the Board of Directors and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing pursuant to the provisions of section 257 of the Companies Act, 1956, from a member of the Company proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

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

"RESOLVED FURTHER THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof, the consent of the Company, be and is hereby accorded to the appointment of Shri Anil Bodani as Executive Chairman of the Company for a period of five years with effect from 22nd August, 2008 upon the terms and conditions including remuneration as may be approved by the Board of Directors subject to Rs. 40,00,000 p.a. and which is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Shri Anil Bodani but for the time being Shri Anil Bodani will not draw any remuneration from the Company.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof, the consent of the Company, be and is hereby accorded to the appointment of

Shri Dharmil Bodani as Managing Director of the Company for a period of five year with effect from 22nd August, 2008 upon the terms and conditions including remuneration as set out in the draft agreement submitted to this meeting and for identification signed by Shri Girish Dave, Director which agreement is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Shri Dharmil Bodani.

RESOLVED FURTHER THAT the aforesaid remuneration, be paid to Shri Dharmil Bodani as the Managing Director as minimum remuneration in case of loss or inadequacy of profit for any financial year during the tenure of his appointment.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to review and revise the remuneration, perquisites and benefits to be paid or provided to Shri Dharmil Bodani in the light of and in conformity with any amendments to the relevant provisions in the Companies Act, 1956 and the rules and regulations made there-under and/or 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 amendment thereto, as may be agreed to between the Board of Directors and Shri Dharmil Bodani.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

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

"RESOLVED FURTHER THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof, the consent of the Company, be and is hereby accorded to the appointment of Shri Shyamal Bodani as Executive Director of the Company for a period of five years with effect from 22nd August, 2008 upon the terms and conditions including remuneration as may be approved by the Board of Directors subject to Rs. 20,00,000 p.a. and which is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Shri Shyamal Bodani but for the time being Shri Shyamal Bodani will not draw any remuneration from the Company.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

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 Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 giving material facts in respect of item of special business set out under item Nos. 3 to 12 are annexed herewith, and forms part of this Notice.
- c) All the documents referred to in this Notice and Explanatory Statement are open for inspection of the members at the registered office of the Company on all working days between 11.00 a.m. and 1.00 p.m., up to the date of the Annual General Meeting and during the time of the meeting.

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- d) The Members holding shares in physical form are requested to notify immediately change in their address, bank account details, ECS mandate if any, to the Company's Registrars and Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd., 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.
- e) The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, the 20th September, 2008 to Tuesday, the 30th September, 2008 (both days inclusive).
- f) The dividend when declared, will be made payable on or after 2nd October, 2008 to the shareholders (holding shares in physical form) whose names stand on the Register of Members of the Company on the 30th September, 2008 and to the beneficial owners (holding shares in demat/electronic form) as per data as at the end of the day, the 19th September, 2008 given by the Depositories.
- g) (i) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto the financial year ended 31st March, 1997 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 unclaimed dividends for the financial years ended from 31st March, 1998 to 31st March 2000 which remained unclaimed for 7 years from the date of declaration have been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.
- (iii) Dividend for the financial year ended 31st March, 2001, which remains unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on 30th September, 2008 pursuant to the provisions of Section 205A & 205C of the Companies Act, 1956. Members who have not encashed their dividend warrant(s) for the financial year ended 31st March 2001, or any subsequent financial year(s), are requested to seek issue of duplicate warrant(s) from the Company.
- (iv) Shareholders are requested to note that no claim shall lie against Company or the said Investor Education and Protection Fund after the transfer of unclaimed dividend to the Fund.
- h) 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 procedures.
- i) 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 (India) Pvt. Ltd. and in respect of shares held in electronic (demat) form such particulars should be furnished to respective Depository Participants.
- j) Details of Directors retiring by rotation and seeking re-appointment at the ensuing Annual General Meeting:
- Shri Anil Bodani, Date of Birth 24th August, 1940, Age 67 years, has rich experience in General Management, he has been a Director of the Company from 22nd August, 2008. He is also Director in Oriental Aromatics Ltd.
- Shri Dharmil Bodani, Date of Birth 27th April, 1970, Age 37 years, has rich experience in Finance & Accounting and Management, he has been a Director of the Company from 22nd August, 2008. He is also Director in Oriental Aromatics Ltd.

