

**126th
Annual Report
2006 - 2007**



KEMP

KEMP & COMPANY LIMITED

KEMP & COMPANY LIMITED

126TH ANNUAL REPORT

BOARD OF DIRECTORS

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 AGENT

Intime Spectrum Registry Limited
C-13, Kantilal Maganlal Industrial Estate,
Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (W), Mumbai - 400 078

BRANCH OFFICES

Mumbai
Delhi
Kolkata

KEMP & COMPANY LIMITED

NOTICE

NOTICE is hereby given that the 126th 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, the 25th September 2007 at 11.30 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt, the audited Balance Sheet as at 31st March, 2007 and the Profit & Loss Account for the financial year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Mohanlal Kejriwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration, and for the purpose, consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Kalyaniwalla & Mistry, Chartered Accountants, the retiring Auditors, be and are hereby re-appointed as the Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorised to fix their remuneration for the said period in addition to reimbursement to them of actual out of pocket expenses as may be incurred in the performance of their duties.”

By Order of the Board of Directors

Shekhar Shah

Director

Registered Office :

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

Dated : 29th June, 2007

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b) Proxies in order to be effective, should be duly completed, stamped, signed and be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
- c) Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, the 18th September, 2007 to Tuesday, the 25th September, 2007 (both days inclusive).
- d) Members desirous of obtaining any information in respect of accounts and operations of the Company are requested to write to the Company at least one week before the meeting, to enable the Company to make available the required information at the meeting.

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- e) Members are requested to notify immediately any change in their address registered with the Company, to Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai – 400 078, the Registrars and Share Transfer Agent of the Company, in respect of equity shares held in physical form and to their respective Depository Participants (DPs) in respect of equity shares held in electronic form.
- f) Consequent upon the amendment of Section 205A and the insertion of Section 205C by the Companies (Amendment) Act, 1999 the amount remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India 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 1999-2000 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 1999-2000 is due for transfer to the Fund on 5th November, 2007.
- g) Under the provisions of Section 109A and 109B of the Companies Act, 1956, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their share in the Company, shall vest after his/her/ their lifetime. Members who are holding shares in physical form and are interested in availing this nomination facility are requested to write to the Company or the Company's Registrar and Share Transfer Agent Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai – 400 078.
- h) As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their own copies to the Meeting.



KEMP & COMPANY LIMITED**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their 126th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2007:

FINANCIAL RESULTS

(Amount in Rupees)

	Year ended 31.03.2007	Year ended 31.03.2006
Sales & Other Income	64,027,714	6,44,65,275
Gross Profit	81,12,431	54,30,694
Depreciation	13,61,976	15,65,357
Interest	43,541	84,766
Profit before Tax and Extraordinary item(s)	6,706,914	37,80,571
Extraordinary Item(s):		
Add: Profit on sale of investment	—	7,31,40,000
Less: VRS paid	—	15,50,000
Provision for Tax (Net of Deferred Tax & Fringe Benefit Tax)	24,23,204	1,48,49,656
Prior year Adjustments	(108,507)	(1,62,448)
Profit / (Loss) after Tax	41,75,203	6,03,58,467
Profit brought forward from previous year	5,10,54,945	14,28,176
Profit available for appropriation	5,52,30,148	6,17,86,643
APPROPRIATIONS:		
Proposed Dividend	10,80,200	10,80,200
Tax on Proposed Dividend	1,83,634	1,51,498
Transfer to General Reserve	5,00,000	95,00,000
Balance transferred to Balance Sheet	53,466,314	5,10,54,945
	5,52,30,148	6,17,86,643

OVERALL PERFORMANCE AND OUTLOOK

During the year under review, Sales & Other Income has recorded marginal decline to Rs. 640.28 Lacs as compared to Rs.644.65 Lacs in the previous year. The profit after tax at Rs.41.75 Lacs during the year under review was lower compared to Rs. 603.58 Lacs in the previous year. The profit figures in the previous year included an extra ordinary item of profit on sale of investment.

The outlook for the coming year is favourable.

The Reserves and Surplus of your Company stood at Rs.939.74 Lacs, as on 31st March, 2007.

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DIVIDEND

Your Directors are pleased to recommend for your consideration a Dividend of Re.1/- per equity share i.e. @ 10% per share (previous year Re.1/- per equity share).

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:

- i) that in the preparation of the annual accounts for the financial year ended 31st March 2007, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made 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 profit of the Company for that year under review;
- iii) 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;
- iv) that the Directors have prepared the accounts for the financial year ended 31st March, 2007 on a 'going concern' basis;

LISTING OF EQUITY SHARES

The Company's equity shares are listed on the Bombay Stock Exchange Limited, Mumbai situated at Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001. The Company has made upto date payment of the listing fees.

