

128th Annual Report

2008-2009

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KEMP

KEMP & COMPANY LIMITED

128th Annual Report

Board of Directors

Mr. Maneck Davar
Mr. K. C. Gupte
Mr. Mohanlal Kejriwal
Mr. Ranjan Sanghi
Mr. Shekhar Shah

Bankers

Central Bank of India

Auditors

M/s. Kalyaniwalla & Mistry
Chartered Accountants

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Registered Office

78-A, MIDC Estate, Satpur, Nashik - 422 007
Maharashtra

Investors' Services Department

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

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
C-13, Kantilal Maganlal Industrial Estate
Pannalal Silk Mills Compound, L.B.S. Marg
Bhandup (W), Mumbai-400 078

Branch Offices

Delhi
Kolkata

NOTICE

Notice is hereby given that 128th Annual General Meeting of the Members of Kemp & Company Limited will be held at "NIWEC", P-29, Street 14, MIDC Satpur, Nashik – 422 007, on Friday the 25th September, 2009 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, 2009 and Profit & Loss Account for the year ended on that date, the Reports of the Directors and Auditors thereon.
2. To declare dividend on the 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 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 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."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Maneck Davar, who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 18th March, 2009 and who holds office upto the date of this Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Maneck Davar as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

By the order of the Board of Directors

Kishore C. Gupte
Director

Registered Office:

78 A, MIDC Estate

Satpur

Nashik – 422 007

Date: 30th June, 2009

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM No. 5**

Mr. Maneck Davar was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 18th March, 2009 under Section 260 of the Companies Act, 1956. Mr. Davar holds office only upto the date of this meeting. The Company has received a notice in writing alongwith the requisite deposit of Rs. 500/- under section 257 of the Companies Act, 1956, from one of the shareholders intimating his intention to propose appointment of Mr. Maneck Davar as a Director of the Company.

Mr. Davar is 51 years of age and is a well known Journalist having experience of more than 25 years in the field of Journalism and general management. His appointment would benefit the Company through his extensive experience.

The Board of Directors recommend passing of the Resolution as set out at Item No. 5 of the accompanying Notice.

None of the Directors other than Mr. Maneck Davar is in any way, concerned or interested or deemed to be concerned or interested in passing the above resolution.

By the order of the Board of Directors

Registered Office:

78 A, MIDC Estate
Satpur
Nashik – 422 007
Date: 30th June, 2009

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Kishore C. Gupte
Director

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/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b) Proxies in order to be effective, should be deposited duly completed, stamped and signed 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 Share transfer Books of the Company will remain closed from Tuesday, the 1st September, 2009 to Friday, the 11th September, 2009 (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.
- e) Members are requested to notify immediately any change in their address registered with the Company, to M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, the

KEMP & COMPANY LIMITED

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) 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 shares 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, M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.
- g) Consequent upon the amendment to Section 205A and the introduction 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 any such claims by the Fund. Members who have not yet encashed their dividend warrants for the year 2002-03 onwards are requested to make their claims to the Company accordingly, without any delay.
- h) Copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their own copies to the Meeting.

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DIRECTORS' REPORT

Your Directors have pleasure in presenting their 128th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2009:

Financial Results

	Year ended 31.3.2009 Rs.	Year ended 31.3.2008 Rs.
Sales & Other Income	6,64,71,220	7,18,49,079
Gross Profit	89,18,661	1,28,97,480
Depreciation	16,08,672	16,67,511
Interest	1,00,931	1,53,951
Profit before Tax	72,09,058	1,10,76,018
Provision for Tax (Net of Deferred Tax & Fringe Benefit Tax)	14,31,878	30,10,536
Prior year Adjustments	(4,28,972)	(25,303)
Profit / (Loss) after Tax	53,48,208	80,40,179
Profit brought forward from previous year	5,07,42,713	5,34,66,314
Profit available for appropriation	5,60,90,921	6,15,06,493
APPROPRIATIONS:		
Proposed Dividend	10,80,200	10,80,200
Tax on Proposed Dividend	1,83,580	1,83,580
Transfer to General Reserve	50,00,000	95,00,000
Balance transferred to Balance Sheet	4,98,27,141	5,07,42,713
	5,60,90,921	6,15,06,493

Overall Performance and Outlook

During the year under review, while the Sales & Other Income has declined by 8.09% from Rs. 718.49 lacs to Rs. 664.71 lacs, the profit after tax due to pressure on margins has recorded decrease of 33.48% from Rs. 80.40 lacs to Rs. 53.48 lacs.

The outlook for the coming year is favourable.

Reserves of the Company now stand at Rs. 1048.35 lacs as on 31st March, 2009.

Dividend

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

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 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures.

KEMP & COMPANY LIMITED

- 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 ending 31st March, 2009 on a 'going concern' basis.

Listing of Equity Shares

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

Directors

Mr. Maneck Davar, was appointed as an Additional Director on 18th March, 2009 and holds office till the date of conclusion of the ensuing Annual General Meeting. The approval of the shareholders is being sought to the appointment of Mr. Maneck Davar at the ensuing Annual General Meeting.

Dr. Gita Piramal, Director had resigned from the Board w.e.f. 18th March, 2009. Your Directors place on record their appreciation of the services rendered by Dr. Gita Piramal.

Mr. Shekhar Shah, Director retires by rotation and being eligible offers himself for re-appointment. A proposal for reappointment of Mr. Shekhar Shah as Director is included in the Notice convening the ensuing Annual General Meeting

Public Deposits

Your Company has not invited or accepted any Public Deposits during the financial year under report and does not plan to invite or accept any deposit(s) during the current financial year.

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 approval for their re-appointment is placed as part of the Notice of the ensuing Annual General Meeting.

Compliance Certificate

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

Your 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) Rule, 1975.

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.

By the order of the Board of Directors

Registered Office:
78 A, MIDC Estate
Satpur
Nashik – 422 007
Date: 30th June, 2009

K. C. Gupte Director

Shekhar Shah Director

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KEMP & COMPANY LIMITED**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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2009. 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 there under 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 there under.
3. The Company is a Public Limited Company and hence comments are not required.
4. The Board of Directors duly met Six times respectively on 27th June, 2008, 31st July, 2008, 31st October, 2008, 22nd December, 2008, 30th January, 2009 and 18th March, 2009, 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 16/09/2008 to 26/09/2008 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 2008 was held on 26th September, 2008 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.
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 necessary 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 on 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.