

## BOARD OF DIRECTORS

Anil K. Bodani, Executive Chairman  
 Dharmil A. Bodani, Managing Director  
 Shyamal A. Bodani, Executive Director  
 D. S. Raghava, Executive Director  
 Girish M. Dave, Non-Executive Director  
 Harshvardhan Piramal, Non- Executive Director  
 Amitabh Himatsingka, Non- Executive Director  
 Ranjeet A. Puranik, Non- Executive Director

### Company Secretary

Vishnu R. Murkar

### Auditors

Lodha & Co.  
 Chartered Accountants

### Bankers

The Hongkong Shanghai Banking Corporation Limited

### 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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**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the Thirty Eight Annual General Meeting of CAMPBOR AND ALLIED PRODUCTS LIMITED will be held on Thursday, the 16<sup>th</sup> September, 2010 at 11:30p.m. at Surya Palace Hotel, Opp. Parsi Agiyari, Sayajigunj, Vadodara - 390 005, Dist. Vadodara, Gujarat to transact the following business:

**ORDINARY BUSINESS:-**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March, 2010 and the Audited Balance Sheet as at date together with the reports of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To Appoint a Director in place of Shri Ranjeet Puranik, who retires by rotation but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Amitabh Himatsingka, who retires by rotation but being eligible, offers himself for re-appointment.
5. To appoint Auditor to hold office from the conclusion of this until the conclusion of the next Annual General Meeting and to fix his remuneration.

**SPECIAL BUSINESS:-**

6. To consider, and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:  
**"RESOLVED THAT** in supersession of the resolution passed at the Annual General Meeting of the Company held on 9<sup>th</sup> September, 2006 and pursuant to the provision of Section 293(I) (d) and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies which together with the monies, already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), at any time may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserve not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs. 150000 lacs and the Board of Directors be and is hereby authorised to execute such deeds of debentures and other debenture trust deeds or mortgages, charges, hypothecation, lien, and other deeds, instruments or writings as the Board may think fit containing such conditions and covenants as the Board may think fit. "

**NOTES:-**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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.
- b) 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.
- c) The Members holding shares in physical form are requested to notify immediately change in their address, bank account details, ECS mandate if any, to the Company's Registrars and Share Transfer Agents, M/s Sharex Dynamic India Private Limited, Unit No. I, Luthura Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai-400072. Members holding shares in demate account (electronic form) may notify changes to the Depository Participants.
- d) The register of Members and Share Transfer Books of the Company shall remain closed from 6<sup>th</sup> September, 2010 to 16<sup>th</sup> September, 2010 (both days inclusive).
- e) The dividend when declared, will be made payable on or after 21<sup>st</sup> September, 2010 to the Shareholders (holding Shares in physical form) whose name stand on the on the Register of Members of the Company on 16<sup>th</sup> September, 2010 and to the beneficial owners (holding shares in demat/electronic form) as per data as the end of the day, the 6<sup>th</sup> September, 2010 given by the Depositories.
  - i) The unclaimed dividends for the financial year ended 31<sup>st</sup> March, 2002, which remained unclaimed for a period of 7 years from the date of declaration have been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.
  - ii) Dividend for the financial year ended 31<sup>st</sup> March, 2003, which remains unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on or before 23<sup>rd</sup> October, 2010 pursuant to the Provision of Section 205A & 205C of the Companies Act, 1956. Members who have not encashed their dividend warrant(s) for the financial year ended 31<sup>st</sup> March 2003, 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.
- f) The Share of the Company are under Compulsory demate 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.
- g) Under the system of payment of dividend through ECS, the shareholders get the credit of dividend directly in their designated bank account. This ensures direct and immediate credit with no chance of loss of warrant in transit or its

fraudulent encashment. Shareholders holding share in physical form and desirous of availing ECS facility are requested to furnish particulars of their bank account (including 9 digit MICR code) to the Company's Registrar & Share Transfer 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.

- h) Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- i) 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.
- j) 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.
- k) Non- Resident Indian members are requested to inform Sharex Dynamic (India) Private Ltd, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) 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.
- l) Details of Directors retiring by rotation and seeking re-appointment at the ensuing Annual General Meeting:

**Mr. Amitabh Himatsingka**, Age 44 has been a Director of the Company since August, 2008. He has obtained a B.Com degree from Calcutta University in 1988. He has over 22 years of experience in the marketing of high end luxury home textile products. He is responsible for customer relations and sale of fabrics in North and South American markets. He has been associated with Himatsingka America Inc, New York, a wholly owned subsidiary of Himatsingka Seide Limited, as a Director since incorporation in 2004. He is also a director of Satin Reed, Divatex Home Fashions Inc, DWI Holdings Inc, USA and Himatsingka Wovens Pvt. Ltd, Bangalore.

**Mr. Ranjit Anand Puranik**, Age 42 has been a Director of Company since August, 2008. He is from Bachelor of Arts- Economic, acting as a Chief Executive Officer in Shree Dhootapapeshwar Limited, an Enterprise that is over 135 in Ayurvedic Health Care. He served as Hon. General Secretary in the Ayurvedic Drug Manufacturers Association. He was member of National Medicinal Plants Board, Government of India – 2004 and again 2007. He was Chairman of Working Group for Committee established by Government of Maharashtra on issues relating to A.Y.U.S.H. sector and Forest and Wildlife Regulations - 2004-2008. He was Member of Steering Committee for Ayurved, Siddha, Unani and Homoeopathy set up by Planning Commission, Government of India for XIth Five Year Plan – 2006. He was Member of Ayurvedic Pharmacopoeia Committee, Dept. of A.Y.U.S.H., Ministry of Health & Family Welfare, Govt. of India – 2006-2009. He was of Member Ayurvedic Siddha Unani Drug Technical Advisory Board – 2007. He was act a Chairman of Herbal Ayurved Siddha & Unani Panel – PHARMEXCIL 2009. He was Member of Ayurvedic Committee – American Herbal Products Association (AHPA). He was Member of Board of Directors Health Foods & Dietary Supplements Association (HADSA) 2008. He was Trustee of All India Ayurvedic Congress- 2009.

By Order of the Board of Directors

**Vishnu R. Murkar**  
(Company Secretary)

**Place :** Mumbai  
**Date :** 2<sup>nd</sup> August, 2010.

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

## EXPLANATORY STATEMENT

As required under Section 173 (2) of the Companies Act, 1956, the following Explanatory Statement sets out the material facts relating to the item nos. 6 of accompanying notice dated 2<sup>nd</sup> August, 2010.

### Item No. 6:

As per the provisions of the Section 293 (I) (d) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the consent of members in a general meetings, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of Paid-up Capital and Free Reserve of the Company, that is to say, Reserve not set apart for any specific purpose. In the Annual General Meeting held on 9<sup>th</sup> September, 2006 the members had accorded their consent to the Board of Directors for borrowing upto Rs. 6000 lacs, when the aggregate of Paid-up Capital & Free Reserves stood at Rs. 5233.30 lacs. This could have restrictive effect on the borrowing power of the Board of Directors inspite of the fact that aggregate Paid- up Capital and Free Reserve of the Company as at 31<sup>st</sup> March, 2010 is Rs. 6441.48 lacs. To meet the capital expenditure requirements and for additional working capital needs and general corporate purpose, it may be necessary to enhance the present borrowing limit. Therefore, the Board of Directors proposes that borrowing power of the Board of Directors be revised to Rs. 150000 lacs. The debt equity ratio will be within a reasonable limit even if borrowing reaches the proposed limit.

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

None of the Directors is in any way concerned or interested in this Resolution.

**DIRECTOR'S REPORT**

Your Directors have pleasure in submitting the 38<sup>th</sup> Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2010.

**FINANCIAL RESULTS:**

Particulars	Rs. Lacs	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Profit before Interest, Depreciation and Tax	1909.76	1095.93
Deduction	-	-
Interest	62.74	69.36
Depreciation	246.69	243.79
Provision for Tax, FBT & Deferred Tax	571.44	330.13
Income Tax for earlier year	4.65	82.88
Net Profit after Tax	1024.24	369.77
Add: Balance brought forward from last year	476.03	231.36
Profit available for appropriation	1500.27	601.13
<b>Your Directors recommend following Appropriation:-</b>		
General Reserve	35.00	35.00
Proposed Dividends	77.01	77.01
Corporate Tax on Proposed Dividend	12.79	13.09
Balance carried to Balance Sheet	1375.47	476.03

**REVIEW OF OPERATIONS:-**

The Company's business volume & profitability continue to improve during the year, the Company has achieved turnover of Rs. 16546.21 Lacs and profit after tax of Rs.1024.24 Lacs under review as compared to turnover of Rs.13463.88 Lacs and profit after tax of Rs.369.77 Lacs during the previous year.

