



Camphor & Allied Products Ltd.

37th annual report
2008 - 2009

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BOARD OF DIRECTORS

Anil Boadani, Executive Chairman

Dharmil A. Bodani, Managing Director

Shaymal A. Bodani, Executive Director

Girish Dave

Harshvardhan Piramal

Amitabh Himatsingka

Ranjit A. Puranik

D. S. Raghava, Executive Director

Chief Financial Officer

Kaushik Shah

Company Secretary

Dilip Sharma

Auditors

Lodha & Co.

Chartered Accountants

Bankers

The Hongkong Shanghai Banking Corporation Limited

Registrars & Share Transfer Agents

Sharex Dynamic India Pvt. Ltd.

Unit No. 1, Luthra Ind. Premises, Safed Pool,

Andheri Kurla Road, Andheri (E)

Mumbai - 400 072.

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.

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NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Thirty Seventh Annual General Meeting of the Members of CAMPHOR & ALLIED PRODUCTS LIMITED will be held on Friday, the 25th day of September 2009 at 2.30 p. m. at the Registered Office of the Company at Plot No. 3, GIDC Industrial Estate, Nandesari, Pin 391340, 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 2009 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 appoint a Director in place of Shri Girish M. Dave, who retires by rotation but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Harshvardhan A. Piramal, who retires by rotation but being eligible, offers himself for re-appointment.
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.

SPECIAL BUSINESS:

6. To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
 "RESOLVED THAT Shri Ranjit A. Puranik, who was appointed as an Additional Director of the Company on 30th September, 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."
7. To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
 "RESOLVED THAT Shri D. S. Raghava, who was appointed as an Additional Director of the Company on 30th April, 2009 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 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 D. S. Raghava as an Executive Director- Operations of the Company for a period of five years with effect from 30th April, 2009 upon the terms and conditions including remuneration set out in the draft agreement submitted at this meeting and for identification signed by Shri Dharmil A. Bodani, Managing Director, which agreement is specially sanctioned with the 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 D. S. Raghava."
 "RESOLVED FURTHER THAT the aforesaid remuneration may be paid as minimum remuneration to Shri D. S. Raghava, Executive Director-Operations in case of loss or inadequacy of profit for any financial 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 D. S. Raghava 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 thereunder 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 amendments thereto, as may be agreed to between the Board of Directors and Shri D. S. Raghava."
 "RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

CAMPHOR & ALLIED PRODUCTS LIMITED

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. 6 to 8 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.
- 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. Sharex Dynamic India Pvt. Ltd., Unit No. 1, Luthra Indl. premises, Safed Pool, Andheri Kurla Road, Andheri (E) Mumbai- 400072. 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 Tuesday, the 15th September, 2009 to Friday, the 25th September, 2009 (both days inclusive).
- f) The dividend when declared, will be made payable on or after 28th September, 2009 to the shareholders (holding shares in physical form) whose names stand on the Register of Members of the Company on the 25th September, 2009 and to the beneficial owners (holding shares in demat/electronic form) as per data as at the end of the day, the 14th September, 2009 given by the Depositories.
 - (i) The unclaimed dividends for the financial year ended 31st March, 2001, which remained unclaimed for a period of 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.
 - (ii) Dividend for the financial year ended 31st March, 2002, which remains unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on or before 15th October, 2009 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 2002, or any subsequent financial year(s), are requested to seek issue of duplicate warrant(s) from the Company.
 - (iii) 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. Sharex Dynamic 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 Girish M. Dave, Date of Birth 12th July, 1938, Age 71 years, has rich experience in Project Finance, Structured Finance, Due Diligence, Merger, Acquisition & Amalgamation and Managing Equity Funding & Public Offers. He is director of the Company since 22nd August, 2008.

He is also director in PCS Technology Ltd., Vinati Organics Ltd., PSI Data Systems Ltd., Ultratech Cement Ltd., Cinemax India Ltd., Grasim Bhiwani Textiles Ltd., Aditya Birla Retail Ltd., H.A.S. Two Holding Pvt. Ltd., Terraforma Agroprocessing (India) Pvt. Ltd., Fabmall (India) Pvt. Ltd., Trinethra Super Retail Pvt. Ltd. and Autoinvest Leasing & Finance (I) P. Ltd.

Shri Harshvardhan A. Piramal, Date of Birth 27th October, 1973, Age 35 years, has expertise in Finance & General Management. He is director of the Company since 22nd August, 2008.

