



**Camphor & Allied Products Ltd.**

37th annual report  
2008 - 2009



## 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.

## CONTENTS

	Page Nos.
Notice .....	3
Directors' Report .....	7
Management Discussion and Analysis Report .....	11
Report on Corporate Governance .....	12
Auditor's Certificate on Corporate Governance .....	20
Auditors' Report .....	21
Balance Sheet .....	24
Profit and Loss Account .....	25
Cash Flow Statement .....	26
Schedules Forming Part of Accounts .....	27
Notes Forming Part of Accounts .....	35



**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 25<sup>th</sup> 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 31<sup>st</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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."

**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 15<sup>th</sup> September, 2009 to Friday, the 25<sup>th</sup> September, 2009 (both days inclusive).
- f) The dividend when declared, will be made payable on or after 28<sup>th</sup> September, 2009 to the shareholders (holding shares in physical form) whose names stand on the Register of Members of the Company on the 25<sup>th</sup> September, 2009 and to the beneficial owners (holding shares in demat/electronic form) as per data as at the end of the day, the 14<sup>th</sup> September, 2009 given by the Depositories.
- (i) The unclaimed dividends for the financial year ended 31<sup>st</sup> 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 31<sup>st</sup> March, 2002, which remains unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on or before 15<sup>th</sup> 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 31<sup>st</sup> 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 12<sup>th</sup> 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 22<sup>nd</sup> 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., Terrafirma 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 27<sup>th</sup> October, 1973, Age 35 years, has expertise in Finance & General Management. He is director of the Company since 22<sup>nd</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> July 2009.

### Item No. 6:

Shri Ranjit A. Puranik was appointed as an Additional Director of the Company on 30<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> April, 2009, has appointed Shri D. S. Raghava as an Executive Director-Operations of the Company for the period of five years from 30<sup>th</sup> 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 25<sup>th</sup> 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 37<sup>th</sup> Annual Report together with the audited accounts of your Company for the year ended 31<sup>st</sup> 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	<b>369.77</b>	<b>49.10</b>
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.

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 31<sup>st</sup> 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 31<sup>st</sup> 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;

3. that proper and sufficient care has been taken 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; and
4. that the annual accounts have been prepared on a going concern basis.

**Management Discussion and Analysis Report:**

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

**Corporate Governance:**

A report on corporate governance and certificate from the Auditors thereon forms part of annual report.

**General:**

Your Directors place on record their sincere thanks to the bankers 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: 31<sup>st</sup> July, 2009

**[ANIL BODANI]**  
Executive Chairman

**ANNEXURE "A" TO THE DIRECTORS REPORT**

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

**I. Conservation of Energy:**

- a. Efficient control and streamlining of the manufacturing process and proper maintenance of all equipments have been important tools of conservation of Energy.
- b. Various process changes and replacement of certain conventional equipments has also contributed to conservation of energy.
- c. The total energy consumption and consumption per unit of production are as under:

		2008-09		2007-08	
<b>Electricity</b>					
i) Units purchased	<b>Units</b>	<b>104.60</b>	<b>lacs</b>	105.96	<b>lacs</b>
Total Value	<b>Rs.</b>	<b>558.86</b>	<b>lacs</b>	493.38	<b>lacs</b>
Rate per unit	<b>Rs.</b>	<b>5.34</b>		4.66	
ii) Units generated (through Diesel)	<b>Units</b>	<b>3.21</b>	<b>lacs</b>	2.07	<b>lacs</b>
Units per litre of Diesel Oil	<b>Units</b>	<b>3.42</b>		2.70	
Rate per Unit	<b>Rs.</b>	<b>17.52</b>		23.23	
iii) Units generated through Natural gas & Diesel)	<b>Units</b>	<b>0.69</b>	<b>lacs</b>	0.23	<b>lacs</b>
Rate per unit	<b>Rs.</b>	<b>13.17</b>		15.51	
<b>Furnace Oil</b>					
Quantity	<b>M.T.</b>	<b>983.54</b>		2512.61	
Total amount	<b>Rs.</b>	<b>260.42</b>	<b>lacs</b>	503.32	<b>lacs</b>
Average rate per unit	<b>Rs.</b>	<b>26.48</b>		20.03	
<b>High Speed Diesel</b>					
Quantity	<b>M.T.</b>	<b>21.66</b>		9.60	
Total amount	<b>Rs.</b>	<b>8.54</b>	<b>lacs</b>	3.43	<b>lacs</b>
Average rate per unit	<b>Rs.</b>	<b>39.43</b>		35.73	
<b>Natural Gas</b>					
Quantity	<b>Scm</b>	<b>1327.29</b>		1423.49	
Total amount	<b>Rs.</b>	<b>335.22</b>	<b>lacs</b>	261.09	<b>lacs</b>
Average rate per unit	<b>Rs.</b>	<b>25.26</b>		18.34	
<b>Wood</b>					
Quantity	<b>M.T.</b>	<b>14442.99</b>		7950.98	
Total amount	<b>Rs.</b>	<b>283.94</b>	<b>lacs</b>	139.39	<b>lacs</b>
Average rate per unit	<b>Rs.</b>	<b>1.97</b>		1.75	
<b>Consumption per unit of Production</b>					
Electricity	<b>Units</b>	<b>1.57</b>		1.60	
Furnace Oil	<b>Kgs.</b>	<b>0.19</b>		0.47	
Natural Gas	<b>Scm</b>	<b>0.74</b>		0.95	
Wood	<b>Kgs.</b>	<b>2.83</b>		3.16	

**II Particulars Regarding Research and Development & Technology Absorption:**

The total expenditure for R & D during the year under review is Rs. 40.43 lacs (Previous year 48.28 lacs) of which Rs. 0.99 lacs (previous year Rs. 0.16 lacs) are towards capital expenditure.

**III Foreign Exchange Earnings and Outgo:**

The Company continues to export its various products to Europe, USA and other countries. The quality of the products of the Company is well accepted in these markets.

The information of foreign exchange earnings and outgo is included in Note No. B (F of o) of schedule 18 to the Annual Accounts.

**ANNEXURE 'B' TO DIRECTORS REPORT****Management Discussion and Analysis:****Overview:**

The Company has plants at Clutterbuckganj, Bareilly, UP and at Nandesari, Vadodara in Gujarat and is engaged in the manufacturing and selling of camphor, terpineols, resins, aromatic & other terpene chemicals, fragrance chemicals and fragrance chemical intermediaries.

**Economy and Business Outlook:**

During the financial year 2008-09, the unprecedented and dramatic changes in global macro-economic environment had its impact on the Indian economy. During the second half of the FY09, the economy experienced weak demand conditions, which resulted in the slowdown in activity in line with the global conditions. In the second half industrial production nearly stagnated and exports declined, India's GDP growth in FY09 has declined to 6.70%. However, there have been some positive factors. International energy prices have eased considerably and prompt counter-cyclical measures taken by the government like interest rate cuts and fiscal stimuli will moderate the effect of global factors on demand going forward.

Tough macro-economic conditions had a bearing on your Company. Increase in cost of raw material mainly imported and energy have been major causes of concern. Due to extremely competitive international & domestic market it is difficult to pass on the increase in costs to full extent. However, efforts are made to increase productivity, reduce costs by controlling wastages with most efficient use of plant & machinery, which results in improvement of recovery.

The Company is striving hard to reduce/control costs at all stages to improve the profitability.

**Risks and Concerns:**

Prevailing world-wide recession and Increase in cost of energy like electricity, furnace oil & wood chips are main causes of concern. Stiff global competition and deterioration in the value of dollar could affect the profitability of the Company in the nature of less realization.

**Internal Control Systems and its adequacy:**

The Company has put in place necessary internal control system commensurate with its operations for facilitating accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the Company and also ensuring compliance with various laws and rules & regulations thereunder. Internal Auditors conduct the audit on a regular basis and remedial measures are taken wherever necessary. The Audit Committee of the Board of Directors periodically reviews audit plans, observations and recommendations of the internal auditors as well as of external auditors with reference to significant risk areas, adequacy of internal controls.

**Human Resources/Industrial Relations:**

The industrial relations in both the manufacturing units of the Company continued to be cordial.

The Company has arranged seminars and workshops for its work force for their developments and to equip them to adapt to the fast changing environment. In-house training programmes are also conducted to enable the workforce to acquire necessary skills and update their knowledge. Your Company continuously benchmark HR policies and practices with the best in the industry and carries out necessary improvements to attract and retain talent and build intellectual capital.

The total number of employees in the Company as on 31st March 2009 is 393.

**Pollution and Environment Control:**

Highest importance is always given by the Company to ensure that the environment remains relatively pollution free.

Adequate pollution control facilities are installed at both the plants as per guidelines of pollution control authority and are run as per set norms.

For safety the work force is provided with appropriate safety equipments and necessary training from time to time.

**Cautionary Statement:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations, include among others, economic conditions affecting demand/supply and price conditions in the domestic market, changes in Government regulations, tax laws and other statutes and incidental factors.

**CORPORATE GOVERNANCE**

In compliance with the Corporate Governance requirements as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges, for the last few years the Company has been incorporating, a separate section on Corporate Governance in the Annual Report to provide useful information to the Investors as well as the Shareholders.

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company's philosophy on Corporate Governance encourages attainment of transparency, accountability and propriety in the functioning of the Company.

**2. BOARD OF DIRECTORS:**

**Composition and Meetings of the Board:**

The Board of Directors comprises of Executive Chairman, Managing Director, Executive Director, Executive Director-operations and four Non-Executive Directors. All Non-Executive Directors are Independent Directors. During the financial year under review seven Board Meetings were held on 9<sup>th</sup> May 2008, 27<sup>th</sup> June 2008, 30<sup>th</sup> July 2008, 22<sup>nd</sup> August 2008, 30<sup>th</sup> September 2008, 31<sup>st</sup> October 2008 and 30<sup>th</sup> January 2009.

