


Authorised Signatory
A.G. WAREY, DIRECTOR.

**121ST
Annual Report
2001 - 2002**



KEMP

KEMP & COMPANY LIMITED

KEMP & COMPANY LIMITED

121ST ANNUAL REPORT

BOARD OF DIRECTORS :

Mr Dilip G. Piramal - *Chairman*
Mr. A. G. Warey
Mr. Mohanlal Kejriwal
Mr. Ranjan Sanghi
Mr. Shekhar Shah

BANKERS :

Central Bank of India

AUDITORS :

M/s. Kalyaniwalla & Mistry
Chartered Accountants

REGISTERED OFFICE :

K-52, MIDC, Hingna Road, Nagpur - 440 016

INVESTORS' SERVICES DEPARTMENT :

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

REGISTRARS & SHARE TRANSFER AGENTS

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

BRANCH OFFICES :

Mumbai
Delhi
Calcutta

KEMP & COMPANY LIMITED

NOTICE

Notice is hereby given that 121st Annual General Meeting of the members of KEMP & COMPANY LIMITED will be held at the Registered Office of the Company at K-52 MIDC, Hingna Road, Nagpur - 440 016, on Tuesday, 24th September, 2002 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2002 and Profit & Loss Account for the year ended on that date, the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ranjan Sanghi who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 :

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution :

"RESOLVED THAT Mr. Dilip G. Piramal be and is hereby appointed as a Director of the Company".

By Order of the Board,



Dilip G. Piramal
Chairman

Registered Office:

K-52 MIDC,
Hingna Road,
Nagpur - 440 016

Dated 28th June, 2002

KEMP & COMPANY LIMITED**ANNEXURE TO NOTICE****Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956****ITEM No. 4**

Mr. Dilip G. Piramal is appointed as Additional Director of the Company at the meeting of the Board of Directors held on 31st October, 2001 under section 260 of the Companies Act, 1956. He holds office only upto the date of this meeting and in respect of whom the Company has received notices in writing under section 257 of the Companies Act, 1956 alongwith deposits of Rs. 500/- for each notice, from certain shareholders intimating their intention to propose Mr. Dilip G. Piramal as the candidate for the office of the Director.

None of the Directors of the Company other than Mr. Dilip G. Piramal, in any way, is concerned or interested in the resolution.

The Board of Directors recommend this resolution for your approval.

By Order of the Board,

Registered Office:

K-52 MIDC,
Hingna Road,
Nagpur - 440 016

Dilip G. Piramal

Chairman

Dated 28th June, 2002

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 Monday, 16th September, 2002 to Tuesday, the 24th September, 2002 (both days inclusive).
- c) Members desirous of obtaining 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.
- d) Members are requested to notify promptly any change of address and furnish Mandates etc. to Registrar and Share Transfer Agents at the following address:
M/s. Intime Spectrum Registry Limited
260, Shanti industrial Estate, Sarojini Naidu Road, Mulund (W), Mumbai – 400 080
- e) The unclaimed dividends upto the company's financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants for the said 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" set up by the Central Government. Accordingly, the unpaid/unclaimed dividends for the years 1994-95 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.

KEMP & COMPANY LIMITED**DIRECTORS' REPORT**

The Directors have pleasure in presenting their 121st Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31 2002.

FINANCIAL RESULTS :

	Year Ended 31.3.2002 Rs.	Year Ended 31.03.2001 Rs.
Sales and Other Income	5,61,39,752	5,74,62,598
Gross Profit	44,13,326	40,79,837
Depreciation	19,90,891	20,34,077
Interest	1,93,873	2,16,441
Profit Before Tax and Extraordinary item	22,28,562	18,29,319
Extraordinary Item	(93,42,058)	—
Provision For Tax	(12,75,000)	(6,20,000)
Add : Deferred Tax	11,24,407	—
Prior year Adjustments	1,48,153	(7,23,956)
Profit/(Loss) after Tax	(71,15,936)	4,85,363
Profit Brought forward from previous year	1,40,470	10,00,368
Balance Transferred from General Reserve	69,75,466	—
Profit Available for appropriation	NII	14,85,731