DIRECTORS

Mr. Mohanlal Kejriwal, Director, who retires by rotation and being eligible offers himself for re-appointment.

A proposal to re-appoint Mr. Mohanlal Kejriwal as a Director is included in the Notice convening the ensuing Annual General Meeting

AUDITORS

M/s. Kalyaniwalla & Mistry, Chartered Accountants, retire at the ensuing Annual General Meeting and express their willingness to continue, if so appointed. As required under the provisions of Section 224 of the Companies Act, 1956, the Company has obtained a written certificate from the Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

A proposal seeking their re-appointment is provided as part of the Notice of the ensuing Annual General Meeting.

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COMPLIANCE CERTIFICATE

Pursuant to proviso to Section 383A of the Companies Act, 1956, a certificate from a Company Secretary in whole-time practice in respect of compliance by the Company with all the provisions of the Companies Act, 1956, is attached to this Report.

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 whose remuneration details are required to be provided under the purview of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year under review.

ACKNOWLEDGMENT

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 of Directors

Mohanlal Kejriwal
Director

Shekhar Shah
Director

Place : Mumbai

Date : 29th June, 2007

RAGINI CHOKSHI & CO.**Company Secretaries**34, Kamar Building, 5th Floor, 38 Cawasji Patel Street, Fort, Mumbai – 400 001

Date : 29th June, 2006

COMPLIANCE CERTIFICATE

Registration no. of the company : 11 – 0047
Nominal Capital : Rs. 1,45,00,000/-
Issued & Paid-up Capital : Rs. 1,08,02,000/-

To,
The Members,
KEMP AND COMPANY LIMITED

We have examined the registers, records, books and papers of KEMP AND COMPANY LIMITED (Regd. No. 11-0047) (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2007. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company and its officers we certify that in respect of the aforesaid financial year :

- 1) The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per the provisions and rules made thereunder and all entries therein have been duly recorded.
- 2) The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
- 3) The Company is a Public Limited Company and hence comments are not required.
- 4) The Board of Directors duly met five times respectively on 15th April, 2006, 29th June, 2006, 29th July, 2006, 31st October, 2006 and 29th January, 2007 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the Minutes Book maintained for the purpose.
- 5) The Company closed its Register of Members, and/or Debenture holders from 18th September, 2006 to 25th September, 2006 and necessary compliance of section 154 of the Act has been made.
- 6) The Annual General Meeting for the financial year ended on 31st March 2006 was held on 25th September, 2006 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7) No Extra Ordinary General Meeting was held during the financial year.
- 8) The Company has not advanced any loan to its Directors and / or persons, firms or companies referred in Section 295 of the Act.

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- 9) The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
 - 10) The Company has made the entries in the register maintained under section 301 of the Act.
 - 11) As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
 - 12) The Company has not issued any duplicate share certificate during the financial year under review.
 - 13) The Company has:
 - (i) Delivered all the certificates on allotment of securities and on lodgment thereof for transfer or any other purpose in accordance with the provisions of the Act.
 - (ii) Deposited the amount of dividend declared in a separate bank account which is within 5 days from the date of declaration of such dividend.
 - (iii) Paid / Posted warrants for dividend to all the members within a period of 30 days from the date of declaration.
 - (iv) Transferred the amounts in unpaid dividend account to the Investor Education and Protection Fund.
 - (v) Duly complied with the requirements of Section 217 of the Act.
 - 14) The Board of Directors of the company is duly constituted. There was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year.
 - 15) The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
 - 16) The Company has not appointed any sole selling agent during the financial year.
 - 17) The Company was not required to obtain any approvals of the Central Government, Company Law Board / Regional Director / Registrar and / or such other authorities prescribed under the various provisions of the Act during the financial year.
 - 18) The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provision of the Act and the rules made there under.
 - 19) The Company has not issued any shares, debentures or other securities during the financial year.
 - 20) The Company has not bought back any shares during the financial year.
 - 21) The Company has not redeemed any preference shares or debentures during the financial year.
 - 22) There was no transactions necessitating to keep in abeyance rights to dividend / rights shares and bonus shares pending registration of transfer of shares.
 - 23) The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975, during the financial year under review from public.
 - 24) The amount borrowed by the company from other bodies corporate during the financial year ending 31st March, 2007 are within the borrowing limits of the Company.
 - 25) The Company has made investments and given guarantees or provided securities to other bodies corporate and consequently entries have been made in the register kept for the purpose.
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