

**124th
Annual Report
2004 - 2005**



KEMP

KEMP & COMPANY LIMITED

KEMP & COMPANY LIMITED

124TH ANNUAL REPORT

BOARD OF DIRECTORS :

Mr. Dilip G. Piramal - *Chairman*
Dr. Gita Piramal
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.
C-13, Kantilal Maganlal Indl. Estate,
Pannalal Silk Mill Compound, L.B.S. Road,
Bhandup (W), Mumbai - 400 078.

BRANCH OFFICES :

Mumbai
Delhi
Calcutta

KEMP & COMPANY LIMITED

NOTICE

NOTICE is hereby given that 124th 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 - 440 016 on Monday, the 19th September, 2005 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2005 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. Shekhar Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. 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

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

“RESOLVED THAT Dr. Gita Piramal be and is hereby appointed as Director of the Company.”

By Order of the Board of Directors

Registered Office :
K-52, MIDC, Hingna Road,
Nagpur- 440 016.

Shekhar Shah
Director

Dated : 30th June, 2005

ANNEXURE TO NOTICE

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

ITEM NO. 5

Dr. Gita Piramal was appointed as an Additional Director of the company at the meeting of the Board of Directors held on 18th April, 2005 under section 260 of the Companies Act, 1956. Dr. Gita Piramal is 50 years of age and has obtained a Doctorate in Business History from Bombay University and is an eminent and widely read author on Indian Economy & Business.

The Board of directors recommend the resolution for your approval.

None of the Directors other than Dr. Gita Piramal is concerned or interested in the aforesaid resolution.

By Order of the Board of Directors

Shekhar Shah
Director

Registered Office :
K-52, MIDC, Hingna Road,
Nagpur- 440 016.

Dated : 30th June, 2005

KEMP & COMPANY LIMITED

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) Proxies in order to be effective, should be completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
- c) The Register of Members and Share Transfer Register of the Company will remain closed from Thursday, the 8th September, 2005 to Monday, the 19th September, 2005 both days inclusive.
- d) 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.
- e) Members are requested to notify promptly any change in address to the Registrars at the following address:

Intime Spectrum Registry Ltd.
C-13, Kantilal Maganlal Industrial Estate,
Pannalal Silk Mill Compound,
L.B.S Road, Bhandup (W)
Mumbai – 400 078

- f) 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 Section 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 seven 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 and no payments shall be made in respect of any such claims by the Fund. Members who have not yet encashed their dividend warrants for the years 1997 - 98 onwards are requested to make their claims to the company accordingly without any delay. It may be noted that the unclaimed dividend for the financial year 1997 - 98 is due for transfer to the Fund on 15th October, 2005.

KEMP & COMPANY LIMITED**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their 124th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2005.

FINANCIAL RESULTS

	Year ended 31.03.2005	Year ended 31.03.2004
Sales & Other Income	8,04,80,056	7,33,86,765
Gross Profit	76,54,676	78,53,819
Depreciation	17,28,648	18,83,311
Interest	81,337	22,606
Profit before Tax and Extraordinary item	58,44,691	59,47,902
Extraordinary Item	—	7,00,000
Provision for Tax (Net of Deferred Tax)	27,50,410	25,78,899
Prior year Adjustments	(14,00,942)	94919
Profit / (Loss) after Tax	16,93,339	27,63,922
Profit brought forward from previous year	13,69,302	9,04,483
Profit available for appropriation	30,62,641	36,68,405

APPROPRIATIONS :

Proposed Dividend	10,80,200	10,80,200
Tax on Proposed Dividend	1,54,266	1,38,401
Transfer to General Reserve	3,99,999	10,80,502
Balance transferred to Balance Sheet	14,28,176	13,69,302
	30,62,641	36,68,405

OVERALL PERFORMANCE AND OUTLOOK

The Sales and other income for the year under review was higher at Rs. 804.80 Lacs (Previous year 733.86 Lacs). The Company has made a profit of Rs. 16.93 Lacs as against a profit in the previous year at Rs.27.63 lacs.

The outlook for the coming year is favourable.

Reserves of the company now stand at Rs. 319.36 Lacs.

KEMP & COMPANY LIMITED**DIVIDEND**

The Directors are pleased to recommend for your consideration a Dividend @ 10% (previous year 10%)

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements 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, 2005, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and 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 for that year under review.
- that the Directors have taken proper and sufficient care 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.
- that the Directors had prepared the accounts for the financial year ending 31st March, 2005 on a 'going concern' basis.

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 upto date payment of the listing fees.

DIRECTORS

Dr. Gita Piramal has been appointed as Additional Director w.e.f. 18th April, 2005. Being additional Director she holds office only upto the ensuing Annual General Meeting. Notices in writing under section 257 of the Companies Act, 1956 have been received from few members of the company proposing her candidature.

Mr. Shekhar Shah, 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 appointed.

CONSERVATION OF ENERGY ETC.

As the Company is not engaged in any manufacturing activity, there are no particulars to be disclosed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as regards conservation of energy or technology absorption. Further, during the year under review, the Company has neither earned nor spent any foreign exchange.

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.

KEMP & COMPANY LIMITED

INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year under review.

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

Shekhar Shah

Director

Ranjan Sanghi

Director

Mumbai

Dated : 30th June, 2005

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