

**119TH
Annual Report
1999-2000**



KEMP

KEMP & COMPANY LIMITED

KEMP & COMPANY LIMITED

119TH ANNUAL REPORT

BOARD OF DIRECTORS :

Mr. A. G. Warey
Mr. Mohanlal Kejriwal
Mr. Ranjan Sanghi
Mr. Shekhar Shah
Mr. Shitin Desai
Mr. Shiv Prakash Makharia
Mr. R. K. Banerjee *Executive Director*

BANKERS :

Central Bank of India
State Bank of India

AUDITORS :

M/s. Kalyaniwalla & Mistry
Chartered Accountants

REGISTERED OFFICE & FACTORY :

K-52, MIDC, Hingna Road, Nagpur - 440 015

INVESTORS' SERVICES DEPARTMENT :

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

REGISTRARS & SHARE TRANSFER AGENTS

Intime Spectrum Registry Pvt. Ltd.
260, Shanti Industrial Estate,
Sarojini Naidu Road,
Mulund (W),
Mumbai - 400 080.

BRANCH OFFICES :

Mumbai, Delhi, Calcutta, Chennai

KEMP & COMPANY LIMITED**NOTICE**

NOTICE is hereby given that 119th Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at K-52 MIDC, Hingna Road, Nagpur - 440 015 on Monday, the 18th September, 2000 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, 2000 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. Shitin Desai, 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 & if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 372A of the Companies Act, 1956, as amended by Companies (Amendment) Act, 1999, the Company do hereby confirm the Corporate Guarantee given to Housing Development Finance Corporation Ltd. for a term loan aggregating to Rs.15.00 crores granted to Vibhuti Investments Company Limited (VICL), an associate company, notwithstanding the fact that issue and execution of such guarantee together with all other investments or loans or security or guarantees already given may exceed the limits prescribed under the aforesaid provisions of the Companies Act, 1956."

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 Register of the Company will remain closed from Friday, the 8th September, 2000 to Monday, the 18th September, 2000.
- c) Members desirous of obtaining any information as regards Accounts are requested to write to the Company atleast one week before the meeting so that the information required will be made available at the meeting.
- d) With effect from 5th June, 2000 Share registry operation of our Registrars are centralised at the following address:
M/s Intime Spectrum Registry Pvt. Ltd.,
260, Shanti Industrial Estate,
Sarojini Naidu Road,
Mulund (W) MUMBAI - 400 080
- e) Members are requested to notify promptly any change in address to the Registrars at the above address:
- f) The unclaimed dividends upto financial year 1994-95 have been transferred to the General Reserve Account of the Central Government. Shareholders who have not encashed their dividend warrants for the said

KEMP & COMPANY LIMITED

periods are requested to claim the amount from the Registrar of Companies, Maharashtra, Mumbai.

As a result of the amendments introduced through Sections 205 to 205C of the Companies Act, 1956 any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the Company to a fund called "Investor Education and Protection Fund" to be set up by the Central Government. Accordingly, the unpaid / unclaimed dividends for the years 1995-96 onwards will become transferable at the end of seven years respectively, to the said Investor Education and Protection Fund and no claims shall lie against the fund or the Company in respect of individual amounts thereafter. Shareholders are therefore requested to check up and send their claims, if any, for the relevant years from 1995-96 onwards before the respective amounts become due for transfer to the above fund.

By order of the Board,

VEENA NAIR

Deputy Company Secretary

Registered Office :
K-52, MIDC, Hingna Road,
Nagpur - 440 015
Dated : 12th June, 2000

ANNEXURE TO NOTICE

Explanatory Statement Pursuant To Section 173 Of The Companies Act, 1956.

Item No. 6

Vibhuti Investments Company Ltd. (VICL) an associate company has been sanctioned a Term loan of Rs.15.00 crores by Housing Development Finance Corporation Limited. The Company has deposited the title deeds of the property owned by the company, located at 88-C Old Prabhadevi Road, Mumbai 400 025 by way of security for due repayment of term loan of Rs.15.00 crores.