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

**DIVIDEND:**

Our Directors recommend a dividend at the rate of Rs. 1.5 per Equity Share of Rs. 10/- each. In the previous year the dividend at the rate of Rs. 1.5 per Equity Share of Rs. 10/- each was recommended.

**FIXED DEPOSIT:**

The Company not accepting and renewing Fixed Deposit, hence as on 31.03.2010, the Company has 576 Fixed Deposits amounting to Rs. 144.2 lacs as compared to last year 1045 fixed Deposit to Rs. 289.90 Lacs. 16 Fixed Deposits amounting to Rs. 3.34 lacs have remained unclaimed as at 31.03.2010.

**INSURANCE:**

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

**DIRECTORS:**

In accordance with the Companies Act, 1956 and Articles of Association of the Company, Shri Amitabh A. Himatsingka and Shri Ranjit A. Puranik are liable to retire at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

During the year, Shri Devendra Singh Raghava has been appointed as an Executive Director- Operations w.e.f. 30<sup>th</sup> April, 2009.

**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:**

Your directors are taking corrective measures for comments made by auditors.

**COST AUDITORS:-**

M/s. P. D. Phadke & Associates, Cost Accountants, have been appointed to conduct cost audit for the year ended 31<sup>st</sup> March 2010. 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 at 31<sup>st</sup> March 2010, 43, 97,712 shares representing 85.66% of Companies Equity Share Capital have been dematerialized. The Company has paid Annual Listing fees for the year 2010-2011 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:-**

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

**DIRECTOR'S RESPONSIBILITY STATEMENT:-**

The Board of Directors of the Company Confirms:

1. that the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departure;
2. that the selected accounting policies were applied consistently and the Directors made 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 31<sup>st</sup> March, 2010 and of the profit of the Company for the year ended on that date;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. that the annual accounts have been prepared on a going concern basis.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:-**

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

**CORPORATE GOVERNANCE:-**

A report on Corporate Governance and Certificate from the Auditors thereon forms part of Annual Report.

**GENERAL:-**

Your Directors place on record their sincere thanks to Bankers and Shareholders for their continuous support and Co-operation. The Directors also place on record their appreciation for the good work done by the employees of the Company.

ON BEHALF OF THE BOARD

Place: *Mumbai*  
Date : *21<sup>ST</sup> May, 2010*

**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 equipments 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:

<b>Particulars</b>			<b>2009-2010</b>	<b>2008-09</b>
<b>Electricity</b>				
i)	Units purchased	Units	<b>100.44</b> Lacs	104.60 Lacs
	Total Value	Rs.	<b>547.59</b> Lacs	558.86 Lacs
	Rate per unit	Rs.	<b>5.45</b>	5.34
ii)	Units generated (through Diesel)	Units	<b>8.92</b> Lacs	3.21 Lacs
	Units per liter of Diesel Oil	Units	<b>3.536</b>	3.42
	Rate per Unit	Rs.	<b>12.876</b>	17.52
iii)	Units generated through Natural gas & Diesel	Nos	<b>0.22</b> Lacs	0.69 Lacs
	Rate per unit	Rs.	<b>16.00</b>	13.17
<b>Furnace Oil</b>				
	Quantity	M. T.	<b>365.33</b>	983.54
	Total amount	Rs.	<b>81.32</b> Lacs	260.42 Lacs
	Average rate per unit	Rs.	<b>22.26</b>	26.48
<b>High Speed Diesel</b>				
	Quantity	M. T.	<b>9.8</b>	21.66
	Total amount	Rs.	<b>3.51</b> Lacs	8.54 Lacs
	Average rate per unit	Rs.	<b>35.8</b>	39.43
<b>Natural Gas</b>				
	Quantity	Scm	<b>N.A.</b>	1327.29
	Total amount	Rs.	<b>N.A.</b>	335.22 Lacs
	Average rate per unit	Rs.	<b>N.A.</b>	25.26
<b>Wood</b>				
	Quantity	M. T.	<b>17303.85</b>	14442.99
	Total amount	Rs.	<b>405.96</b> Lacs	283.94 Lacs
	Average rate per unit	Rs.	<b>2.35</b>	1.97
<b>Consumption per unit of Production</b>				
	Electricity	Units	<b>4.447</b>	1.57
	Furnace Oil	Kgs.	<b>0.067</b>	0.19
	Natural Gas	Scm	<b>0.73</b>	0.74
	Wood	Kgs.	<b>3.187</b>	2.83

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

The total expenditure for R & D during the year under review is Rs. 49.28 lacs (Previous year 41.42 lacs) of which Rs. Nil (previous year Rs.0.99 lacs) is towards capital expenditure.

**III Foreign Exchange Earnings and Outgo:**

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

The information of foreign exchange earnings and outgo is included in 'B' notes to accounts (f) & P, (B), P (D) of Annual Accounts

## **ANNEXURE "B" TO THE DIRECTORS REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS:**

#### **OVERVIEW:**

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

#### **ECONOMY AND BUSINESS OUTLOOK:**

The overall economy of our county has been improving. However, high cost of mainly imported raw material and energy has 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.

#### **RISKS AND CONCERNS:**

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

#### **INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:**

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

#### **HUMAN RESOURCES/INDUSTRIAL RELATIONS:**

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

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

The total numbers of employees in the Company as on 31st March 2010 are 360.

#### **POLLUTION AND ENVIRONMENT CONTROL:**

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

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

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

#### **CAUTIONARY STATEMENT:**

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

**CORPORATE GOVERNANCE:**

In compliance with the Corporate Governance requirements as stipulated in clause 49 of the Listing Agreement with the Stock Exchange. The Company has been incorporating, a separate section on Corporate Governance in the Annual Report to provide useful informations 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 Executive Chairman, Managing Director, Executive Director, Executive Director- operations and four Non- Executive Directors. All Non-Executive Directors are Independent Directors. During the financial year under review four Board of Directors meeting were held on 30<sup>th</sup> April, 2009, 31<sup>st</sup> July, 2009, 30<sup>th</sup> October, 2009 and 27<sup>th</sup> January, 2010.

**Attendance of Directors for the year ended 31.03.2010:**

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
Shri Anil K. Bodani	Promoter, Executive	4	Yes
Shri Dharmil A. Bodani	Promoter, Managing Director	4	Yes
Shri Shyamal A. Bodani	Promoter, Executive Director	4	Yes
Shri Devendra Singh Raghava	Executive Director- Operation	3	yes
Shri Girish M. Dave	Independent, Non- Executive	4	No
Shri Harshvardhan Piramal	Independent, Non- Executive	4	No
Shri Ranjit A. Puranik	Independent, Non-Executive	1	No
Shri Amitabh A. Himatsingka	Independent, Non-Executive	1	No

**Directorship details as on 31.03.2010**

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

Name of the Director	Status as on 31 <sup>st</sup> March, 2010		
	Number of Directorships	Number of Committees in which # Member	Chairman
Shri Anil K. Bodani	2	—	1
Shri Dharmil A. Bodani	2	—	—
Shri Shyamal A. Bodani	2	1	—
Shri Girish M. Dave	8	8	3
Shri Harshvardhan A. Piramal	8	—	3
Shri Amitabh A. Himatsingka	1	—	—
Shri Ranjit A. Puranik	2	—	—
Shri 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.



**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 on 30<sup>th</sup> April, 2009, 31<sup>st</sup> July, 2009, 30<sup>th</sup> October, 2009 and 27<sup>th</sup> January, 2010. The Audit Committee comprises of following Directors:

**Attendance of Directors for the year ended 31.03.2010:**

Attendance of each Member at the Audit Committee Meetings:

Name of Director	No. of Audit Committee Meetings Attended
Shri Girish M. Dave	4
Shri Amitabh A. Himatsingka	1
Shri Harshvardhan A. Piramal	4

- a) Shri 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 acts 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**

During the year, the remuneration committee met once during the financial year on 30<sup>th</sup> April, 2009; three directors were present in the meeting.

