

BOARD OF DIRECTORS

Mr. Anil K. Bodani, Executive Chairman
 Mr. Dharmil A. Bodani, Managing Director
 Mr. Shyamal A. Bodani, Executive Director
 Mr. D. S. Raghava, Executive Director-Operations
 Mr. Harshvardhan Piramal, Non-Executive Director
 Mr. Ranjit A. Puranik, Non-Executive Director
 Mr. Prakash Mehta, Non-Executive Director
 Mr. Girish M. Dave, Non-Executive Director (resigned w.e.f. 08.04.2013)

Company Secretary

Mr. Vipul Kumar Singh (upto 28.10.2012)
 Ms. Nirmala Agarwal (from 19.11.2012)

G. M. Accounts & Finance

Mr. Girish Khandelwal

Auditors

Lodha & Co.
 Chartered Accountants

Bankers

The Hongkong Shanghai Banking Corporation Limited
 Standard Chartered Bank

Corporate Office

Jehangir Building,
 133, Mahatma Gandhi Road,
 Fort, Mumbai-400 001.

Registered Office

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

Registrar & Share Transfer Agent

Sharex Dynamic India Pvt. Ltd.,
 Unit No. I, Luthra Industrial Premises,
 Safed Pool, Andheri Kurla Road,
 Andheri (East),
 Mumbai-400 072.

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41st Annual General Meeting of Camphor & Allied Products Limited will be held on Friday 27th September, 2013 at 12.00 Noon at the Regd. Office of the Company at Plot No. 3, GIDC Industrial Estate, Nandesari – 391340, Dist. Vadodara, Gujarat.

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Forty First Annual General Meeting of CAMPBOR AND ALLIED PRODUCTS LIMITED will be held on Friday the 27th September, 2013 at 12:00 Noon at Regd. Office of the Company - Plot No. 3, GIDC Industrial Estate, Nandesari - 391 340, Dist. Vadodara, Gujarat to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2013 and the Audited Balance Sheet as at date together with the reports of Directors and Auditors thereon.
2. To Appoint a Director in place of Mr. Harshvardhan Piramal, who retires by rotation but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ranjit Puranik, who retires by rotation but being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s. Lodha & Co., Chartered Accountants, be and are hereby appointed as Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

SPECIAL BUSINESS:-

5. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 & Schedule XIII as amended from time to time to the Companies Act, and other applicable provisions, if any, of the Companies Act 1956 including any statutory modification or re-enactment thereof, the consent of members be and is hereby accorded to the re-appointment of Mr. Anil K. Bodani, as Executive Chairman of the Company for a period of five years w.e.f. 22nd August, 2013 upon the terms and conditions including remuneration as set out in the agreement executed with Mr. Anil K. Bodani (a copy of which placed before this meeting) with specific authority to the Board of Directors to alter or vary terms and conditions of the said appointment and/or agreement including remuneration as may be agreed to between Board of Directors and Mr. Anil K. Bodani which shall not exceed Rs. 40,00,000 per annum.

RESOLVED FURTHER THAT the aforesaid remuneration shall be paid to Mr. Anil K. Bodani as the Executive Chairman of the Company as minimum remuneration in case of loss or inadequacy of profit for the financial year during the tenure of his appointment.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to review and revise the remuneration, perquisites and benefits be paid or provided to Mr. Anil K. Bodani in 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 amendment thereto, as may be agreed to between the Board of Directors and Mr. Anil K. Bodani.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”

6. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII as amended from time to time to the Companies Act, and other applicable provisions, if any, of the Companies Act 1956, including any statutory modification or re-enactment thereof, the consent of members be and is hereby accorded to the re-appointment of Mr. Dharmil A. Bodani as Managing Director of the Company for a period of five years with effect from 22nd August, 2013, upon terms and conditions including remuneration as set out in the agreement executed with Mr. Dharmil A. Bodani (a copy of which placed before this meeting) with specific authority to the Board of Directors to alter or vary terms and conditions of the said appointment and/or agreement including remuneration as may be agreed between Board of Directors and Mr. Dharmil A. Bodani.

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to review and revise the remuneration, perquisites and benefits be paid or provided to Mr. Dharmil A. Bodani in 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 amendment thereto, as may be agreed to between the Board of Directors and Mr. Dharmil A. Bodani.

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

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 & Schedule XIII as amended from time to time to the Companies Act, and other applicable provisions, if any, of the Companies Act 1956 including any statutory modification or re-enactment thereof, the consent of members be and is hereby accorded to the re-appointment of Mr. Shyamal A. Bodani, as Executive Director of the Company for a period of five years with effect from 22nd August, 2013 upon the terms and conditions including remuneration as set out in the agreement executed with Mr. Shyamal A. Bodani (a copy of which placed before this meeting) with specific authority to the Board of Directors to alter or vary terms and conditions of the said appointment and/or agreement including remuneration as may be agreed to between Board of Directors and Mr. Shyamal A. Bodani which shall not exceed Rs. 40,00,000 per annum.

RESOLVED FURTHER THAT the aforesaid remuneration shall be paid to Mr. Shyamal A. Bodani as the Executive Director of the Company as minimum remuneration in case of loss or inadequacy of profit for the financial year during the tenure of his appointment.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to review and revise the remuneration, perquisites and benefits be paid or provided to Mr. Shyamal A. Bodani in 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 amendment thereto, as may be agreed to between the Board of Directors and Mr. Shyamal A. Bodani.

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

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII as amended from time to time to the Companies Act and other applicable provisions if any of the Companies Act 1956 including any statutory modification or re-enactment thereof, the consent of members be and is hereby accorded to the re-appointment of Mr. Devendra Singh Raghava, as Executive Director-Operations of the Company for a period of five years with effect from 30th April, 2014 upon the terms and conditions including remuneration as set out in the agreement executed with Mr. Devendra Singh Raghava (a copy of which placed before this meeting) with specific authority to the Board of Directors to alter and vary terms and conditions of the said appointment and/or agreement including remuneration as may be agreed to between Board of Directors and Mr. Devendra Singh Raghava which shall not exceed Rs. 24,00,000 per annum.

RESOLVED FURTHER THAT the aforesaid remuneration shall be paid as minimum remuneration to Mr. Devendra Singh Raghava, Executive Director-Operations in case of loss or inadequacy of profit for any financial year during the tenure of his appointment.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to review and revise the remuneration, perquisites and benefits be paid or provided to Mr. Devendra Singh Raghava in 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 amendment thereto, as may be agreed to between the Board of Directors and Mr. Devendra Singh Raghava.

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

By Order of the Board of Directors

Place: - Mumbai

Date: - 12th August, 2013.

Registered Office:-

Plot No. 3, GIDC Industrial Estate,
Nandesari- 391 340
Dist. Vadodara, Gujarat.
grievance@camphor-allied.com

**Nirmala Agarwal
Company Secretary**

NOTES:-

- 1) 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.

This 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.

- 2) Corporate members are requested to send a duly certified copy of resolution authorizing their representatives to attend and vote at the meeting.
- 3) Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their folio no. in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.
- 4) All the documents referred to in this notice are open for inspection of the members at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m., upto the date of the Annual General Meeting and during the time of the Meeting.
- 5) The Members holding shares in physical form are requested to notify immediately change in their address, bank account details, NECS mandate if any, to the Company's Registrars and Share Transfer Agents, M/s Sharex Dynamic India Private Limited, Unit No. I, Luthura Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai-400072. Members holding shares in demat account (electronic form) may notify changes to the Depository Participants.
- 6) The Register of Members and Share Transfer Books of the Company shall remain closed from 17th September, 2013 to 27th September, 2013 (both days inclusive).
- 7) Dividend for the financial year ended 31st March, 2013 has not been recommended by the Board of Directors of your Company.
- i) The unclaimed dividends for the financial year ended 31st March, 2005, which remained unclaimed for a period of 7 years from the date of declaration have been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.
- ii) Dividend for the financial year ended 31st March, 2006, which remains unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on or before 10th October, 2013 pursuant to the Provision of Section 205A & 205C of the Companies Act, 1956. Members who have not en-cashed their dividend warrant(s) for the financial year ended 31st March 2006, 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.
- 8) The Share 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 account with any Depository Participant and completing the dematerialization procedures.

- 9) Under the system of payment of dividend through NECS, 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 share in physical form and desirous of availing NECS facility are requested to furnish particulars of their bank account (including 9 digit MICR code) to the Company's Registrar & Share Transfer Agent, M/s Sharex Dynamic India Private Limited and in respect of shares held in electronic (demat) form such particulars should be furnished to respective Depository Participants.
- 10) Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- 11) In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 12) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share Certificates to Sharex Dynamic (India) Private Limited, for consolidation into a single folio.
- 13) The Securities and Exchange Board of India (SEBI) has mandated the submission of permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, Sharex Dynamic (India) Private Limited.
- 14) Non- Resident Indian members are requested to inform Sharex Dynamic (India) Private Ltd, immediately of:
- i) Change in their residential status on return to India for permanent settlement.
 - ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier
- 15) Details of Directors retiring by rotation and seeking re-appointment at the ensuing Annual General Meeting:
- i) **Mr. Harshvardhan A. Piramal**, Age 39 years, is a Director of Company since 22nd August, 2008. Mr. Harshvardhan Piramal holds a Bachelor of Science (Physics) degree from Kings College London, and a MBA (specializing in Finance and Strategy) from the London Business School. He is a Vice-Chairman of Morarjee Textiles, PMP Auto and Piramal Renewable Energy, all part of the Ashok Piramal Group.
 - ii) **Mr. Ranjit A. Puranik**, Age 44 years, is a Director of Company since 30th September, 2008. He is a Bachelor of Arts- Economic, acting as Executive Director in Shree Dhootapapeshwar Limited, an Enterprise that is over 140 years in Ayurveda Health Care formulations. He served as Hon. General Secretary in the Ayurvedic Drug Manufacturers Association. He is a Founder Member of World Ayurveda Foundation and a National Secretary of Vijnana Bharati.