He is also director in Arrow Textiles Ltd., Ashok Piramal Enterprises Pvt. Ltd., Ashok Piramal Management Corporation Ltd., Crossroads Shoppertainment Pvt. Ltd., Fabritex Exports P. Ltd., Goldlife Mercantile Co. Pvt. Ltd., Highpoint Agro Star Pvt. Ltd., Integra Apparels & Textiles Pvt. Ltd., Just Textiles Ltd., Lifezone Mercantile Pvt. Ltd., Millenium Broadcast Co. Pvt. Ltd., Miranda Few Tools Ltd., Miranda Tools Pvt. Ltd., Morarjee Holdings Pvt. Ltd., Omega Multitrade P. Ltd., Onestar Mercantile Co. Pvt. Ltd., Onestar Trading Co. Pvt. Ltd., Oneup Mercantile Co. P. Ltd., Peninsula Facility Management Services Pvt. Ltd., Peninsula Mega Properties Pvt. Ltd., Peninsula Mega City Development Pvt. Ltd., Peninsula SA Realty Pvt. Ltd., Peninsula Townships Development Pvt. Ltd. PMP Components Pvt. Ltd., Pranit Consultants Pvt. Ltd., Pune Football Club Pvt. Ltd., Pune Sports Club Pvt. Ltd., Supertime Trading Pvt. Ltd., Topstar Mercantile Pvt. Ltd., Toptech Mercantile Co. Pvt. Ltd. and Topzone Mercantile Co. Pvt. Ltd.

By order of the Board of Directors

[Dilip Sharma]
Company Secretary

Mumbai, dated 31st July, 2009

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. 6 to 8 of the accompanying notice dated 31st July 2009.

Item No. 6:

Shri Ranjit A. Puranik was appointed as an Additional Director of the Company on 30th September, 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 Ranjit A. Puranik as a director.

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

None of the directors of the Company except Shri Ranjit A. Puranik, are concerned or interested in the above resolution.

Item No. 7:

Shri D. S. Raghava was appointed as an Additional Director of the Company on 30th April, 2009 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 D. S. Raghava as a director.

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

None of the directors of the Company except Shri D. S. Raghava, are concerned or interested in the above resolution.

Item No. 8:

The Board of Directors in their meeting on 30th April, 2009, has appointed Shri D. S. Raghava as an Executive Director-Operations of the Company for the period of five years from 30th April, 2009. Shri D. S. Raghava is qualified chemical engineer. He is having wide experience in independently running the Company's plant.

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 entered into between him and the Company are as under:

- a) **Salary:** Gross salary of Rs. 1,25,000/- per month.
- b) **Perquisites:** Perquisites classified in the PART A & B are included in the gross salary (as above) and perquisites classified in PART C are in addition to salary of the Executive Director-Operations, which are as under:

PART A**i. Medical Reimbursement:**

Reimbursement of expenses incurred by the Executive Director-Operations for self and family subject to a ceiling of one month's basic salary in a year or five months' basic salary over a period of five years, which is included in the gross salary.

ii. Leave Travel Concession:

Reimbursement of expenses incurred by the Executive Director-Operations for self and family subject to a ceiling of one month's basic salary in a year or five months' basic salary over a period of five years, which is included in the gross salary.

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. Personal use of car shall be billed by the Company individually to the Executive Director-Operations.

ii. Telephone:

Provision of Telephone, at residence and mobile phone will not be considered as a perquisite. Personal long distance calls on telephone, mobile phone shall be billed by the Company individually to the Executive Director-Operations.

OTHER BENEFITS:

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

Minimum Remuneration: Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Executive Director-Operations, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above.

The draft agreement entered into between the Company and Shri D. S. Raghava is available for inspection of the members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and public holidays till the annual general meeting to be held on Friday, the 25th September, 2009.

Your directors recommend passing of resolution at item no. 8 as a special resolution.

None of the directors of the Company except Shri D. S. Raghava, are concerned or interested in the above resolution.

DIRECTORS' REPORT

Your Directors have pleasure in submitting the 37th Annual Report together with the audited accounts of your Company for the year ended 31st March, 2009.