During the year under review, the remuneration committee comprises of three independent Non- Executive Directors viz. Shri Girish M. Dave, Shri Harshvardhan Piramal and Shri Amitabh Himatsingka.

**Compensation to non-executive Directors:**

Details of sitting fees paid for meetings attended during the financial year 2009-2010 are given below:

Name	Sitting Fees (Rs. in lacs)
Shri Girish M. Dave	1.025
Shri Harshvardhan A. Piramal	1.025
Shri Amitabh A. Himatsingka	0.250
Shri Ranjit A. Puranik	0.125
<b>TOTAL</b>	<b>2.425</b>

Remuneration to Executive Chairman, Managing Director, Executive Director and Executive Director Operations for the year ended 31<sup>st</sup> March, 2010.

(Rs. in Lacs)

Name of the Director	Salary	Perqui-sites	PF and other Contributions	Service Contract	Notice Period	Severance fees
Shri Anil K. Bodani	12.00	—	—	5 years	6 months	NIL
Shri Dharmil A. Bodani	12.00	—	—	5 years	6 months	NIL
Shri Shyamal A. Bodani	12.00	—	—	5 years	6 months	NIL
Shri Devendra Singh Raghava	5.5	7.59	0.66	5 years	6 months	NIL

\* Shri Devendra Singh Raghava appointed Executive-Director Operation w.e.f. 30<sup>th</sup> April, 2009.

**5. INVESTORS GRIEVANCE COMMITTEE:**

The Investor Grievance Committee comprises of Three Non- Executive Directors viz. Harshvardhan A. Piramal, Shri Girish M. Dave and Shri Ranjit Puranik. Shri Harshvardhan A. Piramal is the Chairman of the Committee. The Investors Grievance Committee met 4 times during the financial year on 30<sup>th</sup> April, 2009, 31<sup>st</sup> July, 2009, 30<sup>th</sup> October, 2009 and 27<sup>th</sup> January, 2010. The Company's Registrars & Share Transfer Agent Sharex Dynamic (India) Private Limited had received 32 letters/complaints during the financial year, out of which all are replied/resolved to the satisfaction of the Shareholders.

Mr. Dilip Sharma- Manager Accounts & Company Secretary was Compliance officer from 30<sup>th</sup> July, 2008 till 15<sup>th</sup> August, 2009 and thereafter Mr. Vishnu Murkar- Company Secretary has been Compliance officer from 15<sup>th</sup> September, 2009.

**6. GENERAL BODY MEETINGS:**

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2006 - 2007	8 <sup>th</sup> September, 2007	12.00 noon	Registered office
2007 - 2008	30 <sup>th</sup> September, 2008	2.30 p.m.	- do -
2008 - 2009	25 <sup>th</sup> September, 2009	2.30 p.m.	- do -

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

No postal ballot was conducted during the financial year 2009-010.

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

- 2006-07 : (i) Approval for payment of remuneration including minimum remuneration to Chairman & Managing Director, Shri Harshul Dalal.
- 2007-08 : (i) Approval for appointment & remuneration of executive chairman, Shri Anil K. Bodani.  
(ii) Approval for appointment & remuneration of managing director, Shri Dharmil A. Bodani.  
(iii) Approval for appointment & remuneration of executive director, Shri Shyamal A. Bodani.
- 2008-2009:- i) Approval for appointment & remuneration of an Executive Director-Operation Shri Devendra Singh Raghava.

**7. DISCLOSURES:-**

- There were no transactions of material nature with the promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the company at large.
- Disclosure of transactions with related parties as required under accounting standard 18 prescribed by the Companies (Accounting Standards) Rules 2006 is made in Note A & B in schedule (j) to the annual accounts.
- Company filed Form A with Securities and Exchange Board of India (SEBI) to obtain Consent Order in the matter of delay in the filing of returns under Regulation 6(2) & 6(4) for 1997 and 8(3) of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 for the years 1998 to 2001 and the non filing of one return under Regulation 7(3) of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997." Apart from this, there were no instances of non-compliance nor have any penalties, strictures been imposed by any stock exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.

**Non- Mandatory requirement:**

- The Company has formed a Remuneration Committee, details of which are given earlier.

**8. MEANS OF COMMUNICATION:**

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

**GENERAL INFORMATION FOR MEMBERS:****Annual General Meeting**

**Date, Time & Venue** : 16<sup>th</sup> September 2010 at 11.30 a. m.  
Surya Palace Hotel,  
Sayajigunj, Vadodara – 390 005.

**Financial Calendar (Proposed)**

Financial year : April 2010 to March 2011  
First Quarter Results : End of July/ Starting of August 2010  
Half yearly Results : End of October/Starting of November 2010  
Third Quarter Results : End of January/Starting of February 2011  
Audited Results for the Year  
Ending 31st March 2011 : End of May, 2011  
**Date of Book Closure** : 6<sup>th</sup> Sept. 2010 to 16<sup>th</sup> Sept. 2010  
**Dividend payment date** : On or after 21<sup>st</sup> September, 2010  
**Listing on Stock Exchange** : Mumbai  
**Demat ISIN Number for NSDL & CSDL** : INE959C01015

**Share Price on Mumbai Stock Exchange:**

High/Low during the financial year 2009-10

High: Rs. 120.70

Low: Rs. 46.20

MONTH	SHARE PRICE (Rs.)		BSE SENSEX	
	LOW	HIGH	LOW	
April,09	59.00	46.20	11492.10	9546.29
May,09	84.00	50.90	14930.54	11621.30
June,09	79.00	59.25	15600.30	14016.95
July,09	75.90	52.35	15732.81	13219.99
August,09	75.50	57.60	16002.46	14684.45
September,09	72.70	62.30	17142.52	15356.72
October,09	79.00	63.00	17493.17	15805.20
November,09	91.40	65.25	17290.48	15330.56
December,09	89.00	76.05	17530.94	16577.78
January,010	120.00	84.00	17790.33	15982.08
February,010	111.90	92.00	16669.25	15651.99
March,010	120.70	92.50	17793.01	16438.45

**Distribution Schedule as on 31<sup>st</sup> March, 2010:**

Shares Held	No. of Holders	%	No. of Shares	%
1 - 500	21266	97.45	1208741	23.55
501 - 1000	329	1.51	246224	4.77
1001 - 5000	199	0.91	398695	7.77
5001 - 10000	15	0.07	104015	2.03
10001 - 100000	12	0.05	215719	4.20
100001 to above	1	0.00	2960280	57.66
	<b>21822</b>	<b>100</b>	<b>5133674</b>	<b>100</b>

**Share Transfer System**

Your Company follows a fortnightly cycle for processing and updating share transfers. The share transfers register and reports are approved by a Share Transfer Committee of Directors of the Company. The same are then confirmed by the Board of Directors at the next Board Meeting. Nil transfers involving Nil shares were pending as at 31<sup>st</sup> March, 2010 which were completed in April 2010.

**Shareholding Pattern as at 31<sup>st</sup> March 2010.**

<b>Categories of shareholders</b>	<b>Percentage</b>
Indian Promoters	57.664
Foreign Promoters	0.000
Mutual Funds, UTI, Banks and Financial Institutions	0.064
FIIS	0.000
Private Corporate Bodies	2.860
Indian Public	38.132
NRIs/OCBs	1.280
<b>Total</b>	<b>100.000</b>

**Dematerialization of shares**

Out of 51, 33,674 Shares, 43, 97, 712 Shares equivalent to 85.66% of the paid up capital of the Company have been dematerialised till 31<sup>st</sup> March, 2010.