By Order of the Board of Directors

Place: - Mumbai

Date: - 12th August, 2013.

Registered Office:-

Plot No. 3, GIDC Industrial Estate,

Nandesari- 391 340

Dist. Vadodara, Gujarat.

grievance@camphor-allied.com

Nirmala Agarwal
Company Secretary

EXPLANATORY STATEMENT

As required under Section 173(2) of the Companies Act, 1956, the following Explanatory Statements sets out the material facts relating to the item nos. 5 to 8 of accompanying notice dated 12th August, 2013.

Item No. 5

The Board of Directors at its meeting held on 12th August, 2013 has re-appointed Mr. Anil K. Bodani as Executive Chairman of the Company for a period of five years w.e.f. 22nd August, 2013 on terms and conditions as recommended by remuneration committee.

The terms and conditions of his appointment including remuneration in terms of Schedule XIII of the Companies Act, 1956 are contained in the agreement entered between the Company and Mr. Anil K. Bodani subject to Rs. 40,00,000 p.a. and which is specifically sanctioned with liberty to Board of Directors to alter or vary terms and conditions of the said appointment in such manner as may be agreed between the Board of Directors and Mr. Anil K. Bodani, are as under:

- a) **Salary:** Gross salary of Rs. 2,15,000/- 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 Chairman, which are as under: -

PART A

- i. **Medical Reimbursement:** Reimbursement of expenses incurred by the Executive Chairman 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 Chairman 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 Chairman.
- 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 Chairman.

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 Chairman, the Company has no profits or its profits are inadequate, the remuneration and other terms will be subject to Schedule XIII of the Companies Act, 1956.

In respect of item no. 5, Mr. Anil K. Bodani is interested in the resolution to the extent of remuneration, perquisites and benefits, he would enjoy and Mr. Dharmil A. Bodani and Mr. Shyamal A. Bodani are also interested in this item of business.

The Board of Directors recommended the resolution for the approval of members.

Item No. 6

The Board of Directors at its meeting held on 12th August, 2013 has re-appointed Mr. Dharmil A. Bodani as Managing Director of the Company for a period of five years w.e.f. 22nd August, 2013 on terms and conditions as recommended by remuneration committee.

The terms and conditions of his appointment including remuneration in terms of Schedule XIII of the Companies Act, 1956 are contained in the agreement entered between the Company and Mr. Dharmil A. Bodani are as under:

- a) **Salary:** Rs. 4,00,000/- per month.
Other terms of remuneration of the Managing Director are as under:
- b) **Incentive remuneration:** Such incentive remuneration not exceeding 100% of the annual salary to be paid at the discretion of the Board annually, based on certain performance criteria.
- c) **Commission:** Such remuneration by way of Commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceiling stipulated in Sections 198 and 309 of the Companies Act, 1956. The specific amount payable to the Managing Director will be based on certain performance criteria, to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the Members.
- d) **Minimum Remuneration:** If in any financial year, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites will be subject to the ceilings and the conditions set out in Section II of part II of Schedule XIII of the Companies Act, 1956.
- e) **Perquisites:** Perquisites will be allowed to the Managing Director, in addition to salary and commission. For this purpose, the perquisites are classified into three categories, PART A, B and C.

PART A

- i. **Housing:** Company owned accommodation or house rent allowance as may be decided by the Board. In case of Company owned accommodation is provided, maintenance and repairs allowance of Rs. 1,50,000/- shall also be paid to the Managing Director. The expenditure incurred by the Company on gas, electricity, water and furnishing, if provided, shall be valued as per the Income-tax Rules, 1962,
- ii. **Medical Reimbursement:** Reimbursement of expenses incurred, by the Managing Director for self and family subject to a ceiling of one month's salary in a year or five months' salary over a period of Five years,
- iii. **Leave Travel Concession:** Leave Travel Concession for Managing Director and his family once in a year incurred in accordance with the rules of the Company,
- iv. **Club Fees:** Fees of one club. This will not include admission and life membership fees.
- v. **Personal Accident Insurance:** Personal Accident Insurance as per Company's policy applicable to Senior Executives of the Company.

PART B

- i. **Provident Fund & Superannuation Fund:** Company's contribution to these funds in accordance with the Rules and Regulations in force in the Company from time to time. Contribution to these funds will not be included in computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961,
- ii. **Gratuity:** Benefits in accordance with the Rules and Regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.

PART C

- i. **Car:** Provision of car for use on Company's business. Personal use of car shall be billed by the Company to the Managing Director.
- ii. **Telephone:** Provision of Telephone and cable internet 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 to the Managing Director.

OTHER BENEFITS TO THE MANAGING DIRECTOR:

- a. Leave/s 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.

The aforesaid remuneration proposed to be paid as minimum remuneration (except commission) to Mr. Dharmil Bodani, Managing Director in case of loss or inadequacy of profit for any financial year during the tenure of his appointment.

And as per Schedule XIII, Part II, Clause 1(B)(iii) in case of no profits (loss) or inadequacy of profits, a Special Resolution should be passed at the general meeting by the members of the Company for payment of remuneration for a period not exceeding three years.

To comply with the requirements for payment of minimum remuneration as prescribed under Schedule XIII, the Remuneration Committee and Board of Directors of the Company at their meeting have approved the payment of minimum remuneration.

In respect of item no. 6, Mr. Dharmil A. Bodani is interested in the resolution to the extent of remuneration, perquisites and benefits, he would enjoy and Mr. Anil K. Bodani and Mr. Shyamal A. Bodani are also interested in this item of business.

The Board of Directors recommended the resolution for the approval of members.

Item No. 7

The Board of Directors at its meeting held on 12th August, 2013 has re-appointed Mr. Shyamal A. Bodani as Executive Director of the Company for a period of five years w.e.f. 22nd August, 2013 on terms and conditions as recommended by remuneration committee.

The terms and conditions of his appointment including remuneration in terms of Schedule XIII of the Companies Act, 1956 are contained in the agreement entered between the Company and Mr. Shyamal A. Bodani subject to Rs. 40,00,000 p.a. and which is specifically sanctioned with liberty to Board of Directors to alter and vary terms and conditions of the said appointment in such manner as may be agreed between the Board of Directors and Mr. Shyamal A. Bodani, are as under:

- a) **Salary:** Gross salary of Rs. 2,15,000/- 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, which are as under: -

PART A

- i. **Medical Reimbursement:** Reimbursement of expenses incurred by the Executive Director 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 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.
- 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.

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, the Company has no profits or its profits are inadequate, the remuneration and other terms will be subject to Schedule XIII of the Companies Act, 1956.

In respect of item no. 7, Mr. Shyamal A. Bodani is interested in the resolution to the extent of remuneration, perquisites and benefits, he would enjoy and Mr. Anil K. Bodani and Mr. Dharmil A. Bodani are also interested in this item of business.

The Board of Directors recommended the resolution for the approval of members.

Item No. 8

The Board of Directors at its meeting held on 12th August, 2013 has re-appointed Mr. Devendra Singh Raghava as Executive Director-Operations of the Company for a period of five years w.e.f. 30th April, 2014 on terms and conditions as recommended by remuneration committee.

The terms and conditions of his appointment including remuneration in terms of Schedule XIII of the Companies Act, 1956 are contained in the agreement entered into between the Company and Mr. Devendra Singh Raghava are as under subject to Rs. 24,00,000 p.a.,

- a) **Salary:** Gross salary of Rs. 2,00,000/- 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 remuneration and other terms will be subject to Schedule XIII of the Companies Act, 1956.

In respect of item no. 8, Mr. Devendra Singh Raghava is interested in the resolution to the extent of remuneration, perquisites and benefits, he would enjoy and none other director is interested in this item of business.

The Board of Directors recommended the resolution for the approval of members.

DIRECTOR'S REPORT

Your Directors have pleasure in submitting the 41st Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2013.

Financial Results:

Rs. in lacs

Particulars	Year Ended on 31.03.2013	Year Ended on 31.03.2012
Profit before Interest, Depreciation and Tax	3847.58	777.32
Deduction		
Interest	57.47	193.99
Depreciation	314.16	274.46
Provision for Income Tax and Deferred Tax	1077.40	83.71
Income Tax for earlier year	4.74	12.82
Net Profit after Tax	2393.81	212.34
Add: Balance brought forward from last year	2163.16	1951.10
Profit available for appropriation	4556.97	2163.44
Your Directors recommend following Appropriation:		
General Reserve	-	-
Proposed Dividends	-	-
Corporate Tax on Proposed Dividend	-	0.28
Balance carried to Balance Sheet	4556.97	2163.16

REVIEW OF OPERATIONS:-

The Company's sales revenue has increased marginally during the year, the Company has achieved turnover of Rs. 21,681.51 Lacs which is increased by 7.21% as compared to last year turnover of Rs. 20,223.59 Lacs.