As per the provisions of Sec. 372A of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1999, corporate guarantees given by the Company in excess of prescribed limits are required to be placed for confirmation before the shareholders.

None of the Directors other than Mr. Shekhar Shah, is in any way, concerned or interested in the resolution.

The Board of Directors recommend the Resolution for your approval.

By order of the Board,

VEENA NAIR

Deputy Company Secretary

Registered Office :
K-52, MIDC, Hingna Road,
Nagpur - 440 015
Dated : 12th June, 2000

KEMP & COMPANY LIMITED**DIRECTORS' REPORT**

The Directors have pleasure in presenting their 119th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2000.

FINANCIAL RESULTS

	Year ended 31.3.2000 Rs.	Year ended 31.3.1999 Rs.
Sales & Other Income	35,33,96,562	39,89,55,722
Gross Profit	3,69,40,724	3,40,41,824
Depreciation	1,46,80,598	1,53,10,873
Interest	1,39,64,911	1,20,63,638
Profit before Tax	82,95,215	66,67,313
Provision for Tax	(20,00,000)	(16,00,000)
Prior year Adjustment	—	(44,248)
Profit brought forward from previous year	17,82,810	17,67,577
Profit available for appropriation	80,78,025	67,90,642
Appropriations:		
Interim Dividend	9,86,200	—
Tax on Dividend	1,08,482	—
Proposed Dividend	—	9,86,200
Provision for tax on Proposed Dividend	—	1,08,482
Transfer to General Reserve	59,82,975	39,13,150
Balance Transferred to Balance Sheet	10,00,368	17,82,810
	80,78,025	67,90,642

OVERALL PERFORMANCE AND OUTLOOK

The Profit after tax for the year under review at Rs. 62.95 Lacs (Previous year Rs. 50.67 Lacs) shows an improvement of 24% over the previous year. However, overall sales for the year are lower due to strategic divestment of the Klobber range of office chairs and Toys business.

Your Company has further strengthened its market position in the modular office furniture business through introduction of new products and innovative marketing strategies.

The outlook for the coming year is favourable.

Reserves of the Company now stand at Rs.575.08 Lacs.

DIVIDEND

Your Directors had on March 30, 2000 approved payment of interim dividend of Re.1/- per share (@ 10%). The Board recommends for your approval that this interim dividend be taken as final dividend for the year.

KEMP & COMPANY LIMITED

LISTING OF EQUITY SHARES

The Company's Equity Shares are listed on the Stock Exchange, Mumbai situated at Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001. The Company has made up to date payment of the listing fees.

STATUS OF Y2K COMPLIANCE

The Y2K transmission was smooth and without any disruption to the Company's operations.

DIRECTORS

Mr. Shitin Desai and Mr. Mohanlal Kejriwal, Directors retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

M/s Kalyaniwalla & Mistry, 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

R. K. Banerjee
Executive Director

A. G. Warey
Director

Mumbai,

Dated : June 12, 2000

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 :
 - Pneumatic lines connected to all compressors to avoid wastage of compressed air, in case of low utility and to operate with smaller compressor.
- b) Additional proposals, if any, being implemented for reduction of consumption of energy :
 - Steam generation by use of low-pressure boiler and to use the steam for heating chemical tanks in chromatization.
- 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.
 - Measures (a) and (b) together resulted in 10% energy saving.
- 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:
 - Developed steel version of Element frame to replace Aluminium frame.
 - Developed all varieties of MDF/Particle board tiles viz. fascia and pin-up in to steel.
 - Developed acoustic tiles to absorb sound and avoid noise spreading.
 - b) Benefits derived as a result of above R & D :
 - Cost effective and international standard product.
 - c) Future Plan of Action :
 - Develop a cost effective and installation friendly modular furniture system.
 - Develop cost competitive storages in steel.
 - Develop frame panel systems for low and full heights.
 - 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 :
 - Launched low cost Element Office Furniture System with steel frames.
 - Introduced the Projection welding method for fixing studs in Steel components.