**Outstanding ADRs/GDRs etc.**

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

**Plant locations**

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

**Address for correspondence**

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

**Shareholder correspondence**

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

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

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

**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, 2010.

For **CAMPBOR AND ALLIED PRODUCTS LIMITED**

**Place :** *Mumbai*  
**Date :** *21<sup>st</sup> May, 2010*

**Anil K. Bodani**  
*(Executive Chairman)*

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**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:**

To the Shareholders,

We have examined the compliance of the conditions of Corporate Governance by CAMPBOR & ALLIED PRODUCTS LIMITED for the year ended on 31<sup>st</sup> March, 2010 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 :** *21<sup>st</sup> May, 2010.*

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

**AUDITORS' REPORT****To****The Members****Camphor & Allied Products Limited**

1. We have audited the attached Balance Sheet of CAMPHOR & ALLIED PRODUCTS LIMITED as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (hereinafter referred to as the "Act"), we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006, to the extent applicable;
  - (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) Without qualifying our opinion, we draw attention to note no. c of B in Schedule 18 of Notes to Accounts regarding the Company's possible liability to repay Rs. 98.11 lacs towards refund of sales tax paid on Gum Resin.
  - (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with "Significant Accounting Policies and Notes to Accounts" in schedule no. 18 and other notes appearing in the said schedule and elsewhere in the accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
    - ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
    - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **LODHA & CO.**  
Chartered Accountants

**Place :** Mumbai  
**Date :** 21<sup>st</sup> May, 2010

**R.P.BARADIYA**  
Partner  
Membership No.44101  
Firm Registration No. 301051E

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010 OF CAMPBOR & ALLIED PRODUCTS LIMITED**

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

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) As explained to us, the assets have been physically verified by the management at reasonable intervals in accordance with the phased programme of verification which, in our opinion, is reasonable considering the size of the Company and nature of its business. According to the information and explanations given to us, no material discrepancies have been noticed on such physical verification.  
c) No substantial part of the fixed assets has been disposed off during the year.
2. a) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.  
b) The procedures for physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) The Company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.  
b) The Company has taken an unsecured loan from the Holding Company amounting to Rs.475.00 lacs. The maximum balance during the year was Rs. 200.00 lacs. The loan was however, repaid during the year.  
c) 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 Rs. 5,00,000 or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices at the relevant time wherever such market prices are available.
6. During the year, no deposits within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.
7. The Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Order of the Central Government under Section 209(1)(d) of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.
9. a) The Company is generally regular in depositing statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to the



Company with the appropriate authorities. No amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable except income tax dues of Rs. 82.89 Lacs (including estimated amount of interest of Rs. 55.74 Lacs). The same has not been paid pending receipt of the Order giving appeal effect from the Income Tax Department.

- b) According to the information and explanations given to us there are no disputed dues except for following.

Particulars	Year to which the amount relates	Forum where the dispute is pending	Rs. in Lacs
Income Tax	A.Y. 2004-05 to A.Y. 2007-08	CIT (Appeal), Baroda	78.75
Income Tax	A.Y. 1991-92 and 2004-05	ITAT	13.50
Sales Tax	2000-01	Supreme Court, Delhi	12.75
Sales Tax	2004-05 to 2006-07	Commercial Tax Tribunal, Bareilly	38.25
Sales Tax	(Refer to note no. c of B in Schedule 18 of Notes to Accounts)	High Court of Jammu	98.11
Excise Duty	1981 to 1983	Assistant Commissioner Central Excise, Bareilly	0.65
Excise Duty	1996-98	High Court, Lucknow	66.19

10. The Company has no accumulated losses as at 31st March, 2010 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, the Company has not taken any term loan during the year or in the recent past.
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 : 21<sup>st</sup> May, 2010

**BALANCE SHEET AS AT 31ST MARCH, 2010**
**(Rupees in Lacs)**

	<b>SCHEDULE</b>	<b>As at</b>	<b>As at</b>
	<b>No.</b>	<b>31.03.2010</b>	<b>31.03.2009</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>I. SOURCES OF FUNDS</b>			
1. Shareholders' Funds :			
(a) Capital	<b>1</b>	<b>513.37</b>	513.37
(b) Reserves and Surplus	<b>2</b>	<b>5,928.11</b>	4,993.69
		<b>6,441.48</b>	5,507.06
2. Loan Funds :			
Secured Loans	<b>3</b>	<b>1,730.09</b>	1,244.10
Unsecured Loans	<b>4</b>	<b>147.54</b>	291.39
3. Deferred Tax Liability ( Net)		<b>649.57</b>	678.38
<b>Total</b>		<b>8,968.68</b>	<b>7,720.93</b>
<b>II. APPLICATION OF FUNDS</b>			
1. Fixed Assets	<b>5</b>		
(a) Gross Block		<b>6,030.13</b>	5,749.90
(b) Less: Depreciation		<b>2,792.24</b>	2,689.96
(c) Net Block		<b>3,237.89</b>	3,059.94
(d) Capital Work-in-progress		<b>215.22</b>	165.28
		<b>3,453.11</b>	3,225.22
2. Investments	<b>6</b>	<b>7.44</b>	7.44
3. Current Assets, Loans and Advances			
(a) Current Assets	<b>7</b>		
Inventories		<b>3,871.65</b>	3,089.67
Sundry Debtors		<b>2,001.15</b>	1,946.17
Cash and Bank Balances		<b>343.75</b>	195.06
Other Current Assets		<b>1.85</b>	2.25
		<b>6,218.40</b>	5,233.15
(b) Loans and Advances	<b>8</b>	<b>756.87</b>	463.03
		<b>6,975.27</b>	5,696.18
Less: Current Liabilities and Provisions:	<b>9</b>		
(a) Current Liabilities		<b>1,270.14</b>	942.86
(b) Provisions		<b>197.00</b>	265.05
		<b>1,467.14</b>	1,207.91
Net Current Assets		<b>5,508.13</b>	4,488.27
<b>Total</b>		<b>8,968.68</b>	<b>7,720.93</b>

Significant Accounting Policies and Notes on Accounts  
The above schedules form part of the financial statements.

**18**

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 : 21st May, 2010**

**Vishnu Murkar**  
*Company Secretary*

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**  
(Rupees in Lacs)

	<b>SCHEDULE</b>	<b>As at</b>	<b>As at</b>
	<b>No.</b>	<b>31.03.2010</b>	<b>31.03.2009</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>INCOME</b>			
Sales	<b>10</b>	<b>17,661.13</b>	14,716.11
Less : excise duty on sales		<b>1,114.92</b>	1,252.23
Other Income:	<b>11</b>		
a) Profit on sale of assets		-	-
b) Others		<b>118.98</b>	29.16
Increase/ (Decrease ) in Stock	<b>12</b>	<b>1,060.00</b>	527.40
<b>Total</b>		<b>17,725.19</b>	14,020.44
<b>EXPENDITURE</b>			
Materials Costs	<b>13</b>	<b>12,327.65</b>	9,415.86
Manufacturing Expenses	<b>14</b>	<b>1,924.34</b>	1,927.75
Payments to and provision for Employees	<b>15</b>	<b>799.75</b>	844.27
Administrative, Selling & Other Expenses	<b>16</b>	<b>694.78</b>	669.81
Interest & Financial Charges	<b>17</b>	<b>131.65</b>	136.18
Depreciation & Amortisation	<b>5</b>	<b>246.69</b>	243.79
<b>Total</b>		<b>16,124.86</b>	13,237.66
<b>PROFIT BEFORE TAX</b>		<b>1,600.33</b>	782.78
Provision for Tax :			
Current Tax		<b>600.00</b>	297.00
Income Tax for Earlier Years		<b>4.65</b>	82.88
Deffered Tax		<b>(28.81)</b>	25.48
Fringe Benefit Tax		-	4.75
Wealth Tax (including for earlier years Rs. Nil Prev. Year 2.57 Lacs)		<b>0.25</b>	2.90
<b>PROFIT AFTER TAX</b>		<b>1,024.24</b>	369.77
Balance brought forward from last year		<b>476.03</b>	231.36
<b>PROFIT AVAILABLE FOR APPROPRIATIONS</b>		<b>1,500.27</b>	601.13
<b>APPROPRIATIONS</b>			
Transfer to General Reserve		<b>35.00</b>	35.00
Dividend		<b>77.01</b>	77.01
Dividend Distribution Tax		<b>12.79</b>	13.09
		<b>124.80</b>	125.10
<b>SURPLUS CARRIED TO BALANCE SHEET</b>		<b>1,375.47</b>	476.03
<b>Earnings Per Share</b>			
Basic & Diluted Earnings Per Share		<b>19.95</b>	7.20
Face Value Per Share		<b>10.00</b>	10.00

Significant Accounting Policies and Notes on Accounts **18**  
The above schedules form part of the financial statements.

As per our attached report of even date.

