

130th Annual Report
2010-2011

KEMP

KEMP & COMPANY LIMITED

130th Annual Report

Board of Directors

Mr. Maneck Davar

Mr. M. K. Arora (w.e.f. 30.5.2011)

Mr. Ranjan Sanghi

Mr. Shekhar Shah

Bankers

Central Bank of India

Auditors

M/s. Kalyaniwalla & Mistry

Chartered Accountants

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 the 130th Annual General Meeting of the Members of Kemp & Company Limited will be held at the Registered Office of the Company at 78 A, MIDC Estate, Satpur, Nashik – 422 007, on Thursday the 29th September, 2011 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, 2011 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. Maneck Davar, who retires by rotation and being eligible, offers himself for reappointment.
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 having Registration No. 104607W, 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 the 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. M. K. Arora, who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 30th May, 2011 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. M. K. Arora 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

M. K. Arora
Director

Registered Office:
78-A, MIDC Estate
Satpur
Nashik – 422 007
Date: 30th May, 2011

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5

Mr. M. K. Arora was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 30th May, 2011 under Section 260 of the Companies Act, 1956. Mr. Arora 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. M. K. Arora as a Director of the Company.

Mr. Arora is 68 years of age and is having experience of more than 4 decades in the Corporate Law 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. M. K. Arora is in any way, concerned or interested or deemed to be concerned or interested in passing the above resolution.

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 20th September, 2011 to Thursday, the 29th September, 2011 (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 Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), 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) Under the provisions of Section 109A and 109B of the Companies Act, 1956, a 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 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 2003-2004 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 2003-2004 is due for transfer to the Fund on 17th November, 2011.
- 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.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 130th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2011:

Financial Results

(Amount in Rupees)

	Year ended 31.3.2011	Year ended 31.3.2010
Sales & Other Income	71,571,562	68,242,693
Gross Profit	14,570,025	12,248,492
Depreciation	1,836,482	1,613,258
Interest	-	-
Profit before Tax	12,733,543	10,635,234
Provision for Tax (Net of Deferred Tax & Fringe Benefit Tax)	3,244,461	2,978,045
Profit / (Loss) after Tax	9,489,082	7,657,189
Prior year Adjustments	(133,109)	227,963
Profit brought forward from previous year	51,452,685	49,827,141
Profit available for appropriation	60,808,658	57,712,293
APPROPRIATIONS:		
Proposed Dividend	1,080,200	1,080,200
Tax on Proposed Dividend	175,235	179,408
Transfer to General Reserve	5,000,000	5,000,000
Balance transferred to Balance Sheet	54,553,223	51,452,685
	60,808,658	57,712,293

Overall Performance and Outlook

During the year under review, while the Sales and Other Income recorded improvement of 4.88% from Rs. 68,242,693/- to Rs. 71,571,562/-, the profit after tax recorded increase of 23.92% from Rs. 7,657,189/- to Rs. 9,489,082/-. The profit before Tax for the year ended 31st March, 2011 was at Rs. 12,733,543/- (previous year Rs. 10,635,234/-).

The outlook for the coming year is favourable.

Reserves of the Company was at Rs. 119,561,134/- as on 31st March, 2011.

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) on 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 2011, 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 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.
- 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, 2011 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. M. K. Arora was appointed as an Additional Director of your Company with effect from 30th May, 2011 and holds office till the conclusion of the ensuing Annual General Meeting. The approval of Shareholders is being sought to the appointment of Mr. M. K. Arora as a Director of your Company at the ensuing Annual General Meeting.

Mr. K. C. Gupte has resigned as the Director of your Company with effect from 31st March, 2011. Your Directors do place on record its appreciation for the valuable services rendered by Mr. K. C. Gupte during his tenure as Director.

Mr. Maneck Davar, Director retires by rotation and being eligible offers himself for re-appointment. A proposal for reappointment of Mr. Maneck Davar 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.

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.

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 the provisions of the Companies Act, 1956, is annexed 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

M. K. Arora
Director

Ranjan Sanghi
Director

Registered Office :

78A, MIDC Estate, Satpur
Nashik -422 007

Date: 30th May, 2011

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 the Company for the financial year ended on 31st March 2011. 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 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 Four times respectively on 26th May, 2010, 12th August, 2010, 9th November, 2010, 11th February, 2011, 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 10th August, 2010 to 20th August, 2010 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, 2011 was held on 20th August, 2010 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 a period 30 days from the date of declaration.
 - (iv) Transferred the amounts in unpaid account to the Investor Education & 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 appointment of Additional Director 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 agents 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 Equity 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 dividends/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 31-03-2011 are within the borrowing limits of the Company.
 25. The Company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's Registered office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
 30. The Company has not altered its Article of Association during the year under scrutiny.
 31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishments was imposed on Company during the financial year, for offences under the Act.
 32. The Company has not received any money as security from its employees during the financial year, under certification.
 33. The Company has deposited both employee's and employer's contribution to Provident Fund prescribed authorities pursuant to Section 418 of the Act.

Signature :
Name of the Company Secretary
MRS. RAGINI CHOKSHI
FOR RAGINI CHOKSHI & ASSOCIATES

(Proprietor)
C.P.No.1436

Place: Mumbai
Date: 30th May, 2011

Annexure A

Registers as maintained by the Company:

1. Register of Members u/s. 150.
2. Minutes Book of Meeting.
3. Book of Accounts u/s. 209.
4. Registers of Directors, Managing Director, Manager and Secretary u/s.303.
5. Register of Directors shareholding u/s. 307.
6. Register of Transfer.
7. Annual General Meeting Attendance.
8. Register of Charges.
9. Directors Attendance Register.
10. Register of Proxies.
11. Register and Returns u/s.163.
12. Declaration u/s.299 Received.
13. Register of Investments u/s.49.

Annexure B

Forms and Returns as titled by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

Sr. No.	Form No. / Return	Filed under Section	Period	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid Yes/No
1.	Form No. 66	383A	2009-2010	06/09/2010	Yes	No
2.	Form No. 23AC	220	2009-2010	13/09/2010	Yes	No
3.	Annual Return	159	2009-2010	18/10/2009	Yes	No