The Company earned a Profit after tax of Rs.2,393.81 Lacs during the year which is increased by 1027.35% as compared to last years' Profit after tax of Rs.212.34 Lacs.

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

Furthermore your Company has sold surplus land during the year.

DIVIDEND:

Keeping in mind the financial positions/liquidity of the Company and the near future requirements of funds, your directors' prefer not to recommend dividend on equity shares of the Company for the F.Y. ended 31.03.2013. In the previous year the dividend was not recommended.

FIXED DEPOSIT:

Your Company has neither accepted any new deposit nor renewed any old deposit during the year.

Repayment of matured and unclaimed 5 Deposits amounting to Rs. 90,000/- were made during the year compared to last year's repayment of 104 Deposits amounting to Rs. 1,22,50,000/-.

During the year, the Company has transferred 2 deposits amounting Rs. 20,000/- to Investor Education Protection Fund which were matured and remained unclaimed for the period more than seven years.

The Company has 10 Deposits of Rs. 2,44,000/- as on 31st March, 2013 which have remained unclaimed as on 31.03.2013 compared to last year's 17 Deposits of Rs. 3,54,000 as on 31.03.2012.

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:

The Board comprises of eight directors, of which four are independent directors.

In accordance with the Companies Act, 1956 and Articles of Association of the Company, Mr. Harshvardhan Piramal and Mr. Ranjit Puranik, independent directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

Mr. Girish Dave had resigned as Director and discontinued to be Independent Director of the Company w.e.f. 8th April, 2013. The Board placed on record significant contributions made by Mr. Girish Dave during his tenure.

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 & Company, Chartered Accountants, Mumbai pursuant to the provisions of Section 224(IB) of the Companies Act, 1956, regarding their eligibility for re-appointment.

AUDITORS' REPORT:

The directors are taking corrective measures for the comments made by auditor.

COST AUDITORS:-

M/s. P. D. Phadke & Associates, Cost Accountants, have been appointed to conduct cost audit for the year ended 31st March 2013. They will submit their report to the Ministry of Corporate Affairs, Government of India.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:-

The particulars as prescribed under section 217 (I) (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 maximize 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.

LISTING OF SECURITIES:-

Your Company's Equity Shares are listed at Bombay Stock Exchange Limited. The Shares are under compulsory dematerialization list of the Securities & Exchange Board of India. As on 31st March 2013, total 44,93,241 shares representing 87.52% of Companies Equity Share Capital have been dematerialized. The Company has paid Annual Listing fees for the year 2013-2014 to the Bombay Stock Exchange Limited.

INDUSTRIAL RELATIONS:-

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

PARTICULARS OF EMPLOYEES:-

In terms of provisions of section 217(2A) of the Companies Act, 1956 ("Act") read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report.

However having regard to the provisions of section 219(i)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office or at the corporate office of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT:-

Pursuant to section 217 (2AA) of the Companies Act, 1956 inserted vide the Companies (Amendment) Act, 2000 the Directors of the Company Confirms that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departure;
2. the selected accounting policies were applied consistently and the Directors made judgments 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 31st March, 2013 and of the profit of the Company for the year ended on that date;
3. 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. 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 Director's Report.

CORPORATE GOVERNANCE:-

Pursuant to Clause 49 of the Listing Agreement, the Management Discussion and Analysis and the Corporate Governance Report together with the Auditors' Certificate on compliance with the conditions of Corporate Governance as laid down forms part of the Annual Report.

ACKNOWLEDGEMENTS:-

The Directors wish to place on record their appreciation for their continued support and co-operation by Financial Institutions, Banks, Government authorities and other stakeholders. Your Directors also acknowledge the support extended by the Company's Unions and all the employees for their dedicated service.

ON BEHALF OF THE BOARD

PLACE : MUMBAI

DATE : 12TH AUGUST, 2013

ANIL K. BODANI
(EXECUTIVE CHAIRMAN)

ANNEXURE "A" TO THE DIRECTORS REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

I. Conservation of Energy:

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

Particulars		2012-2013	2011-2012
Electricity			
i) Units purchased	Units	128.31 Lacs	100.64 Lacs
Total Value	Rs.	821.85 Lacs	591.53 Lacs
Rate per unit	Rs.	6.41	5.88
ii) Units generated (through Diesel)	Units	4.88 Lacs	5.45 Lacs
Units per liter of Diesel Oil	Units	3.42	2.90
Rate per Unit	Rs.	16.02	18.15
iii) Units generated through Natural gas & Diesel)	Nos	37701	44912
Rate per unit	Rs.	23.92	20.06
Furnace Oil			
Quantity	M. T.	88.69	48.57
Total amount	Rs.	38.91 Lacs	17.38 Lacs
Average rate per MT	Rs.	43871.91	35783.41
High Speed Diesel			
Quantity	M. T.	8.80	19.80
Total amount	Rs.	4.29 Lacs	9.01 Lacs
Average rate per MT	Rs.	48732.18	45492
Natural Gas			
Quantity	Scm	585363	346436
Total amount	Rs.	245.42 Lacs	117.57 Lacs
Average rate per SCM	Rs.	41.93	33.94
Wood			
Quantity	M. T.	22284.42	19483.57
Total amount	Rs.	683.05 Lacs	590.36 Lacs
Average rate per MT	Rs.	3065	3030
Steam			
Quantity	M.T.	14378	14883
Total amount	Rs.	274.66 Lacs	222.33 Lacs
Average rate per MT	Rs.	1910	1494
Consumption per unit of Production			
Electricity	Units	7.23	5.999
Furnace Oil	Kgs.	0.015	0.011
Natural Gas	Scm	0.45	0.27
Wood	Kgs.	3.852	4.244
Steam	MT	0.01	0.02

II Particulars Regarding Research and Development & Technology Absorption:

The total expenditure for R & D during the year under review is Rs. 374.05 lacs (Previous year 59.52 lacs) of which Rs. 301.37 lacs (previous year Rs. Nil) is towards capital expenditure and Rs. 72.68 lacs (previous year Rs. 59.52 lacs) is towards revenue 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.37 of Notes on Financial Statements.

**ANNEXURE "B" TO THE 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.

INDUSTRY STRUCTURE:

Your Company's vast product range includes Synthetic Camphor, Terpineols, Pine Oils, Resins, Astrolide, and several other chemicals finding applications in vast array of industries ranging from Flavours & Fragrances, Pharmaceuticals, Soaps & Cosmetics, Rubber & Tyre, Paints & Varnishes and many more.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The information of segment-wise or product-wise performance is included in Note No. 30 of Notes on Financial Statements.

ECONOMY AND BUSINESS OUTLOOK:

The overall economy of our country has faced slight slowdown during the year and was sluggish. Cost of Imported Raw Material has increased comparatively (mainly due to devaluation of INR against USD). Energy has also been a cause of concern. Due to extremely competitive market it is difficult to pass on the increasing costs to full extent. However, efforts are made to increase productivity, reduce costs by controlling wastages with most efficient use of plant & machinery. The Company has focused on mainly to reduce the cost of production by using wooden cheap for boiling & heating instead of highly expensive sources.

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

RISK AND CONCERNS:

Prevailing world-wide recession and increased in cost of energy like electricity, furnace oil and wood chips are main causes of concern during the year. Stiff global competition and volatility in the value of rupee against US Dollar could affect the profitability of the Company.

EXPANSION INITIATIVES:

During the year an agreement was entered on 5th December, 2012, signed on 24th December, 2012 between your Company and Agan Aroma & Fine Chemicals Ltd., subsidiary of The Makhteshim Agan Group.

The collaboration will leverage the Agan Aroma's 30 years of technical expertise and reputation for providing high-quality fragrance products, together with the Company's five decades of strong manufacturing capabilities and proximity to fast-growing Asian markets.

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 etc.

HUMAN RESOURCES/INDUSTRIAL RELATIONS:

The industrial relations in both 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 programs are also conducted to enable the work force 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 numbers of Employees in the Company are 206 (excluding directors and workers) as on 31st March 2013.

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:

Report on Corporate Governance in compliance with the requirements as stipulated in clause 49 of the Listing Agreement with the Stock Exchange. 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 Meeting of the Board:

The Board of Directors comprises of Mr. Anil K. Bodani, Executive Chairman, Mr. Dharmil A. Bodani, Managing Director, Mr. Shyamal A. Bodani, Executive Director, Mr. Devendra Singh Raghava, Executive Director- Operations and four Non- Executive Directors viz. Mr. Girish M. Dave, Mr. Harshvardhan Piramal, Mr. Prakash V. Mehta & Mr. Ranjit A. Puranik. All Non-Executive Directors are Independent Directors. During the financial year under review total four Board Meetings were held i.e on 30th May, 2012, 9th August, 2012, 8th November, 2012 & 11th February, 2013.