**Attendance of Directors for the year ended 31.03.2009:**

Attendance of each Director at the Board Meetings and last Annual General Meeting:

Board Meetings held prior to the changeover of the management till & inclusive of 22<sup>nd</sup> August, 2008:

Name of Director	Category of Directorship	No. of Board Meetings Attended out of 4 held	Attendance at last AGM
Shri Harshul Dalal	Promoter, Executive	4	No
Shri J. K. Setna	Independent, Non-Executive	4	No
Shri H. R. Prasad	Independent, Non-Executive	4	No
Shri S. M. Thakore	Independent, Non-Executive	2	No
Smt. Nina Dalal	Promoter, Non-Executive	4	No
Shri S. R. Laghate	Executive	3	No
Shri S. M. Mehta	Independent, Non-Executive	3	No

Board Meetings held after changeover of the management from & inclusive of 22<sup>nd</sup> August, 2008:

Name of Director	Category of Directorship	No. of Board Meetings attended out of 4 held	Attendance at last AGM
Shri Anil K. Bodani	Executive Chairman	4	Yes
Shri Dharmil A. Bodani	Managing Director	4	Yes
Shri Shyamal A. Bodani	Executive Director	4	Yes
Shri S. R. Laghate	Executive Director-Operations	4	Yes
Shri Girish M. Dave	Independent, Non-Executive	3	No
Shri Harshvardhan A. Piramal	Independent, Non-Executive	1	No
Shri Amitabh A. Himatsingka	Independent, Non-Executive	2	No
Shri Ranjit A. Puranik	Independent, Non-Executive	1	No

**Directorship details as on 31.03.2009:**

Number of directorships and memberships/chairmanships in public limited companies (including the Company) are given below:

Name of the Director	Status as on 31 <sup>st</sup> March, 2009		
	Number of Directorships	Number of Committees in which #	
		Member	Chairman
Shri Anil K. Bodani	1	—	—
Shri Dharmil A. Bodani	1	—	—
Shri Shyamal A. Bodani	1	—	—
Shri Girish M. Dave	8	9	—
Shri Harshvardhan A. Piramal	5	—	3
Shri Amitabh A. Himatsingka	1	—	—
Shri Ranjit A. Puranik	2	—	—

# Includes audit committee and Investor grievance committee.

None of the director on the board is a member of more than ten committees or chairman of more than five committees across all companies in which they are directors.

**Disclosures regarding Directors Appointment/ Re-Appointment:**

Disclosures regarding directors appointment/ re-appointment are attached with the notice calling the annual general meeting of the company.

**Shareholding of Directors:**

Name of Director	Number of Shares	% of holding
	N. A.	

None of the directors hold any shares in the company.

**Code of Conduct:**

The Company has framed a code of conduct for the non-executive directors, executive directors and senior management personnel of the company. The declaration regarding compliance of the said code of conduct by the non-executive directors, executive directors and senior management personnel is given as Annexure I to this report.

**3. AUDIT COMMITTEE:****Terms of Reference:**

The terms of reference of the committee covers all items stated in clause 49 of listing agreement which are summarized as under:

- (a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- (c) Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
  - (i) Any changes in accounting policies and practices
  - (ii) Major accounting entries based on exercise of judgment by management
  - (iii) Qualifications in draft audit report.

- (iv) Significant adjustments arising out of audit
- (v) The going concern assumption.
- (vi) Compliance with stock exchange and legal requirements concerning financial statements.
- (vii) Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- (d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- (e) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (f) Discussion with internal auditors on significant findings and follow up thereon.
- (g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (h) Discussion with external auditors before the audit commence, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- (i) Reviewing the Company's financial and risk management policies
- (j) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

**Composition and Meetings of Audit Committee:**

During the year under review the Committee met 2 times on 27<sup>th</sup> June, 2008 and 30<sup>th</sup> July, 2008 under old management and 2 times on 31<sup>st</sup> October, 2008 and 30<sup>th</sup> January, 2009 under new management.

(A) The Audit Committee under previous management comprised of following directors:

Shri H. R. Prasad.

Shri S. M. Thakore.

Shri J. K. Setna.

Shri S. M. Mehta.

Attendance of each member at the audit committee meeting under previous management was as under:

<b>Name of Director</b>	<b>No. of Audit Committee Meetings Attended</b>
Shri H. R. Prasad	2
Shri S. M. Thakore	1
Shri J. K. Setna	2
Shri S. M. Mehta	2

Shri H. R. Prasad chaired both the meetings of the audit committee held on 27<sup>th</sup> June, 2008 and 30<sup>th</sup> July, 2008 under previous management. All the members of the audit committee under previous management were Independent directors.

(B) The audit committee under new management comprises of following directors:

Shri Girish M. Dave.

Shri Amitabh A. Himatsingka.

Shri Harshvardhan A. Piramal.



Attendance of each member at the audit committee meeting under new management was as under:

Name of Director	No. of Audit Committee Meetings Attended
Shri Girish M. Dave	2
Shri Amitabh A. Himatsingka	2
Shri Harshvardhan A. Piramal	1

(a) Shri Girish M. Dave was the chairman of both the audit committee meetings held on 31<sup>st</sup> October, 2008 and 30<sup>th</sup> January, 2009. All the members of the audit committee are independent directors.

(b) The Company Secretary acts as a secretary to the committee.

#### 4. REMUNERATION COMMITTEE:

##### Terms of Reference

To act as remuneration committee as required under the schedule XIII to the Companies Act, 1956 and clause 49 of the listing agreement with stock exchange.

##### Composition

Under previous management, the remuneration committee comprises of three Independent non-executive directors viz. Shri J. K. Setna, Shri H. R. Prasad and Shri S. M. Thakore.

During the year, the remuneration committee met twice, one time under previous management on 29<sup>th</sup> June 2008 and one time under new management on 22<sup>nd</sup> August, 2008.

All committee members were present under remuneration committee meeting held under old management. Shri J. K. Setna chaired the meeting.

Under new management, the remuneration committee comprises of three Independent non-executive directors viz. Shri Girish M. Dave, Shri Harshvardhan A. Piramal and Shri Amitabh A. Himatsingka.

All committee members were present in remuneration committee meeting held under new management. Shri Harshvardhan A. Piramal chaired the meeting.

##### Compensation to non-executive directors:

Details of sitting fees paid for meetings held till 22<sup>nd</sup> August, 2008 under previous management are given below:

Name	Sitting Fees (Rs. in lacs)
Shri H. R. Prasad	0.80
Shri J. K. Setna	0.75
Shri S. M. Thakore	0.45
Smt. Nina H. Dalal	0.60
Shri S. M. Mehta	0.63
<b>TOTAL</b>	<b>3.23</b>

Details of sitting fees paid for meetings held on and from 22<sup>nd</sup> August, 2008 under new management are given below:

Name	Sitting Fees (Rs. in lacs)
Shri Girish M. Dave	0.63
Shri Harshvardhan A. Piramal	0.25
Shri Amitabh A. Himatsingka	0.50
Shri Ranjit A. Puranik	0.13
<b>TOTAL</b>	<b>1.50</b>

**Remuneration to Chairman & Managing Director and Executive Director under previous management till 22<sup>nd</sup> August, 2008 is as under: (Rs. in Lacs)**

Name of the Director	Salary	Perqui-sites	PF and other Contributions	Service Contract	Notice Period	Severance fees
Shri Harshul Dalal	11.69	0.52	1.63	5 years	6 months	NIL
Shri S. R. Laghate	3.30	0.14	0.40	3 years	6 months	NIL

**Remuneration to Executive Chairman, Managing Director, Executive Director and Executive Director Operations under new management till 22<sup>nd</sup> August, 2008 is as under: (Rs. in Lacs)**

Name of the Director	Salary	Perqui-sites	PF and other Contributions	Service Contract	Notice Period	Severance fees
Shri Anil K. Bodani	7.29	—	—	5 years	6 months	NIL
Shri Dharmil A. Bodani	7.29	—	—	5 years	6 months	NIL
Shri Shyamal A. Bodani	7.29	—	—	5 years	6 months	NIL
Shri S. R. Laghate*	5.20	0.61	1.09	3 years	6 months	NIL

\* Shri S. R. Laghate resigned w. e. f. 28.02.2009.

**5. INVESTORS GRIEVANCE COMMITTEE:**

- (A) Under previous management, the investor's grievance committee comprises of two non-executive directors viz. Shri S. M. Thakore and Smt. Nina H. Dalal and one executive director viz. Shri S. R. Laghate. Shri S. M. Thakore was the chairman of the committee. The investor's grievance committee met one time under old management on 27<sup>th</sup> June, 2008.
- (B) Under new management, the investor's grievance committee comprises of two non-executive directors viz. Shri Harshvardhan A. Piramal and Shri Girish M. Dave and one executive director viz. Shri S. R. Laghate. Shri Harshvardhan A. Piramal chaired both the investors grievance committee meetings held on 31<sup>st</sup> October, 2008 and 30<sup>th</sup> January, 2009.

M/s. Sharepro Services (India) Pvt. Ltd. was the company's registrars & share transfer agents till 31<sup>st</sup> December 2008 and thereafter the board of directors of the Company has appointed M/s Sharex Dynamic India Pvt. Ltd. as new registrars & share transfer agents of the company. The registrars & share transfer agents had received 62 letters/complaints during the financial year, out of which 61 are replied / resolved to the satisfaction of the shareholders and only 1 remain pending.