Appropriation:

Proposed Dividend	—	10,80,200
Tax on Proposed Dividend	—	1,10,180
Transfer to General Reserve	—	1,54,881
Balance transferred to Balance Sheet	—	1,40,470
	NII	14,85,731

OVERALL PERFORMANCE AND OUT LOOK

The turnover of the year under review was marginally lower at Rs. 561.40 lacs due to depressed market conditions. The loss for the year at Rs. 72.64 lacs (Previous year Profit of Rs. 12.09 Lacs) is mainly due to provision of Rs. 92.42 Lacs toward diminution in the value of the investments.

The outlook for the coming year is favourable.

Reserves of the company now stand at Rs. 290.27 Lacs.

Dividend

In view of the losses your Directors do not recommend any Dividend for the year (previous year 10%)

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- ☐ that in the preparation of the annual accounts for the financial year ended 31st March, 2002, the applicable accounting standard have been followed along with proper explanation relating to material departures;
- ☐ that the Directors have selected such accounting policies and applied them consistently and made

KEMP & COMPANY LIMITED

judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year under review.

- ☐ that the Directors have taken proper and sufficient care for the maintenance of adequate accounting the 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.
- ☐ that the Directors have prepared the accounts for the financial year ending 31st March, 2002 on a 'going concern' basis.

LISTING OF EQUITY SHARES

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

DEPOSITORY

You will be pleased to know that during the year your Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) making its shares eligible for demat through NSDL or CDSL. The shareholders are requested to get their holdings dematerialised at the earliest.

DIRECTORS

Mr. Shivprakash Makharia and Mr. Shitin Desai resigned as Director w.e.f. 31.10.2001. The Directors place on record their appreciation of the valuable services rendered by Mr. Shivprakash Makharia and Mr. Shitin Desai during their tenure as Director.

Mr. Dilip G. Piramal has been appointed as Additional Director w.e.f. 31.10.2001. The approval of the shareholders is being sought to the appointment.

Mr. Ranjan Sanghi, Director retires by rotation and being eligible offers himself 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 as appointed.

CONSERVATION OF ENERGY, ETC.

Additional information as required in terms of the Provision 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).

PARTICULARS OF EMPLOYEES

The Company has no employee drawing Rs. 24,00,000/- or more during the year and hence the particulars as required under section 217 (2A) of the Companies Act, 1956 have not been furnished.

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

Dilip G. Piramal
Chairman

Mumbai
Dated : 28th June, 2002

KEMP & COMPANY LIMITED

ANNEXURE (A)

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE 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:

The Company is predominantly a marketing company and hence its energy consumption is relatively low.

- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Please refer to the explanation provided in (a) above.

- 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: Not applicable

- d) Total energy consumption and energy; consumption per unit of production: Form 'A' of the annexure to the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988, is not applicable.

B) TECHNOLOGY ABSORPTION:

Not applicable.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange used and earned during last year:

Amount (Rupees in lacs)

Used : Nil

Earned : Nil

For and on behalf of the Board

Dilip G. Piramal
Chairman

Mumbai

Dated : 28th June, 2002

KEMP & COMPANY LIMITED**REPORT OF THE AUDITORS TO THE MEMBERS OF
KEMP & COMPANY LIMITED**

- 1) We have audited the attached Balance Sheet of **KEMP & COMPANY LIMITED** as at 31st March, 2002 and also the Profit and Loss Account of the Company 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 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 test basis, evidence supporting the amounts and disclosure 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 Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we annexure 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 above, we report that:
 - i) 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.
 - ii) 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 such books.
 - iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (1) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2002; and
 - (2) In the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date.
- 5) On the basis of the written representations received from the Directors as on 31st March 2002, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

E.K. IRANI
Partner

Place: Mumbai
Dated : 28th June, 2002