Attendance of Directors for the year ended 31.03.2013:

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

Name of Director	Category of Directorship	No. of Board Meetings Attended out of 4 held	Attendance at last AGM
Mr. Anil K. Bodani	Executive Chairman	4	No
Mr. Dharmil A. Bodani	Managing Director	4	Yes
Mr. Shyamal A. Bodani	Executive Director	4	No
Mr. Devendra Singh Raghava	Executive Director- Operations	1	Yes
Mr. Girish M. Dave	Independent, Non- Executive	3	No
Mr. Harshvardhan Piramal	Independent, Non- Executive	4	No
Mr. Ranjit A. Puranik	Independent, Non-Executive	2	No
Mr. Prakash Mehta	Independent, Non-Executive	3	No

Directorships and memberships/chairmanships in Public limited companies (including the Company) are given below:

Name of the Director	Status as on 31 st March, 2013		
	Number of Directorships	Number of Committees in which #	
		Member	Chairman
Mr. Anil K. Bodani	2	—	—
Mr. Dharmil A. Bodani	2	1	—
Mr. Shyamal A. Bodani	2	—	—
Mr. Girish M. Dave	7	7	2
Mr. Harshvardhan A. Piramal	7	—	3
Mr. Prakash V. Mehta	9	9	—
Mr. Ranjit A. Puranik	3	1	—
Mr. Devendra Singh Raghava	1	—	—

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.

Mr. Girish Dave had resigned as Director and discontinued to be Independent Director of the Company w.e.f. 8th April, 2013. The Board placed on record significant contributions made by Mr. Girish Dave during his tenure.

Disclosures regarding Directors Appointment/ Re-appointment:

Disclosures regarding director's appointment/ re-appointment are attached with the notice calling the Annual General Meeting of the Company.

Shareholding of Directors:

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 internal 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, and 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 four times i.e. on 30th May, 2012, 9th August, 2012, 8th November, 2012 & 11th February, 2013.

The Audit Committee comprises of following Directors:

Mr. Harshvardhan A. Piramal, Chairman; Mr. Girish M. Dave, Member (Resigned w.e.f. 08.04.2013); Mr. Prakash Mehta, Member.

Attendance of Directors for the year ended 31.03.2013:

Name of Director	No. of Audit Committee Meetings Attended out of 4 held.
Mr. Girish M. Dave	3
Mr. Harshvardhan A. Piramal	4
Mr. Prakash Mehta	3

- a) Mr. Harshvardhan Piramal was the Chairman of the Audit Committee for all the Meetings. 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

No Remuneration Committee meeting of Company held during the year.

During the year under review, the Remuneration Committee comprises of three Independent, Non –Executive Directors viz. Mr. Girish M. Dave (Resigned w.e.f. 08.04.2013), Mr. Harshvardhan Piramal and Mr. Amitabh Himatsingka (Resigned w.e.f. 12.07.2011).

In compliance with clause 49 of the Listing Agreement read with Schedule XIII of the Companies Act, 1956, the Remuneration Committee has been reconstituted on 24th May, 2013. The Remuneration Committee comprises of following Directors after reconstitution:

Mr. Harshvardhan A. Piramal, Chairman; Mr. Prakash Mehta, Member; Mr. Ranjit Puranik, Member.

Compensation to non-executive Directors:

Details of sitting fees paid for meetings attended during the financial year 2012-2013 are given below:

Name	Sitting Fees (Rs. in lacs)
Mr. Girish M. Dave	0.75
Mr. Harshvardhan A. Piramal	1.10
Mr. Prakash V. Mehta	0.75
Mr. Ranjit A. Puranik	0.30
TOTAL	2.90

Remuneration to Executive Chairman, Managing Director, Executive Director and Executive Director-Operations for the year ended 31st March, 2013.

(Rs. in Lacs)

Name of the Director	Salary	Perquisites	PF and other Contributions	Service Contract	Notice Period	Severance fees
Mr. Anil K. Bodani	13.8	-	-	5 years	6 months	NIL
Mr. Dharmil A. Bodani	25.94	18.24	-	5 years	6 months	NIL
Mr. Shyamal A. Bodani	13.8	-	-	5 years	6 months	NIL
Mr. Devendra Singh Raghava	18.75	-	1.12	5 years	6 months	NIL

5. INVESTORS GRIEVANCE COMMITTEE:

The Investor Grievance Committee comprises of Two Non- Executive Directors viz. Mr. Harshvardhan A. Piramal, and Mr. Ranjit Puranik and One Executive – Director viz. Mr. Dharmil A. Bodani, Managing Director. Mr. Harshvardhan A. Piramal is the Chairman of the Committee. The Investors Grievance Committee met 4 times during the financial year, 30th May, 2012, 9th August, 2012, 8th November, 2012 & 11th February, 2013. The Company's Registrars & Share Transfer Agent Sharex Dynamic (India) Private Limited had received 76 letters/complaints during the financial year, out of which all are replied/resolved to the satisfaction of the Shareholders and nothing is pending.

During the year Mr. Vipul Kumar Singh was appointed as Company Secretary and Compliance Officer of the Company on 18th April, 2012 and resigned from his post on 28th October, 2012.

During the year Ms. Nirmala Agarwal was appointed as Company Secretary and Compliance officer of the Company w.e.f. 19th November, 2012.

6. GENERAL BODY MEETINGS:

The last three annual general meetings were held as under:

Financial Year	Date	Time	Location
2009 – 2010	16 th September, 2010	11:30 a.m.	Surya Palace Hotel, Opp. Parsi Agiyari, Sayajigunj, Vadodara
2010 – 2011	15 th September, 2011	12.30 p.m.	The Gate Way Hotel, Akota Garden, Akota, Vadodara – 390 020.
2011 – 2012	27 th September, 2012	2:30 p.m.	At Regd. Office of the Company - Plot No. 3, GIDC Industrial Estate, Nandesari – 391 340, Dist. Vadodara, Gujarat.

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

In the 38th Annual General Meeting held on 16th September, 2010, no special resolution was passed.

In the 39th Annual General Meeting held on 15th September, 2011, three Special Resolutions were passed.

In the 40th Annual General Meeting held on 27th September, 2012, no special resolution was passed.

No postal ballot was conducted during the financial year 2012-2013.

No Special Resolution is proposed to be conducted through postal ballot.

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

2009-2010:- No Special Resolution.

2010-2011:- Special Resolution for;

- i) Approval u/s 293 (1) (a) of the Companies Act, 1956, to mortgage immovable or movable properties of the company.
- ii) Approval for revised terms of appointment & remuneration of Managing Director, Mr. Dharmil A. Bodani.
- iii) Approval for revised terms of appointment & remuneration of an Executive Director-Operation, Mr. Devendra Singh Raghava.

2011-2012:- No Special Resolution.

7. DISCLOSURES:-

1. 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.
2. Disclosure of transactions with related parties as required under accounting standard 18 prescribed by the Companies (Accounting Standards) Rules 2006 is made in Note No. 33 (A & B) in Notes on Financial Statements.
3. There was no instance of non-compliance nor have any penalty, stricture 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 the newspapers, Indian Express (English edition) at Vadodara and Financial Express (Gujarati edition) at Ahmedabad and in Free Press Journal (English edition) & Nav-Shakti (Marathi edition) in Mumbai. As directed by the stock exchanges, the company's working results and other disclosures are published by the company in its website www.camphor-allied.com. Company has not made any presentation to any Institutional Investors /Analysts during the year.

GENERAL INFORMATION FOR MEMBERS:

Annual General Meeting : **27th September 2013 at 12.00 Noon**
Date, Time & Venue: : Regd. Office : Plot No. 3, GIDC Industrial
 : Estate, Nandesari – 391 340 , Dist. Vadodara, Gujarat.

(Financial Calendar Proposed)

Financial year : April 2013 to March 2014
 First Quarter Results : End of July/ Starting of August 2013
 Half yearly Results : End of October/Starting of November 2013
 Third Quarter Results : End of January/Starting of February 2014
 Audited Results for the Year
 Ending 31st March 2013 : End of May, 2014
Date of Book Closure : 17th Sept. 2013 to 27th Sept. 2013
Dividend payment date : Not applicable.
Listing on Stock Exchange : Bombay Stock Exchange (Scrip Code: 500078)
Demat ISIN Number for NSDL & CSDL : INE959C01015

Price on Mumbai Stock Exchange:

High/Low during the financial year 2012-13 High : Rs. 199.00
 Low : Rs. 91.15

Month	Share Price (Rs.)		BSE Sensex	
	Low	High	Low	High
April'2012	100.35	145.00	17010.16	17664.10
May'2012	91.15	125.00	15809.71	17432.33
June'2012	95.60	108.20	15748.98	17448.48
July'2012	96.50	144.80	16598.48	17631.19
Aug'2012	105.00	129.80	17026.97	17972.54
Sep'2012	106.00	168.00	17250.80	18869.94
Oct'2012	140.05	174.00	18393.42	19137.29
Nov'2012	144.00	185.00	18255.69	19372.70
Dec'2012	133.05	173.00	19149.03	19612.18
Jan'2013	147.05	196.00	19508.93	20203.66
Feb'2013	147.95	199.80	18793.97	19966.69
Mar'2013	148.00	187.00	18760.41	19754.66

Distribution Schedule on Scrip Value - as on 31st March, 2013:

Shares of Nominal Value	No. of Holders	% of Holders	Total Amount	% of Amount
Upto 5000	19471	97.79	10556730	20.56
5001 to 10000	276	1.39	2045400	3.98
10001 to 20000	91	0.46	1342410	2.61
20001 to 30000	24	0.12	579720	1.13
30001 to 40000	10	0.05	353390	0.69
40001 to 50000	13	0.07	605210	1.18
50001 to 100000	11	0.06	816650	1.59
100001 to above	16	0.08	35037230	68.25
TOTAL	19912	100.00	51336740	100.00

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 the Company. The same are then confirmed by the Board of Directors at the next Board Meeting. No transfer of shares was pending on 31st March, 2013.