Ms. Renuka Tondon, Dy. Company Secretary had been compliance officer from 18<sup>th</sup> June, 2007 to 4<sup>th</sup> April, 2008. Mr. Kirit Dodia, Manager- Finance & Accounts was compliance officer from 7<sup>th</sup> April, 2008 to 29<sup>th</sup> July, 2008. Mr. Dilip Sharma, Manager Accounts & Company Secretary has been compliance officer from 30<sup>th</sup> July, 2008.

**6. GENERAL BODY MEETINGS:**

The last three annual general meetings were held as under:

Financial Year	Date	Time	Location
2005 – 2006	9 <sup>th</sup> September, 2006	11.00 a.m.	Registered Office
2006 – 2007	8 <sup>th</sup> September, 2007	12.00 noon	- do -
2007 – 2008	30 <sup>th</sup> September, 2008	2.30 p.m.	- do -

All the resolutions set out in the respective notices were passed by the shareholders.

No postal ballot was conducted during the financial year 2008-09.

Details of special resolutions passed at annual general meeting are as under:

- 2005-06 :** (i) Approval for reappointment & remuneration of executive director, Shri S. R. Laghate.  
(ii) Appointment of Ms. Stuti Dalal and approval of her remuneration u/s 314 of the Companies Act, 1956.  
(iii) Approval for delisting of company's equity shares from The Delhi stock exchange association ltd. and Vadodara stock exchange ltd.
- 2006-07 :** (i) Approval for payment of remuneration including minimum remuneration to Chairman & Managing Director, Shri Harshul Dalal.
- 2007-08 :** (i) Approval for appointment & remuneration of executive chairman, Shri Anil K. Bodani.  
(ii) Approval for appointment & remuneration of managing director, Shri Dharmil A. Bodani.  
(iii) Approval for appointment & remuneration of executive director, Shri Shyamal A. Bodani.

## 7. DISCLOSURES:

- There were no transactions of material nature with the promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the company at large.
- Disclosure of transactions with related parties as required under accounting standard 18 issued by the Institute of Chartered Accountants of India is made in Note A & B in schedule (i) to the annual accounts.
- There were no instances of non-compliance nor have any penalties, strictures been imposed by any stock exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.

Non-Mandatory Requirement:

- The Company has formed a remuneration committee, details of which are given earlier.

## 8. MEANS OF COMMUNICATION:

Quarterly/half yearly financial results of the company are forwarded to the stock exchanges on which company's shares are listed and are published in Indian express/Free press journal and financial express (Gujarati edition). As directed by the stock exchanges, the company's working results and other disclosures are posted on the SEBI website [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in). Company has not made any presentation to any Institutional Investors /Analysts during the year.

Management discussion & analysis forms part of directors' report.

## 9. GENERAL INFORMATION FOR MEMBERS:

### Annual General Meeting

**Date, Time & Venue:** 25<sup>th</sup> September 2009 at 2.30 p. m.  
Plot No. 3, GIDC, Indl. Estate,  
Nandesari, Vadodara – 391 340.

### Financial Calendar

Financial year:	April 2009 to March 2010
First Quarter Results:	End of July 2009
Half yearly Results:	End of October 2009
Third Quarter Results	End of January 2010
Audited Results for the Year Ending 31st March 2010	End of June, 2010
<b>Date of Book Closure</b>	15 <sup>th</sup> Sept. 2009 to 25 <sup>th</sup> Sept. 2009
<b>Dividend payment date</b>	On or after 28 <sup>th</sup> September, 2009

**Listing on Stock Exchange:** Bombay Stock Exchange Limited

**Scrip Code** 500078

**Demat ISIN Number for NSDL & CSDL:** INE959C01015

**Share Price on Mumbai Stock Exchange:**

High/Low during the Financial year 2008-09 High: Rs. 135.75  
Low: Rs. 40.00

MONTH	SHARE PRICE (Rs.)		BSE SENSEX	
	HIGH	LOW	HIGH	LOW
April,08	111.75	64.10	17480.74	15297.96
May,08	135.75	110.50	17735.70	16196.02
June,08	118.90	105.10	16632.72	13405.54
July,08	119.80	81.30	15130.09	12514.02
August,08	100.00	73.40	15579.78	14002.43
September,08	93.90	76.00	15107.01	12153.55
October,08	89.65	50.00	13203.86	9911.32
November,08	71.00	48.00	10945.41	8316.39
December,08	68.45	55.15	10188.54	8467.43
January,09	65.90	47.50	10469.72	8631.60
February,09	58.50	44.10	9724.87	8619.22
March,09	52.00	40.00	8762.88	8563.52

**Distribution Schedule as on 31<sup>st</sup> March, 2009:**

Shares Held	No. of Holders	%	No. of Shares	%
1 - 500	21511	97.87	1195575	23.29
501 - 1000	289	1.31	209896	4.09
1001 - 2000	90	0.41	125714	2.45
2001 - 3000	31	0.14	73061	1.42
3001 - 4000	17	0.08	59954	1.17
4001 - 5000	12	0.05	57959	1.13
5001 - 10000	12	0.05	85440	1.66
10001 and above	17	0.08	3326075	64.79
	<b>21979</b>	<b>100.00</b>	<b>5133674</b>	<b>100.00</b>

**Registrars & Transfer Agents**

M/s. Sharex Dynamic India Pvt. Ltd.  
Unit : Camphor & Allied Products Ltd.,  
17/B, Dena Bank, Bld., 2<sup>nd</sup> Floor,  
Horniman Circle, Fort, Mumbai-400001  
Tel.: 022-22702485, 22641376

**Persons to contact**

Mr. B. S. Baliga, Director

**Branch office**

Unit- I, Luthra Industrial Premises,  
Safed Pool, Andheri Kurla Road,  
Andheri (E), Mumbai-400072,  
Tel.: 022-28515606, 28515644

**Share Transfer System**

Your Company follows a fortnightly cycle for processing and updating share transfers. The share transfers register and reports are approved by a Share Transfer Committee of Directors of the Company. The same are then confirmed by the Board of Directors at the next Board Meeting. Nil transfers involving Nil shares were pending as at 31<sup>st</sup> March, 2009 which were completed in April 2009.

**Shareholding Pattern as at 31<sup>st</sup> March 2009**

Categories of shareholders	Percentage
Indian Promoters	57.66
Foreign Promoters	0.000
Mutual Funds, UTI, Banks and Financial Institutions	2.20
FII	0.00
Private Corporate Bodies	4.44
Indian Public	35.33
NRIs/OCBs	0.36
<b>Total</b>	<b>100.00</b>

**Dematerialization of shares**

Out of 51,33,674 Shares, 43,73,964 Shares equivalent to 85.20% of the paid up capital of the Company have been dematerialised till 31<sup>st</sup> March, 2009.

**Outstanding ADRs/GDRs etc.**

The Company has not issued any GDRs, ADRs, Warrants or any Convertible Instruments, the conversion of which will have an impact on equity shares of the Company.

**Plant locations**

- (i) P.O. Clutterbuckganj, Bareilly (U.P.) 243 502.
- (ii) Plot No. 3, GIDC Ind. Estate, Nandesari, Vadodara (Gujarat) 391 340.

**Address for correspondence**

Registered Office  
Plot No. 3, GIDC Ind. Estate, Nandesari,  
Vadodara – 391 340.

**Shareholder correspondence**

For Physical & Demat  
M/s. Sharex Dynamic India Pvt. Ltd.  
Unit : Camphor & Allied Products Ltd.,  
17/B, Dena Bank Bldg., 2<sup>nd</sup> Floor,  
Horniman Circle, Fort, Mumbai-400001  
Tel.: 022-22702485, 22641376  
Email : [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

**Exclusive Email id for redressal of investor complaints**

In terms of Clause 47(f) of the listing agreement please use the following email address, which is exclusive for shareholders complaints. [grievance@camphor-allied.com](mailto:grievance@camphor-allied.com)

## Annexure I

### Declaration on Compliance of the Company's Code of Conduct

The Company has framed a Code of Conduct for the Non-Executive Directors, Executive Directors and Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchange.

It is hereby confirmed that all the Non-Executive Directors, Executive Directors and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof for the financial year ended 31st March, 2009.

For **Camphor & Allied Products Ltd.**

Mumbai  
31<sup>st</sup> July, 2009

**[Anil Bodani]**  
Executive Chairman

---

### CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES IN INDIA

#### CERTIFICATE

To the Shareholders,

We have examined the compliance of the conditions of Corporate Governance by CAMPBOR & ALLIED PRODUCTS LIMITED for the year ended on 31<sup>st</sup> March 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has broadly complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Lodha & Co.  
Chartered Accountants

Place : Mumbai  
Date : 31<sup>st</sup> July, 2009

**[R. P. BARADIYA]**  
Partner  
Membership No.44101

**AUDITORS' REPORT**

To  
The Members  
**Camphor & Allied Products Limited**

1. We have audited the attached Balance Sheet of **CAMPHOR & ALLIED PRODUCTS LIMITED** as at 31<sup>st</sup> March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. Opening balances have been taken on the basis of financial statements audited by another firm of Chartered Accountants who have issued an unqualified opinion dated June 27, 2008.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (hereinafter referred to as the "Act"), we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006, to the extent applicable;
  - (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) Without qualifying our opinion, we draw attention to note no. c of B in Schedule 18 of Notes to Accounts regarding the companies possible liability to repay Rs. 98.11 lacs towards refund of sales tax paid on Gum Resin.
  - (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with "Significant Accounting Policies and Notes to Accounts" in schedule no. 18 and other notes appearing in the said schedule and elsewhere in the accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
    - ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
    - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For LODHA & CO.**  
**Chartered Accountants**

