

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	S-II	✓
YE	✓	✓		✓

116TH
Annual Report
1996-97

Report  junction.com

KEMP

KEMP & COMPANY LIMITED

KEMP & COMPANY LIMITED

116TH ANNUAL REPORT

BOARD OF DIRECTORS :

Shitin Desai
Ranjan Sanghi
Mohanlal Kejriwal
Shekhar Shah
Shiv Prakash Makharia

BANKERS :

Central Bank of India
State Bank of India

AUDITORS :

M/s. S.R. Batliboi & Associates

REGISTERED OFFICE :

E-6(1), Additional MIDC Area, Jalgaon - 425 003.

FACTORIES :

Furn Plastic Division
K-52, MIDC, Hingna Road, Nagpur - 440 015

Toys Division

E-6(1), Additional MIDC Area, Jalgaon - 425 003

INVESTORS' SERVICES DEPARTMENT :

DGP House, 88-C, Old Prabhadevi Road,
Mumbai - 400 025

REGISTRARS & SHARE TRANSFER AGENTS

Spectrum Corporate Services Ltd,
1st Floor , B Wing,
Shree Ganesh Industrial House,
W.T. Patil Marg, Near Amar Cinema,
Chembur, Mumbai - 400071.

BRANCH OFFICES :

Mumbai, Delhi, Calcutta, Madras

KEMP & COMPANY LIMITED**NOTICE**

NOTICE is hereby given that 116th Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at E-6(1), Additional MIDC Area, Jaigaon 425 003 on Tuesday, the 2nd September, 1997 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1997 and Profit & Loss Account for the year ended on that date, the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Shiv Prakash Maharia, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Mohanlal Kejriwal, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 the existing Article 109 be deleted and the following shall be substituted in its place:

The fees payable to a Director for attending a meeting of the Board shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the provisions of Section 310 of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof).

Provided further that in the case of a Corporation Director, if so desired by the Corporation appointing him, no sitting fees shall be paid to him. Such sitting fees may however, be paid to the appointing Corporation, if so desired by it."

NOTES

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b) The Register of Members and Share Transfer Registers of the Company will remain closed from Wednesday the August 27, 1997 to Tuesday the September 2, 1997 (both days inclusive).
- c) The dividend, if declared, will be paid to those shareholders whose names stand on Company's Register of Members as on September 2, 1997.
- d) Members are requested to notify promptly any change of address and furnish Mandates etc. to the Registrars and Share Transfer Agents at the following address:

M/s Spectrum Corporate Services Ltd,
1st Floor , B Wing,
Shree Ganesh Industrial House,
W.T. Patil Marg, Near Amar Cinema,
Chembur,
Mumbai - 400071.

KEMP & COMPANY LIMITED

- e) Shareholders desiring any information as regards Accounts are requested to write to the Company at least one week before the meeting so that the information required will be made available at the meeting.
- f) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividend upto Financial Year ended 31st March, 1993 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrant for the said periods are requested to claim the amount from the Registrar of Companies, Maharashtra, Mumbai.

By order of the Board

Registered Office :
E-6(1), Additional MIDC Area,
Jalgaon-425003.
Dated : July 11, 1997

Shekhar Shah
Director

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 6

In order to bring the Article 109 in conformity with the Companies Act, 1956 it is proposed to pass this resolution as Special Resolution as required by Section 31 of the Act. The resolution is recommended for your consideration and approval.

A copy of the existing Articles of Association of the Company incorporating the amendments is available for inspection of the members at the registered office of the Company during the working hours of 11 a.m. to 2 p.m. on all working days upto the date of the Annual General Meeting of the Company.

The Directors may be deemed to be concerned or interested in the above resolution, to the extent of sitting fee that may become payable to them for attending the meetings of Board of Directors or any committee(s) thereof.

By order of the Board

Shekhar Shah
Director

Registered Office :
E-6(1), Additional MIDC Area
Jalgaon-4250 03
Dated : July 11, 1997

KEMP & COMPANY LIMITED**DIRECTORS' REPORT**

The Directors have pleasure in presenting their 116th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 1997.