Shri Shyamal Bodani, Date of Birth 22nd September, 1980, Age 27 years, good experience in Finance & Accounting and Management, he has been a Director of the Company from 22nd August, 2008. He is also Director in Oriental Aromatics Ltd.

Shri Girish Dave, Date of Birth 12th July, 1938, Age 69 years, has rich experience in Project Finance, Structured Finance, Due Diligence, Merger, Acquisition & Amalgamation and Managing Equity Funding & Public Offers. He has been director of the Company since 22nd August, 2008.

Shri Harshvardhan Piramal, Date of Birth 27th October, 1973, Age 34 years, has expertise in Finance & General Management. He has been director of the Company since 22nd August, 2008.

Shri Amitabh Himatsingka, Date of Birth 13th September, 1966, Age 41 years, has rich experience in silk industry in marketing and customer relations. He has been director of the Company since 22nd August, 2008.

By order of the Board of Directors

[Dilip Sharma]

Mgr. Accounts & Dy. Company Secretary

Mumbai, dated 22nd August, 2008

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 no. 3 to 8 of the accompanying notice dated 22nd August, 2008.

Item No. 3:

M/s. B. D. Jokhakar & Co., Chartered Accountants, Mumbai vide their letter dated 22nd August, 2008 have expressed their unwillingness to be re-appointed as Auditors of the Company. It is therefore proposed to appoint M/s Lodha & Company, Chartered Accountants, Mumbai as the statutory auditors in their place as stated in the Resolution under the above item of the Notice.

Although, Section 224 (2) (b) of the Companies Act, 1956 dealing with such a case does not refer to any such notice being given in respect of the appointment of new auditors, the matter might also be governed by the Provisions of Section 225 of the act, in terms of which, special Notice is required for a Resolution at the Annual General Meeting appointing as Auditor a person other than the retiring Auditor. Accordingly, such a special notice has been received by the Company from the members of their intention to move the Resolution appointing M/s Lodha & Company, Chartered Accountants, as the Statutory Auditors of the Company as in the accompanying Notice.

M/s Lodha & Company, Chartered Accountants have given a certificate of their eligibility and willingness to act as the Statutory Auditors of the company if appointed by the members at the ensuing Annual General Meeting.

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The Directors recommended the Resolution at item No. 3 for your approval.

None of the Directors of the Company is in any way concerned or interested in the resolution.

Item No. 4:

Shri Anil Bodani was appointed as an Additional Director of the Company on 22nd August, 2008 by the Board of Directors of the Company. According to the provisions of the Section 260 of the Companies Act, 1956, he holds office only upto the date of ensuing Annual General Meeting. As required under Section 257 of the Act, a notice has been received from a member alongwith requisite deposit, signifying his intention to propose the appointment of Shri Anil Bodani as director.

The Board recommends the resolution at item no. 4 for your approval.

Shri Dharmil Bodani & Shri Shyamal Bodani, being the relative of Shri Anil Bodani are interested in this item of business.

Item No. 5:

Shri Dharmil Bodani was appointed as an Additional Director of the Company on 22nd August, 2008 by the Board of Directors of the Company. According to the provisions of the Section 260 of the Companies Act, 1956, he holds office only upto the date of ensuing Annual General Meeting. As required under Section 257 of the Act, a notice has been received from a member alongwith requisite deposit, signifying his intention to propose the appointment of Shri Dharmil Bodani as director.

The Board recommends the resolution at item no. 5 for your approval.

Shri Anil Bodani & Shri Shyamal Bodani, being the relative of Shri Dharmil Bodani are interested in this item of business.

Item No. 6:

Shri Shyamal Bodani was appointed as an Additional Director of the Company on 22nd August, 2008 by the Board of Directors of the Company. According to the provisions of the Section 260 of the Companies Act, 1956, he holds office only upto the date of ensuing Annual General Meeting. As required under Section 257 of the Act, a notice has been received from a member alongwith requisite deposit, signifying his intention to propose the appointment of Shri Shyamal Bodani as director.

The Board recommends the resolution at item no. 6 for your approval.