**R. P. BARADIYA**  
Partner  
Membership No.44101

Place : Mumbai  
Date : 31<sup>st</sup> July, 2009

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009 OF CAMPHOR & ALLIED PRODUCTS LIMITED**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) As explained to us, the assets have been physically verified by the management at reasonable intervals in accordance with the phased programme of verification which, in our opinion, is reasonable considering the size of the Company and nature of its business. According to the information and explanations given to us, no material discrepancies have been noticed on such physical verification.  
c) No substantial part of the fixed assets has been disposed off during the year.
2. a) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.  
b) The procedures for physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) The Company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.  
b) The Company has taken interest bearing unsecured loan @ 12% p.a. from the Holding Company amounting to Rs.147.01 lacs. The maximum balance during the year was Rs. 147.01 lacs. The loan has however been repaid during the year with interest thereon.  
c) In our opinion and according to the information and explanations given to us, the terms and conditions on which loans have been taken are prima facie, not prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that purchase of certain items of inventory and fixed assets and sale of goods are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.  
b) In our opinion, having regard to our comments in para 4 above and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements aggregating during the year to Rs. 5,00,000 or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices at the relevant time wherever such market prices are available.
6. No deposits within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company except the following:
  - i) The Company has not published any Advertisement after 14.09.2007 (the period of currency for which was 15.09.2007 to 30.09.2008). It has, however filed a Statement in lieu of Advertisement on 17.03.2009. Which was approved in the board meeting held on 30<sup>th</sup> September, 2008 for it being effective up to the next Annual General Meeting.
  - ii) The Company has accepted/renewed 34 fixed deposits amounting to Rs. 7,90,000 after 01.10.2008 (during the period of non-currency of Advertisement / Statement in lieu of Advertisement), out of which 31 fixed deposits amounting to Rs. 7,40,000 have been repaid after six months from the date of acceptance at the reduced rate of interest. It was explained by the management that the remaining 3 deposits for an aggregate amount of Rs. 50,000 will be repaid after six months period from the date of acceptance at the reduced rate as prescribed in the relevant Rules.
7. The Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Order of the Central Government under Section 209(1)(d) of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.
9. a) The Company is generally regular in depositing statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to the Company with the appropriate authorities. No amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable except income tax dues of Rs. 82.89 Lacs (including estimated amount of interest of Rs. 55.74 lacs). The same however not been paid pending receipt of the order giving appeal effect from the Income Tax Department.



- b) According to the information and explanations given to us the following are the dues which are not deposited on account of dispute pending in various forums.

Particulars	Year to which the amount relates	Forum where the dispute is pending	Rs. in Lacs
Income Tax	A.Y. 1991-92, A.Y. 2002-03 A.Y. 2004-05 to A.Y. 2006-07	CIT (Appeal), Baroda	86.66
Income Tax	A.Y. 1998-99, A.Y. 2002-03 to A.Y. 2004-05	ITAT , Ahmedabad	262.01
Sales Tax	2000-01	Supreme Court, Delhi	12.75
Sales Tax	2004-05	Joint Commissioner (Appeal), Bareilly	19.27
Sales Tax	(Refer to note no. c of B in Schedule 18 of Notes to Accounts)	High Court of Jammu	98.11
Excise Duty	1981 to 1983	Assistant Commissioner Central Excise, Bareilly	0.65
Excise Duty	1996-98	High Court, Lucknow	66.19

10. The Company has no accumulated losses as at 31<sup>st</sup> March, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
12. During the year, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. The Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. According to the information and explanations given to us and on review of utilisation of term loans on overall basis, the Company has applied the term loans for the purposes for which the same were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statements of the Company, in our opinion, the funds raised on short-term basis by the Company have not been used for the long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year and in the recent past.
19. The Company has not raised any debentures during the year and in the recent past.
20. The Company has not raised any money by way of public issue during the year and in the recent past.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have not come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For LODHA & CO.**  
**Chartered Accountants**

**R. P. BARADIYA**  
Partner  
Membership No.44101

Place : Mumbai  
Date : 31<sup>st</sup> July, 2009

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2009**

	Schedule	(Rupees in Lacs)	
		As at 31.03.2009	As at 31.03.2008
<b>I. SOURCES OF FUNDS</b>			
1. Shareholders' Funds :			
(a) Capital	1	513.37	513.37
(b) Reserves and Surplus	2	<u>4,993.69</u>	<u>4,714.00</u>
		<b>5,507.06</b>	5,227.37
2. Loan Funds :			
Secured Loans	3	1,244.10	931.98
Unsecured Loans	4	291.39	301.30
3. Deferred Tax Liability (Net)		678.38	652.90
	<b>Total</b>	<u><b>7,720.93</b></u>	<u><b>7,113.55</b></u>
<b>II. APPLICATION OF FUNDS</b>			
1. Fixed Assets	5		
(a) Gross Block		5,749.90	5,857.41
(b) Less: Depreciation		<u>2,689.96</u>	<u>2,534.77</u>
(c) Net Block		3,059.94	3,322.64
(d) Capital Work-in-progress		<u>165.28</u>	19.82
		<b>3,225.22</b>	3,342.46
2. Investments	6	7.44	328.28
3. Current Assets, Loans and Advances			
(a) Current Assets	7		
Inventories		3,089.67	1,885.77
Sundry Debtors		1,946.17	1,368.73
Cash and Bank Balances		<u>195.06</u>	<u>448.42</u>
		<b>5,230.90</b>	3,702.92
(b) Loans and Advances	8	<u>465.28</u>	538.15
		<b>5,696.18</b>	4,241.07
Less: Current Liabilities and Provisions:	9		
(a) Current Liabilities		942.86	668.62
(b) Provisions		<u>265.05</u>	<u>129.64</u>
		<b>1,207.91</b>	798.26
Net Current Assets		<b>4,488.27</b>	3,442.81
	<b>Total</b>	<u><b>7,720.93</b></u>	<u><b>7,113.55</b></u>

Significant Accounting Policies and Notes on Accounts 18

The above schedules form part of the financial statements.

As per our attached report of even date.

For and on behalf of the Board of Directors

**For Lodha & Co.**  
Chartered Accountants

**R. P. BARADIYA**  
Partner

**ANIL BODANI**  
Chairman

**DHARMIL A. BODANI**  
Managing Director

Place : Mumbai  
Date : 31<sup>st</sup> July, 2009

**DILIP SHARMA**  
Company Secretary

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

	Schedule	(Rupees in Lacs)	
		2008-2009	2007-2008
<b>INCOME</b>			
Sales	10	14,716.11	11,679.03
Less : excise duty on sales		1,252.23	1,216.03
Other Income:	11		
a) Profit on sale of assets		—	5.71
b) Others		29.16	138.50
Increase/ (Decrease) in Stock	12	527.40	140.17
<b>Total</b>		<b>14,020.44</b>	<b>10,747.38</b>
<b>EXPENDITURE</b>			
Materials Costs	13	9,415.86	7,160.47
Manufacturing Expenses	14	1,927.75	1,880.57
Payments to and provision for Employees	15	844.27	743.66
Administrative, Selling & Other Expenses	16	669.81	568.51
Interest & Financial Charges	17	136.18	94.39
Depreciation & Amortisation	5	243.79	231.68
<b>Total</b>		<b>13,237.66</b>	<b>10,679.28</b>
<b>PROFIT BEFORE TAX</b>		<b>782.78</b>	<b>68.10</b>
Provision for Tax :			
Current Tax		297.00	5.55
Income Tax for Earlier Years		82.88	—
Deffered Tax		25.48	8.16
Fringe Benefit Tax		4.75	5.29
Wealth Tax (including for earlier years Rs. 2.57 Lacs)		2.90	—
<b>PROFIT AFTER TAX</b>		<b>369.77</b>	<b>49.10</b>
Balance brought forward from last year		231.36	297.36
<b>PROFIT AVAILABLE FOR APPROPRIATIONS</b>		<b>601.13</b>	<b>346.46</b>
<b>APPROPRIATIONS</b>			
Transfer to General Reserve		35.00	25.00
Dividend		77.01	77.01
Dividend Distribution Tax		13.09	13.09
		125.10	115.10
<b>SURPLUS CARRIED TO BALANCE SHEET</b>		<b>476.03</b>	<b>231.36</b>
<b>Earnings Per Share</b>			
Basic & Diluted Earnings Per Share		7.20	0.96
Face Value Per Share		10.00	10.00
<i>Significant Accounting Policies and Notes on Accounts 18</i>			
The above schedules form part of the financial statements.			

As per our attached report of even date.