Shareholding Pattern as at 31st March 2013.

Categories of shareholders	Percentage
Indian Promoters	57.664
Foreign Promoters	0.000
Mutual Funds, UTI, Banks and Financial Institutions	0.064
FIIS	0.000
Private Corporate Bodies & Clearing Members	8.949
Indian Public	32.994
NRIs/OCBs	0.328
Total	100.000

Dematerialization of shares

Out of 51, 33,674 Shares, 44, 93, 241 Shares equivalent to 87.52% of the paid up capital of the Company have been dematerialised till 31st March, 2013.

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.,
Unit no.1, Luthra Ind. Premises, Safed Pool,
Andheri Kurla Road, Andheri (East), Mumbai - 400072
Tel: 022-2851 5606/ 5644/ 6338. Fax: 022-28512885
Visit us at: <http://www.sharexindia.com>
Email: 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.
Email- 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, 2013.

For CAMPHOR AND ALLIED PRODUCTS LIMITED

Place:- Mumbai

Date:- 12th August, 2013

ANIL K. BODANI

(EXECUTIVE CHAIRMAN)

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

To the Shareholders,

We have examined the compliance of the conditions of Corporate Governance by CAMPHOR & ALLIED PRODUCTS LIMITED for the year ended on 31st March, 2013 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 procedure 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 given by the Management of the Company, we certify that the Company has broadly complied with the conditions of Corporate Governance as stipulated in 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 : 12th August, 2013

R.P. Baradiya
Partner

Membership No. 44101
Firm Registration No. 301051E

INDEPENDENT AUDITORS' REPORT

To
The Members of
Camphor & Allied Products Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Camphor & Allied Products Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For LODHA & CO.
Chartered Accountants

R.P.BARADIYA
Partner

Membership No.44101

Firm Registration No. 301051E

Place : Mumbai
Date : 24th May, 2013

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF CAMPHOR & ALLIED PRODUCTS.

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) The Company has carried out physical verification of all its Fixed Assets during the year. The frequency of verification is carried out 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) (i) The Company had taken an unsecured loan from the holding Company aggregating to ₹ 450.00 lacs. The maximum balance due at any time during the year and closing balance at year end was ₹ 450.00 lacs.
(ii) In our opinion and according to the information and explanations given to us, the terms and conditions of the aforesaid loan 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 ₹ 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. During the year, no deposit within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 58A and 58AA or any other relevant provisions of the Act and Rules framed thereunder have been accepted by the Company.
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.
- b) According to the information and explanations given to us there are no disputed dues towards income tax / Sales tax / Wealth tax / Service tax / Custom duty / Excise duty / cess except for following:

Particulars	Year to which the amount relates	Forum where the dispute is pending	₹ in Lacs
Sales Tax	2000-01	Supreme Court, Delhi	12.75
Sales Tax	2004-05 to 2006-07	Commercial Tax Tribunal, Bareilly	37.62
Income Tax	A.Y 2009-10 and 2010-11	CIT (Appeal), Baroda	29.03
House Tax & water Cess	2004-05 to 2011-12	Civil Court, Bareilly	22.02

10. The Company has no accumulated losses as at 31st March, 2013 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, term loans were applied for the purpose for which they 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 or in the recent past.
19. The Company has not raised any debentures during the year or in the recent past.
20. The Company has not raised any money by way of public issue during the year or 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
Firm Registration No. 301051E

Place : Mumbai
Date : 24th May, 2013

Balance Sheet as at 31st March 2013

Particulars	Note No.	As at 31-03-2013 ₹ in Lacs	As at 31-03-2012 ₹ in Lacs
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	513.37	513.37
(b) Reserves and Surplus	2	9,209.61	6,815.80
2 Non-Current Liabilities			
(a) Long-Term Borrowings	3	5,261.57	6,958.38
(b) Deferred Tax Liabilities (Net)	4	882.63	551.34
(c) Other Long Term Liabilities	5	0.64	0.02
(d) Long-Term Provisions	6	441.11	-
3 Current Liabilities			
(a) Short-Term Borrowings	7	5,395.20	2,486.56
(b) Trade Payables	8	1,227.95	1,332.29
(c) Other Current Liabilities	9	3,242.55	1,244.90
(d) Short-Term Provisions	10	186.44	187.74
TOTAL		26,361.07	20,090.40
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets			
(i) Tangible Assets	11	12,499.31	3,267.25
(ii) Capital Work-In-Progress		219.41	1,996.31
(iii) Intangible Assets Under Development		12.80	12.80
(b) Non-Current Investments	12	7.89	7.67
(c) Long-Term Loans and Advances	13	201.06	484.33
2 Current assets			
(a) Inventories	14	7,465.00	4,444.95
(b) Trade Receivables	15	3,789.84	2,973.46
(c) Cash and Bank Balances	16	160.66	5,543.10
(d) Short-Term Loans and Advances	17	1,995.40	1,338.95
(e) Other Current Assets	18	9.70	21.58
TOTAL		26,361.07	20,090.40

Significant Accounting Policies and accompany Notes
form integral part of the Financial Statements

1-38

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 K. Bodani
Executive Chairman

Dharmil A. Bodani
Managing Director

Place: Mumbai
Date : 24th May, 2013

Girish Khandelwal
GM Accounts & Finance

Nirmala Agarwal
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2013

Particulars	Refer Note No.	For the year ended 31st March, 2013 ₹ in Lacs	For the year ended 31st March, 2012 ₹ in Lacs
I. Revenue from operations	19	23,650.69	21,773.84
Less : Excise Duty		1,969.18	1,550.25
Total Revenue from Operations		<u>21,681.51</u>	<u>20,223.59</u>
II. Other income	20	37.61	39.51
III. Total Revenue (I + II)		<u>21,719.12</u>	<u>20,263.10</u>
IV. Expenses:			
Cost of materials consumed	21	14,848.74	14,226.83
Manufacturing and operating costs	22	2,751.85	2,101.86
Changes in inventories of finished goods and Work-in-Progress	23	(1,242.57)	1,064.34
Employee benefits expense	24	1,035.50	966.16
Finance costs	25	127.49	245.20
Depreciation and amortization expense		314.16	274.46
Other expenses	26	1,010.46	759.35
Total expenses		<u>18,845.63</u>	<u>19,638.20</u>
V. Profit before exceptional item and tax (III-IV)		2,873.49	624.90
VI. Exceptional items			
Foreign Exchange Gain / (Loss) (Net)		(151.22)	(316.03)
MTM Loss on Interest Rate Swap Derivative	28 b (iii)	(441.11)	-
Profit on Sale of Surplus Land		1,194.79	-
Total Exceptional Item		<u>602.46</u>	<u>(316.03)</u>
VII. Profit before tax (V- VI)		3,475.95	308.87
VIII. Tax expense:			
(1) Current tax		746.12	100.00
(2) Deferred tax		331.28	(16.29)
(3) Tax in respect of earlier years		4.74	12.82
Total Tax Expense		<u>1,082.14</u>	<u>96.53</u>
IX Profit (Loss) for the period (VII - VIII)		<u>2,393.81</u>	<u>212.34</u>
X Earnings per equity share of face value of Rs. 10 each			
Before exceptional items			
Basic & Diluted		34.89	10.29
After exceptional items			
Basic & Diluted		46.63	4.14

Significant Accounting Policies and accompany Notes
form integral part of the Financial Statements 1-38

As per our attached report of even date.
For Lodha & Co.
Chartered Accountants

For and on behalf of the Board of Directors

R. P. Baradiya
Partner

Anil K. Bodani
Executive Chairman

Dharmil A. Bodani
Managing Director

Place: Mumbai
Date : 24th May, 2013

Girish Khandelwal
GM Accounts & Finance

Nirmala Agarwal
Company Secretary

Cash Flow Statement for the year ended 31st March 2013

Particulars	Refer Note No.	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
A) Cash Flow from Operating Activities			
Net Profit before Tax		3,475.95	308.87
Adjustments for:			
Depreciation		314.16	274.46
Interest and Other Financial Cost		127.49	259.71
Interest and Dividend Received		(1.08)	(19.04)
Profit on sale of Fixed Assets		(1,199.98)	-
Loss on discarding / sale of assets		22.49	11.35
MTM Loss on Interest Rate Swap Derivative		441.11	-
Unrealised Foreign Exchange rate difference		(15.84)	16.34
Operating Profit before Working Capital Changes		3,164.30	851.69
Adjustments for:			
(Increase)/Decrease in Trade & Other Receivables		(1,153.61)	(486.07)
(Increase)/Decrease in Inventories		(3,020.06)	1,274.02
Increase/(Decrease) in Trade Payables & Provisions		383.34	(101.49)
Cash generated from Operating Activities		(626.03)	1,538.16
Direct Taxes (Paid) Net of Refund Received		(766.89)	(112.82)
Net Cash from Operating Activities (A)		(1,392.92)	1,425.34
B) Cash Flow from Investing Activities			
Purchase of Fixed Assets		(8,005.02)	(1,408.34)
Sales of Fixed Assets		1,256.62	7.98
Sale of Investments		0.00	0.06
Dividend Received		0.85	0.82
Net Cash (used in)/from Investing Activities (B)		(6,747.55)	(1,399.48)
C) Cash Flow from Financing Activities			
Proceeds / (Repayment) from / to Loan, (Net)		3,105.00	5,179.36
Dividend Paid (Including Dividend Tax)		-	-
Interest and Other Financial Cost		(115.43)	(197.36)
Net Cash (used in)/from Financing Activities (C)		2,989.57	4,982.00
Net increase in cash and cash equivalents (A + B + C)		(5,150.90)	5,007.86
Cash & cash equivalents at beginning of the year	16	5,233.84	225.98
Cash & cash equivalents at end of the year	16	83.00	5,233.84

Significant Accounting Policies and accompany Notes form integral part of the Financial Statements

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" prescribed by Companies (Accounting Standards) Rules, 2006.
- 2) Previous year's figures have been regrouped / rearranged whenever necessary to conform to the current year's presentation.