Financial Results:

Particulars	Year Ended 31.03.09 Rs. In lacs	Year Ended 31.03.08 Rs. In lacs
Profit before Interest, Depreciation and Tax	1162.75	394.17
Deduction there from:		
Interest	136.18	94.39
Depreciation	243.79	231.68
Provision for Tax, FBT & Deferred tax	330.13	19.00
Income Tax for earlier years	82.88	0.00
	<u>792.98</u>	<u>345.07</u>
Net Profit after Tax	369.77	49.10
Add: Balance brought forward from last year	231.36	297.36
Profit available for appropriation	<u>601.13</u>	<u>346.46</u>
Your Directors recommend following appropriations:		
General Reserve	35.00	25.00
Proposed Dividends	77.01	77.01
Corporate Tax on Proposed Dividend	13.09	13.09
	<u>125.10</u>	<u>115.10</u>
Balance carried to Balance Sheet	<u>476.03</u>	<u>231.36</u>

Review of Operations:

The Company's business volume & profitability continue to improve. During the year, The Company has achieved turnover of Rs. 13,463.88 lacs and profit after tax of Rs. 369.77 lacs under review as compared to turnover of Rs. 10,463.00 lacs and profit after tax of Rs. 49.10 lacs during the previous year.

The Company has performed well during the year by efficiently managing the resources, which result into improved performance and better sales realization, despite steep rise in price of main imported raw material alpha pinene and other inputs like power, natural gas, coal etc.

Dividend:

Your Directors recommend a dividend at the rate of Rs. 1.50 per equity share of Rs. 10/- each. In the previous year the dividend at the rate of Rs. 1.50 per equity share of Rs. 10/- each was recommended.

Fixed Deposit :

As at 31.03.2009, the company has 1045 fixed deposits amounting to Rs. 289.90 lacs. 9 deposits amounting to Rs. 1.49 lacs have remained unclaimed as at 31.03.2009 (of which 2 deposits amounting to Rs. 0.75 lacs has since been repaid).

Insurance:

The Company's buildings, plant & machinery and inventories have been adequately insured. Loss of profit with respect to both factories has also been adequately insured.

Directors:

In accordance with the Companies Act, 1956 and articles of association of the Company, Shri Girish M. Dave and Shri Harshvardhan A. Piramal are liable to retire at the ensuing annual general meeting but being eligible, have offered themselves for re-appointment.

CAMPOR & ALLIED PRODUCTS LIMITED

During the year, Shri S. R. Laghate has resigned from both the posts of director and executive director-operations. The management wish to place on record its sincere appreciation for the contribution made by Shri S. R. Laghate in the overall growth of the Company.

Shri. Ranjit A. Puranik was appointed as an additional director w. e. f. 30.09.2008. His appointment as Director is proposed in the ensuing Annual General Meeting. Shri. D. S. Raghava was also appointed as an additional director as well as Executive Director-operations w. e. f. 30.04.2009. His appointment as a director as well as an Executive Director-Operations is proposed to be approved by the members in the ensuing Annual General Meeting.

Auditors:

M/s Lodha & Co., Chartered Accountants, Mumbai the auditors of the Company, hold office till the conclusion of the ensuing annual general meeting. The Company has received a letter from M/s Lodha & Co., Chartered Accountants, Mumbai pursuant to the provisions of Section 224 (1B) of the Companies Act, 1956, regarding their eligibility for re-appointment.

Auditors Report:

The Auditors without qualifying their opinion have drawn attention to Note No. 'C' of 'B' of Schedule 18 of notes to accounts regarding possible liability to repay Rs. 98.11 lacs towards refund of sales tax (Jammu & Kashmir) on gum resin given to erstwhile Pine Chemicals Ltd. (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 2009. They will submit their report to the Department of Company Affairs, Government of India.

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

The particulars as prescribed under Section 217 (1) (e) 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 environment protection and efforts are made at each stage of manufacture to maximise recovery, conserve water and to minimize effluents and emissions. As required by the local authorities, the Company submits necessary analytical reports. Environment Audit is conducted on regular basis and reports are submitted to the concerned authorities. A safety committee has been constituted to regularly monitor the whole system. Annual safety awards are also given to encourage the awareness.

Listing of Securities:

Your company's equity shares are listed at Bombay Stock Exchange Ltd. The Shares are under compulsory dematerialization list of the Securities & Exchange Board of India. As at 31st March 2009, 43,73,964 shares representing 85.20% of company's equity share capital have been dematerialised. The Company has paid Annual Listing fees for the year 2009-10 to the Bombay Stock Exchange Ltd.

Industrial Relations:

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

Particulars of Employees:

There are no employees falling within the purview of sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Directors' Responsibility Statement

The Board of Directors of the Company confirms :

1. that the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departure;
2. that the selected accounting policies were applied consistently and the Directors 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 as at March 31, 2009 and of the profit of the Company for the year ended on that date;