For and on behalf of the Board of Directors

**For Lodha & Co.**

*Chartered Accountants*

**R. P. Baradiya**  
*Partner*

**Anil K. Bodani**  
*Executive Chairman*

**Dharmil A. Bodani**  
*Managing Director*

**Place :** Mumbai  
**Date :** 21st May, 2010

**Vishnu Murkar**  
*Company Secretary*

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010**

	<b>2009-2010</b>	2008-2009
	<b>Rs. in lacs</b>	Rs. in lacs
<b>A) Cash Flow from Operating Activities</b>		
<b>Net Profit before Tax</b>	<b>1,600.33</b>	782.78
Adjustments for:		
Depreciation	<b>246.69</b>	243.79
Interest and Other Financial Cost	<b>131.65</b>	136.18
Interest and Dividend Received	<b>(9.34)</b>	(11.92)
Loss on discarding / sale of assets	<b>37.75</b>	13.34
Unrealised Foreign Exchange rate difference	<b>(31.62)</b>	37.09
<b>Operating Profit before Working Capital Changes</b>	<b>1,975.46</b>	1,201.26
Adjustments for:		
<b>(Increase)/Decrease in Trade &amp; Other Receivables</b>	<b>(364.86)</b>	(658.10)
<b>(Increase)/Decrease in Inventories</b>	<b>(781.98)</b>	(1,203.90)
<b>Increase/(Decrease) in Trade Payables &amp; Provisions</b>	<b>260.01</b>	344.31
<b>Cash generated from Operating Activities</b>	<b>1,088.64</b>	(316.42)
Direct Taxes (Paid) Net of Refund Received	<b>(604.90)</b>	(179.41)
<b>Net Cash from Operating Activities (A)</b>	<b>483.74</b>	(495.83)
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	<b>(517.92)</b>	(166.10)
Sales of Fixed Assets	<b>5.58</b>	21.32
Sale of Investments	<b>0.00</b>	320.84
Interest Received	<b>9.29</b>	5.62
Dividend Received	<b>0.45</b>	6.76
<b>Net Cash (used in)/from Investing Activities (B)</b>	<b>(502.60)</b>	188.44
<b>C) Cash Flow from Financing Activities</b>		
Proceeds / (Repayment) from / to Loan, (Net)	<b>384.46</b>	266.05
Dividend Paid (Including Dividend Tax)	<b>(89.80)</b>	(91.39)
Interest and Other Financial Cost	<b>(132.43)</b>	(163.36)
<b>Net Cash (used in)/from Financing Activities (C)</b>	<b>162.23</b>	11.30
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>143.35</b>	(296.08)
Cash & cash equivalents at beginning of the year	<b>118.08</b>	414.18
Cash & cash equivalents at end of the year	<b>261.43</b>	118.08

**Note**

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
- 2) Margin money of Rs. 57.99 Lacs (Previous Year Rs. 51.58 Lacs) and Earmarked Dividend Account of Rs. 24.32 Lacs (Previous Year Rs. 25.40 Lacs) are excluded from Cash and Cash Equivalents and included in Trade and Other Receivables.
- 3) Previous year's figures have been regrouped / rearranged whenever necessary to conform to the current year's presentation.

This is the Cash Flow statement referred to in our report of even date.

As per our attached report of even date.

**For 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 :** *21st May, 2010*

**Vishnu Murkar**

*Company Secretary*

**Schedules forming part of the Balance Sheet as at 31st March, 2010.****(Rupees in Lacs)**

	<b>As at 31.03.2010</b>	As at 31.03.2009
<b>1 SHARE CAPITAL</b>		
Authorised 1,00,00,000 Equity Shares of Rs.10 each	<b>1,000.00</b>	1,000.00
Issued, Subscribed & Paid up 51,33,674 Equity Shares (Previous year 51,33,674 ) of Rs. 10 each fully paid up Includes : i) 34,96,584 Equity Shares of Rs 10 each allotted as fully paid up Shares for consideration other than cash pursuant to the earlier Schemes of amalgamation. ii) 29,60,280 (Previous Year 29,60,280) Equity Shares are held by the holding company viz. Oriental Aromatics Ltd.	<b>513.37</b>	513.37
	<b>513.37</b>	513.37
<b>2 RESERVES AND SURPLUS</b>		
Capital Reserve :		
Balance as per last Balance Sheet.	<b>266.74</b>	266.74
Securities Premium Account :		
Balance as per last Balance Sheet.	<b>739.82</b>	739.82
General Reserve :		
Balance as per last Balance Sheet.	<b>3,511.08</b>	3,476.08
Add :-Transferred from Profit & Loss Account	<b>35.00</b>	35.00
	<b>3,546.08</b>	3,511.08
Surplus as per Profit & Loss Account	<b>1,375.47</b>	476.04
	<b>5,928.11</b>	4,993.69
<b>3 SECURED LOANS</b>		
<b>Working Capital Loan from a Bank</b>	<b>1,730.09</b>	1,244.10
(Non fund based facility of Rs. 100.96 Lacs (Previous year Rs. Nil) and aforesaid working capital loan is Secured by hypothecation of current assets both present and future and other movable assets)		
	<b>1,730.09</b>	1,244.10
<b>4 UNSECURED LOANS</b>		
Fixed Deposits (Include Rs. 122.20 Lacs repayable within one year - Previous year Rs. 131.00 Lacs )	<b>147.54</b>	291.39
	<b>147.54</b>	291.39

**Schedules forming part of the Balance Sheet as at 31st March, 2010.**
**5 FIXED ASSETS AS ON 31.03.2010**

(Rs. in Lacs)

Description	Gross Block (at cost)				Depreciation / Amortisation				Net Block	
	As at 01/04/2009	Additions	Deductions	As at 31/03/2010	As at 01/04/2009	For the Year	Deductions	As at 31/03/2010	As at 31/03/2010	As at 31/03/2009
Lease hold land	82.00	9.57	-	<b>91.57</b>	22.01	2.96	-	<b>24.97</b>	<b>66.60</b>	59.99
Freehold Land	7.59	-	-	<b>7.59</b>	-	-	-	-	<b>7.59</b>	7.59
Buildings	698.32	89.70	41.38	<b>746.64</b>	299.90	16.61	34.40	<b>282.11</b>	<b>464.53</b>	398.42
Plant & Machinery	4,674.95	137.85	53.36	<b>4,759.44</b>	2,163.68	203.57	31.84	<b>2,335.41</b>	<b>2,424.03</b>	2,511.27
Furniture & Fitting	64.04	168.04	44.05	<b>188.03</b>	42.20	5.44	29.04	<b>18.60</b>	<b>169.43</b>	21.84
Vehicles	86.62	-	-	<b>86.62</b>	39.87	7.48	-	<b>47.35</b>	<b>39.27</b>	46.75
Office Equipments	120.03	37.72	44.44	<b>113.31</b>	110.61	8.84	36.63	<b>82.82</b>	<b>30.49</b>	9.42
Electric Installation	16.35	36.93	16.35	<b>36.93</b>	11.72	1.79	12.53	<b>0.98</b>	<b>35.95</b>	4.63
	5,749.90	479.81	199.58	<b>6,030.13</b>	2,689.99	246.69	144.44	<b>2,792.24</b>	<b>3,237.89</b>	3,059.91
Capital work-in-Progress Including	165.29	524.55	474.62	<b>215.22</b>	-	-	-	-	<b>215.22</b>	165.29
Capital Advances	-	-	-	-	-	-	-	-	-	-
Grand Total	5,915.19	1,004.36	674.20	<b>6,245.35</b>	2,689.99	246.69	144.44	<b>2,792.24</b>	<b>3,453.11</b>	3,225.20
Previous Year	5,877.23	188.47	150.52	<b>5,915.19</b>	2,534.77	243.79	88.60	<b>2,689.99</b>	<b>3,225.20</b>	
Capital Work-in-Progress (at cost) comprises :									<b>As at 31.03.10</b>	As at 31.03.09
Buildings									<b>31.89</b>	75.77
Plant & Machinery									<b>2.73</b>	64.04
Furniture & Fittings									<b>141.83</b>	11.26
Office Equipments									<b>20.84</b>	14.22
Electrical Installation									<b>17.93</b>	0.00
<b>Total</b>									<b>215.22</b>	165.29

(Rupees in Lacs)

	<b>As at 31.03.2010</b>	As at 31.03.2009
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**6 INVESTMENTS ( At Cost ) - Non Trade, Long Term**