As per our attached report of even date.

For Lodha & Co.

Chartered Accountants

For and on behalf of the Board of Directors

R. P. Baradiya
Partner

Anil K. Bodani
Executive Chairman

Dharmil A. Bodani
Managing Director

Place: Mumbai
Date : 24th May, 2013

Girish Khandelwal
GM Accounts & Finance

Nirmala Agarwal
Company Secretary

Notes on Financial Statements for the year ended 31.03.2013
Note 1 - Share Capital

Particulars	As at 31-03-2013		As at 31-03-2012	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Authorised				
Equity Shares of Rs. 10 each	10,000,000	1,000.00	10,000,000	1,000.00
Issued, Subscribed & Paid up				
Equity Shares of Rs. 10 each	5,133,674	513.37	5,133,674	513.37
Total	5,133,674	513.37	5,133,674	513.37

a) Details of members holding equity shares more than 5%

Particulars	As at 31-03-2013		As at 31-03-2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Oriental Aromatics Limited (Holding Company)	2960280	57.66	2960280	57.66

b) Terms & Rights attached to equity shares

- (i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.
- (ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exist currently.

c) Reconciliation of numbers of equity shares

Particulars	As at 31-03-2013		As at 31-03-2012	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Shares outstanding at the beginning of the year	5,133,674	513.37	5,133,674	513.37
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,133,674	513.37	5,133,674	513.37

Particulars	As at 31-03-2013 ₹ in Lacs	As at 31-03-2012 ₹ in Lacs
Note 2 - Reserves & Surplus		
a. Capital Reserves		
Opening Balance	266.74	266.74
Closing Balance	<u>266.74</u>	<u>266.74</u>
b. Securities Premium Account		
Opening Balance	739.82	739.82
Closing Balance	<u>739.82</u>	<u>739.82</u>
c. General Reserve:		
Balance as per last Balance Sheet	3,646.08	3,646.08
Add: Transferred from Profit & Loss Statement	-	-
	<u>3,646.08</u>	<u>3,646.08</u>
d. Surplus		
Opening balance	2,163.16	1,951.10
(+) Net Profit for the year as per annexed accounts	2,393.81	212.34
(-) Proposed Dividends	-	-
(-) Tax on proposed dividend of previous year	-	0.28
(-) Transfer to Reserves	-	-
Closing Balance	<u>4,556.97</u>	<u>2,163.16</u>
Total	<u><u>9,209.61</u></u>	<u><u>6,815.80</u></u>

Note 3 - Long Term Borrowings**Secured****Term loans from Banks***

5,261.57

6,958.38

(Secured By First Paripasu Charge on Movable and Immovable Fixed Assets of the Company situated at 3, GIDC Industrial Area, Nandesari, Gujarat and Personal Guarantee of a Director)

Total5,261.576,958.38*** Term Loan Repayment Schedule :**

Particulars	Range of interest	As at 31-03-2013 ₹ in Lacs	As at 31-03-2012 ₹ in Lacs
From Banks-	6.20% to 6.69%		
	(6.20% to 6.69%)		
0 - 1 Years		2,177.20	678.87
Disclosed as Current Maturities of Long Term Debts refer note No. 7 "Other Current Liabilities"			
Total..... A)		<u>2,177.20</u>	<u>678.87</u>
1 - 2 Years		2,177.20	2,036.60
2 - 3 Years		2,177.20	2,036.60
3 - 4 Years		907.17	2,036.60
4 - 5 Years		-	848.58
Total..... B)		<u>5,261.57</u>	<u>6,958.38</u>
Grand Total..... A)+B)		<u><u>7,438.77</u></u>	<u><u>7,637.25</u></u>

Particulars	As at 31-03-2013 ₹ in Lacs	As at 31-03-2012 ₹ in Lacs
Note 4 - Deferred Tax Liabilities (Net)		
Deferred tax liability on account of : Depreciation	1419.37	561.39
Provision / Expense allowable in Subsequent years	(536.74)	(10.05)
Deferred Tax (Assets) / Liabilities	<u>882.63</u>	<u>551.34</u>
Note 5 - Other Long Term Liabilities		
Deposits from employees	0.64	0.02
Other Long Term Liabilities	<u>0.64</u>	<u>0.02</u>
Note 6 - Long Term Provisions		
MTM Loss on Interest Rate Swap Derivatives	441.11	-
Long Term Provisions	<u>441.11</u>	<u>-</u>
Note 7 - Short Term Borrowings		
Secured - Working Capital Loan from Banks (Secured by First Pari pasu charge by way of Hypothecation of Current Assets both Present and Future and other movable assets and Second charge on Movable & Immovable Fixed Assets of the Company at 3,GIDC Industrial Area, Nandesari, Gujarat in favour of a Bank)	4,945.20	2,486.56
Unsecured - Inter Corporate Deposits from a related party	450.00	-
(Refer Note no. 33 B)		
Total	<u>5,395.20</u>	<u>2,486.56</u>
Note 8 - Trade Payables		
a) Micro, Small and Medium Enterprises	-	-
b) Others	1,227.95	1,332.29
Total	<u>1,227.95</u>	<u>1,332.29</u>
Note 8.1 - The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:		
1) Principal amount due and remaining unpaid	-	-
2) Interest due on above and the unpaid interest	-	-
3) Interest paid	-	-
4) Payment made beyond the appointed day during the year	-	-
5) Interest due and payable for the period of delay	-	-
6) Interest accrued and remaining unpaid	-	-
7) Amount of further interest remaining due and payable in succeeding years	-	-

Particulars	As at	As at
	31-03-2013	31-03-2012
	₹ in Lacs	₹ in Lacs

Note 9 - Other Current Liabilities

(a) Current maturities of long-term debt.		
Secured (Refer Note No. 3)	2,177.20	678.87
(b) Interest accrued but not due on borrowings	60.83	48.77
(c) Unclaimed Dividends	21.06	23.50
(d) Deposits	8.99	6.92
(e) Unclaimed Fixed Deposits	2.44	3.54
(f) Other payables		
Statutory dues	315.36	250.18
Advance against sales	18.60	29.26
Towards Capital Expenditure	638.07	203.86
Total	3,242.55	1,244.90

Note 10 - Short Term Provisions

(a) Provision for employee benefits		
Leave Entitlement	64.00	51.63
Gratuity	41.01	31.05
(b) Others		
Provision for Tax (net of advance tax)	81.43	105.06
Total	186.44	187.74

Note 11 - Fixed Assets

(₹ in Lacs)

Particulars	Gross Block (at cost)				Depreciation / Amortisation				Net Block	
	Balance as at 1st April 2012	Additions	Disposals	Balance as at 31st March 2013	Balance as at 1st April 2012	Depreciation charge for the year	On disposals	Balance as at 31st March 2012	Balance as at 31st March 2013	Balance as at 31st March 2012
a Tangible Assets										
Land	7.59	-	2.85	4.74	-	-	-	-	4.74	7.59
Assets under lease - Land	90.28	-	-	90.28	28.99	2.64	-	31.64	58.65	61.29
Buildings - Non- Residential	633.55	2,532.35	84.74	3,081.16	243.46	23.10	33.62	232.94	2,848.22	390.09
Buildings - Residential	178.93	-	-	178.93	48.13	2.92	-	51.05	127.88	130.80
Plant and Equipment	4,690.29	6,841.99	60.02	11,472.26	2,565.28	231.38	36.50	2,760.16	8,712.10	2,125.01
Furniture and Fixtures	440.38	86.29	0.06	526.61	65.75	30.11	0.07	95.78	430.82	374.63
Vehicles	114.71	74.53	21.71	167.53	51.28	8.97	16.39	43.86	123.67	63.42
Office equipment	154.85	93.75	0.15	248.45	40.42	15.04	0.24	55.22	193.23	114.43
Total.....	6,310.58	9,628.91	169.53	15,769.96	3,043.31	314.16	86.82	3,270.65	12,499.31	3,267.27
Previous Year	6,261.95	140.68	92.05	6,310.58	2,841.19	274.46	72.34	3,043.31	3,267.27	
b Capital Work In Progress									219.41	1,996.31
c Intangible Assets under Development									12.80	12.80

Additions during the year in Buildings and Plant & Machinery include a) Foreign Exchange Loss aggregating to ₹ 653.74 Lacs (which includes ₹ 493.76 Lacs pertaining to previous year) b) Borrowing cost aggregating to ₹ 1434.94 Lacs (which include ₹ 537.72 Lacs pertaining to previous year)