FINANCIAL RESULTS

	Year ended 31.3.1997 Rs.	Year ended 31.3.1996 Rs.
Sales & Other income	35,17,05,295	50,24,88,070
Gross Profit	2,45,08,122	2,07,04,850
Depreciation	1,19,42,275	1,01,38,376
Interest	60,38,970	48,13,004
Profit before Tax	65,26,877	57,53,470
Provision for Tax	(20,00,000)	(27,00,000)
Prior year Adjustment	49,81,442	1,73,130
Profit brought forward from previous year	18,19,989	20,76,189
Profit available for appropriation	1,13,28,308	53,02,789
Appropriations:		
Proposed Dividend	9,86,200	9,86,200
10% Tax on Proposed Dividend	98,620	—
Transfer to General Reserve	74,92,200	24,96,600
Balance Transferred to Balance Sheet	27,51,288	18,19,989
	1,13,28,308	53,02,789

OVERALL PERFORMANCE AND OUTLOOK

During the year under review your Company has re-organised its business activities. Greater emphasis is now being placed on high value added products like Office Partition Systems, Executive Sitting Systems etc., which have high growth potential. The manufacturing of Plastic Moulded Furniture has been discontinued. This has resulted in higher profit before tax despite drop in sales turnover.

First phase of the expansion project has been completed as per schedule. Your Company is now in the process of implementing the second phase of expansion project.

Measures taken by your Company on quality, productivity improvement & cost control have started yielding positive results. These measures & re-organisation of business activities are expected to enable the Company to turn in an improved performance in the coming year.

Reserves of the Company now stand at Rs.418.63 Lacs.

KEMP & COMPANY LIMITED

DIVIDEND

The Directors recommend payment of Dividend on Equity Shares at the rate of 10%.

DIRECTORS

Mr. Shiv Prakash Makharia and Mr. Mohanlal Kejriwal Directors retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

M/s S.R. Batliboi & Associates, Chartered Accountants retire at the ensuing Annual General Meeting and express their willingness to continue, if so appointed.

CONSERVATION OF ENERGY, ETC.

Additional information as required in terms of the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed herewith and forms part of this report (Annexure A).

INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year under review.

PARTICULARS OF EMPLOYEES

Particulars required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are annexed to and form part of this report (Annexure B).

ACKNOWLEDGEMENT

Your Directors record their gratitude to the Financial Institutions, Banks and other Government departments for their assistance and co-operation during the year.

Your Directors also wish to place on record their appreciation of the dedicated services of the employees of the Company.

For and on behalf of the Board

Report  junction.com

S. P. Makharia
Director

Shekhar Shah
Director

Mumbai,

Dated : July 11, 1997

KEMP & COMPANY LIMITED**ANNEXURE (A)**

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A) CONSERVATION OF ENERGY :

- a) Energy conservation measures taken :
 - Reduction in energy usage in Chromatising of Aluminium from converting process to cold etching.
- b) Additional proposals, if any, being implemented for reduction of consumption of energy :
 - Installation of temperature controllers to avoid overheating.
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
 - Expected to save 25,000 KWH/per annum worth Rs.75,000 p.a.
- d) Total energy consumption and energy consumption per unit of production :
 - Form 'A' of the annexure to the Companies (Disclosure of particulars in the Report of Board of Directors) Rule, 1988 is not applicable.

(B) TECHNOLOGY ABSORPTION**I) Research & Development**

- a) Specific areas in which R&D carried out by the company:
 - Introduced free form work tops. Introduced economical contemporary designed swivel chairs.
- b) Benefits derived as a result of above R & D :
 - World Class Design.
- c) Future Plan of Action :
 - Developing new furniture systems with advanced design using world class manufacturing methods.
 - Modularity & Reliability enhancement in Office Furniture.
- d) Expenditure on R & D
 - Expenditure on normal R & D is modest and hence not shown separately.

II) Technology Absorption, Adaptation And Innovation :

- a) Efforts taken for technology absorption and innovations :
 - Environment friendly process used in our range of swivel chairs manufacturing.
- b) Benefits derived as a result of the above efforts :
 - Improvement in product quality.
- c) Information regarding technology imported during last 5 years :
 - Technical know-how obtained from M/s. Element International Corporation, Canada for manufacture of Pre-fabricated Building, and from Klobier GmbH, Germany for manufacture of Swivel Seats i.e. Chairs, under collaboration agreements entered by the Company with the above named companies for Exclusive Licensing, Know-how and distributorship of the said product.

KEMP & COMPANY LIMITED

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports, initiatives taken to increase export, development of new export market for products & services and export plans :
- NIL
- b) Total foreign exchange used and earned during the year:
- | | Amount (Rupees in lacs) |
|----------|-------------------------|
| - Used | 139.41 |
| - Earned | NIL |

For and on behalf of the Board

S. P. Makharia
Director

Shekhar Shah
Director

Mumbai.
Dated: 11th July, 1997

Report  junction.com