

**KEMP & COMPANY LIMITED**

**KEMP**

**133<sup>rd</sup> Annual Report 2013-14**



# 133<sup>rd</sup> Annual Report

## **Board of Directors**

Mr. Maneck Davar  
Mr. Ranjan Sanghi  
Mr. Shekhar Shah  
Mr. M. K. Arora

## **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, 5<sup>th</sup> Floor  
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 133<sup>rd</sup> 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 Friday, the 26<sup>th</sup> September, 2014 at 11.00 a.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2014, the statement of 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 for the financial year 2013-14.
3. To appoint a Director in place of Mr. M. K. Arora, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration, and for the purpose, to 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 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s Kalyaniwalla & Mistry, Chartered Accountants, having Registration No. 104607W the retiring Auditors, be and are hereby re-appointed as the Statutory 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 of actual out of pocket expenses as may be incurred by them in the performance of their duties.”

**SPECIAL BUSINESS:**

5. To consider & if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ranjan Sanghi (DIN 00275842), who was appointed as a Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of 5 years commencing from 26<sup>th</sup> September 2014 up to 25<sup>th</sup> September, 2019.”
6. To consider & if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Shekhar Shah (DIN 00002882), who was appointed as a Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of 5 years commencing from 26<sup>th</sup> September 2014 up to 25<sup>th</sup> September, 2019.”
7. To consider & if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Maneck Davar (DIN 01990326), who was appointed as a Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of 5 years commencing from 26<sup>th</sup> September 2014 up to 25<sup>th</sup> September, 2019.”

By the order of the Board of Directors

**M. K. Arora**  
Director

Place : Mumbai  
Dated: 13<sup>th</sup> August, 2014  
Registered Office:  
78-A, MIDC Estate, Satpur  
Nashik – 422 007

**NOTES:**

- (a) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the businesses under Item No. 5 to 7 of the accompanying Notice and the details in respect of the Directors proposed to be appointed / re-appointed at the Annual General Meeting to be provided under Clause 49 of the Listing Agreement with Stock Exchange where the shares of the Company are listed, are annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- (c) Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, the 16<sup>th</sup> September, 2014 to Friday, the 26<sup>th</sup> September, 2014 (both days inclusive).
- (d) The dividend as recommended by the Board of Directors if approved by the Members at the ensuing Annual General Meeting will be paid on Tuesday, the 7<sup>th</sup> October 2014 as under:
  - i) To the Members holding shares in physical form, whose names appear in the Company's Register of Members as on 26<sup>th</sup> September 2014.
  - ii) To the Beneficial Owners, whose names appear in the beneficial owners list to be furnished for this purpose by the National Securities Depository Limited and the Central Depository Services (India) Limited as on the close of business hours on 15<sup>th</sup> September, 2014.
- (e) Members desirous of obtaining any information in respect of Annual 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.
- (f) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, (Unit – Kemp & Company Limited), C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078, Tel. No.: +91-22-25963838, Fax No.: +91-22-25946969.
- (g) Members are requested to notify immediately, any change in their address registered with the Company to Link Intime India Private Limited, (Unit - Kemp & Company Limited), C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078, Tel. No.: +91-22-25963838, Fax No.: +91-22-25946969, the Registrar 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.