For and on behalf of the Board of Directors

**For Lodha & Co.**

Chartered Accountants

**R. P. BARADIYA**

Partner

**ANIL BODANI**

Chairman

**DHARMIL A. BODANI**

Managing Director

Place : Mumbai

Date : 31<sup>st</sup> July, 2009**DILIP SHARMA**

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

	2008-2009 Rs. in lacs	2007-2008 Rs. in lacs
<b>A) Cash Flow from Operating Activities</b>		
<b>Net Profit before Tax</b>	782.78	68.10
Adjustments for:		
Depreciation	243.79	231.68
Impact of change due to revised AS 15	—	(42.86)
Interest and Other Financial Cost	136.18	94.39
Interest and Dividend Received	(11.92)	(11.67)
Profit on sale of Fixed Assets	—	(5.71)
Loss on discarding / sale of assets	13.34	1.34
Excess Provision Written back	—	1.95
Unrealised Foreign Exchange rate difference	37.09	8.80
Loss on sale of Investment	—	—
<b>Operating Profit before Working Capital Changes</b>	<u>1,201.26</u>	<u>346.01</u>
Adjustments for:		
(Increase)/Decrease in Trade & Other Receivables	(632.70)	(149.28)
(Increase)/Decrease in Inventories	(1,203.90)	(30.76)
Increase/(Decrease) in Trade Payables & Provisions	344.31	(34.13)
<b>Cash generated from Operating Activities</b>	<u>(291.03)</u>	<u>131.85</u>
Direct Taxes (Paid) Net of Refund Received	(179.41)	(12.14)
<b>Net Cash from Operating Activities (A)</b>	<u>(470.44)</u>	<u>119.71</u>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(166.10)	(504.82)
Sales of Fixed Assets	21.32	17.19
Sale of Investments	320.84	(321.21)
Interest Received	5.62	9.39
Dividend Received	6.76	1.61
<b>Net Cash (used in)/from Investing Activities (B)</b>	<u>188.44</u>	<u>(797.84)</u>
<b>C) Cash Flow from Financing Activities</b>		
Increase/(Decrease) in Bank Borrowings	275.96	580.64
Inter Corporate Deposit	—	—
Increase/(Decrease) in long-term loan and other borrowings	(9.91)	133.20
Dividend Paid (Including Dividend Tax)	(91.39)	(89.84)
Interest and Other Financial Cost	(163.36)	(89.66)
<b>Net Cash (used in)/from Financing Activities (C)</b>	<u>11.30</u>	<u>534.34</u>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<u>(270.70)</u>	<u>(143.78)</u>
Cash & cash equivalents at beginning of the year	414.18	557.96
Cash & cash equivalents at end of the year	<u>143.48</u>	<u>414.18</u>

**Note**

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
- 2) Margin money of Rs. 51.58 Lacs (Previous Year Rs. 34.24 Lacs) excluded from Cash and Cash Equivalents and included in Trade and Other Receivables.
- 3) Previous year's figures have been regrouped / rearranged whenever necessary to confirm to the current year's presentation. This is the Cash Flow statement referred to in our report of even date.

As per our attached report of even date.

For and on behalf of the Board of Directors

**For Lodha & Co.**

Chartered Accountants

**R. P. BARADIYA**

Partner

**ANIL BODANI**

Chairman

**DHARMIL A. BODANI**

Managing Director

Place : Mumbai

Date : 31<sup>st</sup> July, 2009

**DILIP SHARMA**

Company Secretary

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2009**

(Rupees in Lacs)

	As at 31.03.2009	As at 31.03.2008
<b>I SHARE CAPITAL</b>		
Authorised 1,00,00,000 Equity Shares of Rs.10 each	<u>1,000.00</u>	<u>1,000.00</u>
Issued, Subscribed & Paid up 51,33,674 Equity Shares (Previous year 51,33,674) of Rs. 10 each fully paid up	<u>513.37</u>	<u>513.37</u>
Includes : i) 34,96,584 Equity Shares of Rs 10 each <i>allotted as fully paid up Shares for consideration other than cash pursuant to the earlier Schemes of amalgamation.</i>		
ii) 29,60,280 (Previous Year Nil) Equity Shares are held by the holding company viz. Oriental Aromatics Ltd.	<u>513.37</u>	<u>513.37</u>
<b>2 RESERVES AND SURPLUS</b>		
Capital Reserve :		
Balance as per last Balance Sheet.	266.74	266.74
Securities Premium Account :		
Balance as per last Balance Sheet.	739.82	739.82
General Reserve :		
Balance as per last Balance Sheet.	3,476.10	3,493.94
Add :-Transferred from Profit & Loss Account	35.00	25.00
Less:- Transitional adjustment for employee benefits as at 01-04-07	—	42.84
Surplus as per Profit & Loss Account	<u>3,511.10</u> <u>476.03</u> <u>4,993.69</u>	<u>3,476.10</u> <u>231.36</u> <u>4,714.00</u>
<b>3 SECURED LOANS</b>		
Working Capital Loan from a Bank (Secured by hypothecation of current assets both present and future and other movable assets)	<u>1,244.10</u> <u>1,244.10</u>	<u>931.98</u> <u>931.98</u>
<b>4 UNSECURED LOANS</b>		
Fixed Deposits (Include Rs. 131.00 Lacs repayable within one year - Previous year Rs. 43.60 Lacs)	<u>291.39</u> <u>291.39</u>	<u>301.30</u> <u>301.30</u>

5 FIXED ASSETS AS ON 31-03-2009

(Rs. in Lacs)

Description	Gross Block (at cost)				Depreciation/Amortisation				Net Block	
	As at 01/04/2008	Additions	Deductions	As at 31/03/2009	As at 01/04/2008	For the Year	Deductions	As at 31/03/2009	As at 31/03/2009	As at 31.03.2008
Lease hold land	82.00	—	—	82.00	19.69	2.33	—	22.02	59.98	62.31
Freehold Land	7.59	—	—	7.59	—	—	—	—	7.59	7.59
Buildings	697.57	0.75	—	698.32	284.53	15.38	—	299.91	398.41	413.04
Plant & Machinery	4,667.34	14.75	7.14	4,674.95	1,994.21	202.29	6.80	2,189.70	2,485.25	2,673.13
Furniture & Fitting	67.60	0.97	4.53	64.04	42.90	2.50	3.19	42.21	21.84	24.70
Vehicles	173.88	—	87.26	86.62	82.17	12.16	54.53	39.80	46.81	91.71
Office Equipments	143.64	4.17	27.78	120.03	99.89	8.27	23.58	84.58	35.44	43.75
Electric Installation	17.79	—	1.44	16.35	11.38	0.86	0.50	11.74	4.62	6.41
	5,857.41	20.64	128.15	5,749.90	2,534.77	243.79	88.60	2,689.96	3,059.94	3,322.64
Capital work-in-Progress Including Capital Advances	19.82	167.83	22.37	165.28	—	—	—	—	165.28	19.82
Grand Total	5,877.23	188.47	150.52	5,915.18	2,534.77	243.79	88.60	2,689.96	3,225.22	3,342.46
Previous Year	5,480.00	1,040.58	643.35	5,877.23	2,397.56	231.68	94.46	2,534.77	3,342.46	
Capital Work-in-Progress (at cost) comprises :									As at 31.03.09	As at 31.03.08
Buildings									75.76	0.00
Plant & Machinery									64.04	19.82
Furniture & Fittings									11.26	0.00
Office Equipments									14.22	0.00
Total									165.28	19.82

(Rupees in Lacs)

As at  
31.03.2009

As at  
31.03.2008

6 INVESTMENTS (At Cost) -

Non Trade, Long Term

(a) Unquoted

In Government Securities

6 Year National Saving Certificates 0.06 0.07  
(Deposited with Government Authorities)

UTI-Balance Fund (Income Reinvestment Scheme) 3.11 3.11  
18981 units (Previous year 18981 Units)

HDFC Cash Management Fund  
Nil Units of Daily Dividend Scheme — 320.83  
(Previous Year 3198952 Units)

(b) Quoted

5,000 Equity Shares of Bank Of Baroda of Rs. 10 each 4.27 4.27

7.44

328.28

	At Cost	Market Value
Aggregate of Quoted Investments	4.27	11.72
	(4.27)	14.20
Aggregate of Unquoted Investments	3.17	
	(324.01)	

	As at 31.03.2009	(Rupees in Lacs) As at 31.03.2008
<b>7 CURRENT ASSETS</b>		
<b>Inventories</b>		
(As valued and certified by the Management)		
(a) Stores, Spares & Packing Material (including Rs.Nil lacs in transit, Previous year Rs. 9.62 lacs)	136.93	146.06
(b) Stock-in-Trade		
Raw Materials (including Rs. Nil lacs in transit, Previous year Rs. 42.35 lacs)	1,290.75	605.12
Finished Goods	1,067.67	705.09
Process Stock	594.32	429.50
	<u>3,089.67</u>	<u>1,885.77</u>
<b>SUNDRY DEBTORS (UNSECURED, CONSIDERED GOOD)</b>		
(i) Debts exceeding six months	34.01	6.95
(ii) Other Debts	1,912.16	1,361.78
	<u>1,946.17</u>	<u>1,368.73</u>
<b>CASH AND BANK BALANCES</b>		
(a) Cash on hand (including cheques Rs. 29.41 lacs, - Previous year Rs. 0.45 lacs.)	31.18	0.90
(b) Balance with Scheduled Banks:		
In Current Accounts		
(i) Export Earners Foreign Currency Scheme (US \$ Nil lacs. - Previous year US \$ 3.20 lacs.)	—	127.72
(ii) Earmarked for Dividend	25.40	26.69
(iii) Margin Money	51.58	34.24
(iv) Others	82.35	257.28
	<u>159.33</u>	<u>445.93</u>
In Deposit Accounts	4.55	1.59
	<u>195.06</u>	<u>448.42</u>
<b>Total</b>	<u><u>5,230.90</u></u>	<u><u>3,702.92</u></u>
<b>8 LOANS AND ADVANCES</b>		
(Unsecured Considered Good)		
Advances recoverable in cash or in kind or value to be received	89.16	113.05
Interest accrued on investment	2.25	2.71
Deposits	31.75	80.84
Balance with Excise Department	342.12	260.85
Advance payment of Taxes	—	80.70
(Net of Provision of Rs. Nil, Previous Year Rs.46.15 Lacs)	<u>465.28</u>	<u>538.15</u>