## (a) Unquoted

## In Government Securities

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

 UTI-Balance Fund (Income Reinvestment Scheme) **3.11** 3.11  
 19883.345 units (Previous year 18981 Units)

## (b) Quoted

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

**7.44**
**7.44**

	At Cost	Market Value
Aggregate of Quoted Investments	4.27	31.95
	(4.27)	(11.72)
Aggregate of Unquoted Investments	3.17	-
	(3.17)	

## Schedules forming part of the Balance Sheet as at 31st March, 2010.

(Rupees in Lacs)

	As at 31.03.2010	As at 31.03.2009
<b>7 CURRENT ASSETS</b>		
<b>Inventories</b>		
(As valued and certified by the Management)		
(a) Stores, Spares & Packing Material (including Rs. Nil lacs in transit, Previous year Rs. Nil lacs)	127.28	136.93
(b) Stock-in-Trade		
Raw Materials (including Rs. 2.72 lacs in transit, Previous year Rs. Nil lacs)	1,022.39	1,290.76
Finished Goods	1,905.20	1,067.67
Process Stock	816.78	594.31
	<b>3,871.65</b>	3,089.67
<b>SUNDRY DEBTORS (UNSECURED, CONSIDERED GOOD)</b>		
(i) Debts exceeding six months	0.29	34.01
(ii) Other Debts	2,000.86	1,912.16
	<b>2,001.15</b>	1,946.17
<b>CASH AND BANK BALANCES</b>		
(a) Cash on hand	0.76	31.18
(b) Balance with Scheduled Banks:		
In Current Accounts		
(i) Export Earners Foreign Currency Scheme (US \$ 2.04 lacs. - Previous year US \$ Nil lacs.)	91.73	-
(ii) Earmarked for Dividend	24.32	25.40
(iii) Margin Money	-	-
(iv) Others	148.03	82.35
	<b>264.08</b>	107.75
In Deposit Accounts	78.91	56.13
Includes Margin Money for issueing Bank Guarantees Rs. 57.99 Lacs (Previous Year Rs. 51.58 Lacs)		
	<b>343.75</b>	195.06
<b>Interest accrued on investment / Deposits</b>	<b>1.85</b>	2.25
<b>Total</b>	<b>6,218.40</b>	5,233.15
<b>8 LOANS AND ADVANCES</b>		
(Unsecured Considered Good)		
Advances recoverable in cash or in kind or value to be received	143.69	89.16
Deposits	68.96	31.75
Balance with Excise Department	544.22	342.12
Advance payment of Taxes	-	-
(Net of Provision of Rs. Nil, Previous Year Rs. Nil Lacs))	<b>756.87</b>	463.03

**Schedules forming part of the Balance Sheet as at 31st March, 2010.**
**(Rupees in Lacs)**

	<b>As at 31.03.2010</b>	As at 31.03.2009
<b>9 CURRENT LIABILITIES AND PROVISIONS</b>		
(a) Current Liabilities		
Sundry Creditors		
Due to Micro, Small and Medium enterprises (refer note B (n) in Schedule 18)	-	-
Due to Other Creditors	<b>1,057.44</b>	709.61
Other Liabilities	<b>188.38</b>	207.07
Interest accrued but not due on loans	-	0.78
Investor Education & Protection Fund (not due)		
Unclaimed Dividend*	<b>24.32</b>	25.40
* There is no amount due and outstanding as at the balance sheet date to be credited to Investor Education & Protection Fund.	<b>1,270.14</b>	942.86
(b) Provisions		
For Employment Cost	<b>53.79</b>	81.15
For Taxation (net of Advance Tax of Rs. 981.52 Lacs Previous Year Rs. 336.23 Lacs)	<b>53.41</b>	93.80
For Proposed Dividend	<b>77.01</b>	77.01
For Dividend Distribution Tax	<b>12.79</b>	13.09
	<b>197.00</b>	265.05
	<b>1,467.14</b>	1,207.91

**Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2010**
**10 SALES**

<b>Products</b>	<b>Quantity</b>		<b>Value</b>	
	(In M. tons unless Otherwise stated)		(Rupees in Lacs)	
	<b>2009-10</b>	<b>2008-09</b>	<b>2009-10</b>	2008-09
Camphor/Isoborneol	<b>2,855.66</b>	<b>2,899.00</b>	<b>7,236.12</b>	6,009.08
Pine Oil / Terpeneols	<b>1,548.11</b>	<b>1,405.84</b>	<b>2,491.05</b>	1,799.10
Poly-Terpene Resin	<b>678.67</b>	<b>746.37</b>	<b>749.01</b>	785.98
Perfumery Chemicals	<b>1,177.48</b>	<b>1,031.89</b>	<b>3,836.86</b>	3,192.26
Speciality Chemicals	<b>694.28</b>	<b>696.16</b>	<b>1,819.38</b>	1,699.65
Others	-	-	<b>1,528.71</b>	1,230.04
			<b>17,661.13</b>	14,716.11

Sales includes Exports of Rs.3,165.72 lacs (Previous Year Rs 3,792.05 lacs )



## Schedules forming part of the Profit &amp; Loss Account for the year ended 31st March, 2010

(Rupees in Lacs)

	As at 31.03.2010	As at 31.03.2009
<b>11 OTHER INCOME</b>		
Interest on Deposits	8.89	5.16
(Tax deducted at Source Rs.2.46 lacs Previous year Rs. 1.34 lacs)	8.89	5.16
Dividends Received (on Long Term Investments)	0.45	6.76
Exchange Rate difference	87.94	0.00
Sundry Balances Written back (Net)	1.18	0.76
Miscellaneous Receipts	20.52	16.48
	<b>118.98</b>	<b>29.16</b>
<b>12 (INCREASE) / DECREASE IN STOCKS</b>		
Opening Stock		
Finished Goods	1,067.67	705.09
Process Stock	594.31	429.50
	<b>1,661.98</b>	1,134.59
Less : Closing Stock		
Finished Goods	1,905.20	1,067.67
Process Stock	816.78	594.31
	<b>2,721.98</b>	1,661.99
	<b>(1,060.00)</b>	(527.40)
<b>13 MATERIALS COSTS</b>		
Raw Materials Consumed		
Opening Stock	1,290.76	594.63
Add: Purchases	12,305.26	10,338.42
	<b>13,596.02</b>	10,933.05
Less: Sales/Transfers	261.24	226.45
	<b>13,334.78</b>	10,706.60
Less: Closing Stock	1,007.13	1,290.76
	<b>12,327.65</b>	9,415.85
	<b>12,327.65</b>	9,415.86
<b>14 MANUFACTURING EXPENSES</b>		
Power and Fuel	1,372.59	1,515.19
Consumption of Stores & Spares (Includes Obsolete material discarded Rs. 23.89 Lacs (Previous year Rs. Nil))	51.85	21.40
Consumption of Packing Materials	219.04	217.70
Repairs :		
Buildings	19.54	16.39
Plant and Machinery	95.02	67.74
Others	50.84	45.42
	<b>165.40</b>	129.55
<b>Excise duty on Increase/ Decrease in Finished Goods Stock</b>		
Excise Duty on Opening Finished Goods Stock	93.77	54.09
Less : Excise Duty on Closing Finished Goods Stock	203.95	93.77
Excise duty on Increase/ Decrease in Finished Goods Stock	110.18	39.68
Other expenses	5.28	4.23
	<b>1,924.34</b>	1,927.75

**Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2010**
**(Rupees in Lacs)**

	<b>As at 31.03.2010</b>	As at 31.03.2009
<b>15 Payments to and provisions for Employees</b>		
Wages, Salaries and Bonus	<b>654.61</b>	677.26
Provident & Other Funds	<b>54.71</b>	55.61
Welfare Expenses	<b>49.01</b>	53.34
Gratuity and Superannuation	<b>41.42</b>	58.06
	<b>799.75</b>	844.27
<b>16 ADMINISTRATIVE, SELLING AND OTHER EXPENSES</b>		
Rent	<b>4.42</b>	7.31
Rates and Taxes	<b>11.13</b>	19.72
Repairs	<b>4.36</b>	1.87
Auditors' Remuneration	<b>9.01</b>	7.50
Professional Fees	<b>54.51</b>	37.20
Travelling Expenses	<b>53.23</b>	26.84
Insurance	<b>24.69</b>	28.63
Loss on discarding / sale of Assets	<b>37.75</b>	13.34
Directors Sitting fees	<b>2.43</b>	4.73
Commission on Sales	<b>28.00</b>	30.10
Freight	<b>159.94</b>	171.76
Other Sales Expenses	<b>18.78</b>	24.59
Sales Tax	<b>58.90</b>	0.00
Exchange Rate Difference	-	110.82
Miscellaneous Expenses	<b>227.63</b>	185.40
	<b>694.78</b>	669.81
<b>17 INTEREST &amp; FINANCIAL CHARGES</b>		
Interest on :		
Fixed deposits & ICD borrowings	<b>25.97</b>	30.45
Working Capital Loan	<b>36.77</b>	38.91
Financial Charges	<b>68.91</b>	66.82
	<b>131.65</b>	136.18

**SCHEDULE - 18.**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2010.

**A. SIGNIFICANT ACCOUNTING POLICIES:****a. GENERAL:**

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

**b. USE OF ESTIMATES:**

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

**c. REVENUE RECOGNITION:**

Revenue from sale of products is recognized when the risks and rewards of ownership are passed on to the Customers, which is generally on dispatch of goods. Sales are stated inclusive of Excise duty but exclusive of discounts, returns and sales tax / VAT.

Interest income is recognized on time proportion basis. Dividend income is recognized when the right to receive the dividend is established

**d. FIXED ASSETS:**

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

**e. DEPRECIATION / AMORTISATION:**

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

**f. INVESTMENTS:**

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

**g. INVENTORIES:**

Inventories are valued on the following basis:

- a. Raw material, Components, Stores & Spares are valued at lower of cost 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 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. Costs includes cost of conversion and other costs and excise duty as applicable incurred in bringing the inventories to their present location & condition.

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

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

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

**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. Premium / Discount in respect of Forward Foreign Exchange contracts is recognized over the life of the contract.

**k. RESEARCH & DEVELOPMENT EXPENDITURE:**

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

**l. EMPLOYEE BENEFITS:**

Define Contribution plans :

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

Define Benefits plans :

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

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

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

**m. IMPAIRMENT OF ASSETS:**

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

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

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

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

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

Contingent liability is disclosed in the case of

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

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

## B. NOTES TO ACCOUNTS:-

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 32.24 Lacs (Previous year Rs 29.25 Lacs) net of advances of Rs.195.02 Lacs (Previous year Rs 29.25 Lacs)
- b. Contingent liabilities not provided for in respect of (Net of interest, if any, as may be levied on conclusion of relevant cases) :
  - i) Sales Tax :
 

Where Company is in appeal, Rs. Nil (Previous year Rs. 1.58 Lacs)  
Where Department is in appeal, Rs. 12.75Lacs (Previous year Rs. 12.75 Lacs)
  - ii) Income Tax:
 

Where Company is in appeal, Rs. 74.09 Lacs (Previous year Rs. 86.66 Lacs)  
Where Department is in appeal, Rs.45.50 Lacs (Previous year Rs. 262.01 Lacs)
  - iii) Excise Duty :
 

Where Department is in appeal, Rs. 66.19 Lacs (Previous year Rs. 66.19 Lacs)
  - iv) There are litigations and demands for re-instatement, recovery of wages and compensation, filed by certain ex-employees which are not acknowledged by the company and not provided for, amount unascertainable but in the opinion of the management amount would not be material.
- c. Pine Chemicals Limited which was amalgamated with the Company (Camphor & Allied Products Limited) had earlier filed a Writ Petition challenging the retrospective rescission by the Government of Jammu & Kashmir, of the Backward Area Incentive Scheme in respect of Sales Tax paid on Gum Resin for the period five years ending 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 has filed Writ Petition before the Hon. High Court at Jammu which is still pending disposal.
 

In the event of the claim being decided in favour of the Company, the Company would be entitled to refund of Rs. 59.03 lacs in respect of two years ended 31/03/1984 and in the event of it being decided against the Company, the company will be liable to repay Rs.98.11 lacs in respect of three years ended 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.
- d. Nagar Nigam Bareilly's notice of demand for House Tax, Water Tax etc. for the period from 01.06.2004 to 31.03.2008 has been disputed by the company and the matter is in Allahabad High Court pursuant writ petition filed by the Company. The management does not foresee even a remote possibility of an outflow of / adjustment to the resources embodying economic benefits, in view of the expert legal opinion in the matter obtained by the Company.
- e.
  - i) The amount of exchange difference (net) Credited to the Profit and Loss Account for the year Rs. 87.94 Lacs (Previous year debited Rs. 96.62 Lacs).
  - ii) Derivative Instruments:
 

Details of foreign currency hedged – Nil

Details of foreign currency unhedged:

Particulars	Foreign Currency	2009-10		2008-09	
		Amount in Foreign Currency	Indian Rupees Equivalent In lacs	Amount in Foreign Currency	Indian Rupees Equivalent In lacs
Assets : Debtors	US \$	<b>9,09,929.00</b>	<b>408.56</b>	1,052,179.00	534.41
Liabilities : Creditor	US \$	<b>Nil</b>	<b>Nil</b>	24,805.00	12.62
Liabilities : Buyers' Credit	US \$	<b>3,074,847.58</b>	<b>1380.61</b>	1,275,166.40	648.68
Liabilities : Packing Credit	US \$	<b>811,895.00</b>	<b>365.54</b>	777,372.00	394.83

**f. Segment Reporting :**

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

Secondary Segment: (By Geographical Segment) :

<b>Sales &amp; Operating Income</b>	<b>2009-2010 (Rs. In Lacs)</b>	2008-2009 (Rs. In Lacs)
Domestic	<b>13,499.47</b>	9,701.00
Export	<b>3,165.72</b>	3,792.05
<b>TOTAL</b>	<b>16,665.19</b>	13,493.05

**g. Auditors' Remuneration**

	<b>2009 - 10 (Rs. In Lacs)</b>	2008 - 09 (Rs. In Lacs)
Audit Fees	<b>4.00</b>	4.00
Tax Audit Fees	<b>1.50</b>	1.50
Certification Charges	<b>2.00</b>	2.00
Out of pocket expenses (including Service Tax)	<b>1.51</b>	0.77
<b>TOTAL</b>	<b>9.01</b>	8.27

**h. Managerial Remuneration\*:**

	<b>2009 - 10 (Rs. In Lacs)</b>	2008- 09 (Rs. In Lacs)
Salaries & Allowances	<b>48.02</b>	42.07
Perquisites in Cash or in Kind	<b>1.79</b>	5.44
Contribution to Provident and other funds	<b>0.66</b>	3.19
<b>TOTAL</b>	<b>50.47</b>	50.70

\*Excluding Contribution to Gratuity and Leave Entitlement.

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

**i. R & D Expenses included in various Heads :**

<b>Accounts Head</b>	<b>Year (2009-10) (Rs. In Lacs)</b>	Year (2008-09) (Rs. In Lacs)
Manufacturing Exp.	<b>9.27</b>	11.24
Payment to Employees	<b>9.50</b>	12.35
Depreciation	<b>6.00</b>	6.15
Adm, Selling & Other Exp	<b>24.51</b>	11.68
	<b>49.28</b>	41.42

**j. Related Party Disclosures as per Accounting Standard (AS) 18:**

List of Related party and their relationships:

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

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	Debit (Rs in Lacs)	Credit (Rs in Lacs)	Outstanding As On 31.03.2009 (Rs in Lacs)
1.	Oriental Aromatics Ltd.	Holding Company	Sales	281.45 (83.56)	-	33.65 (19.67)
			Loan Taken		475.00 (147.01)	-
			Interest Paid	4.67 (8.22)	-	-
			Deposit		200 (Nil)	200 (Nil)
			Rent Received		5.25 (Nil)	
2.	Oriental Aromatics Inc.	Fellow Subsidiary	Sales	126.11 (23.04)	-	-
3.	Dharmil Bodani	Managing Director	Remuneration	12.00 (7.29)	-	-
4.	Anil Bodani	Executive Chairman	Remuneration	12.00 (7.29)	-	-
5.	Shyamal Bodani	Executive Director	Remuneration	12.00 (7.29)	-	-
6.	D.S.Raghav	Executive Director	Remuneration	14.47 (Nil)		

Note: i) Figures in brackets pertains 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.