- (h) Under the provisions of Section 72 of the Companies Act, 2013, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their share(s) in the Company, shall vest after his/ her/their lifetime. Members who are holding share(s) 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, Link Intime India Private Limited, (Unit - Kemp & Company Limited), C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078, Tel. No.: +91-22-25963838, Fax No.: +91-22-25946969 and those Members who are holding share(s) in electronic form, are requested to write to their respective Depository Participants (DPs).
- (i) Consequent to Sections 124 and 125 of the Companies Act, 2013 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. As stipulated by the Ministry of Corporate Affairs (MCA) through its various circulars, the Company has uploaded, on its website as also on the website of the MCA, the information regarding unpaid and unclaimed amount of dividend, fixed deposit and interest accrued thereon, lying with the Company upto the financial year ended 31<sup>st</sup> March, 2013 updated till the date of 132<sup>nd</sup> Annual General Meeting i.e. 28<sup>th</sup> June, 2013. Members who have not yet encashed their dividend warrants for the years 2006-2007 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 2006-2007 is due for transfer to the Fund on 30<sup>th</sup> September, 2014.
- (j) In order to render better and efficient services, Members are requested to consolidate the multiple folios which are in the same names and in identical order. Consolidation of folios does not amount to transfer of shares and therefore no stamp duty or other expenses are payable for the same. In case any Member(s) decide to consolidate his/her/their folios, he/she/they is/are requested to forward his/her/their share certificates, along with a request letter, to the Company or the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, (Unit - KEMP & Company Limited), C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078, Tel. No.: +91-22-25963838, Fax No.: +91-22-25946969.
- (k) Members may also note that the Notice of the 133<sup>rd</sup> Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website [www.kempnco.com](http://www.kempnco.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Nashik for inspection during normal business hours on any working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [kemp-investor-help@vipbags.com](mailto:kemp-investor-help@vipbags.com)
- (l) Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Members facility to exercise their right to vote at the 133<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

**The instructions for e-voting are as under:**

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]

**Participants(s)]:**

- (i) Open email and open PDF file viz; "KEMP e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
  - (vii) Select "EVEN" of Kemp & Co. Ltd.
  - (viii) Now you are ready for e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [chokshiragini@gmail.com](mailto:chokshiragini@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the covering letter annexed to the Annual Report: EVEN (E Voting Event Number) USER ID PASSWORD/PIN
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences from 22<sup>nd</sup> September 2014 (9:00 a.m.) and ends on 24<sup>th</sup> September 2014 (6:00 p.m.).

During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> August 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22<sup>nd</sup> August 2014.
  - VII. Ms. Ragini Chokshi, Company Secretary in practice (Membership No. 2390) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.
  - IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.kempnco.com](http://www.kempnco.com) and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange.
- (o) 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.
- (p) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.



**ANNEXURE TO THE NOTICE**

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

**ITEM Nos. 5 to 7**

Mr. Ranjan Sanghi, Mr. Shekhar Shah and Mr. Maneck Davar are Independent Directors of the Company. The Securities and Exchange Board of India (SEBI) has amended clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company. It is proposed to appoint Mr. Ranjan Sanghi, Mr. Shekhar Shah and Mr. Maneck Davar as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for a period of 5 years commencing from 26<sup>th</sup> September 2014 up to 25<sup>th</sup> September 2019.

Mr. Ranjan Sanghi, Mr. Shekhar Shah and Mr. Maneck Davar are not disqualified from being appointed as Directors in terms of Section 164 and 184 of the Act and have given their consent to act as Directors.

The Company has also received declarations from Mr. Ranjan Sanghi, Mr. Shekhar Shah and Mr. Maneck Davar that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Ranjan Sanghi, Mr. Shekhar Shah and Mr. Maneck Davar fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Ranjan Sanghi, Mr. Shekhar Shah and Mr. Maneck Davar are independent of the management of the Company.

Brief resume/profile of Mr. Ranjan Sanghi, Mr. Shekhar Shah and Mr. Maneck Davar along with the nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are annexed to this Notice.

Copy of the draft letters for respective appointments of Mr. Ranjan Sanghi, Mr. Shekhar Shah and Mr. Maneck Davar as Independent Directors setting out the terms and conditions are available for inspection by Members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Mr. Ranjan Sanghi, Mr. Shekhar Shah and Mr. Maneck Davar are interested in passing of the resolutions set out at Item Nos. 5 to 7 of the Notice with regard to their respective appointments. The relatives of Mr. Ranjan Sanghi, Mr. Shekhar Shah and Mr. Maneck Davar may be deemed to be interested in the resolutions set out respectively at Item Nos. 5 to 7 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except as above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested financially or otherwise, in passing of these resolutions.