	As at 31.03.2009	(Rupees in Lacs) As at 31.03.2008
<b>9 CURRENT LIABILITIES AND PROVISIONS</b>		
(a) Current Liabilities		
Sundry Creditors		
Due to Micro, Small and Medium enterprises (refer note B (n) in Schedule 18)	—	—
Due to Other Creditors	709.61	384.85
Other Liabilities	207.07	227.33
Interest accrued but not due on loans	0.78	27.96
Unclaimed Fixed Deposits	—	1.79
Investor Education & Protection Fund shall be credited by the following amounts namely :		
* Unclaimed Dividend	25.40	26.69
* There is no amount due and outstanding as at the balance sheet date to be credited to Investor Education & Protection Fund.	942.86	668.62
(b) Provisions		
For Leave entitlement	29.64	39.54
For Gratuity	51.51	—
For Taxation (net of Advance Tax of Rs. 336.23 Lacs Previous Year Rs. Nil)	93.80	—
For Proposed Dividend	77.01	77.01
For Dividend Distribution Tax	13.09	13.09
	<u>265.05</u>	<u>129.64</u>
	<u>1,207.91</u>	<u>798.26</u>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

**10 SALES**

Products	Quantity (In M. tons unless Otherwise stated)		Value (Rupees in Lacs)	
	2008-09	2007-08	2008-09	2007-08
Camphor/Isoborneol	2,899.00	3,298.95	6,009.08	4,351.55
Pine Oil / Terpineols	1,405.84	1,553.98	1,799.10	1,361.46
Poly-Terpene Resin	746.37	660.65	785.98	629.38
Perfumery Chemicals	1,031.89	1,103.13	3,192.26	2,688.30
Speciality Chemicals	696.16	697.16	1,699.65	1,403.96
Others	—	—	1,230.04	1,244.38
			<u>14,716.11</u>	<u>11,679.03</u>

Sales includes Exports of Rs.3,792.05 lacs (Previous Year Rs 3,041.40 lacs )



	2008-2009	(Rupees In Lacs) 2007-2008
<b>11 OTHER INCOME</b>		
Interest		
On Investment	0.00	0.35
from Others	5.16	9.71
(Tax deducted at Source Rs. 1.16 lacs Previous year Rs. 1.34 lacs)	5.16	10.06
Dividends Received (on Long Term Investments)	6.76	1.61
Exchange Rate difference	—	10.12
Sundry Balances Written back (Net)	0.76	2.25
Miscellaneous Receipts	16.48	114.46
	<u>29.16</u>	<u>138.50</u>
<b>12 (INCREASE) / DECREASE IN STOCKS</b>		
Opening Stock		
Finished Goods	705.09	318.43
Process Stock	429.50	675.99
	<u>1,134.59</u>	<u>994.42</u>
Less : Closing Stock		
Finished Goods	1,067.67	705.09
Process Stock	594.32	429.50
	<u>1,661.99</u>	<u>1,134.59</u>
	<u>(527.40)</u>	<u>(140.17)</u>
<b>13 MATERIALS COSTS</b>		
Raw Materials Consumed		
Opening Stock	594.63	664.58
Add: Purchases	10,338.45	7,238.10
	<u>10,933.05</u>	<u>7,902.68</u>
Less: Sales/Transfers	226.44	147.58
	<u>10,706.61</u>	<u>7,755.10</u>
Less: Closing Stock	1,290.75	594.63
	<u>9,415.86</u>	<u>7,160.47</u>
	<u>9,415.86</u>	<u>7,160.47</u>
<b>14 MANUFACTURING EXPENSES</b>		
Power and Fuel	1,515.19	1,459.12
Consumption of Stores & Spares	21.40	12.02
Consumption of Packing Materials	217.70	208.23
Repairs :		
Buildings	16.39	24.39
Plant and Machinery	67.74	94.59
Others	45.42	13.38
	<u>129.55</u>	<u>132.36</u>
<b>Excise duty on Increase / Decrease in Finished Goods Stock</b>		
Excise duty on Increase / Decrease in Finished Goods Stock	39.68	52.14
Other expenses	4.23	16.70
	<u>1,927.75</u>	<u>1,880.57</u>

	(Rupees In Lacs)	
	2008-2009	2007-2008
<b>15 PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>		
Wages, Salaries and Bonus	677.26	611.70
Provident & Other Funds	55.61	57.51
Welfare Expenses	53.34	52.95
Gratuity and Superannuation	58.06	21.50
	<u>844.27</u>	<u>743.66</u>
<b>16 ADMINISTRATIVE, SELLING AND OTHER EXPENSES</b>		
Rent	7.31	9.98
Rates and Taxes	19.72	27.07
Auditors' Remuneration	7.50	5.76
Insurance	28.63	29.84
Loss on discarding / sale of Assets	13.34	1.34
Directors Sitting fees	4.73	6.10
Commission on Sales	30.10	25.99
Freight	171.76	179.67
Other Sales Expenses	24.59	51.01
Exchange Rate Difference	110.82	—
Miscellaneous Expenses	251.31	231.75
	<u>669.81</u>	<u>568.51</u>
<b>17 INTEREST &amp; FINANCIAL CHARGES</b>		
Interest on :		
Fixed deposits & ICD borrowings	30.45	24.39
Working Capital Loan	66.82	51.28
Financial Charges	38.91	18.72
	<u>136.18</u>	<u>94.39</u>

## SCHEDULE - 18

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009.****A. SIGNIFICANT ACCOUNTING POLICIES:****a. GENERAL:**

- (i) The financial statements are prepared on the basis of historical cost convention, and on the accounting principles of a going concern.
- (ii) Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable.
- (iii) All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

**b. USE OF ESTIMATES:**

The presentation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

**c. REVENUE RECOGNITION:**

Revenue from sale of products is recognized when the risks and rewards of ownership are passed on to the Customers, which is generally on dispatch of goods. Sales are stated inclusive of Excise duty but exclusive of discounts, returns and sales tax / VAT. Interest income is recognized on time proportion basis. Dividend income is recognized when the right to receive the dividend is established

**d. FIXED ASSETS:**

- (i) Fixed assets are capitalised at cost inclusive of freight, duties, taxes and all incidental expenses related thereto and net of Cenvat credit.
- (ii) Fixed assets are stated at cost less accumulated depreciation.

**e. DEPRECIATION / AMORTISATION:**

- (i) Premium on leasehold land is being amortized over the period of lease.
- (ii) Depreciation on fixed assets is provided on Straight Line Method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.
- (iii) Continuous Process Plant' as defined in the said Schedule, has been considered on technical assessment and depreciation provided accordingly.

**f. INVESTMENTS:**

Long term investments are valued at cost with an appropriate provision for diminution being other than temporary.

**g. INVENTORIES:**

Inventories are valued on the following basis:

- a. Raw material, Components, Stores & Spares are valued at lower of cost or net realizable value. However these items are considered to be realizable at cost if finished products in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average / FIFO basis.
- b. Finished Goods (inclusive of Excise Duty):
  - i. Principal products are valued at lower of cost or net realizable value.
  - ii. By-Products are valued at net realizable value.
- c. Process stock is valued at cost and in cases where the net realizable value of the ultimate product is lower than the cost of production, necessary adjustments in the cost of process stock is made.

- d. Cost of Finished Goods & Process Stock are determined using the absorption costing principles. Costs includes cost of conversion and other costs and excise duty as applicable incurred in bringing the inventories to their present location & condition.

**h. ACCOUNTING FOR TAXES ON INCOME:**

Provision for current tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the provisions as per Income-Tax Act, 1961.

The deferred tax for timing differences between book profits and tax profits for the year is accounted for using the tax rules and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is a reasonable certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

The provision for fringe benefit tax has been made in respect of employee's benefits and other specified expenses as determined under the Income Tax Act, 1961.

**i. BORROWING COST:**

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other Borrowing costs are charged to Profit & Loss Account.

**j. TRANSACTIONS IN FOREIGN CURRENCY:**

Transactions in Foreign currency are recorded at the rate of exchange in force at the date of the transactions. Foreign currency assets and liabilities are stated at the rate of exchange prevailing at the year end and resulted gains / losses are recognized in the profit & loss account. Premium / Discount in respect of Forward Foreign Exchange contracts is recognized over the life of the contract.

**k. RESEARCH & DEVELOPMENT EXPENDITURE:**

Revenue Expenditure is charged to the Profit & Loss account and Capital Expenditure is treated as addition to Fixed Assets.

**l. EMPLOYEE BENEFITS:**

Define Contribution plans :

Company's contributions paid / payable during the year to Provident and Family pension Funds, Super annuation fund (wherever opted) and ESIC are recognized in the Profit and Loss Account.

Define Benefits plans :

Gratuity liability under the Payment of Gratuity Act, 1972 is provided for on the basis of the actuarial valuation made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on Actuarial Valuation.

Actuarial gains/ losses are immediately taken to profit and loss account and are not deferred.

**m. IMPAIRMENT OF ASSETS:**

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the amount of such impairment loss is charged to profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

**n. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the company has a present obligation as a result of a past event,
- b) the probable outflow of resources is expected to settle the obligation and
- c) the amount of the obligation can be reliably estimated.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognized to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

- a) a present obligation arising from the a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) a possible obligation, unless the probability of outflow of resources is remote.

Contingent assets are not recognised or disclosed in the financial statements.

## B. NOTES TO ACCOUNTS:-

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.29.25 Lacs (Previous year Rs Nil) net of advances of Rs. 29.25 (Previous year Rs Nil)

- b. Contingent liabilities not provided for:

Claims not acknowledged by the Company relating to cases contested by the Company and which are not likely to be devolved on the Company relating to the following areas:

- i) Sales Tax :

Where Company is in appeal, Rs. 1.58 Lacs (Previous year Rs. 1.58 Lacs)

Where Department is in appeal, Rs. 12.75 Lacs (Previous year Rs. 12.75 Lacs)

- ii) Income Tax :

Where Company is in appeal, Rs. 86.66 Lacs (Previous year Rs. 86.66 Lacs)

Where Department is in appeal, Rs. 262.01 Lacs (Previous year Rs. 262.01 Lacs)

- iii) Excise Duty :

Where Department is in appeal, Rs. 66.19 Lacs (Previous year Rs. 66.19 Lacs)

- iv) There are litigations and demands for re-instatement, recovery of wages and compensation, filed by certain ex-employees which are not acknowledged by the company and not provided for, amount unascertainable but in the opinion of the management amount would not be material.