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

	2009-10 (Rs. In Lacs)	2008-09 (Rs. In Lacs)
Depreciation	666.40	710.00
Provision/Expense allowable in Subsequent years	(16.84)	(31.62)
<b>TOTAL</b>	<b>649.57</b>	678.38

**I. Calculation of Earning Per Share (EPS):**

	<b>2009-10</b> <b>(Rs. In Lacs)</b>	2008-09 (Rs. In Lacs)
Numerator: Profit after tax	<b>1024.24</b>	369.77
Denominator: Weighted Average Equity Shares (No.)	<b>51,33,674</b>	51,33,674
Basic and Diluted Earning Per Share (Rs.)		
Face Value – Rs. 10 per share	<b>19.95</b>	7.20

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

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

(Rs in Lacs)

<b>Description</b>	<b>Year ended March 31, 2010</b>	<b>Year ended March 31, 2009</b>
<b>A. Expense recognised in the statement of Profit and Loss</b>		
Account for the year ended March 31, 2009		
- Current Service Cost	11.16	17.29
- Interest Cost	10.97	12.63
- Expected return on plan assets	(5.96)	(13.92)
- Net actuarial (gain) / loss recognised during the year	21.16	17.18
Total Expense	37.33	33.18
<b>B. Actual return on plan assets</b>		
- Expected return of plan assets	5.96	13.92
- Actuarial (gain) / loss on plan assets	0.00	3.27
- Actual return of plan assets	5.96	17.19
<b>C. Net Asset / (Liability) recognised in the Balance Sheet</b>		
- Present value of obligation	180.44	158.12
- Fair value of plan assets	171.29	106.21
- Funded status (surplus / (deficit))	(9.15)	(51.90)
- Net Asset / (Liability) recognised in the Balance Sheet	(9.15)	(51.90)
<b>D. Change in Present value of Obligation during the year ended March 31, 2009</b>		
- Present value of obligation as at April 1, 2008	137.15	208.04
- Current Service Cost	11.16	12.63
- Interest Cost	10.97	17.28
- Benefits paid	(0.00)	(100.30)
- actuarial (gain) / loss on obligation	21.16	20.45
- Present value of obligation as at March 31, 2009*	180.44	158.12
<b>E. Change in Assets during the year ended March 31, 2009</b>		
- Fair value of plan assets as at April 1, 2008	0.00	189.31
- Expected return on plan assets	5.96	13.92
- Contributions made	165.34	-
- Benefits paid	(0.00)	(100.30)
- actuarial (gains) / loss on plan assets	0.00	3.27
- Fair value of plan assets as at March 31, 2009	171.30	106.21
<b>F. Major categories of plan assets as a percentage of total plan</b>	Debt Fund 100%	Debt Fund 100%
<b>G. Actuarial Assumptions</b>		
- Discount rate	8.00%	7.00%
- Mortality Rate	LIC (1994 – 96) Table	LIC (1994 – 96) Table
- Future salary increases consider inflation, seniority, promotion and other relevant factors	4.00%	3.00%

\* Funds of Rs. 171.30 lacs (Previous year Rs. 106.21 lacs) lying in the Gratuity trust managed by Life Insurance Corporation of India.



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

		Installed Capacity	** Actual Production ***	
			2009-10	2008-09
Camphor / Isoborneol	M. T.	3500 (3500)	3136.62	2974.68
Pine Oil / Terpeneols	M. T.	1500 (1500)	1640.31	1395.04
Poly – Terpene Resin	M. T.	1000 (1000)	760.39	716.48
Perfumery Chemicals	M. T.	1850 (1850)	1155.60	1047.57
Speciality Chemicals	M. T.	2250 (2250)	673.58	738.49
Intermediate Products	M. T.		3654.11	3686.81

Note : The License Capacities are De-licensed.

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

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

- B. Details of Stocks of Finished Goods:

Items	Unit	Opening Stock (As on 01/04/2009)		Closing Stock (As on 31/03/2010)	
		Quantity	Value (Rs. In Lacs)	Quantity	Value (Rs. In Lacs)
Camphor / Isoborneol	M.T.	194.81 (119.13)	338.02 (259.35)	475.77 (194.81)	1041.43 (338.02)
Pine Oil / Terpeneols	M.T.	45.78 (56.58)	78.58 (65.24)	137.98 (45.78)	202.22 (78.58)
Poly – Terpene Resin	M.T.	1.38 (31.27)	1.48 (44.13)	83.10 (1.38)	91.91 (1.48)
Perfumery Chemicals	M.T.	95.94 (80.26)	278.40 (73.69)	74.06 (95.94)	198.16 (278.40)
Speciality Chemicals	M.T.	107.54 (65.21)	263.36 (120.97)	86.84 (107.54)	205.52 (263.36)
Others	M.T.		107.83 (141.71)		165.96 (107.83)

Notes: 1. Figures in bracket relate to previous year.

**C. Raw Material Consumed:**

Items	Unit Quantity	2009-2010		2008-2009	
			Value (Rs. In Lacs)	Quantity	Value (Rs. In Lacs)
Turpentine / Pinene (KL)	M. T.	<b>8284.33</b>	<b>8903.41</b>	7072.65	5791.20
Acetic Acid	M. T.	<b>2065.195</b>	<b>604.21</b>	2021.56	698.32
Caustic Soda	M. T.	<b>2344.27</b>	<b>252.05</b>	2332.48	292.66
Phenol	M. T.	<b>204.86</b>	<b>135.49</b>	187.72	147.74
Others	M. T.		<b>2432.49</b>	-	2485.93
<b>TOTAL</b>			<b>12327.65</b>		9415.85

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

	2009-2010		2008-2009	
	Percentage %	Value (Rs. In Lacs)	Percentage %	Value (Rs. In Lacs)
Imported	<b>75.52</b>	<b>9310.37</b>	67.94	6397.30
Indigenous	<b>24.48</b>	<b>3017.28</b>	32.06	3019.55
<b>TOTAL</b>	<b>100.00</b>	<b>12327.65</b>	100	9415.85

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

	2009-2010		2008-2009	
	Percentage %	Value (Rs. In Lacs)	Percentage %	Value (Rs. In Lacs)
Indigenous	<b>100.00</b>	<b>135.38</b>	99.99	104.48
Imported	<b>0.00</b>	<b>0.00</b>	0.01	0.01
<b>TOTAL</b>	<b>100</b>	<b>104.49</b>	100	104.49

F. CIF Value of Imports:	2009-10	2008-09
Raw Material	<b>8018.52</b>	6644.43
Components & Spares Parts	<b>0.00</b>	0.00
Foreign currency transactions during the year:		
Traveling	<b>23.38</b>	1.54
Professional Fees	<b>11.61</b>	14.63
Dividend :		
a) No. of Non-Resident Shareholder	<b>0</b>	0
b) No. of Equity Shares held	<b>0</b>	0
c) Amount of Dividend	<b>0</b>	0
d) Year	<b>2009-10</b>	2008-09
Commission on Export	<b>10.72</b>	17.73
Earnings in Foreign Exchange on account of :		
Exports on F.O.B. Basis	<b>3078.00</b>	3491.99

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

**SIGNATURES TO SCHEDULES '1' TO '18'**

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

**Anil K. Bodani**  
*Executive Chairman*

**Dharmil A. Bodani**  
*Managing Director*

Place : Mumbai  
Dated : 21.05.2010.

**Vishnu Murkar**  
*Company Secretary*

# CAMPHOR & ALLIED PRODUCTS LIMITED

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

## ATTENDANCE SLIP

I hereby record my presence at the 38<sup>th</sup> Annual General Meeting of the Company on Thursday, September 16, 2010 at 11.30 a.m at registered office of the company.

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

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

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

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

Signature of the Shareholder / Proxy present

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

----- ✂ ----- TEAR HERE ----- ✂ -----

# CAMPHOR & ALLIED PRODUCTS LIMITED

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

## PROXY FORM

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

of \_\_\_\_\_

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

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

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

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

as my/ our proxy to attend and vote for me /us and on my/our behalf at the 38<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, September 16, 2010 and at any adjournment there of.

AS WITNESS my hand / or hands this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

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

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

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

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

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

Affix  
Re. 1  
Revenue  
Stamp

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