The Board recommends the Ordinary Resolutions set out at Item Nos. 5 to 7 of the Notice for approval by the shareholders.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT**

(In pursuance to Clause 49 of the Listing Agreement)

**Mr. Shekhar Shah (DIN 00002882)**

Mr. Shekhar Shah, 67 is a Commerce Graduate and is a well known Industrialist with an experience of over four decades in Textile Industry and specialization in fabric for armed forces. Mr. Shekhar Shah is Director in Vibhuti Investments Co. Ltd., Emsons (Agencies) Pvt Ltd., Cloister Investments & Finance Pvt Ltd., Rosary Finance & Investment Cons. Pvt Ltd., Enar Traders Pvt Ltd. and Imperial Assets & Capital Management Pvt Ltd.

**Mr. Ranjan Sanghi (DIN 00275845 )**

Mr. Ranjan Sanghi, 70 is a Commerce Graduate and is a Businessman with experience of more than five decades in Automobile Industry. Mr. Ranjan Sanghi is Director in Bajaj Finance Ltd., HDFC Trustee Co. Ltd., Morarjee Textiles Ltd., Suraj Sanghi Finance Ltd., Saha & Sanghi Auto Agencies Pvt. Ltd., Rajesh Sanghi Auto Traders Pvt. Ltd., Tyresoles Concessionaries Pvt. Ltd.,

**Mr. Maneck Davar (DIN 01990326)**

Mr. Maneck Davar, 56 is a Arts Graduate and is a Businessman with vast experience in Media & Publication. Mr. Maneck Davar is Director in Spenta Multimedia Pvt Ltd., Blue Water Publication Pvt Ltd., Smart Manager Media Pvt Ltd., Liquid Publishing Pvt Ltd., Spenta Management Pvt Ltd., Mumbai Boat Show Pvt Ltd. and MW.Com (India) Pvt Ltd.

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their 133<sup>rd</sup> Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2014:

**FINANCIAL RESULTS**

(Amount in Rs.)

	Year ended 31.3.2014	Year ended 31.3.2013
Sales & Other Income	84,109,785	73,401,089
Gross Profit	15,283,132	10,849,103
Depreciation	1,526,876	1,537,639
Interest	-	-
Profit before Tax	13,756,256	9,311,464
Provision for Tax (Net of Deferred Tax )	2,295,621	1,962,674
Profit / (Loss) after Tax	11,460,635	7,348,790
Prior year Adjustments	45,000	123,059
Profit brought forward from previous year	60,726,438	59,764,487
Profit available for appropriation	72,142,073	66,990,218
APPROPRIATIONS:		
Proposed Dividend	1,080,200	1,080,200
Tax on Proposed Dividend	183,580	183,580
Transfer to General Reserve	5,000,000	5,000,000
Balance transferred to Balance Sheet	65,878,293	60,726,438
	72,142,073	6,690,218

**OVERALL PERFORMANCE AND OUTLOOK**

During the year under review, while the Sales and Other Income recorded increase of 14.59% from Rs.73,401,089/- to Rs.84,109,785/- the profit after tax recorded increase of 58.01% from Rs.7,348,790/- to Rs.11,460,635/-. The profit before tax for the year ended 31<sup>st</sup> March, 2014 was at Rs.13,756,256/- (previous year Rs.9,311,464/-).

The outlook for the coming year is favourable.

Reserves of the Company was at Rs.145,886,204/- as on 31<sup>st</sup> March, 2014.

**DIVIDEND**

Your Directors are pleased to recommend for your consideration a Dividend of Re. 1/- per equity share i.e. @ 10% (previous year Rs.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 the Directors' Responsibility Statement, your Directors confirm that:

- in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- they have selected such accounting policies and applied them consistently and made judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year ended 31<sup>st</sup> March 2014 and of the profits of your Company for the financial year ended 31<sup>st</sup> March 2014;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- the annual accounts for the financial year ended 31<sup>st</sup> March, 2014 have been prepared 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.