- c. Pine Chemicals Limited which was amalgamated with the Company (Camphor & Allied Products Limited) had earlier filed a Writ Petition challenging the retrospective rescission by the Government of Jammu & Kashmir, of the Backward Area Incentive Scheme in respect of Sales Tax paid on Gum Resin for the period five years ending 31<sup>st</sup> March, 1984. The High Court of Jammu & Kashmir has passed an order directing the Sales Tax Department to review the Company's claim in the light of Supreme Court decision on a similar issue. The Company has filed Writ Petition before the Hon. High Court at Jammu which is still pending disposal.

In the event of the claim being decided in favour of the Company, the Company would be entitled to refund of Rs. 59.03 lacs in respect of two years ended 31/03/1984 and in the event of it being decided against the Company, the company will be liable to repay Rs.98.11 lacs in respect of three years ended 31<sup>st</sup> March, 1982, which Pine Chemicals Limited had accounted for as income in earlier years. The refund or payment as the case may be will be accounted for after the final outcome of the petition.

- d. i) The amount of exchange difference (net) Debited to the Profit and Loss Account for the year Rs. 96.62 Lacs (Previous year credited Rs. 10.12 Lacs).
- ii) Derivative Instruments:  
Details of foreign currency hedged – Nil  
Details of foreign currency unhedged:

Particulars	Foreign Currency	2008-09		2007-08	
		Amount in Foreign Currency	Indian Rupees Equivalent In lacs	Amount in Foreign Currency	Indian Rupees Equivalent In lacs
Assets : Debtors	US \$.	1,052,179.00	534.41	218,970	97.04
Liabilities : Creditor	US \$	24,805.00	12.62	53,277.10	21.31
Liabilities : Buyers' Credit	US \$	1,275,166.40	648.68	1,484,212.00	593.25
Liabilities : Packing Credit	US \$	777,372.00	394.83	657,600.00	338.73

e. Nagar Nigam Bareilly's notice of demand for House Tax, Water Tax etc. for the period from 01.06.2004 to 31.03.2008 has been disputed by the company and the matter is in Allahabad High Court pursuant writ petition filed by the Company. The management does not foresee even a remote possibility of an outflow of / adjustment to the resources embodying economic benefits, in view of the expert legal opinion in the matter obtained by the Company.

f. Segment Reporting :

Primary Segment : The Company is exclusively engaged in the business of manufacture of fine chemicals, which is considered to constitute only one business segment.

Secondary Segment: (By Geographical Segment) :

	2008-2009 (Rs. In Lacs)	2007-2008 (Rs. In Lacs)
Sales & Operating Income		
Domestic	9,701.00	7,565.81
Export	3,792.05	3,041.40
Total	13,493.05	10,607.21

g. Auditors' Remuneration

	2008 - 09 (Rs. In Lacs)	2007 - 08 (Rs. In Lacs)
Audit Fees	4.00	2.50
Tax Audit Fees	1.50	0.50
Certification Charges	2.00	1.46
Out of pocket expenses (including Service Tax)	0.77	1.10
TOTAL	8.27	5.56

h. Managerial Remuneration\* :

	2008 - 09 (Rs. In Lacs)	2007 - 08 (Rs. In Lacs)
Salaries & Allowances	42.07	33.60
Perquisites in Cash or in Kind	5.44	8.88
Contribution to Provident and other funds	3.19	8.53
TOTAL	50.70	51.01

\* Excluding Contribution to Gratuity and Leave Entitlement.

No commission is payable to Directors / Managing Director and hence computation of Net Profit in accordance with Section 198, 309 and 349 of the Companies Act, 1956 has not been given.

## i. Related Party Disclosures as per Accounting Standard (AS) 18:

List of Related party and their relationships:

## A) Parties with whom the Company has entered into transactions during the year in the ordinary course of business.

## i) Party where control exists:

Holding Company: Oriental Aromatics Limited.

Fellow Subsidiary: Oriental Aromatics Inc.

## ii) Key Management personnel &amp; Relatives

Mr. Harshul Dalal (Chairman &amp; Managing Director) (upto 22.08.08)

Mr. S. R. Laghate (Executive Director) (upto 28.02.09)

Mrs. Nina H. Dalal (Non Executive Director) (upto 22.08.08)

Ms. Stuti H. Dalal, (G.M. Business Development) (upto 22.08.08)

Mr. Anil K. Bodani (Executive Chairman) (from 22.08.08)

Mr. Dharmil A. Bodani (Managing Director) (from 22.08.08)

Mr. Shyamal A. Bodani (Executive Director) (from 22.08.08)

## B) The following transactions were carried out with the aforesaid related parties in the ordinary course of Business:

Sr. No.	Name of the Party	Relationship	Nature of Transaction	Debit (Rs in Lacs)	Credit (Rs in Lacs)	Outstanding As On 31.03.2009 (Rs in Lacs)
1.	Oriental Aromatics Ltd. (from 22.08.08)	Holding Company	Sales	83.56 (Nil)	—	19.67 (Nil)
			Loan Taken		147.01 (Nil)	—
			Loan Repaid	147.01 (Nil)	—	—
			Interest Paid	8.22 (Nil)	—	—
2.	Oriental Aromatics Inc. (from 22.08.08)	Fellow Subsidiary	Sales	23.04 (Nil)	—	—
3.	Harshul Dalal (upto 22.08.08)	Chairman & Managing Director	Remuneration	13.84 (45.70)	—	—
4.	Dharmil Bodani (From 22.08.08)	Managing Director	Remuneration	7.29 (Nil)	—	—
5.	Anil Bodani (From 22.08.08)	Executive Chairman	Remuneration	7.29 (Nil)	—	—
6.	Shyamal Bodani (From 22.08.08)	Executive Director	Remuneration	7.29 (Nil)	—	—
7.	Nina H. Dalal (upto 22.08.08)	Non-Executive Director	Sitting Fees	0.60 (1.03)	—	—
8.	S. R. Laghate (upto 28.02.09)	Executive Director	Remuneration	10.74 (10.69)	—	—

- Note:
- Figures in brackets pertains to previous year.
  - No amounts in respect of related parties have been written off/written back/provided for during the year.
  - Related party relationships have been identified by the management and relied upon by the auditors.

- j. Deferred Tax liability / (Asset) at the year end comprise timing differences on account of:

	<b>2008-2009</b> <b>(Rs. In Lacs)</b>	2007-2008 (Rs. In Lacs)
Depreciation	710.00	703.44
Provision/Expense allowable in Subsequent years	(31.62)	(50.54)
<b>TOTAL</b>	<b>678.38</b>	<b>652.90</b>

- k. Calculation of Earning Per Share (EPS):
- |   | <b>2008-2009</b><br><b>(Rs. In Lacs)</b> | 2007-2008<br>(Rs. In Lacs) |
|---|--|----------------------------|
| Sales & Operating Income                  |  |                            |
| Numerator:                                |  |                            |
| Profit after tax                          | 369.77                                   | 49.10                      |
| Denominator:                              |  |                            |
| Weighted Average Equity Shares (No.)      | 51,33,674                                | 51,33,674                  |
| Basic and Diluted Earning Per Share (Rs.) |  |                            |
| Face Value – Rs. 10 per share             | 7.20                                     | 0.96                       |

- l. Disclosure as required by Accounting Standard 15 (Revised) on Employee Benefits, applicable to the Company from the current year :-

In respect of gratuity, a defined benefit scheme (based on Actuarial Valuation) – (Rs in Lacs)

Description	Year ended <b>March 31, 2009</b>	Year ended March 31, 2008
<b>A. Expense recognised in the statement of Profit and Loss</b>		
Account for the year ended March 31, 2009		
- Current Service Cost	17.29	10.56
- Interest Cost	12.63	14.05
- Expected return on plan assets	(13.92)	(15.99)
- Net actuarial (gain) / loss recognised during the year	17.18	4.52
Total Expense	33.18	13.14
<b>B. Actual return on plan assets</b>		
- Expected return of plan assets	13.92	15.98
- Actuarial (gain) / loss on plan assets	3.27	1.27
- Actual return of plan assets	17.19	17.25
<b>C. Net Asset / (Liability) recognised in the Balance Sheet</b>		
- Present value of obligation	158.12	208.04
- Fair value of plan assets	106.21	189.31
- Funded status (surplus / (deficit))	(51.90)	(18.72)
- Net Asset / (Liability) recognised in the Balance Sheet	(51.90)	(18.72)
<b>D. Change in Present value of Obligation during the year ended March 31, 2009</b>		
- Present value of obligation as at April 1, 2008	208.04	197.10
- Current Service Cost	12.63	10.56
- Interest Cost	17.28	14.05
- Benefits paid	(100.30)	(19.44)
- actuarial (gain) / loss on obligation	20.45	5.77
- Present value of obligation as at March 31, 2009*	158.12	208.04



Description	Year ended March 31, 2009	Year ended March 31, 2008
E. Change in Assets during the year ended March 31, 2009		
- Fair value of plan assets as at April 1, 2008	189.31	151.26
- Expected return on plan assets	13.92	15.99
- Contributions made	—	40.25
- Benefits paid	(100.30)	(19.45)
- actuarial (gains) / loss on plan assets	3.27	1.27
- Fair value of plan assets as at March 31, 2009	106.21	189.31
F. Major categories of plan assets as a percentage of total plan	Debt Fund 100%	Debt Fund 100%
G. Actuarial Assumptions		
- Discount rate	7.00%	8.00%
- Mortality Rate	LIC (1994 – 96) Table	LIC (1994 – 96) Table
- Future salary increases consider inflation, seniority, promotion and other relevant factors	3.00%	3.50%

\* Funds of Rs. 106.21 lacs (Previous year Rs. 189.31 lacs) lying in the Gratuity trust manage by the trustees nominated by the Company.