Particulars	As at	As at
	31-03-2013	31-03-2012
	₹ in Lacs	₹ in Lacs

Note 11.1 - Capital Work in progress and Pre-operative Expenditure during Construction Period

Capital Work-in-Progress (at cost) comprises :

Opening Balance as on 01.04.2012A)	1996.31	-
a Capital Work-in-Progress (at cost) comprises :		
Buildings	966.62	924.20
Plant & Machinery	4,712.31	1.75
Furniture & Fittings	79.79	-
Office Equipments	79.94	-
Electrical Installation	572.03	-
Total..... B)	6,410.69	925.95
b Pre-operative Expenditure during Construction Period		
Interest on Loan	530.78	319.25
Other Borrowing Cost	366.44	218.47
Foreign Exchange Loss	159.98	493.76
Legal & Professional Fees	138.92	233.84
Travelling Expenses	3.87	23.11
Other Expenses	102.51	4.16
	1,302.50	1,292.59
Less : Interest Income	95.87	222.23
Total..... C)	1,206.63	1,070.36
Less : Capitalised during the yearD)	9,394.22	-
Closing Balance as on 31.03.2013...(A+B+C-D)	219.41	1,996.31

Note 12 - Non Current Investments (Long Term)
Non Trade Investments
Quoted

Equity - Bank of Baroda (5000 fully paid shares)	4.27	4.27
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Unquoted

Mutual Funds - UTI Balance Fund (Income Reinvestment Scheme)	3.62	3.40
Government Securities 6 Year National Saving Certificates	-	-

Total	7.89	7.67
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Particulars

	At Cost	Market Value
Aggregate amount of Quoted Investments	4.27	33.89
	(4.27)	(39.80)
Aggregate amount of Unquoted Investments	3.11	-
	(3.11)	-

Particulars	As at 31-03-2013 ₹ in Lacs	As at 31-03-2012 ₹ in Lacs
Note 13 - Long Term Loans and Advances		
Unsecured, considered good		
a. Capital Advances	2.77	394.93
b. Security Deposits	198.11	88.73
c. Balance with Government Authorities	0.18	0.67
Total	201.06	484.33
Note 14 - Inventories		
a. Raw Materials	3,385.80	792.00
Goods-in transit	19.73	531.67
	3,405.53	1,323.67
b. Work-in-progress	1,922.58	995.63
	1,922.58	995.63
c. Finished goods	1,780.65	1,251.25
Goods-in transit	69.70	205.32
	1,850.35	1,456.57
d. Stores, Spares & Packing material	280.91	667.84
Goods-in transit	5.63	1.24
	286.54	669.08
Total	7,465.00	4,444.95
Note 15 - Trade Receivables		
Unsecured, Considered good		
Outstanding for a period exceeding six months from the due date	3.44	0.41
Outstanding for a period not exceeding six months from the due date	3,786.40	2,973.05
Total	3,789.84	2,973.46
Note 16 - Cash and Bank Balances		
(I) Cash and Cash Equivalents		
a. Balances with banks	75.21	769.25
b. Cash on hand	7.74	1.72
c. Bank Deposit with less than 12 months maturity	-	4,462.82
	82.95	5,233.79
(II) Others		
a. Unpaid Dividends	21.06	23.50
b. Margin Money Account	56.60	285.76
c. Bank Deposit with more than 12 months maturity	0.05	0.05
	77.71	309.31
Total	160.66	5,543.10
Note 17 - Short Term Loans and Advances		
Unsecured, considered good		
Balance with Government Authorities	1,807.20	1,167.46
Advances recoverable in cash or in kind or for value to be received	188.20	171.49
Total	1,995.40	1,338.95
Note 18 - Other Current Assets		
Claims and other receivables	5.20	16.91
Dividend, Interest Subsidy and Interest receivable	4.50	4.67
Total	9.70	21.58

Particulars	For the year ended 31 March 2013 ₹ in Lacs	For the year ended 31 March 2012 ₹ in Lacs
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Note 19 - Revenue from operations
Sale of products

Manufactured Products	23,534.20	21,754.94
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Other operating revenue:

Scrap sales	116.49	18.90
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Total	<u>23,650.69</u>	<u>21,773.84</u>
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Note 19.1 - Particulars of Sale of Products

Camphor & Isoborneol	9,903.89	9,159.64
Pine Oil / Terpineols	2,777.37	2,731.60
Poly-Terpene Resin	1,153.91	1,196.19
Perfumery Chemicals	5,285.80	4,609.20
Speciality Chemicals	2,564.73	2,158.40
Others	1,964.99	1,918.71
Total	<u>23,650.69</u>	<u>21,773.74</u>

Note 20 - Other Income

Dividend from Long Term Investment	1.08	1.11
Rent and compensation	12.39	13.39
Miscellaneous Income	23.56	17.42
Provision no longer required written back	0.58	7.59
Total	<u>37.61</u>	<u>39.51</u>

Note 21 - Cost of Material Consumed

(₹ in Lacs)

Particulars	%	For the year ended 31 March 2013	%	For the year ended 31 March 2012
Raw Material:				
Imported	70.24	10,429.08	76.02	10,815.50
Indigenous	29.76	4,419.66	23.98	3,411.33
Total	100.00	14,848.74	100.00	14,226.83

Note 21.1 - Particulars of Raw Material Consumed

Turpentine / Pinene (KL)	9,532.65	9,947.55
Acetic Acid	736.59	604.73
Caustic Soda	444.96	297.52
Phenol	202.07	183.82
Others	3,932.47	3,193.21
Total	<u>14,848.74</u>	<u>14,226.83</u>

Note 22 - Manufacturing and Operating Costs

Consumption of Stores, Spare Parts and Packing Materials	408.05	268.24
Power and fuel	2,148.95	1,644.88
Other Manufacturing and Operating expenses	89.92	64.38
Repairs to Buildings	23.34	30.46
Repairs to Plant & Machinery	81.59	93.90
Total	<u>2,751.85</u>	<u>2,101.86</u>

Particulars	For the year ended	For the year ended
	31 March 2013	31 March 2012
	₹ in Lacs	₹ in Lacs

Note 22.1 - Particulars of Stores, Spares Parts & Packing Materials Consumed

Stores, Spares Parts & Packing Materials Consumed

Imported	191.53	0.01
Indigenous	216.52	268.23
Total	408.05	268.24

Note 23 - Changes in Inventories of Finished Goods & Work-in-Progress

Opening Stock:		
Finished Goods	1,456.57	2,224.19
Work-in-Progress	995.63	1,396.00
	<u>2,452.20</u>	<u>3,620.19</u>
Closing Stock		
Finished Goods	1,850.35	1,456.57
Work-in-Progress	1,922.58	995.63
	<u>3,772.93</u>	<u>2,452.20</u>
Add / (Less) :- Variation in excise duty on opening and closing stock of finished goods	78.16	(103.65)
	<u>78.16</u>	<u>(103.65)</u>
Total	(1,242.57)	1,064.34

Note 24 - Employee Benefits Expense

Salaries and Wages	868.48	807.11
Contributions to Provident and Other Funds	88.50	96.89
Staff Welfare Expenses	78.52	62.16
Total	1,035.50	966.16

Note 25 - Finance Cost

Interest expense	57.47	179.49
Other Borrowing Cost	70.02	65.71
Total	127.49	245.20

Note 26 - Other Expenses

Rent	1.59	2.94
Insurance	22.10	21.16
Rates and taxes, excluding taxes on income	71.21	83.32
Freight and Octroi	345.03	270.20
Legal & Professional charges	75.37	62.96
Directors' Sitting Fees	2.90	2.53
Auditors' Remuneration and Expenses	13.03	12.06
Travelling Expenses	64.80	33.42
Repairs and maintenance others	23.28	16.76
Loss on Disposal / Discard of Fixed Assets	17.33	11.45
Miscellaneous expenses	373.82	242.55
Total	1,010.46	759.35

27. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Preparation of Financial Statements

- (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 and net realizable value. However, items of raw material 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 monthly weighted average.
- b. Finished Goods (inclusive of Excise Duty):
 - i. Principal products are valued at lower of cost and 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 and determined on yearly weighted average. Costs include 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.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each balance sheet date.

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 ex-change prevailing at the year end and resulted gains / losses are recognized in the profit & loss account except in case of long term borrowings, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets. Premium / Discount in respect of Forward Foreign Exchange contracts is recognized over the life of the contract.

k. FINANCIAL DERIVATIVE INSTRUMENTS OTHER THAN FORWARD FOREIGN EXCHANGE CONTRACTS:

The Company enters into interest rate swap contracts that is not in the nature of forward contracts designated under AS 11, to hedge its risks with respect to interest rate exposure arising using foreign currency loan. In accordance with the ICAI announcement, at every year end, all outstanding derivative contracts are fair valued on a mark-to-market basis and any loss on valuation is recognized in the Statement of Profit and Loss, on each contract basis. Any gain on mark-to-market valuation on respective contracts is not recognized by the Company, keeping in view the principle of prudence as enunciated in AS 1, Disclosure of Accounting Policies'. Any reduction to fair value and any reversal of such reductions are included in the Statement of Profit and Loss of the year.

l. RESEARCH & DEVELOPMENT EXPENDITURE:

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

m. EMPLOYEE BENEFITS:

Short Term Employee Benefits-

All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service.