Shri Anil Bodani & Shri Dharmil Bodani, being the relative of Shri Shyamal Bodani are interested in this item of business.

Item No. 7:

Shri Girish Dave was appointed as an Additional Director of the Company on 22nd August, 2008 by the Board of Directors of the Company. According to the provisions of the Section 260 of the Companies Act, 1956, he holds office only upto the date of ensuing Annual General Meeting. As required under Section 257 of the Act, a notice has been received from a member alongwith requisite deposit, signifying his intention to propose the appointment of Shri Girish Dave as director.

The Board recommends the resolution at item no. 7 for your approval.

None of the Directors of the Company is in any way concerned or interested in the resblution.

Item No. 8:

Shri Harshvardhan Piramal was appointed as an Additional Director of the Company on 22nd August, 2008 by the Board of Directors of the Company. According to the provisions of the Section 260 of the Companies Act, 1956, he holds office only upto the date of ensuing Annual General Meeting. As required under Section 257 of the Act, a notice has been received from a member alongwith requisite deposit, signifying his intention to propose the appointment of Shri Harshvardhan Piramal as director.

The Board recommends the resolution at item no. 8 for your approval.

None of the Directors of the Company is in any way concerned or interested in the resolution.

Item No. 9:

Shri Amitabh Himatsingka was appointed as an Additional Director of the Company on 22nd August, 2008 by the Board of Directors of the Company. According to the provisions of the Section 260 of the Companies Act, 1956, he holds office only upto the date of ensuing Annual General Meeting. As required under Section 257 of the Act, a notice has been received from a member alongwith requisite deposit, signifying his intention to propose the appointment of Shri Amitabh Himatsingka as director.

The Board recommends the resolution at item no. 9 for your approval.

None of the Directors of the Company is in any way concerned or interested in the resolution.

Item No. 10:

The Board of Directors at its meeting on 22nd August, 2008, has appointed Shri Anil Bodani as an Executive Chairman of the Company for the period of five years from 22nd August, 2008 in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof upon the terms and conditions including remuneration as may be approved by the Board of Directors subject to Rs. 40,00,000 p.a. and which is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Shri Anil Bodani but for the time being Shri Anil Bodani will not draw any remuneration from the Company.

Your directors recommend passing of Resolution at item no. 10 as Special Resolution.

Shri Dharmil Bodani and Shri Shyamal Bodani, being the relative of Shri Anil Bodani are interested in this item of business.

Item No. 11:

The Board of Directors at its meeting on 22nd August, 2008, has appointed Shri Dharmil Bodani as Managing Director of the Company for the period of five years from 22nd August, 2008 on the terms and conditions approved by the Remuneration Committee.

The terms and conditions of his appointment including remuneration in terms of Schedule XIII to the Companies Act, 1956 are contained in the draft agreement to be entered into between him and the Company are as under:

a) Salary: Rs. 2,00,000/- per month.

Other terms of remuneration of the Managing Director are as under:

b) Incentive remuneration: Such incentive remuneration not exceeding 100% of the annual salary to be paid at the discretion of the Board annually, based on certain performance criteria.

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c) Commission: Such remuneration by way of Commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceiling stipulated in Sections 198 and 309 of the Companies Act, 1956. The specific amount payable to the Managing Director will be based on certain performance criteria, to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the Members.

d) Minimum Remuneration: If in any financial year, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites will be subject to the ceilings and the conditions set out in Section II of part II of Schedule XIII of the Companies Act, 1956.

e) Perquisites: Perquisites will be allowed to the 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: Company owned accommodation or house rent allowance as may be decided by the Board. In case of company owned accommodation is provided, maintenance and repairs allowance of Rs. 1,50,000/- shall also be paid to the Managing Director. The expenditure incurred by the Company on gas, electricity, water and furnishing, if provided, shall be valued as per the Income-tax Rules, 1962.

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 Managing Director and his family once in a year incurred in accordance with the rules of the Company,

iv. Club Fees: Fees of one club. This will not include admission and life membership fees.

v. Personal Accident Insurance: Personal Accident Insurance as per Company's policy applicable to Senior Executives of the Company.

PART B

i. Provident Fund & Superannuation Fund: Company's contribution to these funds 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 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.