- m. i) In the opinion of the Board, current assets, loans and advances have value on realization in the ordinary course of business, at least equal to the amount at they are stated.
- ii) The accounts of certain Sundry Debtors, Creditors, Loans and Advances are however, subject to confirmations/ reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current year's financial statements on such reconciliation/adjustments.
- n. The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.
- o. Additional Information pursuant to paragraph 3 and 4 of part II of Schedule VI to the Companies Act, 1956.

**A. Licensed Capacity\*, Installed Capacity and actual production.**

		Installed Capacity**	Actual Production ***	
			2008-09	2007-08
Camphor / Isoborneol	M.T.	3500 (3500)	2974.68	3379.09
Pine Oil / Terpineols	M. T.	1500 (1500)	1395.04	1497.29
Poly – Terpene Resin	M. T.	1000 (1000)	716.48	666.67
Perfumery Chemicals	M. T.	1850 (1850)	1047.57	1100.98
Speciality Chemicals	M. T.	2250 (2250)	1144.64	762.37
Intermediate Products	M. T.		3280.66	3558.11

Note : The License Capacities are De-licensed.

\*\* As Certified by the Management and accepted by the Auditors, without verification, being a technical matter

\*\*\* Based on yield as verified and certified by the Management.

**B. Details of Stocks of Finished Goods:**

Items	Unit	Opening Stock (As on 01/04/2008)		Closing Stock (As on 31/03/2009)	
		Quantity	Value (Rs. In Lacs)	Quantity	Value (Rs. In Lacs)
Camphor / Isoborneol	M.T.	119.13 (44.91)	259.35 (61.11)	194.81 (125.05)	338.02 (259.35)
Pine Oil / Terpeneols	M.T.	56.58 (113.27)	65.24 (145.13)	45.78 (56.58)	78.58 (65.24)
Poly – Terpene Resin	M.T.	31.27 (25.25)	44.13 (22.80)	1.38 (31.27)	1.48 (44.13)
Perfumery Chemicals	M.T.	38.82 (47.55)	73.69 (86.40)	95.94 (45.39)	278.40 (73.69)
Speciality Chemicals	M.T.	31.54 (Nil)	120.97 (Nil)	Nil (65.21)	Nil (120.97)
Others	M.T.		141.71 (55.11)		371.19 (141.71)

Notes: I. Figures in bracket relate to previous year.

**C. Raw Material Consumed:**

Items	Unit	2008-2009		2007-2008	
		Quantity	Value (Rs. In Lacs)	Quantity	Value (Rs. In Lacs)
Turpentine / Pinene (KL)	M. T.	7072.65	5791.20	8226.19	3809.04
Acetic Acid	M. T.	2021.56	698.32	2265.22	748.17
Caustic Soda	M. T.	2332.48	292.66	2537.45	244.85
Phenol	M. T.	187.72	147.74	173.06	141.39
Others	M. T.		2485.94		2217.03
<b>TOTAL</b>			<b>9415.86</b>		<b>7160.48</b>

**D. Value of Imported and Indigenous Raw Material Consumed and percentage thereof to the total consumption:**

	2008-2009		2007-2008	
	Percentage %	Value (Rs. In Lacs)	Percentage %	Value (Rs. In Lacs)
Imported	32.06	3019.56	39.84	2852.44
Indigenous	67.94	6397.30	60.16	4308.04
<b>TOTAL</b>	<b>100</b>	<b>9415.86</b>	<b>100</b>	<b>7160.48</b>

**E. Value of Components and Spare Parts Consumed and percentage thereof to the total consumption: .**

	2008-2009		2007-2008	
	Percentage %	Value (Rs. In Lacs)	Percentage %	Value (Rs. In Lacs)
Imported	99.99	104.48	99.95	115.78
Indigenous	0.01	0.01	0.05	0.06
<b>TOTAL</b>	<b>100</b>	<b>104.49</b>	<b>100</b>	<b>115.84</b>

F.	CIF Value of Imports:	<b>2008-09</b>	2007-08
	Raw Material	6644.43	3916.95
	Components & Spares Parts	0.00	0.00
	Foreign currency transactions during the year:		
	Travelling	1.54	4.69
	Professional Fees	14.63	0.00
	Dividend :		
	a) No. of Non-Resident Shareholder	0	0
	b) No. of Equity Shares held	0	0
	c) Amount of Dividend	0	0
	d) Year	2007-08	2006-07
	Commission on Export	17.73	18.02
	Earnings in Foreign Exchange on account of :		
	Exports on F.O.B. Basis	3491.99	2915.30

- p. Previous year's figure have been regrouped / rearranged / recast / wherever necessary to conform to current year's presentation.

#### SIGNATURES TO SCHEDULES 'I' TO '18'

For and on behalf of the Board  
Camphor & Allied Products Limited

**ANIL BODANI**  
*Chairman*

**DHARMIL A. BODANI**  
*Managing Director*

Place : Mumbai  
Date : 31<sup>st</sup> July, 2009

**DILIP SHARMA**  
*Company Secretary*

# CAMPHOR & ALLIED PRODUCTS LIMITED

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

## ATTENDANCE SLIP

I hereby record my presence at the 37<sup>th</sup> Annual General Meeting of the Company on Friday, September 25, 2009 at 2.30 p.m at registered office of the company.

Registered Folio No. \_\_\_\_\_

DP- ID No.: \_\_\_\_\_

Client ID No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Signature of the Shareholder / Proxy present

Note: Only Shareholders or their valid proxies will be allowed to attend the meeting.

----- TEAR HERE -----

# CAMPHOR & ALLIED PRODUCTS LIMITED

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

## PROXY FORM

I/We \_\_\_\_\_

of \_\_\_\_\_

being a Member/Members of RPG Cables Limited hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_

as my/ our proxy to attend and vote for me /us and on my/our behalf at the 37<sup>th</sup> Annual General Meeting of the Company to be held on Friday, September 25, 2009 and at any adjournment there of.

AS WITNESS my hand / or hands this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Affix  
Re. 1  
Revenue  
Stamp

Signed by the said \_\_\_\_\_

Registered folio no. : \_\_\_\_\_

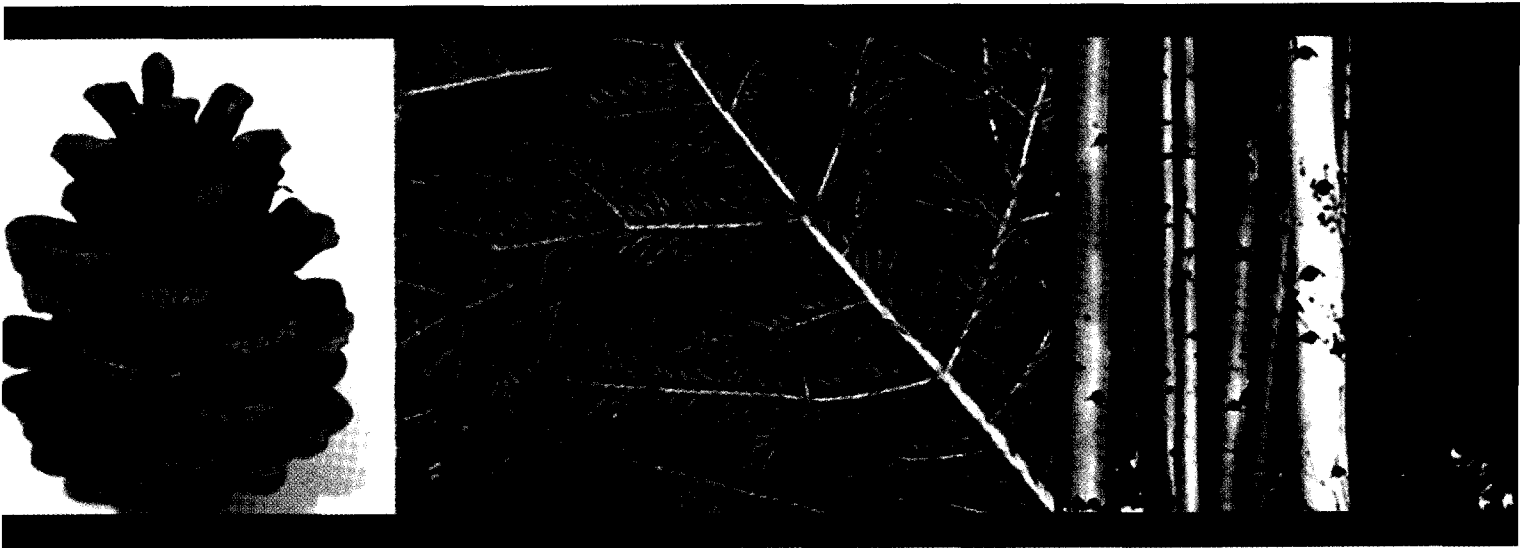
DP-ID No. : \_\_\_\_\_

Client ID No. \_\_\_\_\_

No. of shares held \_\_\_\_\_

**NOTE: The Proxy Form must be sent so as to reach the registered office of the Company Registered Office: Plot No. 3, GIDC Industrial Estate Nandesari - 391 340, Dist. Vadodara, Gujarat. not less than Forty-eight hours before the time for holding the aforesaid meeting.**

# Book Post



*If Undelivered please, return to :*  
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.  
Unit: **CAMPBOR & ALLIED PRODUCTS LIMITED**