Post Employment / Retirement 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.

n. 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.

o. 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.

28. Contingent liabilities (to the extent not provided for (Net of interest, if any, as may be levied on conclusion of relevant cases) and Commitments

a. Contingent liabilities:

i) Sales Tax :

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

ii) Income Tax:

Where Company is in appeal, ₹ 16.65 Lacs (Previous year ₹ 11.10 Lacs)

Where Department is in appeal, ₹ Nil (Previous year ₹ 16.10 Lacs)

iii) Excise Duty:

Where Department is in appeal, ₹ Nil (Previous year ₹ 66.20 Lacs)

iv) There are litigations and demands for re-instatement, recovery of wages and compensation, filed by certain ex-employees amounting to ₹ 9.96 lacs approx (Previous year ₹ 9.96 lacs) which are not acknowledged by the Company and not provided for, amount unascertainable. In the opinion of the management amount would not be material.

v) Penalties / Interest, if any as may be levied in respect of non-payment / late payment of certain statutory dues, amount unascertainable. In the opinion of the management liability, if any would not be material.

vi) 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 31st 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 had 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 ₹ 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 ₹ 98.11 Lacs in respect of three years ended 31st 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.

vii) In the year 2011-12, the Company has settled the Nagar Nigam, Bareilly house tax and water cess demands aggregating to ₹ 50.53 Lacs. However, interest of ₹ 22.02 on the above amount has been disputed by the company as not payable, before Civil Court Bareilly. The management expects a favourable outcome.

b. Commitments:

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 63.99 Lacs (Previous year ₹ 3,252.85 Lacs)

(ii) Derivative Instruments:

Particulars	Foreign Currency	2012-13		2011-12	
		Amount in Foreign Currency	INR Equivalent In Lakhs	Amount in Foreign Currency	INR Equivalent In Lakhs
Interest Rate Swap (Principal amount Of Contract)	US \$.	2,654,225	1,444.69	2,812,500	1,431.84
Option	US \$	NIL	NIL	462,640	233.63

- (iii) The Company has during the year, in compliance with the announcement issued by ICAI has provided for the MTM Loss on Interest Rate Swap Derivative aggregating to ₹ 441.11 Lacs which hitherto were accounted for as and when arose and it has been disclosed as an exceptional item.

29. Details of foreign currency unhedged:

Particulars	Foreign Currency	2012-13		2011-12	
		Amount in Foreign Currency	INR Equivalent In lacs	Amount in Foreign Currency	INR Equivalent In lacs
Receivables	US \$.	1721,766	935.78	1,618,566	822.80
Payables	US \$	21,841,059	11888.09	20,189,071	10280.27

30. 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. All assets are located in India

Secondary Segment: (By Geographical Segment) :

	2012-2013 (₹ In Lacs)	2011-2012 (₹ In Lacs)
Sales & Operating Income		
Domestic	16,939.88	15,572.54
Export	4,779.25	4,690.56
Total	21,719.13	20,263.10

31. Auditors' Remuneration

Particulars	2012 - 13 (₹ In Lacs)	2011 - 12 (₹ In Lacs)
Audit Fees	6.25	4.00
Audit Fees of earlier years	0.00	1.00
Certification Charges	5.43	4.21
Out of pocket expenses (including Service Tax)	1.35	1.43
TOTAL	13.03	10.64

32. R & D Expenses included in various heads :

Accounts Head	Year (2012-13) (₹ In Lacs)	Year (2011-12) (₹ In Lacs)
Cost of Material Consumed	15.20	6.97
Employee Benefit Expense	31.21	30.05
Depreciation	8.91	6.32
Other Expenses	17.36	16.18
	72.68	59.52

33. Related Party Disclosures as per Accounting Standard (AS) 18:
A) List of Related party and their relationships:
a. Party where control exists:
Holding Company: Oriental Aromatics Limited.

Fellow Subsidiary: Oriental Aromatics Inc.

b. Key Management personnel & Relatives

Mr. Anil K. Bodani (Executive Chairman)

Mr. Dharmil A. Bodani (Managing Director)

Mr. Shyamal A. Bodani (Executive Director)

Mr. D.S.Raghav (Executive Director)

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

Sr. No.	Name of the Party	Relationship	Nature of Transaction	(Rs. in Lacs)	Outstanding As On 31.03.2013 (₹ in Lacs)
1.	Oriental Aromatics Ltd.	Holding Company	Sales	407.35 (350.71)	25.94 (37.39)
			Loan Taken	450.00 (220.00)	450.00 -
			Interest Paid	0.46 (0.34)	0.46 -
			Deposit	Nil (200.00)	- -
			Rent Received	9.00 (9.00)	0.75 (1.50)
			Purchase	280.54 (203.94)	105.13 (0.19)
2.	Oriental Aromatics Inc.	Fellow Subsidiary	Sales	133.96 (49.07)	40.48 -
3.	Dharmil A. Bodani	Managing Director	Remuneration	44.18 (41.94)	2.42 0.45
4.	Anil K. Bodani	Executive Chairman	Remuneration	13.80 (13.80)	-
5.	Shyamal A. Bodani	Executive Director	Remuneration	13.80 (13.80)	-
6.	D.S.Raghav	Executive Director	Remuneration	19.87 (18.54)	-

Note: i) Figures in brackets pertain to previous year.

ii) No amounts in respect of related parties have been written off/written back/provided for during the year.

iii) Related party relationships have been identified by the management and relied upon by the auditors.

34. Calculation of Earnings Per Share (EPS):

	2012-13 (₹ in Lacs)	2011-12 (₹ in Lacs)
Numerator: Profit after tax (before exceptional item)	1791.35	528.37
Numerator: Profit after tax (after exceptional item)	2393.81	212.34
Denominator: Weighted Average Equity Shares (No.)	51,33,674	51,33,674
Basic and Diluted Earnings Per Share (₹) (before exceptional item)	34.89	10.29
Basic and Diluted Earnings Per Share (₹) (after exceptional item)	46.63	4.14
Face Value per Share (₹)	10.00	10.00

35. 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) – (₹ in Lacs)

Description	Year ended March 31, 2013	Year ended March 31, 2012
A. Expense recognised in the statement of Profit and Loss Account for the year ended		
- Current Service Cost	13.20	12.18
- Interest Cost	17.72	16.22
- Expected return on plan assets	(17.93)	(17.97)
- Net actuarial (gain) / loss recognised during the year	9.97	17.81
Total Expense	22.96	28.24
B. Actual return on plan assets		
- Expected return of plan assets	17.93	17.97
- Actuarial (gain) / loss on plan assets	0.00	0.00
- Actual return of plan assets	17.93	17.97
C. Net Asset / (Liability) recognised in the Balance Sheet		
- Present value of obligation	233.85	221.51
- Fair value of plan assets	192.83	199.57
- Funded status (surplus / (deficit))	(41.02)	(21.94)
- Net Asset / (Liability) recognised in the Balance Sheet	(41.02)	(21.94)
D. Change in Present value of Obligation during the year ended.		
- Opening Balance of Present value of obligation	221.52	202.69
- Current Service Cost	13.20	12.18
- Interest Cost	17.72	16.22
- Benefits paid	(28.56)	(27.39)
- actuarial (gain) / loss on obligation	9.97	17.81
- Closing Balance of Present value of obligation*	233.85	221.52
E. Change in Assets during the year ended		
- Opening Balance of Fair value of plan assets	199.57	196.85
- Expected return on plan assets	17.93	17.97
- Contributions made	3.89	12.14
- Benefits paid	(28.56)	(27.39)
- actuarial (gains) / loss on plan assets	0.00	0.00
- Closing Balance of Fair value of plan assets	192.83	199.57
F. Major categories of plan assets as a percentage of total plan	Debt Fund 100%	Debt Fund 100%
G. Actuarial Assumptions		
- Discount rate	8.00%	8.00%
- Mortality Rate	LIC (1994 96) Table	LIC (1994 96) Table
- Future salary increases consider inflation, seniority, promotion and other relevant factors	4.00%	4.00%

* Funds of ₹ 192.83 Lacs (Previous year ₹ 199.57 Lacs) lying in the Gratuity trust managed by Life Insurance Corporation of India.

36. i) In the opinion of the Board, assets other than fixed assets and non-current investment 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 Banks, Trade receivable, Trade payable, 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.

37. (₹ In Lacs)

CIF Value of Imports:	2012-2013	2011-2012
Raw Material	11879.71	9445.25
Components & Spares Parts	0.00	0.00
Expenditure in Foreign currency:		
Traveling	21.58	44.78
Professional Fees	0	0
Interest Expense	100.50	44.11
Dividend :		
a) No. of Non-Resident Shareholder	0	85
b) No. of Equity Shares held	0	16197
c) Amount of Dividend	0	0.24
Year	2011-12	2010-11
d) Commission on Export	24.99	0.61
Earnings in Foreign Exchange on account of :		
Exports on F.O.B. Basis	4626.16	4568.60

38. Previous year's figures have been regrouped / rearranged/ recast wherever necessary to conform to current year's presentation

SIGNATURES TO NOTES '1' TO '38'

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

Anil K. Bodani
Executive Chairman

Dharmil A. Bodani
Managing Director

Place : Mumbai
Dated : 24th May, 2012.

Girish Khandelwal
GM Accounts & Finance

Nirmala Agarwal
Company Secretary